

## INTRODUCTION

### TO PLAN PARTICIPANTS:

A secure retirement is an important goal of all working men and women. Although Social Security benefits, individual savings, and insurance provide some retirement income, most of us need more in order to maintain a comfortable standard of living during retirement. The Airconditioning and Refrigeration Industry Retirement Trust Fund (the “Plan”) is designed to supplement your Social Security benefits and personal savings and provide a larger monthly income when you retire.

The Plan was originally established in 1959, and was last restated effective November 1, 2014. Throughout the Plan’s history, it has been updated continuously to keep up with the changes in the Plan or the law. Your Union and your Employer are proud of the benefits they are able to provide under the Plan. If you have any questions about the Plan, including about how a change in your employment could affect your benefits, please visit the Plan web site at [www.acrtrust.org](http://www.acrtrust.org) or contact the Trust Office at:

Airconditioning and Refrigeration Industry Retirement Trust Fund  
3500 W. Oranewood Ave., Orange, CA 92868  
(714) 917-6100

### UNION TRUSTEES

Oscar Delcidseguna  
Tom Morton  
Brandon Mortorff  
Glenn Santa Cruz  
Jerry Trevino  
Lonnie Wright

### EMPLOYER TRUSTEES

John Baker  
Robert H. Carder  
Robert A. Lake  
James Reynolds  
Richard J. Sawhill  
Mike Tobin

## SPECIAL NOTES

- (1) This booklet contains a Summary Plan Description of the Airconditioning and Refrigeration Industry Retirement Trust Fund, as amended and restated November 1, 2014, and as subsequently amended through April 2018. The Summary Plan Description is intended only to highlight some of the Plan's essential points.
- (2) The Summary Plan Description is subject to the provisions of the Plan Document and the Trust Agreement and cannot modify or affect the Plan Document or Trust Agreement in any way. In the event of any conflict between the Summary Plan Description and the Plan Document or the Trust Agreement, the Plan Document and Trust Agreement will control. In addition, neither you nor any beneficiary shall earn any rights because of any statement in, or omission from, the Summary Plan Description. The provisions of the Plan Document and the Trust Agreement cannot be modified or amended in any way by any statement or promise made by any person, including employees of the Trust Office, the Union, or a contributing Employer.
- (3) It is hoped that the Plan will continue indefinitely in its present form, but the Board of Trustees reserves the right to amend or terminate the Plan at any time. The Plan could also be amended or terminated as the result of an agreement between participating Employers and the Union. If the Plan is ever terminated, your right to your earned benefit will automatically become 100% vested at that time.
- (4) **Board Determinations Conclusive.** The Board of Trustees shall have full discretion and authority to determine questions concerning the interpretation or administration of this Plan, including without limitation, all questions relating to eligibility for Plan benefits, and the determinations of the Board shall be conclusive and binding as to all persons and for all purposes.

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## WHO IS COVERED UNDER THE PLAN?

All Employees working in Covered Employment for a signatory Employer are eligible to participate in the Plan. Covered Employment is basically any employment in a job classification covered by a HVACR Service Collective Bargaining Agreement between your employer and the Southern California Pipe Trades District Council 16. Certain Employees of the Union are also eligible to participate in the Plan. (See Plan Section 1.6)

## WHEN DO I BECOME COVERED?

You automatically become covered on the first day contributions are due on your behalf for work you perform in Covered Employment.

## WHEN MAY I RETIRE?

**Normal Pension** – You will be eligible for a Normal Pension upon satisfying all of the requirements under either (1), (2), or (3), below:

- (1) You are at least 65 years of age; and  
You have at least 10 years but less than 25 years of Pension Credit; and  
You have worked at least 5,000 hours in Covered Employment since May 1, 1959.

**OR**

- (2) You have attained Normal Retirement Age (generally, age 65 with 5 years of participation).

**OR**

- (3) You are at least 65 years of age; and  
You have at least 5 years but less than 25 years of Pension Credit; and  
You have either:
  - (i) earned at least one quarter of Pension Credit in 1997 or 1998 and worked at least one hour in Covered Employment in 1999, or
  - (ii) earned at least one quarter of Pension Credit in 1999 or thereafter; andYou have worked at least 5,000 hours in Covered Employment since May 1, 1959.

However, a Non-Bargained Employee who has worked at least one hour in Covered Employment on or after January 1, 1989, will be eligible for a Normal Pension at age 65 if he or she has earned at least five Vesting Years. See Plan Section 3.1(a).

**Service Pension** — You will be eligible for a Service Pension regardless of your age if you have at least 25 years of Pension Credit and you have worked at least 5,000 hours in Covered Employment since May 1, 1959.

**Special Note:** The effective date of a Service Pension will be delayed six months for every calendar quarter after July 1, 1988 in which a Participant has at least one hour of Non-Covered Air Conditioning and Refrigeration Service. The definition of Non-Covered Air Conditioning and Refrigeration Service has changed from time to time. Please see Plan Section 7.1 for complete rules.

**Early Retirement Pension** — You will be eligible to retire on an Early Retirement Pension if you meet all of the following requirements:

- (1) You are at least 55 years of age but not yet 65
- (2) You have at least 15 years of Pension Credit.
- (3) You have worked at least 5,000 hours in Covered Employment since May 1, 1959.

