



SUMMARY PLAN DESCRIPTION FOR THE

# **NIPSCO Union Pension Plan**

**A DESCRIPTION OF YOUR  
RETIREMENT PENSION BENEFITS**

**For Employees in the FAP Benefit**

**February 2012**



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# INTRODUCTION

Retirement can be the most exciting time of your life. Of course, you must work hard and save during your career to achieve the kind of financial security needed to enjoy those years to the fullest. Early on, you will need to ask yourself: "What sources of income will I have for my retirement?" You will likely be relying on (1) your pension benefit from the **NIPSCO Union Pension Plan** (previously known as the NiSource Inc. and Northern Indiana Public Service Company Pension Plan Provisions Pertaining to Bargaining Unit Employees, hereinafter referred to as the "**Plan**"), (2) a retirement benefit from Social Security, (3) your own personal savings, and (4) if applicable, savings under the NiSource Inc. Retirement Savings Plan or any other employer-sponsored retirement plan. Your employer, Northern Indiana Public Service Company, as a subsidiary of NiSource Inc., offers the Plan for the benefit of its employees and their beneficiaries in order to help provide for retirement.

## Overview of the Plan

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The Plan is a defined benefit pension plan funded entirely by contributions from NiSource Inc. or its affiliates. Its purpose is to provide you with retirement income that is in addition to any other retirement income you have or may be eligible to receive.

As an employee of Northern Indiana Public Service Company or any affiliate that adopts the Plan for its employees (collectively, the "**Company**") satisfying the criteria described in the "Eligibility and Enrollment" section, you are eligible for the Final Average Pay or "**FAP**" **Benefit** of the Plan.

## Introduction to the FAP Benefit

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You are covered under the **FAP Benefit** of the Plan. The FAP Benefit (formerly the "Final Average Pay Option Benefit") is a defined benefit pension option.

As a participant in the FAP Benefit of the Plan, you do not make any contributions to the Plan. The FAP Benefit is designed to provide you with a monthly benefit at retirement based on your years of Credited Service and your "final average pay" while a participant in the plan.

Your years of Credited Service are based on the total period of your participation in the Plan. Your final average pay is the average of your Eligible Pay earned over the five consecutive years that is the highest among all years of your employment. These terms are defined in more detail later in this summary.

In addition, the FAP Benefit also provides a monthly benefit payable to your eligible spouse (in the event of your death).

Again, it costs you nothing to participate because the Company makes all contributions necessary to fund your FAP Benefit under the Plan on your behalf.

## About this Plan Summary and Plan Administration

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This handbook serves as a Summary Plan Description ("SPD" or "Summary") of the Plan, prepared in accordance with the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The information enclosed has been prepared to summarize the benefits in an easy to understand format and is not intended to replace or supersede the official Plan document. The official Plan document is the governing document in the event that questions arise or if there is a conflict between the SPD

and the official Plan document. Your rights and benefits under the Plan are determined by the actual provisions of the Plan. This SPD does not extend or change the Plan in any way.

The NiSource Benefits Committee (the "Committee") serves as business manager and administrator for the Plan (the "Plan Administrator"). The Plan Administrator utilizes the NiSource Human Resources Department and other specified individuals to carry out a number of administrative tasks for the Plan. See "Administrative Information" found later in this Summary. A trust fund has been established for the purpose of holding funds contributed to the Plan. The trust fund is administered by a trustee (the "Trustee") appointed by the Committee.

While the Committee intends to continue the Plan described in this handbook, the Committee reserves the right to change, modify or discontinue the Plan and any of its terms at its discretion, subject to any applicable collective bargaining agreement.

# HIGHLIGHTS: FAP BENEFIT

<p><b>ARE THERE EMPLOYEE CONTRIBUTIONS?</b></p>	<p>No, all contributions are made by the Company</p>
<p><b>ARE THERE COMPANY CONTRIBUTIONS?</b></p>	<p>Yes; the Company makes contributions to fund your FAP Benefit, which is based on:</p> <ul style="list-style-type: none"> <li>• Your years of Credited Service; and</li> <li>• Your Eligible Pay.</li> </ul>
<p><b>WHEN AM I VESTED IN MY BENEFIT?</b></p>	<p>You are fully vested after 3 years of service (if you terminated prior to January 1, 2010, you generally were vested after 5 years of service).</p>
<p><b>WHAT IS ELIGIBLE PAY FOR PURPOSES OF DETERMINING MY BENEFIT?</b></p>	<p>Eligible Pay means your wages as reported on Form W-2, including commissions and performance-based pay (such as bonuses or annual incentives) paid in or prior to the month of your termination of service, plus overtime, any salary reduction contributions made for a Company cafeteria or 401(k) plan, and, effective September 1, 2009, any one-time payments in lieu of salary increases for a given year (<i>i.e.</i>, lump-sum merit pay). However, the Plan does <u>not</u> consider certain items to be Eligible Pay. These excluded items include, but are not limited to, severance pay, amounts deferred to a nonqualified plan maintained by the Company, and any other taxable fringe benefits including stock options and other stock-related benefits. Note again, Eligible Pay excludes any incentive-based pay (such as payments from the corporate annual incentive plan or any plan created in lieu of the corporate annual incentive plan, commissions, spot awards, discretionary awards, lump-sum merit pay, and performance based pay) when paid in any month following your termination of service.</p>
<p><b>WHEN IS MY BENEFIT PAID?</b></p>	<p>Provided you are vested, you can be paid:</p> <ul style="list-style-type: none"> <li>• When you retire;</li> <li>• When you reach Early or Normal Retirement Age (defined later), if you have terminated employment prior to that time;</li> <li>• When you reach age 70½ (provided you have already terminated employment or are considered a 5% owner of the Company); or</li> <li>• In the event of your death</li> </ul>
<p><b>HOW CAN I RECEIVE MY BENEFIT?</b></p>	<p>You may elect to receive your benefit in the form of:</p> <ul style="list-style-type: none"> <li>• One of several Monthly Annuity Options</li> <li>• A Rollover (if paid as a lump-sum cash-out payment of under \$5,000)</li> </ul>

# PARTICIPATING IN THE PLAN

## Eligibility and Enrollment

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You must be an "Eligible Employee" to actively participate in the Plan. Generally, you are eligible to participate in the FAP Benefit of the Plan (*i.e.*, you are a "FAP Participant") only if you are a "Bargaining Unit Employee" hired before June 1, 2004 who has not made an election to have your benefit determined under a different benefit option under the Plan as documented by the Plan Administrator.\* A Bargaining Unit Employee is an employee of the Company receiving payment on an hourly basis as a member of the collective bargaining unit represented by the United Steelworkers of America, Local 12775, AFL-CIO-CLC or the United Steelworkers of America, Local 13796, AFL-CIO-CLC.

You are not an "Eligible Employee" (*i.e.*, you are not eligible to participate in the Plan) if you are a non-union employee, an intern, an independent contractor or a leased employee of the Company, or if you are a union employee whose collective bargaining agreement does not provide for Plan participation. In addition, with respect to certain employees who were previously employed by Kokomo Gas and Fuel Company ("Kokomo") or Northern Indiana Fuel and Light Company, Inc. ("NIFL") on June 30, 2011 and transitioned to employment with the Company as part of the July 1, 2011 merger, these employees are not eligible to participate in the Plan. Instead, these employees generally remain eligible to participate in either the Kokomo Union Pension Plan or the NiSource Subsidiary Pension Plan.

**\*Note:** Each Eligible Employee who participated in the FAP Benefit of the Plan as of May 31, 2004 who was still participating as of May 31, 2005 had the opportunity to make an irrevocable Plan choice by May 31, 2005 to stay in the FAP Benefit or switch to the AB I Benefit effective January 1, 2005 ("2005 Choice"). Subsequently, any employee classified as a 4/4 schedule employee who participating in the Plan as of May 31, 2005 who was still participating as of March 27, 2009 had the opportunity to make an irrevocable Plan choice by March 27, 2009 to switch to the AB I Benefit effective January 1, 2009 ("2009 4/4 Choice"). If no 2005 Choice or 2009 4/4 Choice was made, the employee remained in the FAP Benefit. These Choice elections were made and documented in a manner specified by the Plan Administrator.

## When Your Participation Begins

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If you meet the eligibility requirements, your participation starts on your first day of work with the Company. Note that if you are a full-time employee hired prior to January 1, 2009, your participation in the Plan started upon the completion of your first 12-month period of employment in which you completed at least 1,000 hours of Service, or, if earlier, as of January 1, 2010.

Once you start to participate in the Plan, you will continue to participate as long as you are an Eligible Employee of the Company. If you terminate employment after becoming a Plan participant and later return to employment as an Eligible Employee, you will participate in the Plan under the AB I Benefit provisions of the Plan (and a different Summary applies). Upon rehire as an Eligible Employee, your participation as an AB I Benefit participant will begin immediately; however, the "Break in Service" rules may impact your service crediting under the Plan. See the "Break in Service" section later in this Summary for an explanation of this rule and how it might affect your participation if you terminate employment and later become reemployed by the Company.

## When Your Participation Ends

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Your participation in the Plan ends when:

- You are no longer an Eligible Employee (i.e., you terminate employment or your employment status changes to one that is not eligible to participate in the Plan);\*
- Your employer terminates its participation in the Plan;
- The Plan ends; or
- You die.

\* Note that once you are no longer an Eligible Employee, you will remain an inactive Plan participant until you take a full distribution of your vested benefit from the Plan.

## Service

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Your Service with the Company, and also any breaks in your Service, have an effect on your participation in and benefits under the Plan. As explained in the following paragraphs, your Service with the Company is used as a component to calculate your benefit under the Plan. Also, the Plan uses Service to determine when you are entitled to (or “vested” in) your benefit under the Plan.

### **Credited Service**

“Credited Service” is used in calculating the amount of your benefit. Credited Service is also used to determine whether you are eligible to receive your FAP Benefit prior to the time you reach your normal retirement age.

Credited Service is the number of your years and partial years (i.e., months, with a month of Service credited for any month in which you work one hour) of Service as a FAP Participant and an employee of the Company (or any affiliate of the Company that participates in the Plan). Note that prior to January 14, 2010, Credited Service used fractional months for the month of hire and termination based on days of employment.

