

SUMMARY PLAN DESCRIPTION
PENSION PLAN OF LOCAL #86
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

LOCAL #86, I.B.E.W.

January 1, 2000

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The Pension Plan of Local #86, International Brotherhood of Electrical Workers, is maintained pursuant to a collective bargaining agreement between the members of the Finger Lakes N.Y. Chapter, N.E.C.A. and Local #86, I.B.E.W.

The Plan has been in effect since May 4, 1966. The following plan description generally describes the provisions of the Plan as currently in effect. Participants who have terminated their active service with participating employers prior to the date of this plan description will have their benefits under the Plan determined under the provisions of the Plan in effect when they terminated. The purpose of this plan description is to provide participants with a brief summary of the Plan. The actual Plan is expressed in a legal document known as the Plan instrument. The Joint Pension Committee has entered into a Custody Agreement with Marine Midland Bank, N.A., which holds the funds contributed to the Plan and is responsible for their safekeeping. The Joint Pension Committee has also entered into an Investment Management Agreement with Manning & Napier Advisors, Inc., which is responsible for directing the investment of the Plan's assets. This description is only a summary and the actual text of the Plan instrument, the Custody Agreement and the Investment Management Agreement shall control in all instances.

Copies of the Plan instrument, the Custody Agreement, the Investment Management Agreement, and other documents pertaining to the Plan are available for inspection in the Plan Office at 2300 East River Road, Rochester, New York 14623 during regular business hours.

Any questions concerning the Plan should be directed to the Joint Pension Committee.

**SECTION 1
IDENTIFICATION OF THE PLAN**

NAME OF PLAN

Pension Plan of Local #86,
International Brotherhood of Electrical Workers

PLAN SPONSOR

Joint Pension Committee (the "Committee")
Pension Plan of Local #86, I.B.E.W.
2300 East River Road
Rochester, New York 14623
Telephone: (716) 235-1515

Participants and beneficiaries may receive from the Joint Pension Committee as Plan Administrator, upon written request, information as to whether a particular Employer is a Contributing Employer and, if so, the Contributing Employer's address. "Contributing Employer" means an Employer who is required to contribute to the Fund under an agreement with the Construction Unit of the Union, express or implied. It shall also mean the Union and any fringe benefit fund sponsored jointly by the Union and the Association with respect to their own employees, if the employer of such employees agrees in writing, with the consent of the Committee, to contribute to the Plan for its employees.

EMPLOYER IDENTIFICATION NUMBER OF PLAN SPONSOR

16-6085820

PLAN NUMBER

001

EMPLOYEE ORGANIZATION

Local Union #86, International Brotherhood of Electrical Workers (the "Union")

EMPLOYER ORGANIZATION

Finger Lakes N.Y. Chapter, N.E.C.A. (the "Association")

PLAN YEAR

The Plan Year for record keeping purposes begins on April 1 and ends on the following March 31.

TYPE OF PLAN

Defined Benefit Pension Plan

ADMINISTRATION OF THE PLAN

The Plan is administered by the Joint Pension Committee which consists of six members, three of whom are appointed by the Construction Unit of the Union and three of whom are appointed by the Association. The members of the Committee are Trustees of the Fund. The Committee is also the Plan Administrator and is responsible for processing claims for benefits, advising you as to your rights, and interpreting the Plan. As Plan Administrator, the Committee is the agent for service of legal process at the address shown above. Legal process may also be served on any Plan Trustee at the address shown above. The current Trustees are David L. Brown, Daniel E. Conte, Bruce Vande, Ronald D. Billitier, David Young Jr., and Victor E. Salerno.

PLAN CUSTODIAN

The Custodian is responsible for the safekeeping of the funds contributed to the Plan. Marine Midland Bank, N.A., One Marine Midland Plaza, Rochester, New York, 14639, is serving as the Custodian of the Fund.

PLAN INVESTMENT MANAGER

The Investment Manager is responsible for directing the investment of the Plan's assets. Manning & Napier Advisors, Inc., 1100 Chase Square, Rochester, New York 14604 is serving as the Investment Manager of the Fund.