**Special Note:** The effective date of an Early Retirement Pension will be delayed six months for every calendar quarter after July 1, 1988 in which a Participant has at least one hour of Non-Covered Air Conditioning and Refrigeration Service. The definition of Non-Covered Air Conditioning and Refrigeration Service has changed from time to time. Please see Plan Section 7.1 for complete rules.

**Disability Pension** — The Plan also provides a Disability Pension. See page 12 for more information.

## HOW DO I EARN PENSION CREDITS?

Benefits under the Plan and eligibility to receive payment are determined by the Pension Credits you have accumulated. Currently, a Participant will earn Pension Credit based on the following schedule:

| <u>HOURS WORKED</u> | <u>PENSION CREDIT</u> |
|---------------------|-----------------------|
| Less than 315       | None                  |
| 315 to 629          | One quarter           |
| 630 to 944          | Two quarters          |
| 945 to 1259         | Three quarters        |
| 1260 or more        | One year              |

For years prior to 1972, the hour requirements are different than those above.

Also, hours worked in excess of 1,260 from 1972 through 1990 may in certain cases be applied to years in which you worked fewer than 1,260 hours.

The Plan also grants Pension Credit under certain circumstances for work prior to 1959.

For more information about how Pension Credit is earned, see Plan Section 2.2(b) or contact the Trust Office.

## **HOW DO I EARN VESTING CREDITS?**

“Vested” Pension Credits are those credits that may not be taken away from you even if you leave covered employment before becoming eligible to receive a pension benefit. Generally, whether you are vested will be based on how many “Vesting Years” you have earned. Effective January 1, 1980, an Employee earns one year of Vesting Credit for each plan year in which he or she works 1,000 hours or more in Covered Employment. Between January 1, 1976 and December 31, 1979, an Employee earned one year of Pension Credit for vesting purposes for each plan year in which he or she worked at least 870 hours of work in Covered Employment. No partial credit for vesting purposes is granted for years in which an Employee works less than the required hours.

Under current Plan rules, you will become 100% Vested in your retirement benefit after you have earned 5 Vesting Credits, 5 Pension Credits or reach Normal Retirement Age as an active Participant.

## **CAN I LOSE PENSION CREDITS?**

Once you become vested, you can never lose the Pension Credits you have earned. Before you are vested, however, if you don’t work in covered employment for a certain period of time, you can lose all your previously earned Pension Credits—this is called a Permanent Break in Covered Employment.

Under current Plan rules, you will generally incur a Permanent Break in Covered Employment if you have at least five consecutive calendar years in which you earn less than one quarter (315 hours) of Pension Credit and the number of such years equals or exceeds the greater of the number of full years of Pension Credit or Vesting Years you had previously earned. Please see Plan Section 2.4 for more details.

For years prior to 1987, different rules apply for determining whether you incurred a Permanent Break in Covered Employment. If your employment has not been continuous, please contact the Trust Office to determine how these rules may affect you.

Under certain circumstances, failure to work one quarter (315 hours) in a year may not be counted toward a Permanent Break in Covered Employment. The Plan allows for such “grace periods” for involuntary unemployment, total disability, parental leave, military service, and certain non-contributory employment. If you think you may qualify for a grace period, or would like to learn more about the applicable Plan rules, please contact the Trust Office.

## **HOW IS THE AMOUNT OF MY BENEFIT CALCULATED?**

### **Normal Pension and Service Pension**

General Rule: For Normal Pensions and Service Pensions effective on or after January 1, 2000, the monthly pension amount will be the sum of the following:

- (1) \$40.00 for each full year of Pension Credit earned prior to May 1, 1959.
- (2) The greater of:
  - (A) \$50.00 for each full year of Pension Credit earned on or after May 1, 1959 and prior to 1991, or
  - (B) \$70.00 for each full year of Pension Credit earned on or after May 1, 1959 and prior to 1991, provided you earned at least one quarter of Pension Credit in 1998 or 1999.
- (3) For Calendar Years 1991 through 1997, if you worked at least 1,890 hours in Covered Employment, the monthly pension amount payable for such Plan Year will be \$105.00. If you worked between 1,260 and 1,890 hours in Covered Employment, the monthly pension amount for such Plan Year is determined by dividing the number of hours worked in Covered Employment by 1,890, then multiplying the result by \$105.00.

**Example:** If you worked 1,700 hours in Calendar Year 1997, the monthly pension amount payable for that year would be \$94.44, determined as follows:  $1,700/1,890 \times \$105 = \$94.44$ .

- (4) For Calendar Year 1998 the monthly pension amount will be calculated by dividing the total pension contributions made on your behalf during the Calendar Year by the total pension contributions that would be made for 1,890 hours at the ARCA Journeyman rate as of January 1 of that Calendar Year. (This number cannot be greater than 1; if your result is greater than 1, use 1.0.) Multiply the result by the pension benefit shown in the table on page 8.