Credited Service is measured from the first day of the month in which your employment began through your termination of employment, for any reason, or, if earlier, until the date that you transition out of the Plan or the FAP Benefit structure. In other words, if your FAP Benefit is converted to another form of benefit under the Plan (i.e., the AB I Benefit) due to either your election, transfer within the Company or rehire by the Company, you will not earn Credited Service after such conversion unless you again become a participant in the FAP Benefit. Note however that even if you stop earning Credited Service for purposes of continued benefit accrual under the FAP Benefit structure, you will continue to have service with the Company or an affiliate count as “Credited Service” solely for purposes of determining eligibility for an early retirement benefit under the Plan.

Your Credited Service for purposes of your FAP Benefit shall include the following employment periods (whether or not you are compensated for these periods): vacation periods, holidays, limited periods of layoff in accordance with uniform personnel practices, and absences due to injuries received on the job. If you have a period of absence due to sickness or injury off the job, your Credited Service will include such period of absence up to the following maximum limitations based on your Service at the start of the injury or illness:

- If you have less than 5 years of Service at the start of the injury or illness, you can receive up to 1 year of Credited Service for the absence.
- If you have at least 5 but less than 10 years of Service at the start of the injury or illness, you can receive up to 2 years of Credited Service for the absence.

- If you have at least 10 years of Service at the start of the injury or illness, you can receive up to 3 years of Credited Service for the absence.

You will also receive credit for up to 3 years of Credited Service while you are granted a leave of absence by the Company to act as a union representative.

Please see the “How the Plan Works” section later in this Summary for a complete explanation of how your Credited Service factors into the calculation of your FAP Benefit.

## ***Vesting Service***

“Vesting Service” is the number of your years of Service as an employee of the Company (or any affiliate) from your date of employment through the date of your termination of employment for any reason. To be “vested” means you have a non-forfeitable right to your Plan benefit. You are fully vested in your pension benefit after completing three years of Vesting Service with the Company and/or an affiliate. Note that if you terminated prior to January 1, 2010, you had to complete five years of Vesting Service before becoming fully vested in your benefit (unless you terminated at a time when an even higher vesting requirement applied, in which case the terms of the Plan in effect at your termination will control).

*Special rules may apply if you experience a break in service, become disabled or if you were previously a leased employee of the Company or an affiliate.*

## ***Break in Service***

A break in employment (called a “Break in Service”) may affect how you are credited with Service under the Plan. A Break in Service occurs if you terminate employment with the Company and are not employed for a period of 12 consecutive months. If you incur a Break in Service, the effect on your Vesting Service and Credited Service will depend on the following: (1) the length of your Break in Service; (2) whether you were vested in your pension benefit prior to the Break in Service; and (3) whether you received a distribution of your benefit under the Plan. Note that regardless of whether or not you have a Break in Service (or regardless of its length), if you terminate employment and are rehired as an Eligible Employee, you begin participation in the Plan under the AB I Benefit provisions. If you experience a transfer of employment within the Company or from/to an affiliate of the Company, see the section entitled “Changes in Employment Status” later in this Summary for an explanation of the impact on your benefit and Service crediting under the Plan.

### ***Break in Service Less Than 1 Year***

If you terminate employment and are reemployed by the Company within 12 consecutive months, you are not considered to have a Break in Service. In this case, the Plan will consider your period of absence as part of your Vesting Service and Credited Service under the Plan. However, as noted below, if you received a distribution of your benefit, then your Credited Service will start at zero upon your return to employment.

### ***Break in Service of 1 to 5 Years***

If you terminate employment and your Break in Service lasts more than 1 year but less than 5 years, the Service you earned before your termination will be added to the Service you earn after you return to work for all purposes under the Plan. If you are re-employed, the period of your absence will not count as part of your Service for any purpose.

### ***Break in Service More Than 5 Years***

If you are not vested in your pension benefit prior to your Break in Service, and your Break in Service lasts for 5 or more years, you will lose credit for all of your prior Service. If you are later re-employed, the Company will treat you as a new participant under the Plan.

If you are vested when you terminate employment and you are later re-employed after a Break in Service of 5 or more years, the Service you earned before your termination will be added to the

Service you earn after you return to work for all purposes under the Plan. However, the Company does not count the period of your absence as part of your Service.

#### ***If You Received a Distribution***

If you experience a Break in Service *and* receive or begin to receive a distribution of your vested benefit under the Plan before your return to work, you will receive credit for your Service prior to the break for purposes of counting Vesting Service only. For benefit accrual purposes, if eligible, you will be treated as a new participant (*i.e.* Service will start at zero upon your return to employment).

#### ***Effect of Leaves on Break in Service***

If you are on an "Authorized Leave of Absence" as discussed below, the Break in Service rules do not apply to the extent you continue to earn Service during the authorized leave. If the authorized leave provisions don't apply and you are absent from work due to pregnancy, birth of a child, placement of an adopted child or caring for a child immediately after such birth or placement, then different rules apply when determining if a Break in Service has occurred. In general, if you are absent from work for one of the foregoing reasons beyond the first anniversary of the first date of your absence, you will not be considered to have a severance from Service until the second anniversary of the first date of your absence. In addition, you will not have a Break in Service if you are on an Authorized Leave of Absence pursuant to the Family and Medical Leave Act, or if you are absent from employment due to service in the "uniformed services" (as that term is defined by the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA")) and if you return to work at the end of your Authorized Leave of Absence.

### ***Other Circumstances Impacting Service***

**Authorized Leaves of Absence**—If you are on a leave of absence that is approved by the Company in accordance with its procedures and the Plan (an "Authorized Leave of Absence"), you will continue to earn Vesting Service and Credited Service while the authorized leave continues for a period of up to 12 months. Service crediting will cease as of the expiration of this 12 month period or, if earlier, the date the Authorized Leave of Absence ends (unless you return to work at that time).

**Disability**—Vesting Service and Credited Service are also impacted if you become Disabled (as defined in the Plan). To learn how a Disability affects your benefit and the Service you earn under the Plan, see "If You Become Disabled" found later in this Summary.

# HOW THE PLAN WORKS

As explained at the beginning of this Summary, the FAP Benefit of the Plan is a defined benefit pension plan. The FAP Benefit is designed to provide you with a guaranteed monthly pension benefit for life after you retire. The FAP Benefit uses a formula, based on your years of Credited Service and average pay leading up to retirement, to define the amount of your monthly pension.

When you retire, you will receive the monthly benefit you have accrued under the FAP Benefit, unless you elect to receive your benefit in another form (these are explained in detail later in this Summary).

## Elements of Your FAP Benefit

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In order to calculate your FAP Benefit, the Plan must consider the following factors: (1) your years of **Credited Service** (see "Service" section above), (2) your "**Final Average Pay**", and (3) your "**Benefit Class**". To help you better understand your benefit calculation, this Summary briefly describes the terms below (which are further described and determined in accordance with the Plan document).

### ***Determining Your Final Average Pay***

Your "**Final Average Pay**" is determined by calculating the monthly average of your highest consecutive 5 years of **Eligible Pay** among all of your years of employment.

Your "**Eligible Pay**" generally equals:

- Your wages received from the Company as reported on Form W-2, including commissions if you are compensated in whole or in part on a commission basis, plus
- Performance-based pay such as bonuses or annual incentive payments (provided such amounts are paid in or prior to the month of your termination of service), plus
- Overtime, plus
- Salary reduction contributions made for you under a cafeteria plan or a 401(k) plan, plus
- Any one-time payments in lieu of salary increases for a given year (*i.e.*, lump-sum merit pay) (included effective September 1, 2009).

However, Eligible Pay does not include all types of compensation you might receive from the Company. Specifically, items excluded from Eligible Pay include, but are not limited to the following:

- Severance pay;
- Amounts deferred to a nonqualified plan;
- Any portion of performance-based pay (such as payments from the corporate annual incentive plan or any plan created in lieu of the corporate annual incentive plan, commissions, spot awards, discretionary awards, lump-sum merit pay, and performance based pay) that is paid in any month following your termination of service; and
- All other taxable fringe benefits, including stock options and other stock-related benefits, relocation expenses and imputed income.

The IRS imposes a limit on the amount of Eligible Pay that may be taken into account by the Plan. As a result, Eligible Pay above \$245,000 for 2011 (as adjusted annually by the IRS for cost-of-living increases) does not count for purposes of determining your Final Average Pay or FAP Benefit under the Plan.

**Impact of Disability Leave, an Authorized Leave of Absence, or Other Absence on Your Eligible Pay**—Unless you are eligible for the Special FAP Disability Benefit described later in this Summary, if you are participating in the Plan, and you are on a leave due to Disability (as defined in the Plan and as further described later in this Summary) or on an Authorized Leave of Absence or other absence approved by the Company, you will be deemed to receive Eligible Pay for purposes of calculating your FAP Benefit during your period of leave. However, similar to service crediting described earlier, if on an Authorized Leave of Absence or other approved (non-Disability) leave, you will only receive Eligible Pay crediting for up to 12 months. Your Eligible Pay for each month during the period of pay crediting generally shall equal the amount of Eligible Pay that you earned in the month that you incurred a Disability, Authorized Leave of Absence or other approved leave (as applicable) (irrespective of any special compensation that you received for that month, such as performance-based pay, which you will have credited for that month but not for ongoing pay crediting.) If you are eligible for the Special FAP Disability Benefit, see the description of that benefit later in this Summary. For more specific information on how Eligible Pay is calculated during any of the above-described absences from employment, please contact the NiSource Human Resources Department.

#### ***Determining Your Benefit Class***

Your Benefit Class is determined by your job classification as maintained on the personnel records of the Company as of the date of your termination of employment. Your Benefit Class for the purposes of the Plan shall be based on the job classification under which your incumbent rate of pay is determined pursuant to the applicable provisions of a collective bargaining agreement. See Appendix I to this Summary for a listing of current Benefit Classes.

If your Benefit Class does not remain the same throughout the entire 60 consecutive month period preceding your termination, the portion of your benefit based on our Benefit Class shall be determined by pro-rating the amount for each Benefit Class according to the number of months and fractional months of the preceding 60 consecutive months during which you were in such Benefit Class.

