

UPPER PENINSULA PLUMBERS' & PIPEFITTERS' FRINGE BENEFIT FUNDS

UP Plumbers' & Pipefitters' Health & Welfare Fund
UP Plumbers' & Pipefitters' Pension Fund
UP Plumbers' & Pipefitters' Defined Contribution Plan
UP Plumbers' & Pipefitters' Educational Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

TO: Participants of the UP Plumbers' & Pipefitters' Pension Fund

**RE: UP PLUMBERS' & PIPEFITTERS' PENSION FUND
Qualified Preretirement Survivor Annuity ("QPSA")**

You should have received a Summary of Material Modifications dated May, 2009. That document summarized the various Plan revisions adopted by the Board of Trustees to insure the continued financial stability of this Pension Fund. One of the changes was the elimination of the Plan subsidy for the Qualified Preretirement Survivor Annuity ("QPSA"), which provides for a pension payable to your surviving spouse, provided certain conditions are met, if you die before you retire. Effective as of August 1, 2009, there will be a cost for the QPSA benefit in the form of a reduction to your pension benefit accrual for each month your spouse is covered by this benefit.

Enclosed you will find a Notice of Right to Waive Qualified Preretirement Survivor Annuity and the election and waiver forms. Please review this information carefully. As outlined in the enclosed material, if you do not waive the QPSA benefit and you later retire, your accrued benefit will be reduced not only for the QPSA benefit, but also for whichever optional form of benefit you may elect at retirement. These reductions would be made in *addition* to any reductions for early retirement.

After reviewing this information, if you decide to keep the QPSA benefit, you need not do anything further. If you decide to waive the QPSA benefit, you must complete and return the enclosed election and waiver forms no later than August 1, 2009. In that case, you will incur no benefit reduction for this coverage.

Otherwise, as of August 1, 2009, your pension benefit will be reduced to cover the cost of the QPSA benefit as described in the attached Notice. These reductions will occur even if you cancel the QPSA benefit prior to your actual retirement or if you are no longer married to your current spouse (either through death or divorce). However, if you return the election and waiver forms after August 1, 2009, no *additional* charges will be assessed against your benefit as of the first day of the month after the forms are received by the Plan Administrator.

Please see the enclosed Notice for further details.

Sincerely,

Board of Trustees

Revised July, 2009

6525 Centurion Drive • Lansing, MI 48917-9275
(517) 321-7502 • FAX (517) 321-7508
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UPPER PENINSULA PLUMBERS' & PIPEFITTERS' PENSION FUND

NOTICE OF RIGHT TO WAIVE PRERETIREMENT SURVIVOR ANNUITY

The Plan provides that if you, the Plan participant, have met the requirements described below, you will be eligible to have a Qualified Preretirement Survivor Annuity ("QPSA") paid to your surviving spouse unless you waive the QPSA benefit in writing. The QPSA benefit will provide a lifetime payment to your spouse should you die before benefits under the Plan to you commence. Your spouse will be entitled to the QPSA benefit if you:

1. Have not waived the QPSA benefit (with your spouse's consent) on a form provided by the Plan Administrator,
2. Die after becoming vested in any portion of your benefits under the Plan and before payments under the Plan to you begin, and
3. Have been legally married to your spouse for the one-year period immediately preceding your death.

The amount of the QPSA benefit to your spouse will commence on the later to occur of: (i) the first day of the month after your death and (ii) the first day of the month after you would have attained age fifty-five. The QPSA benefit will be paid to your spouse in monthly payments and will continue for the remainder of his or her lifetime. The amount of the QPSA benefit payable to your spouse will be equal to 50% of the amount of the benefit that would have been payable to you in the 50% joint and survivor annuity form had you attained age fifty-five, retired and not died, on the first day of the month following your death. If you do not wish to have the QPSA benefit payable to your spouse, you may elect to waive it on a form provided to you by the Plan Administrator; provided that the waiver will not be effective unless your spouse executes the consent form attached to the election form and delivers it to the Plan Administrator.

If you do not waive the QPSA benefit (with your spouse's consent), your retirement benefit, or the benefit payable to your spouse, will be actuarially reduced to reflect the cost of providing this benefit. The reduction in your monthly benefit will depend upon your age and the number of months the QPSA benefit is in effect after August 1, 2009. Refer to the table below:

<u>Participant's Age Range</u>	<u>Percent Reduction in Accrued Benefit Per Month Covered Within Age Range</u>
35-44	0.002%
45-49	0.004%
50-54	0.008%
55-59	0.017%
60-65	0.045%

Example

Assume you just turned age 40 as of August 1, 2009. If you elect coverage from this point until you retire at age 65 with a \$1,000 monthly benefit, then your benefit is $\$954.40 = \$1,000 * \{1 - [(60 * 0.00002) + (60 * 0.00004) + (60 * 0.00008) + (60 * 0.00017) + (60 * 0.00045)]\}$. This covers the reduction which corresponds to coverage in the various age ranges noted in the above table.

