

UPPER PENINSULA PLUMBERS' & PIPEFITTERS' FRINGE BENEFIT FUNDS

UP Plumbers' & Pipefitters' Health & Welfare Fund
UP Plumbers' & Pipefitters' Pension Fund
UP Plumbers' & Pipefitters' Money Purchase Fund
UP Plumbers' & Pipefitters' Vacation Fund:
UP Plumbers' & Pipefitters' Educational Fund

June 2003

TO: PLAN PARTICIPANTS OF THE
UPPER PENINSULA PLUMBERS' AND PIPEFITTERS' PENSION FUND

RE: 2003 SUMMARY OF MATERIAL MODIFICATIONS

Dear Plan Participant:

This is to announce that the Trustees of the Upper Peninsula Plumbers' and Pipefitters' Pension Fund (the "Plan") have amended the Plan. This Notice, known as a Summary of Material Modifications ("SMM") is an amendment to the Summary Plan Description ("SPD") you received previously. You should keep this SMM with the SPD for future reference.

The Board of Trustees of the Pension Fund has adopted the following Plan Modifications:

- Effective **July 1, 2003**, the minimum Hours of Work for a Year of Vesting Credit will be increased from 400 Hours of Work to 800 Hours of Work.
- Effective **February 1, 2003**, the Index 85 provision for benefits accrued on and after February 1, 2003 was discontinued.
- Also effective **February 1, 2003**, the Future Service Formula for hours accrued on and after February 1, 2003 was changed from 14.0 cents per hour to 2.0 cents per hour.
- Effective for retirements on or after November 1, 2002, your Years of Service toward eligibility for Index 85 Benefits will be the greater of:
 - The sum of your Years of Service based upon employer contributions, workers' compensation credits and Years of Service granted for receiving Social Security Disability Benefits plus your Years of Contiguous Service as of November 1, 2002; or
 - Your Years of Service based upon employer contributions, workers' compensation credits and Years of Service granted for receiving Social Security Disability Benefits (disregarding all Years of Contiguous Service).
- Effective **January 1, 2002**, a Participant, Surviving Spouse and former spouse designated as an alternate payee by a qualified domestic relations order can make a direct rollover to a qualified employer plan or a Section 457 plan which accepts rollovers, to an individual retirement account or annuity (IRA), to a Section 403(a) qualified annuity or to a Section 403(b) tax-sheltered annuity. An eligible rollover distribution is a lump sum benefit of \$200.00 or more or, if only a portion of the benefit is to be rolled over, that portion is \$500.00 or more.
- **Retroactive to July 1, 1998**, the Fund recognized as Years of Service toward eligibility for Index 85 Benefits the following since the inception of the Plan (June 1, 1968): Contiguous Service Credits,

Workers' Compensation Credits and years during which a Participant received Disability Benefits from the Social Security Administration.

The Pre-Retirement Surviving Spouse Benefit was amended to provide benefits in the Joint and Survivor 100% form rather than the Joint and Survivor 50% form.

In addition, an Active Vested Participant who dies before commencing pension payments will be allowed to "age into" the Index 85 Unreduced Early Retirement Benefit for purposes of calculating the Pre-Retirement Surviving Spouse Benefit.

- Effective **July 1, 1999**, the Future Service Crediting Formula for the Plan Year ended June 30, 1995 and all Plan Years thereafter was increased to 14 cents per Hour of Work:
- Effective with the **July 1, 1999** pension payment, all Pension Recipients received an eighteen-dollar (\$18.00) per month increase in their monthly pension. In addition, the monthly Disability Benefit was increased from \$257.00 to \$275.00 per month.
- The members of the Board of Trustees as of the date of this summary are:

Management Trustees:

Charles H. Carlson, *Chairman*
Industrial Piping Co.
1020 Wright Street
Marquette, MI 49855

Jerome Hedstrom
N 560 East Fairland Circle
Menominee, MI 49858

Union Trustees:

William Retaskie, *Secretary*
Local 506
2601 N 30th Street
Escanaba, MI 49829

Robert McCutcheon
Local 506
119 South Front Street
Marquette, MI 49855

Sincerely,

BOARD OF TRUSTEES
UPPER PENINSULA PLUMBERS' AND PIPEFITTERS' PENSION FUND