## **Your FAP Benefit Formula**

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Your FAP Benefit is a monthly benefit, calculated as a single life annuity commencing on your Normal Retirement Date (described below). Your FAP Benefit is determined using a formula and is equal to the sum of:

- 0.575%\* of your monthly Final Average Pay **times** years of Credited Service up to a maximum of 30 years.

#### ***Plus***

- Your years of Credited Service **times** an amount based on your Benefit Class for the last 60 months. (See *Part A of Appendix II to this Summary for a listing of the Benefit Class amounts.*)

\*Note that if you terminated employment on or after January 1, 2006 but before January 1, 2008, the relevant percentage is 0.550%. If you terminated employment before January 1, 2006, the relevant percentage is 0.535%.

The Plan applies a minimum benefit that you will receive should your monthly FAP Benefit calculated according to the formula above be less the established threshold. Specifically, if you retire upon reaching your Normal Retirement Date, your FAP Benefit shall be no less than \$350 per month (or \$250 per month if you terminated prior to June 1, 1990). In the case of a Participant who transitions to an account balance benefit structure (either automatically or by election), that Participant's FAP Benefit (for purposes of determining the "Protected Benefit" under the account balance benefit structure) only considers Eligible Pay and Credited Service earned prior to the date of conversion to the account balance benefit structure.

## Your FAP Benefit: Timing and Amount

The result you compute under the FAP Benefit formula outlined above is the monthly pension benefit you will generally receive if you work for the Company up until your "Normal Retirement Age" (defined below). If you retire or stop working before Normal Retirement Age, you are only entitled to a portion of the benefit you would receive if you had kept working until Normal Retirement Age. This section explains how terminating employment at different times will impact the amount of your retirement benefit.

### **Normal Retirement**

Your FAP Benefit is stated as a monthly annuity payable for your life at your Normal Retirement Date. Your "**Normal Retirement Date**" is the first day of the month following the later of (1) your 65<sup>th</sup> birthday (your "**Normal Retirement Age**"); or (2) the fifth anniversary of the date you began participation in the Plan. If you retire on or after your Normal Retirement Age, the amount of your FAP Benefit will not be reduced for early commencement of payment.

#### **Example:**

Assume you retire in 2011 upon reaching your Normal Retirement Date. Assume also that your annual Final Average Pay is \$60,000 (or \$5,000 per month), you have 32 years of Credited Service and your Benefit Class is D. Your FAP Benefit will be calculated as follows:

<b>NORMAL RETIREMENT MONTHLY BENEFIT EXAMPLE</b>			
0.575% of Final Average Pay x Credited Service up to 30 years	$0.575\% \times \$60,000 \times 30$	=	\$10,350.00
+			+
Monthly Benefit Class Amount (annualized) (see attached Appendices) x Credited Service	$\$40.80 \times 12 \times 32$	=	\$15,667.20
=			=
Basic Annual Benefit			\$26,017.20
<b>Total Single Life Monthly Annuity</b>	$\$26,017.20 \div 12$	=	<b>\$2,168.10</b>

### **Early Retirement Benefit**

If you retire on or after reaching your "Early Retirement Age" but before your Normal Retirement Date, you may elect to receive your Early Retirement Benefit as of your Early Retirement Date. Your "**Early Retirement Date**" is the first day of the month following your employment termination on or after reaching your Early Retirement Age (or any month thereafter before your Normal Retirement Age in which you elect to begin receiving your benefit). You reach your "**Early Retirement Age**" when you have attained at least age 55 and completed at least 10 years of Credited Service at the time of termination.

Your "**Early Retirement Benefit**" is your FAP Benefit with a reduction to reflect the fact that you will receive benefits over a longer period of time than if you had commenced benefits at your

Normal Retirement Date. The reduction that will apply depends on the amount of Credited Service you have accumulated in the Plan.

If you have less than 25 years of Credited Service at your termination, your Early Retirement Benefit will be calculated by reducing your FAP Benefit by 6% for each of the first 5 years and 4% for each of the next 5 years that your benefit commencement precedes your Normal Retirement Date, with a pro-rata reduction for any fraction of a year.

If you have 25 or more years of Credited Service at your termination, you can retire at age 60 or later with no reduction to your FAP Benefit. If you commence benefits before age 60, your Early Retirement Benefit will be calculated by reducing your FAP Benefit by 6% for the first year and 4% for each subsequent year that your commencement precedes age 60, with a pro-rata reduction for any fraction of a year.

The following table summarizes the application of these early retirement reduction factors:

AGE AT EARLY RETIREMENT	PERCENT OF NORMAL RETIREMENT BENEFIT PAYABLE WITH LESS THAN 25 YEARS OF CREDITED SERVICE	PERCENT OF NORMAL RETIREMENT BENEFIT PAYABLE WITH AT LEAST 25 YEARS OF CREDITED SERVICE
64	94%	100%
63	88%	100%
62	82%	100%
61	76%	100%
60	70%	100%
59	66%	94%
58	62%	90%
57	58%	86%
56	54%	82%
55	50%	78%

***"Rule of 85" Retirement***

If you terminate employment on or after reaching at least age 55, you retire on or after January 1, 1992 and the sum of your age and Credited Service equals or exceeds 85, you are eligible for an unreduced Early Retirement Benefit from the Plan following your retirement.

***Minimum Early Retirement Benefit***

If you are eligible for an Early Retirement Benefit, the Plan applies a minimum benefit that you will receive should your monthly FAP Benefit calculated with the reductions described above be less the established threshold. The minimum benefit thresholds are based on your Credited Service. If you have less than 20 years of Credited Service at your termination, your Early Retirement Benefit shall not be less than \$250 per month (or \$200 per month if you terminated prior to June 1, 1990). If you have 20 or more years of Credited Service at your termination, your Early Retirement Benefit shall not be less than \$350 per month (or \$250 per month if you terminated prior to June 1, 1990).

**Example:**

Assume that you retire in 2011 at age 60 with 20 years of Credited Service (i.e., you reached your Early Retirement Age at age 55 but waited to terminate employment). You have an annual Final Average Pay is \$60,000 (\$5,000 per month) and your Benefit Class is C. Your FAP Benefit will be calculated to include an early retirement reduction as illustrated below:

EARLY RETIREMENT MONTHLY BENEFIT EXAMPLE			
0.575% of Final Average Pay x Credited Service up to 30 years	$0.575\% \times \$60,000 \times 20$	=	\$6,900.00
+			+
Monthly Benefit Class Amount (annualized) (see attached Appendices) x Credited Service	$\$35.19 \times 12 \times 20$	=	\$8,445.60
=			=
Basic Annual Benefit at Normal Retirement Age			\$15,345.60
<b>Single Life Monthly Annuity at Normal Retirement Age</b>	$\$15,345.60 \div 12$	=	<b>\$1,278.80</b>
Reduction for Early Retirement			70%
Total Single Life Monthly Annuity beginning at age 60 (with reduced benefit factor applied)			\$895.16

### **Supplemental Benefit**

The Company also provides a Supplemental Benefit to *eligible* FAP Participants. Specifically, you are eligible to receive a "**Supplemental Benefit**" if you (1) are a FAP Participant in the Plan at the time of your employment termination; (2) have completed 25 years of Credited Service; and (3) retire from active service on or after reaching age 60. You are not eligible for the Supplemental Benefit if (or when) you are no longer a FAP Participant in the Plan (e.g., if you convert from the FAP Benefit to the AB I Benefit).

For eligible FAP Participants, this Supplemental Benefit is paid in addition to your Early Retirement Benefit and is paid until you reach age 65 or become entitled to receive a Social Security disability benefit, if earlier. The Supplemental Benefit is a set monthly amount based on your Benefit Class as of the date of your retirement. (However, if you changed Benefit Class within the 60 months prior to your termination, the Supplemental Benefit will be a pro-rata average of the applicable Benefit Class amounts in accordance with the Plan.) See Part B of Appendix II to this Summary for a listing of the Supplemental Benefit amounts for each Benefit Class.

If you are eligible for the "Rule of 85" explained above, you will be eligible for the Supplemental Benefit even if you have not yet reached age 60 at your retirement, provided you have at least 25 years of Credited Service. This Supplemental Benefit is also paid until you reach age 65 or become entitled to receive a Social Security disability benefit, if earlier. The Supplemental Benefit that commences prior to age 60 will be reduced for each month that the payment precedes age 60 in accordance with factors set forth in the Plan.

**Example:**

Assume you retire in 2011 at age 62 with 25 years of Credited Service and an annual Final Average Pay of \$60,000 (or \$5,000 per month). Assume your Benefit Class is A. Your monthly Early Retirement Benefit, factoring in the Supplemental Benefit, is calculated as follows:

<b>SUPPLEMENTAL BENEFIT EXAMPLE</b>			
RETIREMENT BENEFIT			
0.575% of Final Average Pay x Credited Service up to 30 years	$0.575\% \times \$60,000 \times 25$	=	\$8,625.00
+			+
Monthly Benefit Class Amount (annualized) (see attached Appendices) x Credited Service	$\$23.96 \times 12 \times 25$	=	\$7,188.00
=			=
Basic Annual Benefit at Normal Retirement Age			\$15,813.00
<b>Single Life Monthly Annuity Benefit at Normal Retirement Age</b>	$\$15,813.00 \div 12$	=	<b>\$1,317.75</b>
Reduction for Early Retirement (no reduction – meets "Rule of 85")	$\$1,317.75 \times 100\%$	=	\$1,317.75
SUPPLEMENTAL BENEFIT			
Supplement of \$810.00 (see Appendix II) (with no further reduction because commencing after age 60)		=	\$810.00
Monthly Benefit Until Age 65	$\$1,317.75 + \$810.00$	=	\$2,127.75
Monthly Benefit After Age 65			\$1,317.75

To see how your benefit adds up, you can call MySource for Human Resources at **1-888-640-3320** at any time or visit the Web site ([www.mysourceforhr.com](http://www.mysourceforhr.com)) to request a calculation of your earned benefit.