COLLECTIVE BARGAINING AGREEMENT

The Plan is maintained pursuant to a collective bargaining agreement between the Association and the Union. Copies of the agreement may be obtained from the Joint Pension Committee upon written request. The agreement is also available for inspection at the Plan office.

**SECTION 2.
ELIGIBILITY FOR PARTICIPATION**

An employee of a Contributing Employer will become a Participant when he begins employment under the collective bargaining agreement (the "Agreement") between the Con-

struction Unit of the Union and the Association, or under any other agreement that requires his Employer to make contributions for his benefit under the Plan. Eligible persons include employees of the Union or any fringe benefit fund sponsored jointly by the Union and the Association. For other Units of the Union, see Section 13. Unindentured apprentices and apprentices who have not completed their probationary period (the first two periods of apprenticeship) are not eligible to participate in the Plan. An employee who ceases employment covered by the Agreement will cease to accrue further benefits under the Plan even if he is still employed by his Employer, unless his Employer has elected, in accordance with the rules of the Plan, to have employees formerly covered by the Agreement continue to participate in the Plan.

SECTION 3. CONTRIBUTIONS TO THE PLAN

Contributing Employers make contributions each month on behalf of their participating employees in the amounts specified under the Agreement (or other agreement by which the Employer is obligated to make contributions).

SECTION 4. THE FUND

The Employers' contributions to the Plan are turned over by the Committee to Marine Midland Bank, N.A., as Plan Custodian. The contributions are then invested for the sole benefit of Plan Participants in a Trust Fund consisting of stocks, bonds and other investments. Earnings of the Fund remain a part of the Fund and are reinvested by the Bank at the direction of the Investment Manager.

SECTION 5. CREDITED SERVICE

Credited Service means the sum of a Participant's Credited Past Service and Credited Future Service.

Credited Past Service is the period of Uninterrupted Service (see explanation below) before May 4, 1966 (for members of the Construction Unit) of a person who was employed by a Contributing Employer or available for such employment on May 4, 1966, and is computed from the date when such person first became covered by a collective bargaining or similar agreement to which the Construction Unit of the Union was a party. For other Participants, see Section 13.

Credited Future Service is based on a person's Uninterrupted Service commencing on or after May 4, 1966 and continuing through March 31, 1976, plus periods of service after March 31, 1976, for which a person receives credit as set forth in this Section 5 for members of the Construction Unit. For other Participants, see Section 13.

(a) With respect to Plan Years beginning after May 3, 1966 and ending before April 1, 1970, a Plan Year in which a Participant had 1,800 or more credited hours (that is, hours for which his Employer was required to contribute to the Plan) is credited as a full year of Credited Service. If a Participant's total hours credited during such a Plan Year were less than 1,800, proportionate credit is given for each completed one-tenth of a year. For this period, no more than one year of Credited Service could be earned during any Plan Year.

(b) With respect to Plan Years beginning after March 31, 1970 and ending before April 1, 1981, any Plan Year in which a Participant had 1,600 or more credited hours (that is, hours for which his Employer was required to contribute to the Plan) is credited as a full year of Credited Service. If a Participant's total hours credited during such a Plan Year are less than 1,600, proportionate credit will be given for each completed one-tenth of a year. For this period, no more than one year of Credited Service can be earned during any Plan Year.

(c) For the Plan Year beginning on April 1, 1981 and ending on March 31, 1982, Credited Service is computed as follows: For the period from April 1, 1981 through September 30, 1981, a Participant is credited with one-tenth of a year for each 160 credited hours (that is, hours for which his Employer is required to contribute to the Plan) with a maximum amount of Credited Service for the period of five-tenths of a year. For the period from October 1, 1981 through March 31, 1982, a Participant is credited with one-tenth of a year for each 140 credited hours, with no limit on the total amount of service that may be credited.

(d) For Plan Years beginning after March 31, 1982 and ending before April 1, 1996, a Participant is credited with one-tenth of a year for each 140 credited hours, with no limit on the amount of Credited Service that could be earned during any Plan Year.

