

ELEVATOR DIVISION RETIREMENT BENEFIT PLAN
SUMMARY PLAN DESCRIPTION

July 2021

Elevator Division Retirement Benefit Plan

35-40 36th Street
Long Island City, New York 11106
(212) 689-4204

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July 2021

Dear Participant:

We are pleased to present you with this Summary Plan Description for the Elevator Division Retirement Benefit Plan. This Summary Plan Description is a summary of the provisions set forth in the plan of benefits of the Elevator Division Retirement Benefit Plan. Local Union No. 3, International Brotherhood of Electrical Workers and the Elevator Industry Association, Inc. established the Plan, on November 1, 1987, to help accumulate monies for your retirement on a tax-deferred basis. The Plan is an important supplement to your other benefits, Social Security and personal savings.

For simplicity, this Summary Plan Description uses the following terms:

- The Elevator Division Retirement Benefit Plan is called the “Plan;”
- This Summary Plan Description is called the “SPD;”
- The Plan’s benefits are described in a long manuscript is called the “Plan Document;”
- Local Union No. 3, International Brotherhood of Electrical Workers is called the “Union;”
- Anyone who becomes eligible to join the Plan, is called a “Participant;”
- An employer that is required to remit payments to the Plan pursuant to a collective bargaining agreement with the Union or a participation agreement with the Plan is called an “Employer”
- Payments that your Employer is required to make to the Plan are called “Contributions;”
- Contributions are accumulated in a trust fund called the “Trust” and the Trust is operated in accordance with its “Trust Agreement;”
- A Collective Bargaining Agreement is called a “CBA;”

- Employment on or after November 1, 1987 in a position covered by a CBA requiring your Employer to remit contributions is called “Covered Employment;” and
- An individual who becomes entitled to receive a benefit from the Plan upon your death is called a “Beneficiary”.

This SPD is addressed to you, the Participant. The primary purpose of this SPD is to provide you with a non-technical explanation of the most important features of the Plan. Among other things, it tells you:

- when you qualify for a benefit,
- how your benefit is paid, and
- what happens if you die before receiving your benefit.

The Plan is administered by a Board of Trustees. The Board of Trustees consists of an equal number of representatives of the Union and of the Employers.

Please read this SPD carefully and, if you are married, share it with your Spouse. If you have questions, call the staff at the Plan’s office at 212-690-4204.

We have made every effort to ensure that what you read here accurately reflects the terms of the Plan Document. However, should there be any discrepancy between the Plan Document and this SPD, the Plan Document will govern.

This SPD reflects the terms of the Plan Document in effect through March 2021. The benefits of any person who retired, or otherwise terminated employment prior to March 2021 will be determined under the Plan provisions in effect at such time, unless otherwise required by law.

The Board of Trustees of the
Elevator Division Retirement Benefit Plan

1. **Becoming a Participant**

A. **When do I become a Participant?**

You become a Participant on your first day of Covered Employment.

B. **What happens if I cease working in Covered Employment or have a change in work status with my Employer?**

You cease being a Participant if you have stopped working in Covered Employment or if you have a change in work status and are no longer employed in Covered Employment.

If you cease being a Participant, and then resume working in Covered Employment, you will again be a Participant as of the first day you perform at least one Hour of Service. An "Hour of Service" is an hour you are paid, as reported on your Employer's "Contractors Weekly Payroll Report". As discussed below, depending on the amount of time between your periods of employment, your service earned during each period of employment may count toward vesting and benefit accrual. Vesting means you have a legal right to a benefit. Benefit accrual is the way you benefit grows each year. You become vested and earn benefits as you earn Years of Service.

2. **How do I earn a Year of Service?**

You earn a "Year of Service" for vesting each time you earn 870 Hours of Service during the 12 months of November 1 through October 31. The period November 1 to October 31 is called the "Plan Year." You earn a Year of Service towards your benefit accrual when you earn at least 1,000 hours during a Plan Year. But if you are credited with at least 870 or more actual hours worked, but less than 1,000 hours, you will be credited with a partial Year of Service for benefit accrual on a prorated basis. For example, if you had 900 hours, you would earn a Year of Service for vesting purposes, but only 9/10^{ths} (900/1,000) of a Year of Service for benefit accrual purposes. If you are credited with less than 870 hours in a Plan Year, you do not earn any part of a Year of Service for that Plan Year.

(There is a special rule for the Plan Year that goes from November 1, 1996 to

October 31, 1997. You received a Year of Service for vesting purposes if you worked at least 583 Hours in that year. You received a Year of Service for benefit accrual if you worked 670 Hours in that year. If you worked at least 583 Hours, but less than 670 Hours in that year, you received a pro-rated partial Year of Service for benefit accrual purposes.)

You will also earn Years of Service for time you spend in military service to the extent required by law. In order to receive credit for military service, you must return to employment or apply for re-employment within the time required by law after your return from the military service. Contact the Plan for information on earning Years of Service if you will be absent from employment due to military service.

Your Employer may grant you a leave of absence, or you may take a leave of absence in accordance with the Family and Medical Leave Act. During your absence, you will not earn Hours of Service towards a Year of Service. However, absence under the Family and Medical Leave Act will not be counted when determining whether you have incurred a Break in Service, as described below.

3. What is the Normal Retirement Age?

Your "Normal Retirement Age" is determined as follows:

- If you have worked at least one hour in Covered Employment on or after November 1, 1998, your Normal Retirement Age is the day you reach age 62.
- If you did not work at least one hour in Covered Employment on or after November 1, 1998, but worked at least one hour in Covered Employment on or after November 1, 1995, your Normal Retirement Age is the day you reach age 65 or the fifth anniversary of your entering Covered Employment, whichever is later.
- If you did not work at least one hour in Covered Employment on or after November 1, 1995, your Normal Retirement Age is the day you reach age 65.