**Example for Calendar Year 1998:**

1. Determine the total amount of pension contributions reported on your behalf during the Calendar Year. For this example, use \$4,956.
2. Multiply 1,890 hours worked by the ARCA Journeyman pension contribution rate of \$2.70. The result is \$5,103 in contributions.
3. Divide the result in Step 1 by the result in Step 2 which returns 0.9712.
4. Multiply the result in Step 3 by \$105 (the pension benefit in the table on page 8 for 1998). The result is a monthly pension benefit amount of \$101.98 earned during 1998.
- (5) Beginning with Calendar Year 1999, the monthly pension amount earned each Calendar Year will be calculated by dividing the total pension contributions made on your behalf during each Calendar Year by the total pension contributions that would be made for 2,000 hours each Calendar Year at the ARCA Journeyman rate as of January 1 of each Calendar Year. (This number cannot be greater than 1; if your result is greater than 1, use

1.0.) Multiply the result by the pension benefit shown in the table on page 8.

**Example for Calendar Year 2001:**

1. Determine the total amount of pension contributions reported on your behalf during the Calendar Year. For this example, use \$5,130.
2. Multiply 2,000 hours worked by the ARCA Journeyman pension contribution rate of \$2.70. The result is \$5,400 in contributions.
3. Divide the result in Step 1 by the result in Step 2, which returns 0.95.
4. Multiply the result in Step 3 by \$180 (the pension benefit in the table on page 8 for 2001). The result is a monthly pension amount of \$171.00 earned during 2001.

(6) Beginning with Calendar Year 1998, no pension amount shall be earned for any Calendar Year in which the Participant fails to earn at least one quarter of Pension Credit.

(7) Table of Rates of Pension Benefits

| Year | ARCA Rate | Pension Benefit |
|------|-----------|-----------------|
| 1998 | \$2.70    | \$105.00        |
| 1999 | \$2.70    | \$111.11        |
| 2000 | \$2.70    | \$180.00        |
| 2001 | \$2.70    | \$180.00        |
| 2002 | \$2.70    | \$180.00        |
| 2003 | \$2.70    | \$180.00        |
| 2004 | \$3.00    | \$180.00        |
| 2005 | \$3.00    | \$180.00        |
| 2006 | \$3.30    | \$180.00        |
| 2007 | \$3.73    | \$165.00        |
| 2008 | \$4.81    | \$150.00        |
| 2009 | \$5.69    | \$150.00        |
| 2010 | \$6.69    | \$150.00        |
| 2011 | \$6.69    | \$150.00        |
| 2012 | \$6.69    | \$150.00        |
| 2013 | \$6.81    | \$150.00        |
| 2014 | \$6.83    | \$150.00        |
| 2015 | \$6.83    | \$150.00        |
| 2016 | \$6.83    | \$150.00        |
| 2017 | \$6.83    | \$150.00        |

Beginning with Calendar Year 2018, the monthly pension amount will be \$150.00 or an amount determined pursuant to an amendment by the Board of Trustees.

- (8) In no event shall the monthly pension amount earned through December 31, 2008 determined under Plan Section 3.1(b) be less than the monthly pension amount earned through December 31, 2008 under the terms of the Plan in effect on that date.

### **Special Credit Enhancement for Plan Years 1998 through 2005**

If you earned 25 years of Pension Credit prior to Plan Years 1998, 1999 or 2000, the monthly pension amount for credits earned in Plan Years 1998 through 2005 will be increased by one-third (1/3) for those Plan Years following the year in which you earned 25 years of Pension Credit.

**Example:** If you had at least 25 Pension Credits as of December 31, 1999 and you had pension contributions in the amount of \$4,590.00 in Calendar Year 2000, the monthly pension amount for the year would be \$204.00, determined as follows:  $4,590/5,400 \times \$180.00 = \$153.00$ ,  $\$153.00 \times 1.3333 = \$204.00$ . If instead you had \$5,265.00 in pension contribution in Calendar Year 2000, the monthly pension amount payable for the year would be \$234.00 ( $5,265/5,400 \times \$180.00 \times 1.3333$ ).

### **Special Credit Enhancement for Plan Years 2008 through 2019**

Effective July 1, 2007 and continuing through 2019, if you have earned at least 25 years of Pension Credit and are at least 55 years of age prior to July 1, 2007, a Super Credit accrual value of \$190 will apply instead of the Pension Benefit amount shown in the table on page 8 above. To be eligible for the Super Credit in 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, or 2019 you must be at least 55 years of age and have earned 25 Pension Credits prior to January 1 of each such year. The Super Credit will be discontinued as of January 1, 2020 unless extended by the Trustees.

**Example:** If you had earned at least 25 years of Pension Credit and were at least 55 years of age prior to Plan Year 2002, and you had \$13,380 in pension contributions in Plan Year 2012, the monthly pension amount for that year would be \$190.00. If you had \$11,373 in pension contributions in 2012, the monthly pension amount for that year would be \$161.50, determined as follows:  $11,373/13,380 \times \$190.00 = \$161.50$ .

### **Special Notes:**

If you work or worked as a Tradesman, Maintenance Tradesman or Apprentice Trainee, you will receive \$8.00 for each year of such employment for Calendar Years 1991 – 1997 rather than the pension amounts described above.