(e) For Plan Years beginning after March 31, 1996, a Participant is credited with one-tenth of a year for each 120 credited hours, with no limit on the amount of Credited Service that can be earned during any Plan Year.

The Credited Service of a Participant for periods of service during which contributions are made on his behalf to another pension plan which is a party to the National Reciprocal Agreement is based on credited hours computed by dividing the contributions received on his behalf from the other plan by the hourly contribution rate that is currently in effect under the Agreement.

Uninterrupted Service is governed by the following special rules:

(a) Uninterrupted Service refers to service performed before April 1, 1976. It does not refer to service after that date.

(b) Uninterrupted Service includes the period of time beginning with the date on which a person was employed by a Contributing Employer or available for such employment and covered by a collective bargaining or similar agreement to which the Construction Unit of the Union was a party, and continuing to the date of his retirement, death, termination of service, or April 1, 1976,

whichever date first occurred. A person who gives proof satisfactory to the Committee that he was unable to work because of disability, illness, existing local conditions or service in the Armed Forces of the United States is considered to have been available for employment by a Contributing Employer. A person is considered to have been available for employment while he served as a salaried officer of the Union, but not while engaged in any other full-time employment or occupation other than as an employee of a Contributing Employer.

(c) Termination of Uninterrupted Service occurs when an employee is neither employed by a Contributing Employer nor available for such employment, or when such person first acted in the capacity of an Employer under the Plan, either as a sole proprietor or as a partner in an unincorporated business. If a person's Uninterrupted Service terminated and he was later re-employed by a Contributing Employer or available for such employment within three years following his termination, he is credited with all of the Uninterrupted Service and Credited Service he had earned previously. If a person is re-employed by a Contributing Employer or available for such employment more than three years after his termination, his Uninterrupted Service and Credited Service are computed only from his date of re-employment.

A person who serves in the Armed Forces of the United States during a period in which his seniority rights are protected under the Selective Service Act or any successor law will receive Credited Service for each full week during such period as if he had forty compensated hours during such week.

If a person incurs five or more consecutive Breaks in Service before he completes five Years of Service and the number of consecutive Breaks in Service exceeds the total of his prior Years of Service, then all service completed prior to the Breaks in Service will be disregarded for all purposes under the terms of the Plan. (See Section 8 for the definition of Breaks in Service).

SECTION 6. RETIREMENT BENEFITS

NORMAL A Participant who retires from the service with Contributing Employers on his Normal Retirement Date (the day on which a Participant has both reached the fifth anniversary of his commencement of participation in the Plan and age 65) is eligible to apply for and receive a monthly pension for life in an amount based upon his years of Credited Service (see Section 5) and the benefit rate applicable to his retirement date. A Participant who retires after April 1, 1998 will receive a monthly benefit of \$6.00 for each year of Credited Past Service, plus \$38.75 times the Participant's years (computed to completed tenths of a year) of Credited Future Service. The total monthly pension payable to such a Participant shall not be less than \$20.00.

If a Participant has completed an Hour of Service (see Section 8) after August 22, 1984 and is married at the time he begins to receive benefits, his benefits will be paid in the form of the Husband and Wife Pension described in Section 9, unless he elects, and his spouse consents to, a different form of benefit. However, if the total value of a Participant's benefit is not more than \$5,000, he will receive his benefit in a single cash payment.

EARLY

(a) A Participant whose service with Contributing Employers terminates after completion of ten years of Credited Service and prior to his Early Retirement Date (the day on which he has reached age 55 and completed ten years of Credited Service), will be eligible to apply for and receive an Early Retirement Benefit upon reaching age 55. Such an Early Retirement Benefit is defined as the monthly benefit that would be payable at Participant's Normal Retirement Date, based on the service Participant had accrued at the date Participant's covered employment terminated, except that the actual monthly benefit will be reduced, as determined by the Plan's actuaries, so that the present value of the amounts Participant would be expected to receive over his lifetime, on an actuarial basis, would be the same as the present value of what Participant would be expected to receive if Participant applied for the unreduced benefit payable at Participant's Normal Retirement Date. Such a Participant will not be eligible for the unreduced benefit or the special supplemental "bridge" benefit that is payable to a Participant who retires from active service after his Early Retirement Date but prior to attaining age 62.