You are not required to retire when you reach your Normal Retirement Age. If you continue in Covered Employment after your Normal Retirement Age, you will

continue to accrue benefits for your additional Years of Service earned until you retire. Your **Normal Retirement Date** is the first of the month following the month you attain your Normal Retirement Age.

4. How do I become vested?

You will be 100% vested when you reach Normal Retirement Age while in Covered Employment. Otherwise, you become vested in whatever benefit you earn based on the number of Years of Service that you have earned in accordance with the following vesting schedule

<u>Years of Service Earned</u>	<u>Percent Vested</u>
Less than three	0%
Three	20%
Four	40%
Five	60%
Six	80%
Seven	100%

For example, if you earned six Years of Service for vesting, then you are entitled to 80% of the benefit you earned. Unless your prior Years of Service have been forfeited under the Break in Service rules described below, all of your service with an Employer is counted toward vesting. This includes service with an Employer prior to November 1, 1987. In addition, if you worked for an Employer in non-Covered Employment after November 1, 1987 and such employment is contiguous with your employment in Covered Employment (that is, there is no separation between the two periods of employment) your employment in non-Covered Employment will count for earning Years of Service for vesting purposes. References to your benefit in this SPD means percentage vested of the benefit you earned.

5. What does it mean if I am not 100% vested?

If you have less than seven years at the time you cease earning Years of Service for vesting purposes, you will only be entitled to the percent of the benefit you earned from the schedule above. The non-vested portion of your benefit will be

forfeited if you incur five consecutive one-year Breaks in Service. A “Break in Service” is any Plan Year you do not perform at least 435 Hours of Service.

However, a leave of absence under the Family and Medical Leave Act will not be counted in determining whether you have incurred a Break in Service. Time spent in military service may also not count in determining a Break in Service.

6. How are Benefits calculated?

If you earned an Hour of Service on or after February 26, 2018 and retire upon (or after) reaching your Normal Retirement Age, you will be entitled to receive a monthly benefit for life, starting on your Normal Retirement Date (the first day of the month after you attain your Normal Retirement Age) in an amount equal to the rate shown below multiplied by the number of your Years of Service earned for benefit accrual purposes.

<u>If you earned an Hour of Service on or after:</u>	<u>Your Rate is:</u>
February 26, 2018	\$46
March 1, 2021	\$48
February 28, 2022	\$50
February 27, 2023	\$52

If you did not earn an Hour or Service after February 25, 2018 a different rate will apply depending on when you worked in Covered Employment. Contact the Plan’s Office to get information on how to determine your benefit.

7. Do I have to retire on my Normal Retirement Age to get a benefit?

No. There are a few different types of benefits available under the Plan.

A. Deferred Retirement Benefit

If you continue to work in Covered Employment after your Normal Retirement Age, you will continue to accrue benefits for all your Years of Service until actual retirement. If you do defer retirement and continue to work past your Normal Retirement Age, there will be no payment of benefits until the earlier of your actual retirement or the April 1st of the year after you reached the mandatory

distribution age. Before 2020, the mandatory distribution age was 70½. After 2019, the mandatory distribution age is 72.

If you have are not working in Totally Disqualifying Employment (as described in Appendix A) but chose to delay receiving your benefit until after your Normal Retirement Age, your benefit will be actuarially increased to reflect that delay and the fact that you will be receiving your retirement benefit for a shorter period of time. The actuarial increase applies only to months that you did not work at least 40 hours in Totally Disqualifying Employment, and it will be 1% per month for the first 60 months after your Normal Retirement Age and 1.5% for each thereafter.

B. Early Retirement Benefit

If you earned an Hour of Service on or after November 1, 2002, you can start your benefit as early as age 55 (your “Early Retirement Age”). (The Early Retirement Age is different if you did not earn an Hour of Service on or after November 1, 2002).

If you retire on or after reaching Early Retirement Age, you will receive your benefit, reduced for early payment in accordance with the Table 1 below. (Different percentages apply if you failed to earn an Hour of Service on or after November 1, 2002.

TABLE 1

<u>Age:</u>	<u>% of Benefit</u>
55	65
56	71
57	77
58	83
59	89
60	95
61	97

C. Enhanced Early Retirement Benefit

The Early Retirement reduction factors under Table 2 will apply if you:

(1) Earn one or more Hours of Service in Covered Employment on or after

February 26, 2012;

- (2) Earn at least one Year of Service for benefit accrual during the five Plan Years preceding the commencement date of your Early Retirement Benefit;
- (3) Cease Covered Employment after you have attained Early Retirement Age; and
- (4) Apply for your Early Retirement Benefit no later than the last day of the sixth month following your cessation of work in Covered Employment;

TABLE 2

<u>Age:</u>	<u>% of Benefit:</u>
55	77
56	83
57	89
58	95
59	97
60	100
61	100

You can satisfy the requirements (1) and (2) above, if you earn at least two Years of Service towards your benefit after October 31, 2011.

If you have not attained the exact age specified in Tables 1 or 2 as of the date payment of your Early Retirement Benefit begins (your “Annuity Starting Date”), the reduction percentage shall be determined by pro-rating the difference in percentages between your age and the next age. (For the purpose of prorating, a month with more than 15 days shall count as a full month.) For example, if your Early Retirement Benefit is reduced in accordance with Table 1, and your 57th birthday is on March 4, and your Annuity Starting Date is June 1, your benefit reduction percentage is 77% plus the difference between 83% and 77%, multiplied by 3 divided by 12. (It is 3 months from March to June. March is counted as a full month because your date of birth occurs between the 1st and 15th day of the month.) As a result, your benefit reduction percentage is 77% + (6% x (3/12)) or 78.5%.