### **Termination Prior to Normal or Early Retirement**

If you terminate employment with the Company before your Normal or Early Retirement Date, you will be eligible to receive your vested FAP Benefit beginning the month following your attaining Normal Retirement Age. Your FAP Benefit (also called your "Deferred Vested Benefit") is based on your Final Average Pay and Credited Service up to your termination date.

You may begin receiving your FAP Benefit in a reduced amount as early as age 55 if you have at least 10 years of Credited Service. The reduction is the same as for the Early Retirement Benefit with fewer than 25 years of Credited Service (even if you have more than 25 years of Credited Service at the time of your termination). Specifically, if you elect to begin receipt of your benefit

before your Normal Retirement Age, your benefit will be reduced by 6% for each of the first 5 years and 4% for each of the next 5 years by which payments begin before your Normal Retirement Date.

The Plan applies a minimum Deferred Vested Benefit that you will receive should your monthly benefit calculated according to the formula above be less than the established threshold. Specifically, your monthly Deferred Vested Benefit shall not be less than \$25 times your years of Credited Service up to 10 years (or \$20 times your years of Credited Service up to 10 years if you terminated prior to June 1, 1990).

## Monitoring Your FAP Benefit

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To monitor your FAP Benefit you can call MySource for Human Resources at **1-888-640-3320** at any time or visit the Web site **[www.mysourceforhr.com](http://www.mysourceforhr.com)** for information on your FAP Benefit or to run retirement estimates. Note that any estimates provided by My Source for Human Resources are estimates only and your actual retirement benefit may change based on your years of Credited Service, Eligible Pay, or the interest rate in effect under the Plan at the time of your actual retirement.

## Funding: Who Pays For Your Benefit

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The Plan is funded with contributions made by the Company. On an annual basis, the Plan Administrator actuarially determines the amount that the Company must contribute in order to fund the pension benefits for you and your fellow co-workers that participate in the Plan.

## Vesting: When Do You Own Your Benefit

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As discussed earlier in this Summary, to be vested means you have a permanent right to your Plan benefit and are entitled to receive that benefit whenever you stop working for the Company. You become fully vested in your Plan benefit once you have completed 3 years of Vesting Service (5 years of Vesting Service for employees terminating prior to January 1, 2010) (see "Service" section described earlier in this Summary). There is no partial vesting in your Plan benefit. You are not vested until you reach 3 years of Vesting Service, and you become fully vested once you reach 3 years of Vesting Service (5 years for employees terminating prior to January 1, 2010).

Thus, for example, if you terminate employment with only 2 years of Vesting Service, then you will receive no benefit under the Plan. That is, you are not vested in your benefit because you have less than 3 years of Vesting Service. If you terminate employment with 3 or more years of Vesting Service, you are fully vested in your benefit.

# RECEIVING YOUR BENEFIT

## When Is Your Benefit Paid?

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Provided you are vested in your benefit as described above, you (or in the event of your death, your surviving spouse) may receive or begin to receive your benefit under the Plan as soon as possible following: (1) attainment of your Early or Normal Retirement Date; or (2) your death (see "Death Benefits" found later in this Summary).

If you are vested in your benefit and terminate employment with the Company with an accrued FAP Benefit of \$5,000 or less, you will automatically be paid a single lump sum as soon as practicable after your termination. Alternatively, if your vested benefit amount is more than \$5,000, receipt of your benefit will be deferred until the date you would have reached Early Retirement or Normal Retirement. In other words, once you have terminated employment and have reached your Early or Normal Retirement Date, you may elect to begin receiving your Plan benefit. By law, you must begin to receive payment of your Plan benefit by April 1 of the calendar year following the later of either (1) the year you turn age 70½, or (2) the year in which you retire.

The amount you would be eligible to receive would be the amount of your accrued FAP Benefit. Remember, if you leave the Company before you are vested in your benefit, you are not entitled to a benefit under the Plan.

## How Is Your FAP Benefit Paid?

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Regardless of *when* you receive your benefits, generally you will need to elect the *form* of your benefit. As stated earlier in this summary, your FAP Benefit is stated as a monthly annuity payable for your lifetime beginning at your Normal Retirement Date. However, you can elect to receive your Plan benefit in one of several available annuity forms. Once you terminate employment and reach your Early or Normal Retirement Age, you can request a distribution of your benefit at any time in any of the forms available under the Plan (described below). Note that if you are married, your benefit will be paid in the joint and survivor annuity form as described below, unless you elect a different form of benefit with your spouse's consent.

### ***A Note on "Actuarially Equivalent" Benefits***

The various benefit form options are considered to be "*actuarially equivalent*" meaning that, statistically, they should produce the same total benefit amount even though they provide very different monthly benefit payments. To calculate actuarial equivalence, the Plan uses factors set forth in the Plan. In addition, to the extent applicable, the Plan also may use specified interest rate and mortality factors for various purposes, applying statutory minimum requirements.

### ***Applying for Benefits***

If you are retiring, you must call MySource for Human Resources at **1-888-640-3320** or visit the Web site **[www.mysourceforhr.com](http://www.mysourceforhr.com)** to request a pension benefit commencement kit. If you contact by phone, please ask to speak with a Retirement Specialist.

You should request the kit 30 to 90 days before you want your pension benefit to begin. In the kit, you will find further information regarding your pension benefit and payment options. In addition, all the appropriate forms are included along with instructions on what you need to do to commence your pension benefit. You may change your payment option at any time before your first payment is processed. However, once your payments begin, you may not change the form of payment you have elected. Generally, all forms must be returned by the 10<sup>th</sup> of the month preceding the date your benefits are calculated to commence (your "**Benefit Commencement**

**Date**"). The actual payment(s) will be made as soon as practicable following your Benefit Commencement Date.

If you leave the Company before retirement age and have a vested benefit, a notice will automatically be sent to you as soon as administratively practicable after your termination. The notice will provide information regarding your pension benefit and the payment options available to you.

## ***Payment Options Under the Plan***

When you retire or leave the Company, you may elect to receive your vested benefit under the Plan in any of the payment forms outlined below. As previously stated, various benefit forms are "actuarially equivalent."

### ***Automatic Form of Payment***

As described further below, if you are not married, your benefit will be paid in the form of a "Single Life Annuity." If you are married and you do not make an election for a different payment form, your benefit will be paid as a "50% Pop-Up Annuity" as described below. You may elect a different form of payment only with your spouse's notarized consent.

Again, if the actuarial equivalent of your vested FAP Benefit is \$5,000 or less, the Plan automatically pays this amount as a lump sum distribution (*i.e.*, annuity payments are not available).

### ***Form of Payment Available to All Participants***

- **Single Life Annuity**—As stated above, if you are single, the single life annuity option is the automatic form of payment. This means that you will receive your benefit as a single life annuity if you are not married at the time your benefits commence. With a single life annuity, you receive monthly payments for your lifetime. When you die, payments end. If you are married, you may elect this form of payment with your spouse's notarized consent.

### ***Optional Forms of Payment Available Only to Married Participants***

- **50% Pop-Up Annuity**—As stated above, if you are married, the 50% Pop-Up Annuity (with no reduction for the value of the pop-up feature), with your spouse as the contingent annuitant, is the automatic form of payment under the Plan. This means that you will receive your benefit in this form of payment unless you elect a different form. If you terminated employment prior to January 1, 2005, your automatic form of payment is a 50% joint and survivor annuity (with your spouse as the annuitant) without the pop-up feature.

Under the 50% Pop-Up Annuity distribution option, you receive reduced benefits monthly for your lifetime. If you die before your spouse, he or she receives monthly payments equal to 50% of your benefit for his or her lifetime.

If your spouse dies within 60 months after your Benefit Commencement Date and before you die, your monthly payment is increased to the amount you would have received under the single life annuity option. In that case, all benefits would stop at your death.

If your spouse dies more than 60 months after your Benefit Commencement Date and before you die, your monthly payment will remain the same as when your beneficiary was living and all payments will stop at your death.

- **75% Annuity**—Under this option, you receive reduced benefits monthly for your lifetime. After your death, if your surviving spouse lives longer than you do, he or she receives monthly payments equal to 75% of your benefits for his or her lifetime. You may not name a non-spouse beneficiary to receive this form of payment. Note that prior to January 1, 2010, this optional form of benefit was only available at your Normal Retirement Date.
- **100% Annuity**—Under this option, you receive reduced benefits monthly for your lifetime. After your death, if your surviving spouse lives longer than you do, he or she receives monthly payments equal to the benefit you were receiving for his or her lifetime. You may not name a non-spouse beneficiary to receive this form of payment. Note that prior to

January 1, 2010, this optional form of benefit was only available at your Normal Retirement Date.

Payments under any of these options will be based on your accrued FAP Benefit. However, note that a minimum benefit applies to certain monthly annuity payments. Specifically, if you are eligible for a Normal Retirement benefit, a Special FAP Disability Retirement Benefit or an Early Retirement Benefit after 20 or more years of Credited Service and you elect the 50% Pop-Up Annuity, the 75% Annuity or the 100% Annuity above, then neither the reduced monthly amount payable to you nor the monthly survivorship portion payable to a spouse shall be less than \$350. Alternatively, if you retire under a different circumstance (e.g., you are eligible for an Early Retirement Benefit but with less than 20 years of Credited Service) and you elect the 50% Pop-Up Annuity, the 75% Annuity or the 100% Annuity above, then the minimum monthly benefit payable to you or to your spouse shall be no less than \$25 multiplied by your years of Credited Service up to 10 years. Subject to the spousal consent requirements noted above, you may choose any form of distribution. If you die before an elected form of distribution begins, your benefit will be determined as provided in the "Death Benefits" section of this Summary.

## A Comparison of Payment Options

As stated above, you may choose for your FAP Benefit to be paid in the form of several annuity options and these options are actuarially equivalent. If you choose an annuity payment option that provides benefits for a beneficiary after your death, your actual payment will be reduced to reflect the cost or value of guaranteeing payments over the lives of two people. For example, assume you are married and retiring when both you and your spouse are age 55. Assume also that your FAP Benefit produces a monthly benefit of \$1,200. See below for examples of estimated monthly amounts under some of the payment options that you could choose, and the amounts your surviving spouse could receive if you die after payments begin. Note that the examples do not reflect the payment of a Supplemental Benefit as discussed above. The examples below are simply intended to provide you with a general idea of the differences in payment amount between the various payment forms.