Special rules may apply to your benefit rate if you leave Covered Employment and work less than 315 hours in each of two consecutive plan years. Contact the Trust Office for more information.

## **Early Retirement Pension**

The amount of the Early Retirement Pension is calculated as follows:

- (1) Determine the amount of the Normal Pension which would be payable if you were age 65.
- (2) Reduce this amount by 1/4 of 1% for each month you are younger than age 65.

**Example:** If you are 55 years of age, and have earned 15 Pension Credits you are eligible for an Early Retirement Pension. If the value of your Pension Credits would pay you a monthly pension of \$1,200 at age 65, you may retire on your 55<sup>th</sup> birthday and immediately begin receiving a monthly pension of \$840.00 ( $\$1,200 - [1/4\% \times 120 \text{ months} \times \$1,200]$ ). If you retired at age 60, your monthly pension would be \$1,020.00 ( $\$1,200 - [1/4\% \times 60 \text{ months} \times \$1,200]$ ).

## **HOW WILL MY BENEFITS BE PAID?**

Your benefits will be paid in one of the following ways:

### **Life Annuity (60 Month Guarantee)**

If you are not married when you retire, your benefits will be paid in the form of a Life Annuity. This means that benefits will be paid over your lifetime and, except as provided below, payments will cease upon your death. You may also elect to receive a Life Annuity if you are married, but you must obtain your Spouse's consent. See Plan Section 1.13 for the definition of "Spouse."

If you retired on and after September 1, 2001, benefits under the Life Annuity are guaranteed for a period of sixty (60) monthly payments beginning with the effective date of pension benefits. If you die before the end of the 60-month period, the Plan will continue to pay the same amount to your designated beneficiary, or if you are married and your Spouse consented to the Life Annuity, to your surviving Spouse until the end of the 60-month period. If you did not designate a beneficiary, the payment will be made to your legal beneficiary in accordance with applicable state law. If there is no legal beneficiary, no benefits will be payable after your death.

The 60 month guarantee does not apply if payments are made under any of the Joint and Survivor options below, or for certain periods of work in Non-Covered Employment. Please see Plan Section 4.1 for more details.

### **50% Joint and Survivor Annuity**

If you are married at the time of retirement, your benefit must be paid in the form of a 50% Joint and Survivor Annuity unless you and your Spouse properly reject it and select another form available under the Plan.

Under the 50% Joint and Survivor Annuity, you will receive a monthly pension for your lifetime. However, if your Spouse is still living at the time of your death, he or she will receive a monthly pension for his or her lifetime equal to 50% of the amount you were receiving prior to your death.

The monthly payment you receive under a 50% Joint and Survivor Annuity will be less than the monthly benefit under a Life Annuity. This is because the 50% Joint and Survivor Annuity is payable over your life and the life of your Spouse, whereas the Life Annuity is payable over your life alone. The exact amount of the monthly benefit payable to you and your surviving Spouse under a 50% Joint and Survivor Annuity will depend on your and your Spouse's relative ages at the time of your retirement. You may contact the Trust Office if you wish information on how much your benefit will be reduced.

### **75% Joint and Survivor Annuity**

You and your Spouse may also elect, in accordance with Plan rules, to receive benefits in the form of a 75% Joint and Survivor Annuity.

The 75% Joint and Survivor Annuity provides a monthly retirement benefit for your lifetime with 75% of such benefit payable to your surviving Spouse for his or her life after your death. The monthly retirement benefit payable during your lifetime under the 75% Joint and Survivor Annuity is less than that payable under the 50% Joint and Survivor Annuity because your Spouse will receive a larger benefit after your death.

### **100% Joint and Survivor Annuity**

As another option, you and your Spouse may elect to receive benefits in the form of a 100% Joint and Survivor Annuity.

The 100% Joint and Survivor Annuity also provides a monthly retirement benefit for your lifetime with the same amount payable to your surviving Spouse for his or her life after your death. The monthly retirement benefit payable over your lifetime under the 100% Joint and Survivor Annuity is less than that payable under the 75% Joint and Survivor Annuity and the 50% Joint and Survivor Annuity because under the 100% Joint and Survivor Annuity your Spouse will receive a larger benefit after your death than he or she would receive under either of the other forms of payment.

### **Death of Spouse After Retirement**

If your Spouse should die before you, your monthly benefit amount will be increased to the amount you would have received under the Life Annuity. The adjusted benefit will be effective on the first day of the month following the death of your Spouse.

## **IS THERE A DISABILITY PENSION?**

Yes. You will be eligible for a Disability Pension if you meet all of the following requirements:

- (1) You are permanently and totally disabled;
- (2) You have at least 10 years of Pension Credit; and,
- (3) You have earned at least 1/4 Pension Credit in either the year you became disabled or the prior calendar year.
- (4) You have worked at least 5,000 hours in Covered Employment since May 1, 1959.

If you work in Non-Covered Employment after July 1, 1988 and become disabled in the year you begin doing so or either of the two following calendar years, you will not be eligible for a Disability Pension. If you started working in Non-Covered Employment before July 1, 1988, this rule applies to such work after December 31, 1988.