8. What benefits am I entitled to if I terminate employment with my Employer before I am eligible to receive a retirement benefit?

If you terminate employment with your Employer after you have earned enough service to accumulate a benefit and be vested, but before you are eligible to receive a retirement benefit from the Plan, you can receive your vested percentage of your benefit once you meet the requirements for payment of an Early Retirement Benefit or a Normal Retirement Benefit. (If eligible for an Early Retirement Benefit, it would be subject to the reduction discussed above.)

9. Does the Plan provide any benefit if I become disabled?

The Plan does provide a benefit if you become disabled, but only if you meet the following conditions:

- Your Covered Employment terminates by reason of a Disability;
- You must be awarded a disability benefit from Social Security) and
- For each of the ten calendar years immediately preceding the date of the injury or illness that caused your Disability occurred, you have been employed in Covered Employment or registered as available for Covered Employment with the Joint Employment Office of the Elevator Industry.

The Disability benefit is equal to the greater of 75% of your Benefit or 100% of your Benefit actuarially reduced for your age. You are treated as 100% vested if you become eligible for a Disability Benefit. In no event is the Disability benefit less than your benefit under Early Retirement.

The actuarially reduced Benefit is determined by having the Plan's actuary calculate the present value of the Benefit you would be eligible for beginning at age 62, calculated as of the date of the commencement of your Disability Benefit. The present value calculation takes into consideration interest rate assumptions and your life expectancy. As a result, the amount of the present value will vary from participant to participant, even though they may have the same number of Years of Service for benefit accrual purposes. Following the present value calculation, your benefit is converted into a lifetime annuity.

You must file an application for a Disability Benefit within two years of the date of

the initial illness or injury described on your Social Security disability award, or, if you are collecting Workers' Compensation benefits, within two years of the effective date of your first Workers' Compensation payment. Accordingly, it is recommended that you file your application for a Disability Benefit from the Plan at the same time that you file your application for a Social Security disability award.

Payment of the Disability Benefit will start within a reasonable period of time after the Plan receives a copy of your Social Security disability award. The benefit will be paid retroactive to the first day of the first month beginning after the effective date of Disability, as determined under the award.

In the event that you receive Disability benefits under any other benefit plan that your Employer contributes to, the Plan will pay you only Disability benefits, and you will be ineligible to receive any other form of benefits under this Plan (for example, an Early Retirement Benefit) during the time you are receiving such Disability benefits.

10. When do I start receiving my benefits?

If you timely file an application for benefits and it is approved, payment of your benefit will generally begin as of the first of the month following your applicable retirement date. However, in any event, payment will not begin until the Trustees determine your entitlement to, and the amount of, your benefit.

While you can defer payment of your benefit, payments must begin no later than 60 days after the latest of

- the end of the Plan Year you attain your Normal Retirement Age, or
- the end of the Plan Year you actually retire, or
- the April 1st of the year following the year you attain the mandatory distribution age. Before 2020, the mandatory distribution age was 70½. After 2019, the mandatory distribution age is 72.

11. How are my retirement benefits payable?

If you are not married on your Annuity Starting Date for at least one year, you will receive your Benefit in the form of payment of a **Straight Life Annuity**. Under a Straight Life Annuity, payments will be made on the first day of each month for the remainder of your life.

If you were married for less than a year on your Annuity Starting Date, but are married to your Spouse for at least one year at the time of your death, you Spouse will receive the Survivor Annuity benefit payable under the Joint and 50% Survivor Annuity form of benefit.

Whether you are married or not is determined under applicable state law.

If you are married on your Annuity Starting Date for at least one year, you will receive your retirement benefit in the form of a **Joint and 50% Survivor Annuity**.

You will have an opportunity when you complete your application for your benefit to waive the Joint and 50% Survivor Annuity and select another form of payment. However, your Spouse must sign a consent to your decision to waive the Joint and 50% Survivor Annuity and your Spouse's signature must be notarized. Your election and your Spouse's consent must be completed within 180 days before your Annuity Starting Date. With these conditions satisfied, you may elect to receive either as a Joint and 75% Survivor Annuity, a Joint and 100% Survivor Annuity or a Single Life Annuity.

During a period no less than 30 days and no more than 180 days before your Annuity Starting Date, the Plan will send you a notice providing a written explanation of:

- the terms and conditions of the Joint and 50% Survivor Annuity and the Plan's other optional forms of benefit payment;
- your right to elect the waive the Joint and 50% Survivor Annuity and the effect of that waiver;
- your Spouse's right to object to the waiver;

- your right to revoke any election within 180 days before your Annuity Starting Date and the effect of the revocation; and
- the relative values of the various optional forms of benefit payment offered by the Plan.

A. The Joint and 50% Survivor Annuity provides you with a monthly lifetime benefit and, if you pre-decease your Spouse, provides your surviving Spouse with a monthly lifetime benefit in the amount of 50% of the benefit you had been receiving. The Joint and 50% Survivor Annuity actuarially reduces the amount of your benefit payment, based on your and your Spouse's respective ages on your Annuity Starting Date., This reduction is necessary because your benefit is being paid over two lifetimes.

For example, assume that, on your Annuity Starting Date, you are age 62, your Spouse is age 61, you are fully vested and you have earned 12 Years of Service for benefit accrual purposes. Assume also that the reduction factor, based on your and your Spouse's respective ages, is 90.933%. The amount of your monthly Joint and 50% Survivor Annuity payments would be calculated as follows:

First, determine the amount of your Benefit - $(12 \times \$46) = \552

Your Benefit is the monthly amount payable as a Straight Life Annuity.