<b>PAYMENT OPTIONS</b>	<b>YOUR MONTHLY BENEFIT FOR LIFE</b>	<b>YOUR SPOUSE'S MONTHLY BENEFIT FOR LIFE AFTER YOUR DEATH</b>
Single life annuity	\$1,200.00	\$0.00
50% Pop-Up Annuity (unreduced for pop-up feature with spouse as beneficiary)	\$1,140.00	\$570.00
75% Annuity	\$1,044.00	\$783.00
100% Annuity	\$960.00	\$960.00

## Situations Affecting Your Plan Benefit

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The Plan is designed to provide you with income during your retirement years, but some situations could affect Plan benefits.

Several situations are summarized here:

- If your employment terminates before you have completed three years of vesting service (five years of vesting service if you terminated prior to January 1, 2010) you will not be entitled to a pension benefit and your pension benefit is forfeited.
- If you do not make the proper application for benefits, do not provide necessary information or do not provide your current address, your pension benefits could be delayed.
- If you die before your pension benefits begin and you are unmarried, no benefit is payable under the Plan.
- If required by a qualified domestic relations order, all or a portion of your pension benefit may be assigned to someone other than you or your designated beneficiary to meet payments for child support, alimony or marital property rights. See "In the Event of Divorce or Dissolution" below.
- If there is a mistake or misstatement about eligibility, participation or service, or if the amount of payment made to you or your beneficiary is incorrect, the Plan Administrator has the authority to correct the situation. This may be done by withholding, accelerating or adjusting payments as necessary to ensure the proper payment from the Plan is made. In addition, in the event that an overpayment is made from the Plan and no additional payments are due to be paid, the Plan Administrator has the authority to seek reimbursement of such overpaid amounts from the Participant (plus interest calculated in accordance with IRS guidance.)
- If you are a highly paid employee, the law limits the annual benefit from the retirement and tax-deferred investment plans that can be distributed to you. The amount of annual compensation, which may be considered in determining pension benefits from the Plan, is also limited by law. You will be notified if this affects you.

## A Note on Social Security Benefits

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In addition to your benefits from the Plan, you can receive benefits from Social Security. Currently, if you were born before 1938, your full Social Security retirement benefits are payable at age 65. If you were born after 1937, your full Social Security benefits will be payable between ages 65 and 67, depending on your year of birth. You may elect to receive Social Security benefits as early as age 62, but the monthly amount will be reduced because you will be expected to receive it over a longer period of time.

Social Security benefits are not paid automatically. You should apply at the Social Security office nearest your home approximately three months before you want your benefits to begin. The Social Security office can advise you on the documents you will need in order to apply for this benefit.

# DEATH BENEFITS

## Death After Pension Payments Begin

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If you die after you have begun receiving your pension benefit, additional payments to a named beneficiary will depend on the form of benefit payment you selected (see "Payment Options Under the Plan" above).

## Death Before Pension Payments Begin

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### ***Single Participants***

If you are single and you die before commencing your vested FAP benefit, there is no death benefit payable from the Plan.

### ***Married Participants***

If you are married and you die before you begin receiving your FAP Benefit, the Plan will provide pre-retirement death benefits to your surviving spouse, provided you were vested under the Plan at the time of your death (see "Vesting: When Do You Own Your Benefit" above). Benefit payments to your surviving spouse, if applicable, will commence as described below and shall be paid until your surviving spouse's death. The amount of your death benefit payment is described below.

### ***Death Benefit Amount and Commencement***

The amount and timing of payment of your death benefit payment are described below.

If you are actively employed at the time of your death or you die after you have terminated employment but before you begin receiving your vested pension benefit, the death benefit payable to your surviving spouse will be an annuity equal to the survivor portion of your FAP Benefit under the 50% Annuity. This death benefit is calculated as if you had (1) terminated employment immediately preceding death (if not already terminated), (2) elected to receive the 50% Annuity beginning on the earliest day on which you could have elected to receive your benefit, and (3) died on the day after such benefit would have commenced.

The death benefit will begin on the first day of the month following: (1) the date of your death if you were eligible for normal retirement when you died, (2) the date of your death if you were eligible for early retirement when you died (or can be delayed to when you would have reached age 65, at your spouse's election), (3) the date you would have reached age 55 if you were not eligible for early retirement when you died but you had 10 or more years of Credited Service (or can be delayed to when you would have reached age 65, at your spouse's election), or (4) the date you would have reached age 65 if you were vested in your pension benefit when you died but you had less than 10 years of Credited Service. If your surviving spouse elects to defer commencement of the death benefit until the first day of any calendar month preceding or coinciding with the date on which you would have attained Normal Retirement Age, the monthly amount of that deferred death benefit will be increased (as if you had deferred commencement of the benefit) to reflect the deferred payments.

Note that if the present value of the death benefit payable to your spouse or other beneficiary is \$5,000 or less, the Trustee will automatically distribute your death benefit to your surviving spouse in a single lump sum payment.

## ***Minimum Death Benefit***

The monthly survivor death benefit payable to your surviving spouse shall not be less than (1) \$350 (or \$250 if you terminated prior to June 1, 1990), if you had either attained age 65 or attained age 55 and completed 20 or more years of Credited service at the date of your death; or (2) in all other cases, a minimum death benefit equal to \$25 (or \$20 if you terminated prior to June 1, 1990) multiplied by your years of Credited Service up to a maximum of 10 years.

## ***Special FAP Disability Death Benefit***

A special death benefit is available with respect to your surviving spouse if you (1) incur a Disability while employed by the Company due to a job-related injury or illness, (2) die within six months of the date of commencement of the injury or illness, and (3) at your date of death were under the age of 55 years and had completed at least 30 years of Credited Service. This death benefit will be paid beginning on the first day of the month coincident with or next following the date of your death and continuing through the month in which your surviving spouse's death occurs. The death benefit will be a monthly amount equal to 50% of the monthly Special FAP Disability Benefit (described later in this Summary) you would have been entitled to receive had your Disability continued for a period of six consecutive months. In no event, however, will this death benefit be less than the regular monthly death benefit your spouse is entitled to as described in this Section. A Special FAP Disability Death Benefit, if payable, shall be in lieu of any other death benefit payable to your surviving spouse under the Plan. For purposes of this Special FAP Disability Death Benefit, the determination of whether you have incurred a Disability qualifying you for this benefit shall be made in the opinion of a qualified physician appointed by the Company.

## **Designation of Beneficiary**

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As described in the "Death Benefits" section above, if you die before beginning receipt of your benefits, your FAP Benefit will be paid only to a surviving spouse. Thus, if you are single, you do not need to complete a beneficiary designation form. If you are married, your spouse will automatically be named as your beneficiary for purposes of a death benefit or for the survivor portion of a joint and survivor annuity. As stated above, you may not designate someone other than your spouse to be the beneficiary under a joint and survivor annuity option. Note that if you marry after becoming a Plan participant, **your spouse automatically becomes your beneficiary**. You should notify MySource for Human Resources of any changes in your marital status. See "In the Event of Divorce or Dissolution" (the following section) for an explanation of how a divorce may affect your beneficiary designation under the Plan.

## **Duty to Report Participant's Death**

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If you die while receiving pension payments, the Plan Administrator must be notified of your death so that appropriate action may be taken concerning your benefits (e.g., beginning payments to a designated beneficiary; stopping payments; etc.). It is illegal for any person or entity to continue to receive after your death benefit payments that are supposed to be made only for the duration of your life. Accordingly, please advise those persons who may ultimately represent your estate, or who may be in a position to receive your benefit payments, of this legal duty to contact the Plan Administrator upon your death.

# IN THE EVENT OF DIVORCE OR DISSOLUTION

If you are married and you go through a divorce or dissolution, such proceedings may affect your Plan benefit or your beneficiary designation under the Plan, as explained below. You must inform the Plan Administrator if you are divorced by contacting MySource for Human Resource at **1-888-640-3320**.

## Beneficiary Designations After Divorce/Dissolution

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If you are married and your marriage terminates by reason of divorce, dissolution or other similar operation of domestic relations law, the Plan's benefit options available only to married Participants will no longer apply except to the extent otherwise provided in a "qualified domestic relations order" (discussed further below) and as allowed by the Plan.

If you subsequently re-marry a different spouse, your new spouse becomes your beneficiary, unless, again, a valid qualified domestic relations order provides otherwise. As explained below, a qualified domestic relations order may limit your ability to name another beneficiary in the event of a divorce or dissolution.

## Qualified Domestic Relations Order (QDRO)

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If you become divorced or legally separated, a specific type of court order could require that part of your benefit be paid to someone else – your former spouse, for example. This is known as a "qualified domestic relations order" ("QDRO"). By federal law, the Plan must comply with a valid QDRO. A QDRO is a legal judgment or decree that recognizes the rights of or support obligation toward a spouse, former spouse, child or other dependent. A domestic relations order must satisfy specific requirements to be "qualified," and it must be recognized by the Plan Administrator.

If required by a QDRO, all or a portion of your benefit may be assigned to your former spouse or a dependent rather than you or to a subsequent spouse to meet payments for child support, alimony or marital property rights. A QDRO may require that your former spouse be treated as your surviving spouse for all or any part of the survivor benefits payable after your death. In other words, if you re-marry, your subsequent spouse may not be treated as your surviving spouse for the portion of your benefit assigned to your former spouse if a valid QDRO so provides.

You and your beneficiaries may obtain, free of charge, a copy of the procedures used to determine the "qualified" status of a domestic relations order from MySource for Human Resources at **1-888-640-3320** or **[www.mysourceforhr.com](http://www.mysourceforhr.com)**. You or your spouse should submit a draft version of a domestic relations order to the Plan Administrator for review and approval before such order is finalized under domestic relations law.

*As soon as you are aware of any court proceedings that may affect your FAP Benefit, contact MySource for Human Resources at **1-888-640-3320**. When the Plan Administrator receives notice of a pending QDRO, a hold will be placed on your FAP Benefit that will prevent you from making any withdrawals until the QDRO is processed.*

# CHANGES IN EMPLOYMENT STATUS\*

## Rehired Employees

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If you terminate employment after becoming a Plan participant and later return to employment as an Eligible Employee, you will generally begin participation in the Plan under the AB I Benefit provisions rather than the FAP Benefit provisions. As an Eligible Employee, you will begin participation immediately once you are rehired, however, the Break in Service rules (described earlier in this Summary) may impact your Service crediting under the Plan.