### **Definition of “Permanently and Totally Disabled”**

You will be considered “permanently and totally disabled” if, in the sole and absolute judgment of the Board of Trustees, you are unable to engage in Covered Employment by reason of a physical or mental impairment which can be expected to result in long-continued and indefinite duration.

### **Proof of Disability**

To prove disability, you must either:

- (1) submit to the Trust Office the official determination by the Social Security Administration indicating that you are entitled to Social Security Disability Benefits; or
- (2) submit evidence based on a medical examination by a physician assigned by the Trust Office.

The Trustees may require documentation from time to time to determine whether you are still totally disabled. However, if you are receiving a Disability Pension, once you reach age 65, your benefits will continue regardless of whether or not you continue to be totally disabled.

### **Amount of Disability Pension**

The amount of the Disability Pension is currently determined as follows:

- (1) If you are eligible for a Disability Pension by virtue of receiving a Social Security Disability Award, your monthly benefit will be determined in the same way as the Normal Pension, with no reduction for retirement before age 65.

- (2) If you are eligible for a Disability Pension by virtue of medical evidence and you do not have a Social Security Disability Award, the monthly benefit will be an amount equal to the Normal Pension which would be payable if you were age 65, reduced by 1/4% for each month (3% for each year) you are younger than 65, up to a maximum reduction of 50%.

The Disability Pension will be payable from the first day of the month following the date of the disability or after the filing of an application for pension benefits, **whichever is later**.

If you receive a Disability Pension and you recover from your disability, you may reenter Covered Employment, at which time your Disability Pension will terminate.

### **Disability Pension Conversion**

If you are totally disabled but have not yet received a Social Security Disability Award, you may apply for an Early Retirement Pension, or a Disability Pension based on medical evidence, or a Service Pension. When you receive your Social Security Disability Award, you may convert your Early Retirement Pension or Disability Pension based on medical evidence to a Disability Pension and receive the higher Disability Pension amount. You may also convert your Service Pension to a Disability Pension, however your pension benefit amount will not change. In order to be eligible to convert to the Disability Pension, you must, at the time of retirement, (1) have submitted a copy of your application for Social Security Disability Benefits with your pension application, and (2) have otherwise qualified for a Disability Pension. The effective date of the converted Disability Pension will be the date you are entitled to Social Security Disability Benefits or the Annuity Starting Date of your pension benefits, whichever is later.

## **WHAT BENEFITS ARE AVAILABLE UPON MY DEATH?**

If you die prior to retirement your surviving Spouse or other beneficiaries may be eligible for the death benefits as described below.

### **A. 100% Joint and Survivor Annuity**

If you are married, your surviving Spouse will be entitled to receive the survivor benefits under the 100% Joint and Survivor Annuity as described on Page 11. Benefit payments to your surviving Spouse will begin in accordance with the following rules:

- (1) If at the time of your death, you had met the age and service requirement for either an Early Retirement (age 55 and 15 Pension Credits), Service Pension (any age and 25 Pension Credits) or Normal Pension (age 65 and 5 Pension Credits), monthly payments to your Spouse will commence on the first of the month following the date of your death.
- (2) If at the time of your death, you had met the service requirement for a Normal Pension (5 Pension Credits without suffering a permanent break in service) but were younger than age 65, monthly payments to your Spouse

will commence with the month following the month in which you would have attained age 65.

- (3) If at the time of your death, you had met the service requirement for an Early Retirement (15 Pension Credits) but were younger than age 55, monthly payments to your Spouse will commence with the earlier of the following: The month in which you would have reached age 55, or would have accrued 25 years of Pension Credit had you continued to work and accrue Pension Credits at the rate of one per year. The monthly benefit shall be calculated as if you had been age 55 at the time of death and is based upon the actual Pension Credit earned.

In lieu of the 100% Joint and Survivor Annuity, your Spouse may instead elect the Pre-Retirement 5 Year Benefit as set forth below. Your Spouse must elect to receive the Pre-Retirement 5 Year Benefit in lieu of the 100% Joint and Survivor Annuity within 180 days after notice of the opportunity to make the election. (Please see below for details.)

#### **B. Pre-Retirement 5 Year Benefit**

If at the time of your death, you had earned at least 5 Pension Credits, your Spouse may elect to receive a maximum of 60 monthly pension benefit payments in lieu of the 100% Joint and Survivor Annuity as set forth above. If there is no Spouse, or if your Spouse dies before receiving 60 monthly payments, then the remainder of the payments will be made to your Designated Beneficiary, as defined on page 15 and in Plan Section 1.6. If there is no Designated Beneficiary, no benefit is payable. The amount of the monthly payments will be equal to the Normal Pension amount you would have been entitled to receive had you retired and been age 65 at the time of death.

This benefit will not be payable if, after working in Covered Employment, you worked in Non-Covered Air Conditioning and Refrigeration Service for two calendar quarters unless you returned to work for a Contributing Employer for at least as long a period as you worked in such Non-Covered Service.

Payment of the Pre-Retirement 5 Year Benefit will begin on the first day of the month after your surviving Spouse or Designated Beneficiary submits an application and other required documentation to the Trust Office.