Second, multiply your Benefit by the reduction factor - $\$552 \times .90933 = \501.95

You will be entitled to a lifetime monthly benefit of \$501.95.

Third, to determine what your surviving spouse will receive if you die, multiply your lifetime monthly benefit by 50%. $(\$501.95 \times .50 = \$250.98)$

Your surviving Spouse will be entitled to a lifetime monthly benefit of \$250.98 after you die.

However, if you earned at least one Hour of Service on or after November 1, 2015 and retired on or after January 1, 2017 your Spouse pre-deceases you,

your monthly lifetime payment will increase to your Benefit (\$552) before reduction with all payments ceasing upon your death.

B. Joint and 75% Survivor Annuity. This benefit provides you with a monthly lifetime benefit and, if you pre-decease your Spouse, provides your surviving Spouse with a monthly lifetime benefit in the amount of 75% of the benefit you had been receiving. Like the Joint and 50% Survivor Annuity, the Joint and 75% Survivor Annuity actuarially reduces the amount of your benefit payment, based on your and your Spouse's respective ages on your Annuity Starting Date, because it is expected to be paid over two lifetimes.

For example, assume the same facts as above. However, because your surviving Spouse will be receiving a larger percentage of your monthly lifetime benefit after your death, the reduction factor, based on your and your Spouse's respective ages, is 86.996% rather than 90.933%. The amount of your monthly Joint and 75% Survivor Annuity payments would be calculated as follows:

First, determine the amount of your Benefit - $(12 \times \$46) = \552

Your Benefit is the monthly amount payable as a Straight Life Annuity.

Second, multiply your Benefit by the reduction factor - $\$552 \times .86996 = \480.22

You will be entitled to a lifetime monthly benefit of \$480.22.

Third, to determine what your surviving spouse will receive if you die, multiply your lifetime monthly benefit by 75%. $(\$480.22 \times .75 = \$360.17)$

In other words, under this example, if you waived the Joint and 50% Annuity and elected the Joint and 75% Annuity, you would receive \$21.73 less per month for your lifetime $(\$501.95 - \$480.22)$, but your surviving Spouse would receive \$109.19 more per month during her lifetime $(\$360.16 - \$250.98)$.

As with the Joint and 50% Survivor Annuity, if you earned at least one Hour of Service on or after November 1, 2015 and retired on or after January 1, 2017 and your Spouse pre-deceases you, your monthly lifetime payment will increase to your Benefit (\$552) before reduction with all payments ceasing

upon your death.

C. Joint and 100% Survivor Annuity. This benefit provides you with a monthly lifetime benefit and, if you pre-decease your Spouse, provides your surviving Spouse with a monthly lifetime benefit in the amount of 100% of the benefit you had been receiving. Like the other Joint and Survivor Annuities, the Joint and 100% Survivor Annuity actuarially reduces the amount of your benefit payment, based on your and your Spouse's respective ages on your Annuity Starting Date, because it is expected to be paid over two lifetimes.

For example, assume the same facts as above. However, because your surviving Spouse will be receiving the same monthly lifetime benefit after your death as you received during your lifetime, the reduction factor, based on your and your Spouse's respective ages, is greater than the reduction factor for the other two forms of Joint and Survivor Annuities. Assuming a reduction factor of 83.38%. Under the Joint and 100% Survivor Annuity, the payments would be calculated as follows:

First, determine the amount of your Benefit - $(12 \times \$46) = \552

Your Benefit is the monthly amount payable as a Straight Life Annuity.

Second, multiply your Benefit by the reduction factor - $\$552 \times .8338 = \460.26

You will be entitled to a lifetime monthly benefit of \$460.26. This monthly benefit would continue to be paid to your surviving Spouse following your death.

In other words, under this example, if you waived the Joint and 50% Annuity and elected the Joint and 100% Annuity, you would receive \$41.69 less per month for your lifetime ($\$501.95 - \460.26), but your surviving Spouse would receive \$209.28 ($\$460.26 - \250.98) more per month during her lifetime.

As with the Joint and 50% Survivor Annuity, if you earned at least one Hour of Service on or after November 1, 2015 and retired on or after January 1, 2017 and your Spouse pre-deceases you, your monthly lifetime payment will increase to your Benefit (\$552) before reduction with all payments ceasing

upon your death.

Please note that these are just examples. You will be provided with the amounts of your benefit options within 180 days before your Annuity Starting Date.

C. Straight Life Annuity. This benefit provides a monthly benefit for your lifetime only. This form of payment is not subject to reduction, since payments are payable for your lifetime only. Like the other optional forms of benefit payment, your Spouse must provide notarized consent if you want to waive the Joint and 50% Survivor Annuity and receive this form of benefit payment.

12. Can I elect to receive my benefit as a one-time, lump sum payment?

Generally speaking, you cannot elect a lump sum payment of your benefit. However, if the actuarial present value of the Benefit payable is less than \$5,000, the recipient may elect to receive the payment in a lump sum. The payment may be rolled over to an Individual Retirement Account. A detailed written explanation of the tax consequences and options for a lump sum payment will be provided.

13. What happens if I die before I start to receive my retirement benefit?

If you are vested in a benefit, but die before payment of benefits begin, the Plan pays a benefit. The form of benefit and the party or parties to whom it is paid depends on your marital status at the time of your death.