If you are participating under the FAP Benefit and you terminate employment but do not receive a distribution, then when you are reemployed, the Plan will convert your FAP Benefit to an AB I Benefit opening balance. In addition, if you were receiving your benefits in the form of an annuity at the time you return to employment as an Eligible Employee and return to employment before your Normal Retirement Age, your annuity payments will be suspended and the unpaid portion of your prior benefit will be converted to an AB I Benefit opening balance as of the date of your reemployment. On your subsequent Benefit Commencement Date, your FAP Benefit (*i.e.*, your "Protected Benefit" under the AB I Benefit structure) will be reduced by the amount of annuity benefits you previously received. In either case, for purposes of calculating your AB I "pay credits" (described in the AB I Benefit summary), you will be credited with "point service" both before and after your absence from employment (unless you had previously received a full distribution of your benefit). Further, your prior Service (as well as your Service earned after your reemployment) will count for vesting purposes.

If you terminate employment, begin receipt of your FAP Benefit, and then return to employment as an Eligible Employee after you have reached your Normal Retirement Age, then, when you are reemployed, your FAP Benefit will not be suspended. In addition, you will remain a FAP Participant, and your FAP Benefit will not be converted to an AB I Benefit as described above. Rather, at the end of each subsequent calendar year, your annuity benefit will be recalculated to determine if an adjustment is required. Contact the Plan Administrator for additional details regarding the effect of reemployment on your retirement benefit. In addition, see the AB I summary plan description for an explanation of your AB I Benefit if these provisions apply to you.

## Transfers to/from the NiSource Salaried Pension Plan

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### ***From the NiSource Salaried Pension Plan***

If you were a participant in the NiSource Salaried Pension Plan (the "Salaried Plan") and you transferred to an "Eligible Employee" position providing coverage under the Plan, your benefit will be determined under the AB I Benefit of the Plan and a different summary will apply. Your benefit under the Salaried Plan will be converted to an AB I Benefit opening balance in the Plan as of the date of your transfer. You will receive credit for your Vesting Service and point service both before and after the transfer. With respect to your benefit under the Salaried Plan (including for calculating your "protected benefit" from the Salaried Plan), you will cease to earn service for benefit accrual as of the date of transfer, except that service following transfer shall be counted solely for purposes of determining eligibility for an early retirement benefit under such plan.

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\* Note the rehire provisions of this section are generally applicable to any participant rehired on or after June 1, 2008. Note the transfer provisions of this section are applicable to transfers occurring on or after January 1, 2009.

**To the NiSource Salaried Pension Plan**

If you transfer from a position providing coverage under the FAP Benefit of the Plan to employment in a position providing coverage under the Salaried Plan, your benefit will be determined under the AB II Benefit option of the Salaried Plan. In order to allow you flexibility when considering a transfer, the Plan applies a one-year waiting period if you transfer from a union position under the Plan to a non-union position eligible for participation under the Salaried Plan. Specifically, if you transfer to a non-union position covered under the Salaried Plan, after a period of one year from the date of your transfer (or if earlier, upon your retirement), you will be subject to the terms of the Salaried Plan retroactive to your date of transfer (*i.e.*, you will have an AB II Benefit opening balance in the Salaried Plan, retroactive to your transfer date). Provided you are an "Eligible Employee" under the Salaried Plan (*e.g.*, if you transfer to an exempt position, you were hired or rehired prior to January 1, 2010), you will receive credit for vesting service and point service under the Salaried Plan for your service both before and after the transfer. However, if you transfer back to employment providing coverage under the Plan within the 1-year period, you will be treated as never having left participation in the Plan.

## Transfers to/from Affiliates

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**From An Affiliate**

The following chart generally describes the impact on your pension benefit if you transfer *from* a particular employment position providing coverage under an affiliate’s pension plan *to* an employment position with the Company otherwise providing coverage under the Plan. Unless specific provisions in the Plan or an affiliate’s plan provides otherwise, your benefit will be determined as set forth below. See the NiSource Human Resources Department for further information.

As described below, note that transferring from a Company affiliate means that you become an AB I Benefit participant in the Plan. Thus, this Summary applicable to the FAP Benefit of the Plan will not apply. The chart below is provided for information purposes only. If you transfer from an affiliate, please see the Summary applicable to you.

IF YOU TRANSFER FROM AN AFFILIATE IN THE FOLLOWING POSITION:	TO THE COMPANY IN THE FOLLOWING POSITION:	THE IMPACT ON PLAN BENEFITS WILL BE AS FOLLOWS:
Non-union (exempt or non-exempt)	Union	Your benefit under the affiliate’s plan will be frozen as of your transfer date and you will begin to participate in the AB I Benefit of the Plan. Your prior benefit will remain in the affiliate’s plan and you will begin participation in the Plan with a \$0 opening balance. You will receive credit for Vesting Service and point service for your Service both before and after the transfer. With respect to your benefit under the affiliate’s plan, you will cease to earn service for benefit accrual as of the date of transfer, except that service following transfer shall be counted solely for purposes of determining eligibility for an early retirement benefit under such plan.
Union	Union	

### To An Affiliate

The following chart generally describes the impact on your pension benefit if you transfer *from* a particular employment position providing coverage under the Plan *to* an employment position with an affiliate that does not sponsor the Plan (because the affiliate offers a different plan or no plan). Unless specific provisions in the Plan or an affiliate's plan provide otherwise, your benefit will be determined as set forth below. See the NiSource Human Resources Department for further information.

IF YOU TRANSFER FROM THE COMPANY IN THE FOLLOWING POSITION:	TO AN AFFILIATE IN THE FOLLOWING POSITION:	THE IMPACT ON PLAN BENEFITS WILL BE AS FOLLOWS:
Union	Non-union (exempt or non-exempt)	Your FAP Benefit in the Plan will be frozen as of the date of your transfer and you will begin participating in the affiliate's plan as a new participant. With respect to your benefit under the Plan, you will cease to earn service for benefit accrual as of the date of transfer, except that Service following transfer shall be counted solely for purposes of determining eligibility for an early retirement benefit under the Plan. You will begin participating in the affiliate's plan as a new participant (assuming you are an "Eligible Employee"). If the affiliate's plan provides for your participation in an account balance option, you shall begin participation in such option with a \$0 opening balance, though you will receive credit for vesting service and point service both before and after the transfer. If the affiliate's plan provides for your participation in a FAP Benefit option, you shall begin participation in such option with zero credited service.
Union	Union	

## If You Continue to Work After Normal Retirement Age

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If you choose to work beyond your Normal Retirement Age, you will continue to earn Credited Service under the FAP Benefit provisions of the Plan until you retire. If you work eight or more days per month on and after reaching Normal Retirement Age, you may not begin receiving your pension benefit from the Plan. If you work fewer than eight days per month on and after reaching Normal Retirement Age, you may begin receiving your pension benefit from the Plan.

## If You Become Disabled

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If you become Disabled while working for the Company, the calculation of your Plan benefit will be impacted as described in this section. In general, "**Disability**" or "**Disabled**" under the Plan means that you are either (1) eligible for disability benefits under the Social Security Act, or (2) you are totally and permanently disabled by bodily injury or disease so as to be prevented from engaged in any employment of the type covered by the relevant collective bargaining agreement, the disability has continued for six consecutive months and in the opinion of a qualified physician the disability will be permanent. Note that prior June 1, 2004, eligibility for disability benefits under the Social Security Act was not a part of the Plan's definition of Disability.

If you are considered Disabled under the Plan and later return to active employment as an Eligible Employee, you will be covered under the FAP Benefit once you return to active work unless you elect at your return to participate in the AB I Benefit. If you do not make such an election, you will remain in the FAP Benefit.

### ***Special FAP Disability Retirement Benefit***

You are entitled to a Special FAP Disability Retirement Benefit from the Plan if you are Disabled while employed by the Company and you either: (1) terminate employment as a FAP Participant due to Disability after completing 15 or more years of Credited Service; or (2) you terminate employment as a FAP Participant due to Disability after completing three or more years of Credited Service and become Disabled due to an injury suffered on the job (other than one that is intentionally self-inflicted). If you do not meet these requirements, you are not eligible for a Special FAP Disability Retirement Benefit under the Plan. Payment of a Special FAP Disability Retirement Benefit will begin as of the first day of the month next following the date that the Company is informed that you have been determined Disabled. You may receive your benefit under any of the payment options described in "Payment Options Under the Plan" above.

The amount of the monthly Special FAP Disability Retirement Benefit, determined on a single-life basis, will be equal to the greater of your monthly accrued benefit at the date of termination due to Disability or \$350. The benefit will not be reduced for payment commencing before age 65. In addition, if you became Disabled and met the conditions of clause (2) above (*i.e.*, you terminated after completing three or more years of Credited Service and are Disabled due to an on the job injury), your benefit will be computed as if you had at least 25 years of Credited Service.

If you are entitled to a Special FAP Disability Retirement Benefit and you submit proof that you have not been approved for Social Security disability benefits, your Special FAP Disability Retirement Benefit will be increased from the date your benefit commences until the date on which you reach age 65 or, if earlier, you become entitled to Social Security disability insurance benefits. The amount of this increase will be equal to the Supplemental Benefit to which you would be entitled based on your Disability retirement date and your Benefit Class on that date, regardless of whether you otherwise qualify for the Supplemental Benefit based on age and Credited Service.

If you retire on account of a Disability, have been granted a Special FAP Disability Retirement Benefit and again become capable of performing regular services prior to age 65, your Special FAP Disability Retirement Benefit will be discontinued.

# CLAIMS FOR BENEFITS

## Applying for Your Plan Benefit

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As stated above, to request your Plan benefits you must obtain a pension benefit commencement kit from MySource for Human Resources (**1-888-640-3320**; **www.mysourceforhr.com**).