(b) If a Participant retires from active service with Contributing Employers on or after the date on which he has reached age 55 and completed 10 years of Credited Service (his Early Retirement Date), he may apply for and receive retirement benefits prior to his Normal Retirement Date. In the case of such a Participant who has been actually working for a Contributing Employer until his Early Retirement Date the Plan subsidizes his Early Retirement Benefit in three ways. The Early Retirement Benefit that will be paid beginning at his Early Retirement Date will be the same as the Normal Retirement benefit that the Participant has earned without any actuarial reduction in the amount of the monthly benefit to reflect the fact that the benefit will be paid over a longer period of time. Secondly, the Participant will receive an extra "bridge" payment each month until he reaches age 62 (the traditional starting date for Social Security benefits). In the case of a Participant whose first year of Credited Service commenced prior to January 1, 1996 and who retires on or after June 1, 1995 and receives an unreduced Early Retirement Benefit, he will receive a supplemental benefit in addition to his Early Retirement Benefit in the amount of five-hundred dollars (\$500.00) per month until the earliest of the month in which the Participant attains his Disability Retirement Date, attains age sixty-two (62) or dies. Each Participant retiring on or after January 1, 1996 with 20 or more years of Credited Service and who is receiving an unreduced Early Retirement Benefit shall instead receive a supplemental benefit in addition to his Early Retirement Benefit in the amount of eight hundred dollars (\$800.00) per month until the earliest of the month in which the Participant attains his Disability Retirement Date, attains age sixty-two (62), or dies. These supplemental benefits shall not be taken into account in calculating the amount of any survivor benefits payable following the death of the Participant. Thirdly, the spouse of the Participant will be entitled to a benefit equal to 75% of the Participant's monthly benefit for her life if she should survive the Participant, without any reduction to the Participant's benefit to reflect the cost of this survivor benefit. All of these early retirement "subsidies" are expensive to the Plan and are intended only for Participants who are working full-time under the Agreement with a Contributing Employer up to the date of Early Retirement. In order to prevent Participants who left covered employment prior to their Early Retirement Date from returning briefly to service under the Agreement and becoming eligible for these subsidized benefits, rules were adopted, effective May 1, 1998, to require that Participants complete a minimum amount of service under the Agreement

immediately prior to their Early Retirement Date in order to qualify for subsidized benefits. Participants must complete at least 120 Hours of Service in each of the five Plan Years prior to Early Retirement, and over that same period the Participants must complete a total of at least 3,000 Hours of Service. Because there were Participants in the Plan on May 1, 1998 who were within five years of their Early Retirement Date and could be adversely affected by the new rules, a transition rule was adopted for those active Participants who had reached age 50 as of May 1, 1998. If you were between the ages of 50 and 55 on May 1, 1998, these new rules will affect your ability to obtain an unreduced Early Retirement Benefit, the bridge payment and the subsidized 75% Husband and Wife Pension. If you fall into this age group, instead of the above general rule, two reduced requirements must be met: (i) you must have a prorated minimum total number of Hours of Service between May 1, 1998 and the date when you attain age 55; **and** (ii) you must have a prorated annual minimum number of Hours of Service for each Plan Year from May 1, 1998 until you attain age 55, as follows:

(i) **Total Hours of Service** - You must complete an average of at least 50 Hours of Service for each month between May 1, 1998 and the month in which you attain age 55. For example, if a Participant's birthday is May 25, 1947 (i.e., he had 48 full months between May 1, 1998 and his 55th birthday), he will be required to complete a total of 2,400 Hours of Service between May 1, 1998 and April 30, 2002.