If you are an unmarried Participant, or have been married to your Spouse for less than one year at the time of your death, your Beneficiary will receive a benefit in the form of a Straight Life Annuity based on the actuarial present value of your vested Benefit determined as of the first of the month coincident with or next following your date of your death, taking account the ages of you and your Beneficiary on that date. A Singler Life Annuity is a monthly benefit payable on the first day of the month in equal installments until the Beneficiary's date of death. The Pre-retirement Death Benefit is payable as of the first day of the month coincident with or next following your date of death. You Beneficiary can defer payment of the Pre-retirement Death Benefit. However, if the benefit is paid to a Beneficiary other than your Spouse, payment must begin no later than December

1st of the year following the year of your death. In addition, if the actuarial present value of the benefit is less than \$5,000, the recipient may elect to receive the amount in a single lump sum payment.

If you were married to your Spouse for at least one year at the time of your death, a monthly, a Survivor Annuity will be paid to your Surviving Spouse. The amount of the Survivor Annuity is determined as follows:

- If you die upon or after attaining your Normal Retirement Age, the Survivor Annuity will be the monthly amount your Spouse would have received had you retired the day before your death and elected to receive your Normal Retirement Benefit in the form of a **100% Joint and Survivor Annuity** (In other words, the Survivor Annuity based on your vested Normal Retirement Benefit, reduced for payment as a 100% Joint and Survivor Annuity.) However, if the Pre-retirement Death Benefit that would have been payable if you were not married is greater than the amount of Survivor Annuity, your Surviving Spouse will receive the greater benefit.
- If you die before your Normal Retirement Age, but after your Early Retirement Age, the Survivor Annuity will be the monthly amount your Spouse would have received had you retired the day before your death and had elected to receive your Early Retirement Benefit in the form of a **50% Joint and Survivor Annuity** (In other words, the Survivor Annuity based on your vested Early Retirement Benefit, reduced for payment as a 50% Joint and Survivor Annuity.) If the Pre-retirement Death Benefit for unmarried Participants described above is greater than the amount payable under this paragraph, your Spouse will receive the greater benefit.
- If you die before your Early Retirement Age, the Survivor Annuity will be the monthly amount your Spouse would have received had you retired just before you died and survived to your Early Retirement Age and then had elected to receive your Early Retirement Benefit in the form of a **50% Joint and Survivor Annuity**. (In other words, the Survivor Annuity based on your vested Early Retirement benefit, reduced for payment as a 50% Joint and Survivor Annuity.) The earliest date this benefit is payable is the date you would have attained your Early Retirement Age. As an alternative, your Surviving Spouse may elect to receive immediate payment of the Pre-retirement Death Benefit for

unmarried Participants described above.

Your Spouse may elect to delay payment of the Survivor Annuity. However, payments must begin no later than December 31st of the calendar year you would have reached the mandatory distribution age. Before 2020, the mandatory distribution age was 70½. After 2019, the mandatory distribution age is 72.

14. What happens if I die while in military service?

To the extent required by law, if you die while performing qualified military service, your Beneficiaries shall be eligible for any additional benefits (other than benefit accruals relating to the period of qualified military service) that would have been provided to you if you had resumed employment within the timeframe required by statute and terminated employment immediately thereafter due to death.

15. What happens if I do not name a beneficiary for the pre-retirement single life annuity?

If you were not married at the time of your death and you did not previously name a Beneficiary, or your Beneficiary or Beneficiaries pre-decease you, the Plan will pay any benefits due in the following priority: (1) children; (2) parents; (3) brothers and sisters; and (4) the closest relative under the law of the state of your residency. It is of critical importance for your beneficiary that you provide the Plan a completed Beneficiary designation form to the Plan and that you update this form whenever you want to change your beneficiary.

16. Can I continue to receive my benefits if I become reemployed after retirement?

Payment of your benefits may be suspended under certain conditions if you are employed in either Disqualifying Employment or Totally Disqualifying Employment, as such terms are defined in Appendix A of this SPD, entitled "Explanation of Rules for Suspension of Benefits/Reemployment under the Elevator Division Retirement Benefit Plan." The Explanation provides information on:

- how your benefits can be suspended,

- your right to appeal a suspension of benefits,
- your obligation to notify the Plan about your post-retirement employment,
- the exceptions to these rules and
- what happens if you receive benefits you are not entitled as a result of your working in Disqualifying Employment or Totally Disqualifying Employment.

It is important that you review the Rules prior to your retirement, so that you understand your rights and responsibilities under the Plan.

17. How are contributions made to the Plan?

The Plan is maintained pursuant to CBAs. You may obtain a copy of your Employer's CBA upon written request to the Plan.. Upon written request, you may receive information from as to whether a particular company is making contributions to the Plan, and if so, the Employer's address. Employers will contribute to the Plan the amount of money required under the CBA.

18. Maximum Contributions and Benefits

Certain limitations on the amount of d benefits are imposed by certain laws. These laws include the Internal Revenue Code and the Employee Retirement Income Security Act of 1974 (commonly called "ERISA"). You will be notified at the time of your application of if these limitations apply to you.

IMPORTANT INFORMATION ABOUT THE PLAN

1. *Name and Address of Plan:*

Elevator Division Retirement Benefit Plan, 35-40 36th Street, Long-Island City, New York 11106.

2. *Plan's Employer Identification Number:*

EIN: 13-3523453

3. *Plan's Number:* 001

4. *Name and Address of the Union and the Elevator Industry Association, Inc.:*

A. Local Union No. 3, International Brotherhood of Electrical Workers
158-11 Harry Van Arsdale Jr. Avenue
Flushing, NY 11365
(718) 591-4000

B. Elevator Industry Association, Inc.
137 Hollow Tree Ridge Road, #503
Darien, Connecticut 06820-4000
Attention: Robert Martin
203-247-1734

5. *Fiscal Year:*

The books and records of the Plan are kept on the basis of a year that runs from November 1 to October 31.