You are entitled to receive a specific estimate of the reduction to your estimated normal retirement benefit based on the cost of the QPSA benefit. If you wish to receive this, or if you have any other questions regarding this Notice, you should send a written request for further information to the Plan Administrator: 6525 Centurion Drive, Lansing, MI 48917-9275.

Upon your termination of employment, you will be asked to elect a form of retirement benefit. A waiver of the QPSA benefit does not determine the form of your retirement benefit.

If you wish to waive the QPSA benefit, you should indicate this on the attached form and your spouse should execute the attached consent form.

UPPER PENINSULA PLUMBERS' & PIPEFITTERS' PENSION FUND

WAIVER OF PRERETIREMENT SURVIVOR ANNUITY

I understand that the Qualified Preretirement Survivor Annuity ("QPSA") is a survivor annuity payable to my spouse provided the terms of the Plan concerning the payment of the QPSA benefit are met. Such terms have been explained to me and I understand them. I understand that the QPSA benefit will automatically be payable unless I waive the QPSA benefit and my spouse consents to my waiver in writing. I also understand that the amount of any benefit payable to me or my spouse under the Plan will be permanently reduced to take account of the prior protection of my spouse during the period the QPSA benefit was available. Further, I understand that I may revoke my election to waive the QPSA benefit at any time before termination of my employment and that my revocation will take effect as described in the Plan.

I hereby waive the QPSA benefit. I understand and acknowledge that I may revoke this waiver at any time in the future before my death, that this waiver is invalid unless my spouse has properly completed and executed the attached consent form and delivered it to the Plan Administrator, and that the attached consent form is effective only with respect to the spouse who executes it.

Your signature: _____

Print name: _____

Social Security Number: _____

Date: _____

UPPER PENINSULA PLUMBERS' & PIPEFITTERS' PENSION FUND

CONSENT OF SPOUSE TO PARTICIPANT'S WAIVER OF PRERETIREMENT SURVIVOR ANNUITY

1. What is a Qualified Preretirement Survivor Annuity ("QPSA")?

Federal law gives you, the Participant's spouse, the right to receive a special death benefit from the Upper Peninsula Plumbers' & Pipefitters' Pension Fund ("Plan") if the Participant dies before you, unless the Participant chooses to give up this benefit and you agree to that choice. You have the right to receive a special death benefit if the Participant spouse has earned vested retirement benefits under the Plan and dies before he or she begins receiving those benefits. You have the right to receive this special monthly death benefit for the rest of your life beginning no later than when the Participant could have begun receiving retirement benefits. The special death benefit is seventy-five percent of the retirement benefit the Participant earned before death. The special death benefit is often called a "Qualified Preretirement Survivor Annuity" or "QPSA" benefit.

Example:

Pat Doe dies at age 45 after earning a retirement benefit. If Pat had lived, Pat could have retired and begun receiving payments as early as age 55 under the Plan's terms. The Plan will pay a monthly benefit to Pat's spouse, Robin Doe, for the rest of Robin's life. Robin has the right to begin receiving the benefit no later than when Pat would have been 55 years old.

There is a cost for the QPSA benefit. The Participant's retirement benefits will be permanently reduced for this cost.

2. What are your rights if you sign this Agreement?

Your right to the QPSA benefit provided by federal law cannot be taken away unless you agree to give up that benefit. If you sign this Agreement, you will not receive the QPSA benefit and the Participant's retirement benefits will not be reduced for the cost of the QPSA benefit you give up.

3. Do you have to give up your right to the QPSA benefit?

Your choice must be voluntary. It is your personal decision whether you want to give up your right to the QPSA benefit.

4. Can the Participant make future changes if I sign this Agreement?

Even if you sign this Agreement and consent to the Participant's waiver of the QPSA benefit, the Participant can later select the QPSA benefit for you without having you sign a new Agreement.

5. Can I change my mind after I sign this Agreement?

You cannot change your mind after you sign this Agreement. After you sign it, your decision is final and cannot be revoked by you.

6. What happens to this Agreement if I become separated or divorced?

You may lose your right to the QPSA benefit if the Participant and you become legally separated or divorced, even if you do not sign this Agreement. However, if you become legally separated or divorced, you might be able to get a special court order (which is called a qualified domestic relations order or "QDRO") that specifically protects your rights to receive the QPSA benefit or that gives you other benefits under this Plan.

7. What I am Agreeing to by Signing This Agreement.

I understand that I have a right to the QPSA benefit from the Plan if the Participant (my spouse) dies before he or she begins receiving retirement benefits. I agree to give up my right to the QPSA benefit. I understand that by signing this Agreement, I may receive less money than I would have received under the QPSA benefit and I may receive nothing from the Plan after the Participant (my spouse) dies.

I understand that I do not have to sign this Agreement. I am signing this Agreement voluntarily. I understand that if I do not sign this Agreement, then I will receive the QPSA benefit, in accordance with Plan provisions, if the Participant (my spouse) dies before he or she begins to receive retirement benefits and has earned vested benefits in accordance with the terms of the Plan.

Participant's name: _____

Your name: _____

Your signature: _____

Date signed: _____

Subscribed and sworn to before me this _____ day of _____

Notary Public: _____

or

Witness by Plan Representative: _____