(ii) **Annual Minimum Hours of Service** - In addition to the above, you must complete at least 120 Hours of Service during each full Plan Year between May 1, 1998 and your 55th birthday plus a prorated number of Hours of Service for each partial Plan Year. The Participant in this example will be required to complete at least 120 Hours of Service in each full Plan Year (April 1 through March 31) between May 1, 1998 and April 30, 2002 and a pro-rated amount for each partial Plan Year (calculated at 10 Hours of Service for each month in the partial Plan Year). Therefore, for the period May 1, 1998 through March 31, 1999 (i.e., a partial Plan Year of 11 months) he must complete at least 110 Hours of Service. For Plan Years April 1, 1999 through March 31, 2000, April 1, 2000 through March 31, 2001, and April 1, 2001 through March 31, 2002 he must complete at least 120 Hours of Service in **each** Plan Year. For the final short Plan Year (April 1, 2002 through April 30, 2002) he must complete at least 10 Hours of Service.

If a Participant has completed an Hour of Service (see Section 8) after August 22, 1984 and is married at the time he begins to receive benefits, his benefits will be paid in the form of the Husband and Wife Pension described in Section 9, unless he elects, and his spouse consents to, a different form of benefit. However, if the total value of a Participant's benefit is not more than \$5,000, he will receive his benefit in a single cash payment.

LATER A Participant who continues to work after his Normal Retirement Date is eligible to apply for and receive a monthly pension for life in an amount based upon his years of Credited Service as of his date of retirement. A Participant who retires after April 1, 1998 will receive a monthly benefit of \$6.00 for each year of Credited Past Service, plus \$38.75 times the Participant's years (computed to completed tenths of a year) of Credited Future Service completed after March 31, 1990. The total monthly pension payable to such a Participant shall be increased by 5 percent

for each complete year by which his Normal Retirement Date precedes his date of actual retirement. The total monthly pension payable to such a Participant shall not be less than \$20.00.

If a Participant has completed an Hour of Service (see Section 8) after August 22, 1984 and is married at the time he begins to receive benefits, his benefits will be paid in the form of the Husband and Wife Pension described in Section 9, unless he elects, and his spouse consents to, a different form of benefit. However, if the total value of a Participant's benefit is not more than \$5,000, he will receive his benefit in a single cash payment.

DISABILITY If a Participant who has completed ten or more years of Credited Service suffers a Permanent Disability while employed by a Contributing Employer (or available for such employment) and the Permanent Disability entitles him to disability benefits under the federal Social Security laws, he is eligible to apply for and receive a monthly disability pension under the Plan. The monthly payments will begin on his Disability Retirement Date (the first day of any month after a 5-month waiting period following his date of disability) and continue until his death or recovery before age 65. The monthly benefit will be computed to his date of disability in the same manner as his normal retirement benefit.

If a Participant has completed an Hour of Service (see Section 8) after August 22, 1984 and is married at the time he begins to receive benefits, his benefits will be paid in the form of the Husband and Wife Pension described in Section 9, unless he elects, and his spouse consents to, a different form of benefit. However, if the total value of a Participant's benefit is not more than \$5,000, he will receive his benefit in a single cash payment.

Permanent Disability means any medically determinable physical or mental impairment which can be expected to result in death or has lasted, or can be expected to last, for a continuous period of not less than 12 calendar months, and which renders an individual unable to engage in any substantial activity and entitles him to Social Security disability benefits.

GENERAL RULES If a Participant terminates employment for which Employers are required to contribute to the Plan ("covered employment") prior to retirement, any benefit to which he may be entitled under the Plan will be based upon the benefit rate in effect at the time of his termination of covered employment. If he later returns to covered employment, his retirement benefit will be computed separately for each period of covered employment on the basis of (a) the number of his years of Credited Service in each period and (b) the benefit rate in effect on the last day of each period. However, if he resumes covered employment before the end of five full Plan Years following his initial termination of covered employment *and* thereafter he completes at least 1,200 Hours of Service in any Plan Year, then his retirement benefit will be computed by applying the benefit rate in effect on the last day of the second period of covered employment to the years of Credited Service he completed in both periods of covered employment.