6. *Designated Agent For The Service of Legal Process:*

A legal action against the Plan may be started by serving process on the Board of Trustees at the address of the Plan's Office, or by serving process on any individual

Trustee at the address listed for that Trustee in Paragraph 8, below.

7. Type of Plan:

The Plan is a defined benefit pension plan.

8. Sponsor and Administrator:

The operation and administration of the Plan is the responsibility of the Board of Trustees. The Board of Trustees is the both the Sponsor and Administrator of the Plan. The Trustees are:

<u>Union Appointed Trustees</u>	<u>Employer Appointed Trustees</u>
Christopher Erikson Local Union No. 3 IBEW 158-11 Harry Van Arsdale Jr. Avenue Flushing, NY 11365	Robert Martin Martin Elevator 32-37 56 th St. Woodside, NY 11377
Lance Van Arsdale Local Union No. 3 IBEW 158-11 Harry Van Arsdale Jr. Avenue Flushing, NY 11365	George Ziugzda Nouveau Elevator Industries, Inc. 74 Calyer Street Brooklyn, NY 11222
Robert Olenick Local Union No. 3 IBEW 158-11 Harry Van Arsdale Jr. Avenue Flushing, NY 11365	John Marcato P.S. Marcato Elevator Co., Inc. 44-11 11 th Street Long Island City, NY 11101
Kevin Fowler Local Union No. 3 IBEW 158-11 Harry Van Arsdale Jr. Avenue Flushing, NY 11365	

You will be notified of any changes made in the persons who are members of the Board.

9. *Funding Medium:*

All benefits are provided from the Plan's assets; the assets are held in the Trust. The monies in the Trust are invested in various types of stocks, bonds and other holdings in accordance with the Trust Agreement.

10. *Prohibition on Assignment -- Qualified Domestic Relations Orders:*

In general, ERISA and the Internal Revenue Code do not permit you to give away, assign or alienate your benefits from the Plan to another person. These "anti-assignment and alienation" rules are intended to ensure you receive your benefit so that it provides for your financial support during your retirement years. However, there is a limited exception to this rule for a qualified domestic relations order (typically referred to as a "QDRO").

A QDRO is a judgment, decree, or order typically issued as part of a divorce proceeding. A QDRO will direct payment of all or a portion of your benefit to an "alternate payee." An alternate payee can be your Spouse, former Spouse or child. A QDRO must include certain information to be valid.

Please contact the Plan to obtain, without charge, a copy of the Plan's procedures for determining whether a domestic relations order is qualified, and for making payments under QDROs. You will be notified if a domestic relations judgment, decree, or order is received by the Plan with respect to your benefit. If you know that your benefit will be the subject of a QDRO, we suggest that it be submitted to the Plan for review and editing before it is submitted to the Court.

11. *Claiming Your Benefit:*

Benefits can only be started by completing and submitting an application form. The application must be filed within 180 days before payments are to begin. To make sure your benefit payments are not delayed, you should file an application at least three months before the date you want benefit payments to begin. And you are urged to file as soon as you decide on your intended retirement date. Early filing will avoid delay in the processing of your application and payment of benefits. Application forms are available from the Plan. The application will include an explanation of each form of payment available, as well as the effect each option

has on the amount of your benefit payments.

Your application is sometimes referred to as a “claim” for benefits. A claim can include claims for recovery of benefits, enforcing rights, or clarification with respect to rights to future benefits. The claim may be made by you, by your Beneficiary, or by an authorized representative who is designated in writing by you or your Beneficiary to pursue the claim. (Here, the term “you” includes you, your Beneficiary or the representative.) Claims are processed as soon as administratively feasible. All claims must be made in writing and must set forth the basis of the claim. You will be notified of the decision on your claim. If your claim is denied, in whole or in part, you will receive a written notice of the denial within 90 days, unless special circumstances require further time to make a decision on your claim. If further time is needed, an extension of an additional 90 days may be taken to make a determination. In that event, you will be notified of the reasons for the extension and the date a decision is expected to be made. If your claim is denied, the written notice of denial will describe (1) the specific reason or reasons for the denial, (2) the provisions of the documents that the determination was based, (3) any additional information or material required to perfect the claim and an explanation as to why it is necessary, (4) the procedures and deadline for filing an appeal, and (5) a statement of your right to bring a lawsuit, and the time to do so, under Section 502(a) of ERISA.

If you wish to appeal the denial, you must do so within 60 days of the date you receive the denial notice. Failure to file a request for review within this 60-day period will constitute a waiver of the right to review of the decision and such decision will be final and binding upon all parties. Requests for appeal must be made in writing and sent to the Plan. Your appeal should state in clear and concise terms the reasons for disputing the denial and also should include written issues and comments, documents, records and any other information that would help support your claim. You may review documents, records and other information relevant to your claim (regardless of whether such information was relied upon in making the initial decision on your claim). You will be provided with, upon request and free of charge, reasonable access to and all copies of documents, records and other information in the possession of the Plan and relevant to the claim. In reaching a decision on the appeal, the Board Trustees will consider all issues, comments, documents, records and other information submitted by you, without regard to whether such information was submitted or considered in the initial

decision on your claim.

A decision on your appeal will be made by the Board of Trustees at their next regularly scheduled meeting if your appeal was received at least 30 days before the meeting. Otherwise a decision on your appeal will be made at the second regularly scheduled meeting of the Board of Trustees following the receipt of your appeal. If special circumstances require an extension of this time, you will be notified of the reasons for the extension, and a final decision will be made no later than the third regularly scheduled meeting of the Board of Trustees following the receipt of your appeal. If an extension is required because the Board of Trustees requires additional information from you, the time for making a decision on your appeal will be tolled from the date an extension notice is sent to you until the date you respond to the request for information or the time to provide additional information has ended. You will be afforded at least 45 days to provide any additional information requested.