## Claim Denial and Appeal Process

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If you disagree with any decision the Plan Administrator may make regarding your interest in the Plan, the Plan contains the administrative review procedure you must follow. If you think benefits owed to you are not paid, or are too low, or are paid at a time other than when you think they should be, you can make a "claim" for benefits to the Plan Administrator.

If your claim for a pension benefit is denied in whole or in part, you have the right to request a review of the denial. You (or your beneficiary) will be notified of a denial of your claim in writing by the Plan Administrator within 90 days of the receipt of your claim (180 days if special circumstances apply). This written notice of the denial will include:

- The specific reason(s) for the denial;
- References to the Plan provision(s) on which the denial is based;
- A description of any additional material or information that is necessary to complete the claim; and
- The procedures for appealing the decision.

You or your authorized representative may review all documents related to any denial of a pension benefit. If you disagree with the Plan Administrator's decision, you have 60 days from the receipt of the original denial to request a review. This request should be in writing and sent to the NiSource Benefits Committee at the following address:

NiSource Inc.  
Attn: NiSource Benefits Committee  
801 East 86<sup>th</sup> Avenue  
Merrillville, IN 46410

Your appeal will be reviewed and you will receive written notification of a decision within 60 days. If special circumstances require more time for this process, you will be notified in writing no later than 120 days after the receipt of your request. . If your appeal is denied, you will be told why and which Plan provisions support that decision. If the final determination is made in your favor, the determination shall be final and binding. If the final determination is not made in your favor, the determination shall be binding and conclusive unless you notify the NiSource Benefits Committee within 90 days after the mailing or delivery of the determination that you intend to institute legal proceedings under Section 502(a) of ERISA challenging the determination, and you actually institute such legal proceedings within 180 days after such mailing or delivery. All questions arising with respect to the Plan during any such legal proceedings shall be governed by Indiana law, except to the extent superseded by federal law.

### ***Disability Claims***

If your claim involves a dispute as to whether you are Disabled or continue to be Disabled under the Plan for purposes of establishing or maintaining eligibility for a Special FAP Disability Retirement Benefit or as to whether you are Disabled due to an injury on the job, the following procedures shall apply. For purposes of determining eligibility for the Special FAP Disability Retirement Benefit

in the absence of a determination to entitlement based on Social Security Disability Retirement Benefits eligibility, or determining whether you were Disabled due to an injury on the job, you shall submit to examinations by your physician as well as a physician appointed by the Plan Administrator. If the physicians disagree as to whether you are Disabled, a final determination shall be made by a third physician who is selected by the chief company physician and your physician.

If your claim involves a determination of Disability under the Plan, the times for submitting an appeal and for decisions on a claim or appeal are modified. If you submit a claim involving a determination of Disability, you (or your beneficiary) will be notified of a denial of your claim in writing by the Plan Administrator within 45 days of the receipt of your claim (up to 105 days if special circumstances apply).

If you disagree with the Plan Administrator's decision, you have 180 days from the receipt of the original denial to request a review. This request should be in writing and sent to the Plan Administrator at the address noted above.

Your appeal will be reviewed and you will receive written notification of a decision within 45 days (90 days if special circumstances apply) after the receipt of your request. If your appeal is denied, you will be told why and which Plan provisions support that decision. All determinations of appeals made by the Plan Administrator are final and binding.

# TAX CONSEQUENCES

## How and When Your Plan Benefits are Taxed

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Generally, federal and state income tax laws do not require you to pay tax on your Plan benefits until you actually receive distributions under the Plan. Once you begin to receive benefit payments, you will have taxable income on these payments in the year that you receive them. In the year(s) of any distribution from the Plan, you will receive a tax form that will provide you with the information you need to file your taxes. You may be able to defer federal income taxes and avoid any penalty taxes if you transfer or “roll over” your distribution (see the Rollover section below). You should consult your tax advisor concerning any distribution you receive from the Plan.

### ***Withholding Requirements***

The Company is required by law to withhold taxes on payments from the Plan according to federal and state withholding rules in effect at the time of distribution. Under IRS rules, if you receive a lump-sum payment from the Plan, the Company is required to automatically withhold 20% of the amount payable toward your federal tax liability for that year. You can avoid the 20% withholding by having the money directly transferred to the NiSource Inc. Retirement Savings Plan, a 403(b) plan, a governmental 457 plan, another employer’s qualified plan or to an IRA, including a Roth IRA (see the Rollover section below). You should consult with your personal tax adviser regarding this matter.

## Rollovers

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If you receive your benefit under the plan in the form of a single lump-sum (*i.e.*, a lump sum distribution of \$5,000 or less), you may elect to roll over all or a portion of the distribution to an Individual Retirement Account/Annuity (an “IRA”) or into another retirement plan that accepts rollovers from qualified plans. If you directly roll over your distribution from the Plan into a traditional IRA or another retirement plan, no income tax will be due on the amount rolled over and earnings thereon until you begin withdrawing the funds from the traditional IRA or retirement plan. If you roll over your distribution to a Roth IRA, the amount rolled over *is* subject to income tax in the year of the rollover. Under certain circumstances, all or a portion of a distribution may not qualify for rollover treatment.

As stated above, if you elect to have your benefit paid directly to you in a lump-sum payment, rather than rolled over, 20% of your distribution will be withheld and paid to the IRS. Even if you elect to have your benefit paid directly to you, you may still decide to roll over all or a portion of your distribution to an IRA or another retirement plan. If you decide to roll over your distribution, you must make the rollover within 60 days after you receive the distribution. If you choose to roll over 100% of your distribution, you must replace the 20% that has been withheld with other money available to you within the 60-day period. If you do not replace the 20% that has been withheld and you roll over only the 80% that you actually received, you will be taxed on the 20% that was withheld.

Note that in contrast to a single lump-sum payment (which in the Plan is only available as a mandatory lump sum payment because the total value of the benefit is \$5,000 or less), you cannot roll over monthly benefit payments into an IRA or another retirement plan.

## Distributions Prior to Age 59 ½

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In addition to being taxed as ordinary income, the taxable portion of a distribution taken prior to age 59 ½ (an early distribution) may be subject to a nondeductible federal penalty tax of 10%. Additional penalties may exist under state tax law. Early distributions are exempt from federal penalty taxes if the distribution was made for one of the following reasons:

- Distribution to your named beneficiary due to your death;
- Distribution that is made in the form of annuity payments over your life expectancy or over the life expectancy of you and your beneficiary;
- Distribution is made after termination of employment if you terminate after you reach age 55;
- For deductible medical expenses;
- Payment to an alternate payee under a qualified domestic relations order upon dissolution of a marriage; or
- To roll over to an IRA or other retirement plan within 60 days of receipt.

Please contact your Plan Administrator to receive a copy of the Special Tax Notice regarding payments from the Plan. This notice contains important information that you need to know before making a payment/withholding election.

# AMENDMENT OR PLAN TERMINATION

The Committee expects to continue the Plan, but reserves the right to suspend, amend, modify or terminate the Plan in whole or in part at any time. If the Plan is amended, the amendments will not decrease your Accrued Benefit as of the time an amendment is adopted.

The Committee may only amend the Plan in writing. Any amendments shall be duly authorized if approved or ratified by the Committee. Thus, the Plan may not be modified or amended simply by representations, oral or otherwise, that may be made to you concerning the Plan. Accordingly, you should not consider the Plan to have been amended based on assertions made by a supervisor or human resources representative, for instance. If you believe you have received information that is contrary to the terms of the Plan or this Summary, please contact the Plan Administrator for clarification or confirmation.

If the Plan is terminated, or if there is a partial termination affecting you, you immediately will be fully vested as of the date of the termination. Benefits will be paid, according to law, as described in the following paragraph. Any money left in the trust will be returned to the Company after all required benefit obligations have been met. Trust fund assets would be used first to provide benefits to retirees, beneficiaries and active participants.

Before terminating the Plan, the Company would be required to notify the Pension Benefit Guaranty Corporation, a federal government agency. You also would receive notice of this termination. Once approval has been received, Plan assets would be used to pay benefits to retirees, beneficiaries, and active participants, up to the total amount of assets in the Plan's trust. If for any reason the funds are insufficient to pay full benefits to all participants, payments would be made in the following order of priority: (1) benefits that are being paid or that will begin to be paid within three years; (2) benefits guaranteed by the Pension Benefit Guaranty Corporation; (3) benefits that were already vested before the Plan's termination; and (4) all other benefits.

Benefits for certain highly paid employees may be limited when the Plan terminates. If this applies to you, you will be provided with details.

## Your Benefits are Insured

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Your pension benefits, under the Plan, are insured by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers:

- Normal and early retirement benefits;
- Disability benefits if you become disabled before the Plan terminates; and
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates;
- Some or all of benefit increases and new benefits based on Plan provisions that have been in place for less than five years at the time the Plan terminates;
- Benefits that are not vested because you have not worked long enough for the Company;
- Benefits for which you have not met all of the requirements at the time the Plan terminates;

- Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

Even if a portion of your benefits is not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money the Plan has and on how much the PBGC collects from the Company.

For more information about the PBGC and the benefits it guarantees, contact MySource for Human Resources at **1-888-640-3320** or contact the PBGC's Technical Assistance Division, 1200 K Street NW, Suite 930, Washington D.C. 20005-4026 or call **1-202-326-4000** (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 **1-202-326-4000**.

Additional information about the PBGC's pension insurance program is available through the PBGC's Web site on the Internet at **[www.pbgc.gov](http://www.pbgc.gov)**.

# ADMINISTRATIVE / LEGAL OVERVIEW

## Administrative Information

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### ***Plan Sponsor***

The Plan Sponsor is Northern Indiana Public Service Company.

### ***Plan Administrator***

The Plan Administrator is the NiSource Benefits Committee (the "Committee"). In its discretion, the Committee may designate members of the NiSource Human Resources Department or other individuals to act on its behalf with respect to the administration of the Plan. The Committee has the sole authority to interpret the terms of the Plan. You may contact the Committee/Plan Administrator at:

NiSource Inc.  
Attn: NiSource Benefits Committee  
801 East 86<sup>th</sup> Avenue  
Merrillville, IN 46410  
1-219-647-5571

### ***Employer Identification Number***

The Employer Identification Number ("EIN") assigned by the IRS for Northern Indiana Public Service Company is 35-0552990.