If a Participant's benefits are suspended because he returns to covered employment, his benefit payments (upon resumption of payment) will not be increased to reflect the additional benefit earned during the subsequent period of covered employment until the beginning of the first Plan Year following the end of the most recent period of covered employment. At that time his

benefit payments will be adjusted to reflect the additional benefit earned, and the difference between the payments he received after termination of the most recent period of covered employment and the payments he would have received if his benefit payments had been adjusted immediately at the end of the most recent period of covered employment will be paid in a single sum.

SECTION 7. DEATH BENEFITS

If a Participant dies before he incurs a Break in Service (see Section 8) and before his actual retirement, his designated beneficiary will receive a benefit computed in the following manner:

(a) If the Participant earned at least 10 years of Credited Future Service, the death benefit will be the greater of (i) or (ii) below:

(i) an amount equal to the sum of -

(1) \$3,000, plus

(2) \$150, if the Participant had 700 or more credited hours from October 1, 1981 through March 31, 1982, plus

(3) \$300 for each Plan Year beginning after March 31, 1982 during which the Participant had at least 1,400 credited hours.

(ii) an amount equal to the sum of all contributions to the Plan made by Employers on the Participant's behalf.

(b) If the Participant earned less than 10 years of Credited Future Service, the death benefit will be \$3,000.

If no designated beneficiary survives the Participant, this death benefit will be paid to his estate. The death benefit described above will be paid in a single sum, except that if the benefit exceeds \$5,000, the beneficiary may choose to have the death benefit paid in equal monthly installments over a period not greater than five years or, if the beneficiary is the Participant's surviving spouse, over a period not greater than her life expectancy at the Participant's death.

In addition to the death benefit described above, if a married Participant or married former Participant who has a vested right to retirement benefits dies before receiving any benefits under the Plan, his surviving spouse will be paid a death benefit in the form of a pre-retirement surviving spouse annuity. If the present value of this benefit does not exceed \$5,000, it will be paid to the surviving spouse in the form of a single cash payment.

The pre-retirement surviving spouse annuity is an annuity providing monthly payments to a Participant's surviving spouse equal to the benefit that would have been payable as a spousal survivor annuity under the Husband and Wife Pension described in Section 9, in each of the

following situations:

(a) In the case of a Participant who dies while still in active service with a Contributing Employer after attaining his Early, Normal or Disability Retirement Date, the monthly benefit will be equal to the 75% survivor annuity that would have been payable if he had retired on the day prior to his death, and payments will begin as of the first day of the month following the Participant's death.

(b) In the case of a Participant who dies while still in active service with a Contributing Employer prior to attaining his Early, Normal or Disability Retirement Date, the monthly benefit will be equal to the 75% survivor annuity that would have been payable if he had survived to his earliest retirement date, retired on that date and died the next day. The benefit will be based on his service up to the date of his death, using the benefit schedule then in effect, and payments will begin as of the first day of the month following his death.

(c) In the case of a Participant who has separated from the service of all Contributing Employers prior to his Early, Normal or Disability Retirement Date and who dies after his earliest retirement age, the benefit will be equal to the actuarially reduced 50% survivor annuity that would have been payable if he had retired on the day prior to his death and payments will begin as of the first day of the month following his death.

(d) In the case of a Participant who separated from the service of all Contributing Employers prior to the date of his death and who dies prior to his earliest retirement age, the benefit will be equal to the actuarially reduced 50% survivor annuity that would have been payable if he had survived to his earliest retirement age, retired on that day and then died on the following day. Payments will begin as of the first day of the month coinciding with or next following the day when he would have attained his earliest retirement age.

For purposes of the rules set forth in this Section, a Participant will not be considered to have separated from the active service of Contributing Employers during any continuous period following his last service when he is not working because of illness or disability, provided that he is receiving sick pay or disability benefits from an employee benefit plan sponsored by the Union.

In addition to the death benefits described above, if a retired Participant dies while receiving benefits under the Plan, his designated beneficiary will be entitled to receive a single-sum post-retirement death benefit payment in the amount of \$2,000. If a written and signed beneficiary designation is not currently on file with the Committee, the payment will be made to his surviving spouse or, if none, to his estate.