You will be notified in writing within 5 days after the Board of Trustees has made a decision with respect to your appeal. If the decision by the Board of Trustees is adverse, the notice will include (1) the specific reason(s) for the decision, (2) reference to the provisions of the documents the determination was based (3) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim and (4) a statement of your rights to bring a civil action under ERISA Section 502(a) and the timeframe for bringing the action.

All decisions by the Board of Trustees are final and binding on all parties.

Time Limit On Legal Actions

No lawsuit for benefits may be commenced by you against the Plan (or the Board of Trustees or any of their agents) until the procedures above are completed. Any such lawsuit must be brought within one-year after you are given notice of denial of your appeal, or one-year after the time for making a decision on your appeal, as set forth above, has elapsed and the appeal is deemed denied.

Overpayments

Anyone who receives any payment in excess of the amount the recipient was entitled to receive (including, without limitation, due to mistake of fact or law,

reliance on false or fraudulent statements, information or proof submitted by a claimant, or continuation of payments after the death of a Participant or a Beneficiary ("Excess Payments")), shall be obligated to repay such Excess Payments upon receipt of a written notice from the Plan.

The Board of Trustees shall have full authority, in its sole discretion, to recover the amount of any Excess Payments (plus interest and costs) paid to anyone. Such authority (either individually or in combination) shall include, but shall not be limited to, the right to:

- Seek the Excess Payment in a lump sum from such individual;
- Reduce future benefits payable to the individual who received the overpayment;
- Reduce future benefits payable to a surviving Spouse or Beneficiary who is, or may become, entitled to receive payments; and
- Initiate legal action or take such other legal action as may be necessary or appropriate to recover any overpayment (plus interest and costs).

12. Authority And Discretion of the Board of Trustees

The Board of Trustees (and any duly authorized designee) has the exclusive right, power and authority, in its sole and absolute discretion, to administer, apply, interpret and make all decisions pertaining to the Plan, the Plan Document, this SPD, the Trust and the Trust Agreement and any other documents. They also have the exclusive right, power, and authority to decide all matters arising in connection with the operation or administration of the Plan or the Trust. Without limiting the general application of the foregoing, the Board of Trustees (and/or any duly authorized designee) shall have the sole and absolute discretionary authority to:

- Take all actions and make all determinations with respect to the eligibility for and the amount of benefits payable;

- Decide questions, including legal or factual questions, relating to the calculation and payment of benefits;
- Prescribe forms for use by you and your Beneficiaries in communicating with the Plan, and establish periods when communications or elections may be received;
- Formulate, interpret and apply rules, regulations and policies necessary to administer the Plan and the Trust in accordance with their terms;
- Interpret the provisions of all applicable documents, including this SPD, the Plan document, any CBAs, the Trust Agreement and any other document or instrument involving or impacting the Plan or the Trust;
- Resolve and clarify any ambiguities, inconsistencies and omissions that may arise under any documents, including but not limited to this SPD, the Plan document, the Trust Agreement or any other documents;
- Process and approve or deny benefit claims and rule on any benefit exclusions; and
- Determine the standard of proof in any case.

All such determinations and interpretations made by the Board of Trustees, and any duly authorized designee, shall be final and binding upon any and all Participants, Beneficiaries, individuals claiming benefits, employees, Employers, and the Union, and shall be given deference in all courts, to the greatest extent allowable by applicable law.

13. *Statement of ERISA Rights:*

You are entitled to certain rights and protections under ERISA. You are entitled to receive information about the Plan and its benefits, including the right to:

- Examine, without charge, at the Plan's Office all documents governing the operation of the Plan including the Plan Document, the Trust agreement, your Employer's CBA, and copies of the latest annual report (Form 5500 Series) filed

with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request, copies of documents governing the operation of the Plan including the Plan Document, your Employer's CBA, and copies of the latest annual report (Form 5500 Series) and the SPD. You may have to pay a reasonable charge for the copies.
- Receive a copy of the Annual Funding Notice.
- Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age and if so, what your benefits would be under normal retirement age if you stopped working now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a benefit. To get a statement, it must be requested in writing. A benefit statement is not required to be given more than once every 12 months. There is no charge for a benefit statement.

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people responsible for the operation of the Plan are the Board of Trustees. (They are sometimes called "fiduciaries.") The Board of Trustees and have a duty to run the Plan prudently and in the interest of you and other Participants and Beneficiaries.

No one, including your Employer, the Union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce your rights listed in the paragraph above. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in Federal court. In such a case, the court may require the Plan to provide

the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of a reason beyond the control of the Plan.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may file suit in a Federal court or you may seek assistance from the U.S. Department of Labor.

The court will decide who should pay the court costs and legal fees. If you are successful, the court may order the party you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Consultation Avenue, N.W., Washington, DC 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

14. *Plan Amendment and Termination:*

Subject to the provisions of the CBAs, the Trustees have the right to alter, amend or modify all or any portion of the Plan at any time in their discretion. Although the Trustees expect the Plan to continue indefinitely, the Trustees reserve the right to terminate the Plan, in whole or in part, and at any time in their discretion.

Although it is intended that contributions continue in an amount sufficient to maintain the Plan on a sound actuarial basis, and although there are certain legal minimum annual contributions that must be made in order to maintain the Plan,

neither the Employers nor any of their officers or agents, the Union, or the Trustees guarantee, in any manner, that contributions will continue forever or that, if the Plan should terminate, the assets on hand will be sufficient to provide all of the earned benefits. All assets of the Plan are held in the Trust. Any person having any claim must look solely to the assets of the Trust for satisfaction. Under no circumstances may money that has been properly contributed to the Plan be returned to any Employer or the Union.