#### **C. Payment of Contributions**

If at the time of your death you were not qualified for either the 100% Joint and Survivor Annuity or the Pre-Retirement 5 Year Benefit as set forth above, but you were an active participant and at least \$100 in contributions had been made to the Plan on your behalf, your surviving Spouse will receive an amount equal to the contributions made on your behalf after any Break in Covered Employment, up to a maximum of \$20,000. If there is no surviving Spouse, the benefit will be paid to your Designated Beneficiary.

**D. Burial and Other Death Benefits**

If you are a retiree or active participant, and at the time of death you (1) are eligible for Health & Welfare coverage under the Airconditioning & Refrigeration Health & Welfare Trust, and (2) had at least ten years of Pension Credit, in addition to any other benefits, your surviving Spouse will receive an amount as follows:

|   |          |
|---|----------|
| Journeyman and Apprentices                | \$10,000 |
| Maintenance Tradesmen, Apprentice Trainee | \$4,000  |

If you have no surviving Spouse, this death benefit will be paid to your Designated Beneficiary. If you do not have a Designated Beneficiary, this benefit is not payable.

Also, if you are a retiree or if you have not incurred a permanent break in service, upon your death your surviving Spouse will receive a burial benefit up to \$80 for each whole year of Pension Credit you had accumulated on the date of your death. If you do not have a surviving Spouse, the benefit will be paid to your designated beneficiary or heirs. This benefit may not exceed \$2,000.

**Restrictions on Eligibility for Burial and Other Death Benefits**

If you had at least 15 years of Pension Credit at the time you lost eligibility under the Health and Welfare Trust but are continuously employed by a contributing employer from that time until death or retirement under this Plan, your beneficiary will be eligible to receive the Burial and Other Death Benefits (Item D. above). However, the amount payable under this provision will be 4% of the maximum benefit payable multiplied by the number of full years of Pension Credit you earned up to the maximum benefit. 100% of Burial benefits will also be payable under these circumstances.

**WHO IS MY DESIGNATED BENEFICIARY?**

Your Designated Beneficiary is the person you elect to receive benefits in the event of your death. The election must be made in writing on a form provided by the Trust Office, and may be subject to spousal consent. If you do not elect a Designated Beneficiary, or your Designated Beneficiary is not alive, the Designated Beneficiary will be:

- (1) your surviving Spouse or, if none,
- (2) your probate estate or, if none,
- (3) your heirs in accordance with intestate succession laws of the state where the you were domiciled at the time of death.

You may elect more than one Designated Beneficiary and assign a percentage of benefit to each Designated Beneficiary.

## RECIPROCITY

The Plan has entered into agreements with certain other United Association plumbing and pipefitting industry pension plans, including the National Plan, to provide reciprocity between pension plans. If you have worked temporarily for an employer under another collective bargaining agreement, you may be entitled to benefits under such a reciprocity agreement. Please contact the Trust Office for more information.

## CAN I RETURN TO WORK AFTER RETIREMENT?

If you return to work after your retirement, you must notify the Trust Office within 21 days of beginning such work. In certain cases, returning to work after retirement may result in a suspension of your pension benefits as described below. If you are retired and are considering going back to work, it is very important that you contact the Trust Office to determine whether your benefits will be suspended.

The rules regarding post-retirement work have changed over time. Please see Article V. of the Plan for complete details regarding post-retirement work.

If you are retired, except as provided below, your benefits will be suspended if you have 40 or more hours of Suspendible Service in any calendar month before you turn 70 ½. Suspendible Service means work in the same industry, the same trade or craft and the same geographic area covered by the Plan. This is also called Prohibited Work. Your benefits will be suspended for each month you perform such work. See Plan Section 5.2 for more information.

### Exceptions

If you qualify for one of the exceptions below, you may continue to receive your pension benefits even if you continue to work after retirement.

- (1) If you are age 55 and have earned a minimum of 25 years of Pension Credit, you may do the following work and still receive pension benefits:
  - Teaching air conditioning and refrigeration in high school, junior college, or a public or private occupational school.
  - City and/or civil service work performing air conditioning or refrigeration work in a position not covered by the collective bargaining agreement or other agreement requiring contributions to the Airconditioning and Refrigeration Industry Retirement Trust Fund.
  - Sales, dispatcher, estimator, or a similar job only if working for a Local 250 signatory employer which contributes to this Plan. **THIS DOES NOT ALLOW YOU TO WORK WITH THE TOOLS.**

- (2) You may have an ownership interest in a signatory employer and still receive pension benefits provided that:
- You do not perform bargaining unit work as described in the Collective Bargaining Agreement, i.e. you do NOT work with the tools.
  - The signatory employer for which you have an ownership interest reports and timely remits contributions of at least 110 hours per month for its employee(s) to the Airconditioning & Refrigeration Industry Retirement Trust.
  - The signatory employer for which you have an ownership interest does not sub-contract covered work to non-signatory employers.
- (3) You may teach at a United Association Training Center and continue to receive your pension benefits.

#### **Additional Prohibited Work**

- If you engage in plumbing or pipefitting work, your benefits which were accrued on or after June 1, 2003 may be suspended, but your benefits accrued before June 1, 2003 may not be suspended.
- If you perform work as a physical plant and/or stationary engineer or hospital engineer, your benefits which were accrued after November 22, 2005 may be suspended.