### ***Plan Type, Name and Number***

The Plan is classified as a defined benefit plan generally providing pension benefits to eligible retirees and their survivors, and has been assigned Plan number 001. The official Plan name is the NIPSCO Union Pension Plan. Note that a collective master trust applies to the assets of the Plan as well as the assets of the NiSource Salaried Pension Plan. While the Plan and the NiSource Salaried Pension Plan have different plan documents and provisions, these two plans are collectively filed with the IRS as the "NiSource Pension Plan."

### ***Plan Year***

The official Plan year is the calendar year, January 1 through December 31.

### ***Plan Trustee***

The Plan Trustee is The Northern Trust Company. The Plan Trustee is responsible for holding the assets of the trust fund according to the Committee's directions, and for distributing Plan payments. The money in the trust fund is set aside for the exclusive benefit of Plan participants and their beneficiaries.

You may contact the Plan Trustee at:

The Northern Trust Company  
50 South LaSalle Street  
Chicago, IL 60675

## Legal Information/Issues

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### ***Employment Rights***

The Plan is neither a contract for employment nor consideration for employment. Participation in the Plan is not a guarantee of or contract for new or continued employment. All employees remain subject to termination, layoff or discipline as if the Plan had never been put into effect.

### ***If the Plan Becomes "Top-Heavy"; A Legal Limitation***

As required by law, alternate Plan provisions go into effect if the Plan becomes top-heavy. The Plan is "top-heavy" if more than 60% of accumulated account balances or accrued benefits are payable to certain "key employees." Key employees are officers with annual compensation of more than \$160,000 (indexed for 2011), and employees who are 1 percent owners of the Company with annual compensation of more than \$150,000 (not indexed), 5 percent owners of the Company and beneficiaries of the above. You will be notified if this affects you.

### ***Agent for Service of Legal Process***

The agent for service of legal process is:

NiSource Inc.  
Senior Vice President of Human Resources  
801 East 86<sup>th</sup> Avenue  
Merrillville, IN 46410

Legal process may also be served on the Plan Administrator or the Plan Trustee.

### ***State Law***

Indiana law shall determine all questions arising with respect to the provisions of the Plan, except to the extent superseded by federal law.

### ***No Guarantee***

All benefits provided under the Plan will be paid solely from the assets of the trust associated with the Plan. Except to the extent provided by law, nothing in the Plan or the trust will constitute a guarantee by the Company that the assets of the trust will be sufficient to pay any pension benefits to any person. Nothing in the Plan will give you or your beneficiary an interest in any specific part of the assets of the trust, or any other interest, except the right to receive pension benefits out of the assets of the trust as provided for in the Plan.

### ***Collective Bargaining Agreements***

As stated earlier in this SPD, employees who are covered by a collective bargaining agreement are not eligible for the Plan unless the applicable collective bargaining agreement provides for participation in the Plan. For those employees who are covered by a collective bargaining agreement providing for participation in the Plan, the Plan is maintained pursuant to a collective bargaining agreement.

### ***Assignment of Benefits***

Your pension benefit belongs to you and may not be sold, assigned, transferred, pledged or garnished, except under a Qualified Domestic Relations Order or as otherwise required under applicable law.

If you (or your beneficiary) are unable to care for your own affairs, any payments due may be paid to someone who is authorized to manage your affairs. This may be a relative, a friend or a court-appointed guardian.

### ***Mergers, Consolidations or Transfers***

If the Plan is merged or consolidated with another plan, or if Plan assets are transferred to another plan, your accrued benefit will be protected. Your accrued benefit under the new plan would, immediately after the change, at least equal the amount you would be entitled to immediately before the merger if the Plan had terminated just before the change.

## **Your ERISA Rights**

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As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

ERISA provides that all Plan participants shall be entitled to:

***Receive Information About Your Plan and Benefits***

- Examine (without charge) at the Plan Administrator's office and at other specified locations—such as work sites and union halls—all documents governing the Plan, including insurance contracts and collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this Summary Annual Report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (Social Security retirement age) and, if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

***Prudent Actions by Plan Fiduciaries***

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called fiduciaries of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

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

***Enforce Your Rights***

If your claim for a pension 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 ERISA rights. 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 a federal court. In such a case, the court may require the Plan Administrator 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 reasons beyond the control of the administrator.
- 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.
- If you disagree with the Plan's decision or lack thereof concerning the qualified status of a QDRO, you may file suit in federal court.
- If Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your ERISA rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.
- If you file suit against the Plan, the court will decide who should pay court costs and legal fees. If you are successful, the court may order the person 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.

***Assistance With Your Questions***

If you have any questions about the Plan, you should contact the Plan Administrator. 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 Administrator, you should contact the nearest office of the Employee Benefits Security Administration (“EBSA”), 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 Constitution Avenue NW, Washington, D.C. 20210.

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the “Publications Hotline” of the EBSA.

# APPENDIX I

NIPSCO UNION PENSION PLAN						
BENEFIT CLASSES – PHYSICAL						
<b>Benefit Class A: Physical Jobs</b>						
788						
955						
<b>Benefit Class B: Physical Jobs</b>						
364	539	708A	742	810	880	938
424	541	711	776	811	884	942
508	573	732	780	836	888	950
529	697	736	784	840	934	954
<b>Benefit Class C: Physical Jobs</b>						
56	363R	503	609	635	728	871
57	376	505	613	635R	738	872
60	380	525	617	700	740	876
61	384	527	621	710	768	914
178	416	535	625	710R	772	916
320	420	537	626	717	828	918
321	438	565	627	718	832	920
352	442	569	628	719	841	922
356	474	583	629	720	842	930
363	474R	590	631	724		

<b>NIPSCO UNION PENSION PLAN</b>						
BENEFIT CLASSES – PHYSICAL						
<b>Benefit Class D: Physical Jobs</b>						
54	190	217	243	434	602	686
58	194	217R	250	468	603	708
116	204	233	348	470	605	709
120	206	235	358	501	630	766
124	211	236	359	540	640	868
138	212	236R	359R	561	659	870
140	214	241	362	581	680	912
174	215	241I	412	600	681	919
182	216	241R	412R	601	685	940
186						
<b>Benefit Class E: Physical Jobs</b>						
100	158	198	220	229R	262	515
104	158G	200	221R	229	263R	545
108	158R	202	221	240*	263	547
110	162	203	222	244	316	584
110R	162G	207	223R	245	317	
128	162R	208	223	245R	404*	
130	166	210	225	245T	408*	
134		210A	226	247	480	
136	170	219	227	260	482	
136R	172	219R	227R	261R	484	
			228	261		

\* Effective June 1, 1990. Prior to June 1, 1990, these jobs were in Benefit Class D.

**NIPSCO UNION PENSION PLAN**

## BENEFIT CLASSES - CLERICAL

**Benefit Class A:** Clerical Jobs

800	1210	1305	1401	1450	1549	1660
1000	1212	1307	1404	1460	1551	1709
1101	1213	1309	1405	1501	1560	1713
1105	1214	1313	1408	1509	1604	1721
1109	1216	1315	1409	1513	1605	1729
1113	1218	1317	1412	1515	1606	1733
1117	1221	1321	1413	1517	1608	1737
1121	1222	1325	1416	1521	1612	1741
1125	1225	1327	1417	1527	1614	1749
1129	1226	1331	1420	1529	1616	1760
1131	1229	1335	1421	1531	1618	1806
1133	1230	1339	1424	1532	1620	1812
1140	1231	1343	1425	1533	1622	1814
1160	1232	1347	1428	1537	1626	1818
1201	1233	1351	1432	1540	1628	1826
1202	1235	1359	1436	1541	1630	1830
1204	1260	1360	1440	1544	1636	1838
1205	1301	1363	1444	1547	1638	1860
1209	1303	1365	1448	1548	1650	

<b>NIPSCO UNION PENSION PLAN</b>						
BENEFIT CLASSES - CLERICAL						
<b>Benefit Class B:</b> Clerical Jobs						
1707	1747	1905	1931	2014	2032	2160
1711	1751	1909	1932	2020	2036	2161
1715	1808	1911	1935	2021	2040	2214
1719	1820	1913	1936	2022	2060	2222
1727	1822	1915	1939	2023	2109	2224
1731	1824	1919	1941	2027	2113	2226
1735	1828	1920	1951	2028	2116	2228
1739	1832	1921	1960	2029	2118	2260
1743	1836	1927	2010	2030	2120	2261
<b>Benefit Class C:</b> Clerical Jobs						
2111	2123	2315	2327	2360	2412	2460
2115	2127	2319	2328	2361	2424	2461
2119	2200	2321	2330	2400	2432	2499
2121	2212	2323	2332	2404	2435	2500

# APPENDIX II

NIPSCO UNION PENSION PLAN		
BENEFIT CLASS PAYMENTS		
<b>Part A:</b> For purposes of Normal Retirement Benefit:		
<b>Date of Retirement or Termination of Employment</b>	<b>Benefit Class</b>	<b>Monthly Benefit Amount</b>
On or after June 1, 2001 but prior to January 1, 2007	A	\$23.49
	B	\$28.98
	C	\$34.50
	D	\$40.00
	E	\$45.53
On or after January 1, 2007	A	\$23.96
	B	\$29.56
	C	\$35.19
	D	\$40.80
	E	\$46.44

<b>NIPSCO UNION PENSION PLAN</b>		
<b>BENEFIT CLASS PAYMENTS</b>		
<b>Part B: For purposes of the Supplemental Benefit</b>		
<b>Retirement Date</b>	<b>Benefit Class</b>	<b>Monthly Benefit Amount</b>
On or after June 1, 2001 but prior to January 1, 2006	A	\$770
	B	\$795
	C	\$830
	D	\$830
	E	\$830
On or after January 1, 2006 but prior to January 1, 2008	A	\$790
	B	\$815
	C	\$850
	D	\$850
	E	\$850
On or after January 1, 2008	A	\$810
	B	\$835
	C	\$870
	D	\$870
	E	\$870

If you terminated prior to the dates listed on the charts above, please contact the Plan Administrator for the monthly benefit amount applicable for your Benefit Class.

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