If the Plan is merged with another benefit plan, no Participant's or Beneficiary's benefit earned will be lower immediately after the merger than immediately before the merger.

If the Plan is terminated, it will not affect your right to any benefit you have already become entitled. If the Plan terminates, you will become vested in any benefit you have accrued to the extent then funded.

15. *Plan Insurance:*

Your benefit under this Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency.

Under its multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if a plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due. A multiemployer plan is a collectively bargained benefit arrangement involving two or more unrelated employers, usually in a common industry.

If the Plan's assets are insufficient to pay benefits, benefits may be reduced as required by law but not below levels guaranteed by the PBGC. The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate and (2) 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be \$12,870.

The PBGC may subsequently restore some or all of any lost benefits if it finds that such replacement is feasible.

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the Plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the earlier of: (i) the date the Plan terminates or (ii) the time the Plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits you have not met all of the requirements at the time the Plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask the Plan's Office or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

APPENDIX A

EXPLANATION OF RULES FOR SUSPENSION OF BENEFITS/REEMPLOYMENT

Even if you have begun receiving retirement benefits, your benefits may be suspended if you remain employed or become employed again at certain jobs, as described below. If you receive benefits at a time when they were subject to suspension, the amount you received will be deducted from future benefit payments after the suspension has ended, as explained below.

Before Normal Retirement Age: Before your Normal Retirement Age (age 62, for the purposes of this Section), payment will be suspended for each month that you work in Disqualifying Employment, that is, you are employed or self-employed in the same industry and same general trade or craft covered by the Plan.

After Normal Retirement Age: After your Normal Retirement Age, payment will be suspended for each month you work at least forty (40) hours in Totally Disqualifying Employment.

Totally Disqualifying Employment is employment or self-employment:

- in an Industry covered by the Plan when your benefit payments began. This means the business activities covered by a CBA; it also includes any other industry Participants were employed in when your benefit began or was supposed to begin, but for the suspension.
- in the geographic area covered by the Plan, including states where Employers making Contributions to the Plan were located. This includes any part of the Standard Metropolitan Statistical Area falling within such state, as determined when your benefit began or was supposed to begin, absent the suspension of your benefit, and
- in any job classification covered by the CBA that you worked while in Covered Employment prior to your retirement.

Totally Disqualifying Employment also includes any employment that is Covered Employment.

Notwithstanding the foregoing, once your benefit resumes following a suspension due to your employment in Disqualifying Employment, the definition of Totally Disqualifying Employment shall be based on the industry and geographic area that are covered by the Plan as of the date when your benefit payments resume.

Payments will not be suspended after the April 1 following the year you attained age 70 1/2 (72 after 2019).

Required Information Regarding Suspensions

When your benefit began, you will be notified of the rules governing the suspension of benefits, including the industries and geographic areas subject to the rules. You will also be notified of any important changes in the suspension rules or changes in the industries and areas covered. You may also inquire whether specific employment will be considered Disqualifying Employment or Totally Disqualifying Employment.

You will be informed if your benefits are suspended by personal delivery or first class mail in the first calendar month your benefits are withheld.

If you are receiving a benefit, you must notify the Plan in writing if you are working in a job that might constitute Disqualifying Employment or Totally Disqualifying Employment, as applicable. You must provide this notice within 21 days after you start the job. You must provide this notice regardless of the number of hours you work.

If you work in Disqualifying Employment or Totally Disqualifying Employment and fail to give timely notice thereof, it will be assumed that you worked for at least 40 hours during all months worked and benefits will remain suspended until you give notice that you have terminated the Employment. Of course, you will be given an opportunity to show, by certain forms of proof concerning the Employment including, but not limited to, the type of employment and hours worked, that a suspension was not appropriate.

If your payment of your benefit has been suspended, you must notify the Plan when your Disqualifying Employment or Totally Disqualifying Employment has ended. Benefit payments will remain suspended until you provide this notice and any required information or proof.

Review of Determination Suspending Benefits

You may request a review of a suspension of your benefits by filing a written request

within 60 days from the date the notice of suspension was mailed. The same right of review applies to the determinations as to whether certain employment constitutes Disqualifying Employment or Totally Disqualifying Employment.

Waiver of Suspension.

The Board of Trustees may, on their own or on your request, waive a suspension. When making these rules and in determining whether your suspension may be waived, the Trustees may look at your record of benefit suspensions and whether you gave proper notice to the Plan.

Resumption of Benefit Payments

If you work in Disqualifying Employment for one month or more, your benefit will not resume until six months after you end that employment. If you fail to notify the Plan of any work in Disqualifying Employment, or if you willfully misrepresent your employment status to the Plan, your benefits may be suspended for another six months thereafter, but no later than after your attainment of your Normal Retirement Age. One or both of these six-month suspension periods may be waived by the Trustees for good cause.

If you work at least forty (40) hours in any month in Totally Disqualifying Employment, your benefit will resume for the months after the last month for which benefits were suspended. Payments will begin no later than the third month after the last calendar month for which your benefit was suspended

Overpayments of Benefits

If payments were made to you when they should have been suspended, these amounts will be deducted from your post-suspension benefit payments. The Plan may withhold up to one hundred (100%) percent of the first payment of your monthly benefit following the suspension and up to twenty-five (25%) percent of subsequent monthly payments. If you die before the overpayment has been recovered, any monthly amounts to your surviving Spouse or Beneficiary will be reduced by twenty-five (25%) until the overpayment has been recovered.

Calculating Benefit Payments Following Suspension

Once payment of your benefit starts after a suspension, payments may be subject to adjustment by the Plan's actuary. You can obtain information on the post-suspension adjustment by calling the Plan's office.