#### **Failure to Notify the Plan that You Are Returning to Work**

Note that if you **fail to notify the Trust Office within 21 days of returning to work**, it will be presumed that you are performing Prohibited Work and your pension benefits will be suspended until you notify the Trust Office. In addition, reinstatement of your benefits will be delayed six months for each calendar quarter you performed the Prohibited Work.

#### **Other Important Information Regarding Reemployment**

If you receive any benefits that you are not entitled to because you returned to work, the Plan will be entitled to recover those benefits from you, by reducing future benefit payments, or by other means. You must file a copy of your W-2 forms and Federal Income Tax Statement (or an affidavit in the form furnished by the Board if the retiree is not required to file tax forms) by April 20 of each year with the Board of Trustees as certification of continuing eligibility for benefits. If you fail to provide these documents by April 20, your benefits will be suspended beginning May 1 and will last until the documents are provided.

If you return to Covered Employment then re-retire, you may be entitled to a higher pension benefit based on any additional Pension Credit earned. In addition, effective January 1, 2000, if you return to Covered Employment and earn a minimum of one Pension Credit

within two consecutive Plan years, you will be eligible to reelect to have your benefits paid in a form other than the form you were receiving before you returned to work.

## **OTHER INFORMATION**

### **Assignment of Benefits**

Benefits generally cannot be assigned, nor are they subject to garnishment, attachment or other legal process of creditors except as permitted by law. Exceptions include:

- Withholding or payment of federal income tax.
- Payment of child support, alimony, or marital property rights under a Qualified Domestic Relations Order.

### **Plan Amendment and Termination**

The Plan will remain in effect so long as there are employers who are obligated under any Collective Bargaining Agreements to make contributions. The Trustees reserve the right, consistent with the Collective Bargaining Agreements, to modify, amend, or discontinue the Plan at any time. If the Plan is terminated, vested benefits of Participants will never be less than they were before the termination.

### **Withholding of Income Taxes From Pension Payments**

All benefit payments are taxable for purposes of federal and state income tax. You will receive an explanation regarding withholding of federal income tax from your monthly benefit payment before benefit payments start.

In making your decision about whether or not to have taxes withheld from your pension check, you should be aware that if your total income is high enough to require you to pay income taxes, and if sufficient taxes are not withheld from your pension payments, you may be responsible for payment of an estimated tax, and you could incur tax penalties.

### **Divorce**

If you are divorced, your former Spouse may be entitled to a portion of the benefits you have earned under the Plan. You will be notified if the Plan Administrator receives a state court order for payment to be made to your former Spouse.

In order to be effective, the state court order must satisfy certain requirements imposed by federal law. If the order satisfies these requirements, it will be deemed a Qualified Domestic Relations Order (or "QDRO") and the Plan will comply with the order. If the order does not satisfy these requirements, the Plan will not be required to comply with the order. In order to avoid needless delays and expenses, it is essential that you or your attorney ensure that the state court order meets these requirements.

Participants and beneficiaries may obtain, without charge, a copy of the Plan's procedures governing QDROs by request to the Trust Office.

## **How To Apply For a Pension**

Applications for pension benefits under the Plan must be made in writing to the Trust Office, on a form provided. To assure prompt payment of your pension benefit, your application should be made at least three (3) months before the date you intend your benefit to begin.

Application forms are available for printing at the Fund's web site, [www.acrtrust.org](http://www.acrtrust.org) or by contacting the Trust Office at:

Airconditioning and Refrigeration Industry Joint Trust Funds  
3500 W. Oranewood Ave.  
Orange, CA 92868

(714) 917-6100

Your application will be reviewed to determine whether you are eligible for Plan benefits. If your application is denied, in whole or in part, you will receive a written notice of this denial, including a written statement of the reason or reasons for the denial, a specific reference to those Plan provisions on which the denial is based, a description of any additional information or material necessary to correct your application, appropriate information as to the steps to be taken if you wish to appeal the denial of your application, and a statement that if you appeal the decision and the appeal is denied, you have the right to bring a civil action under Section 502(a) of ERISA.

### **Right to Appeal**

If you do not agree with the Trustees' denial of your application for a Normal, Service, Early, or Disability Pension, you may appeal the denial. The appeals procedures are set forth in Section 6.3 of the Plan. You may also appeal if your application for benefits was approved, but the amount of your benefit is less than you think it should be. The appeal must be in writing.

### **Normal, Service, or Early Pension**

If you are appealing denial of an application for a Normal, Service, or Early Pension, your written request must be submitted to the Trustees within sixty (60) days after you receive notice that your application was denied or, if you are appealing your benefit amount, within sixty (60) days after you are notified what your benefit amount will be.

### **Disability Pension**

If you are appealing denial of an application for a Disability Pension, your written request must be submitted to the Trustees within one hundred eighty (180) days after you receive notice that your application was denied or, if you are appealing your benefit amount, within one hundred eighty (180) days after you are notified what your benefit amount will be.