SECTION 8. VESTING OF BENEFITS

If a Participant terminates his service with Contributing Employers before his Early or Normal Retirement Date or death, and if he has completed five or more Years of Service prior to his termination, he will be entitled to receive a monthly benefit for life based on his service as of his date of termination, first payable at the earlier of his Early or Normal Retirement Date. Ten years of service were required prior to April 1, 1988.

The term *Year of Service* means:

- (a) with respect to Plan Years beginning after May 3, 1966, and ending before April 1, 1970, any Plan Year during which an employee completes 1,800 or more Hours of Service.
- (b) with respect to Plan Years beginning after March 31, 1970, and ending before April 1, 1976, any Plan Year during which an employee completes 1,600 or more Hours of Service; and
- (c) with respect to Plan Years beginning after March 31, 1976, any Plan Year during which an employee completes 1,000 or more Hours of Service.

An *Hour of Service* is an hour for which an employee is paid or entitled to be paid by Contributing Employers or certain related companies, for the performance of duties or for reasons other than the performance of duties, including, but not limited to, regular time, overtime, vacations, holidays, holidays, sickness, disability, or lay-off. A Participant can also be credited with Hours of Service for work performed in another jurisdiction when contributions are forwarded to the Plan from the other jurisdiction as provided in Section 14. A person who is serving in the armed forces of the United States during a period in which his seniority rights are protected under the Selective Service Act or any successor statute will be credited with Hours of Service at a rate of forty hours per week during such a period.

The determination of a Participant's Years of Service is subject to the following special rules:

- (a) Years of Service before April 1, 1976, will not be taken into account if such service would have been disregarded under the rules of the Plan with regard to Breaks in Service as in effect from time to time under the Plan.
- (b) If a Participant fails to complete the number of Hours of Service required for him to be credited with a full Year of Service in any Plan Year, he will receive proportionate credit for each one-tenth of a Year of Service completed during that Plan Year.
- (c) A Participant who has a Break in Service and is later reemployed by a Contributing Employer may not be credited with all of his service in certain circumstances. A *Break in Service* occurs when an employee terminates employment with Contributing Employers and fails to

complete more than one-tenth of the Hours of Service necessary to constitute a Year of Service during a Plan Year. Service before a Break in Service will not be counted toward vesting post-Break benefit accruals until the employee has completed a Year of Service after his return. If an employee does not have a vested interest at the time he incurs five consecutive Breaks in Service, Years of Service before the Breaks in Service will not be taken into account in the future.

However, the following absences will not constitute a Break in Service: an absence due to pregnancy of the Participant, birth of a child of the Participant, placement of a child with the Participant in connection with the adoption of the child by the Participant, or caring for the child beginning immediately following such birth or placement, not exceeding the period ending on the last day of the Plan Year following the Plan Year in which the absence began.

(d) If the Plan is amended in the future, each Participant who has completed at least 3 Years of Service shall have his vested interest computed according to the rules set forth in the amendment or as in effect before the amendment, whichever results in the greater vesting for the Participant.

SECTION 9. PAYMENT OF BENEFITS

Benefits under the Plan, if not paid in the normal form of a monthly annuity for life (or in a Husband and Wife Pension in the case of a married Participant) will be paid in any one of the following options selected by the Participant. The total value of each optional form shall be the actuarial equivalent of the normal form of benefit.

- (a) A monthly annuity for his lifetime.
- (b) In monthly installments of a reduced amount for the Participant's life, with a guarantee that if the Participant dies before ten years of installment payments have been made, payments will continue to his beneficiary until a total of 120 payments have been made to the Participant and his beneficiary.
- (c) In monthly installments for a period measured by the life or lives of the Participant and/or his beneficiaries where the Participant receives a reduced pension and the beneficiary receives a monthly amount equal to a specified percentage (50%, 75%, or 100%) of the amount received by the Participant.