### **Failure to Appeal**

The failure to appeal a denial within the 60 day period (for Normal, Service, or Early Pensions) or 180 day period (for Disability Pensions) will constitute a waiver of your right to reconsideration of the decision. This means that you won't be able to challenge a decision on your benefits unless you submit an appeal within these time frames.

### **Appeal Procedure**

If you appeal a denial of your application for a Normal, Service, Early, or Disability Pension, you will be allowed to submit additional information, and you may review all documents relevant to your application. Your appeal will be considered by the Appeals Committee of the Board of Trustees, and you will receive a written notice of their decision, including a statement of the reason or reasons for the decision, a specific reference to those Plan provisions on which the decision is based, a statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of documents, records, and other information relevant to your claim, and a statement that you have the right to bring a civil action under Section 502(a) of ERISA.

## **GENERAL INFORMATION**

### **NAME OF PLAN**

The Plan is called the Airconditioning and Refrigeration Industry Retirement Trust Fund.

### **TYPE OF PLAN**

The Plan is a defined benefit pension plan. Benefits are based on a formula that takes into account the employee's work history.

### **NAME, ADDRESS, AND TELEPHONE NUMBER OF THE PLAN ADMINISTRATOR**

The Plan is administered by the Board of Trustees, comprised of representatives of the Unions and the participating Employers. The Plan employs an administrative manager and other personnel to perform administrative functions at the Trust Office. The Plan also employs other professionals to assist in the administration of the Plan, including consultants, actuaries, attorneys, and accountants.

The address and telephone number of the Trust Office is:

Airconditioning and Refrigeration Industry Retirement Trust Fund  
3500 W. Orangewood Ave.  
Orange, CA 92868  
(714) 917-6100

### **NAMES, TITLES, AND ADDRESSES OF THE PLAN TRUSTEES**

Oscar Delcidseguna  
Union Local 250  
18355 S. Figueroa  
Gardena, CA 90248

John Baker  
Air Conditioning Solutions, Inc.  
2223 El Sol Ave.  
Altadena, CA 91001

Tom Morton  
Union Local 250  
18355 S. Figueroa  
Gardena, CA 90248

Robert H. Carder  
Air-Ex Air Conditioning  
157 Gentry Street  
Pomona, CA 91767

Brandon Mortorff  
Union Local 250  
18355 S. Figueroa  
Gardena, CA 90248

Robert A. Lake  
Mesa Energy Systems, Inc.  
2 Cromwell  
Irvine, CA 92618

Glenn Santa Cruz  
Business Manager - Union Local 250

James Reynolds  
South Coast Mechanical, Inc.

18355 S. Figueroa  
Gardena, CA 90248

2283 E. Via Burton  
Anaheim, CA 92806

Jerry Trevino  
So. Calif. Pipe/Dist. Council 16  
501 Shatto Place, Suite 400  
Los Angeles, CA 90020

Richard J. Sawhill  
ARCA/MCA  
3602 Inland Empire Blvd., B-206  
Ontario, CA 91764

Lonnie Wright  
Union Local 250  
18355 S. Figueroa  
Gardena, CA 90248

Mike Tobin  
Western Mechanical, Inc.  
26382 Reuther Ave.  
Santa Clarita, CA 91350

### **PLAN NUMBER**

The number assigned by the Board of Trustees to the Plan is 001.

### **PLAN YEAR**

The plan year is January 1 to December 31. Records are maintained on a Plan year basis.

### **EMPLOYER IDENTIFICATION NUMBER**

The Employer Identification Number (EIN) assigned to the Board of Trustees is 95-6035386.

### **PLAN AGENT FOR SERVICE OF LEGAL PROCESS**

The Administrative Manager is designated as agent for service of legal process. The Administrative Manager is: Kristi Wagner, Airconditioning and Refrigeration Industry Retirement Trust Fund, 3500 W. Orangewood Avenue, Orange, CA 92868. Service of legal process may also be made upon any Trustee.

### **COLLECTIVE BARGAINING AGREEMENTS**

The Plan is a multi-employer plan. This means that it is maintained pursuant to Collective Bargaining Agreements between Employers and the Union. Copies of the Collective Bargaining Agreements may be obtained from the Union or from the Administrative Manager and are available for inspection at the Trust Office. A complete list of the Employers and the Union may be obtained upon written request to the Administrative Manager and is available for inspection at the Trust Office.

### **SOURCE OF FUNDING**

The Plan is funded by contributions made to the Trust Fund by Employers under the provisions of a Collective Bargaining Agreement.

Benefits are paid directly from the Trust Fund itself.

## **INSURANCE OF BENEFITS**

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a Participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate and (2) 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month times a Participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be \$12,870.

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

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

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

## **YOUR RIGHTS UNDER ERISA**

As a Participant in the Airconditioning and Refrigeration Industry Retirement Trust Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including 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 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.
- Obtain a statement telling you whether you have a right to receive a pension at regular retirement age (age 65), and if so, what your benefits would be at regular 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 twelve (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 pension benefits or exercising your rights under ERISA.

### **Enforce Your Rights**

If your claim for pension benefits 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 the above 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 Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations

order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. 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 your 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, 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 N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## NOTES