If a Participant is married when the payment of his benefits begins, his benefits will be paid in the form of a Husband and Wife Pension, unless the Participant elects, and his spouse consents to, payment of his benefits in another form. In the case of a Participant who separated from service with all Contributing Employers prior to the earliest of his Early, Normal or Disability Retirement Date, the ***Husband and Wife Pension*** will consist of monthly payments to the Participant for his life with payments to be continued after his death to his spouse, if then living, in an amount equal to 50% of the amount of the payments that were being made to the Participant. The monthly payments

to the Participant and his spouse will be the actuarial equivalent of an annuity payable for only the life of the Participant. This means the Participant will receive smaller monthly payments than he would receive under the normal form of benefit to take into account the longer period over which benefits are expected to be paid.

In the case of a Participant who remained in active employment with a Contributing Employer until the earliest of his Early, Normal or Disability Retirement Date, the ***Husband and Wife Pension*** will consist of monthly payments to the Participant for his life in the same amount as would be paid under an annuity for his life alone, with payments to be continued after his death to his spouse, if then living, in an amount equal to 75% of the amount of the payments that were being made to the Participant. In this case, no actuarial reduction will be made in the benefit to reflect either the cost of the survivor benefit or the fact that the benefit commences before Normal Retirement Date.

For purposes of the rules set forth in this Section, a Participant will not be considered to have separated from the active service of Contributing Employers during any continuous period following his last service when he is not working because of illness or disability, provided that he is receiving sick pay or disability benefits from an employee benefit plan sponsored by the Union.

A married Participant may elect to have his benefits paid in a form other than the Husband and Wife Pension by filing with the Committee a written election signed by himself and his spouse within the period beginning 90 days before benefits begin to be paid. Before a Participant becomes eligible to receive benefits under the Plan, the Committee will notify him of the availability and significance of this election. At that time, the Committee will provide a form which may be used by the Participant to make the election and by his spouse to consent to the election.

A Participant (without the consent of his spouse) may, within the same election period, revoke his election to receive his benefits in a form other than the Husband and Wife Pension by filing a written statement of revocation with the Committee. If an election is revoked, it may be reinstated or another election to receive benefits in a form other than the Husband and Wife Pension may be made, with the consent of his spouse, provided the reinstatement or new election is made within the period beginning 90 days before benefits begin to be paid.

In any case where the total value of a Participant's benefit is not more than \$5,000, his benefit will be paid to him in a single cash sum.

SECTION 10.
CIRCUMSTANCES WHICH MAY RESULT IN
DISQUALIFICATION, INELIGIBILITY, OR DENIAL, LOSS, FORFEITURE,
OR SUSPENSION OF BENEFITS

If a Participant who is currently receiving benefits from the Fund re-enters the electrical trade in New York State or accepts employment with any Contributing Employer, even in the jurisdiction of a Local outside of New York State, his benefits will be suspended during each calendar month, or four or five week payroll period ending in a calendar month, in which he completes 40 or more Hours of Service. His benefits will resume when he again terminates his employment and reapplies to the Committee.

The projected annual normal retirement benefit of a Participant in any Plan Year may not, by law, exceed the lesser of \$130,000 for 1998 (or such other amount determined by the U.S. Treasury Department to reflect changes in the cost of living) or 100 percent of the Participant's compensation actually paid or made available to him in his three consecutive Years of Service in which his compensation is the highest. If a Participant also participates in other retirement plans, the equivalent of his benefits under the other plans may have to be considered in determining whether these limits are exceeded.

A Participant who terminates service with Contributing Employers before his Normal or Early Retirement Date without completing at least five Years of Future Service (see Section 8) will have no vested interest in the Plan and, therefore, will be ineligible to receive any benefits under the Plan.

If a person incurs five or more consecutive Breaks in Service before he completes five Years of Service then all service completed prior to the Breaks in Service will be disregarded for all purposes under the terms of the Plan. (See Section 8 for the definition of Break in Service).

If the Committee determines that a person who is entitled to receive payments under the Plan is unable to carry out his affairs because of illness or incapacity, it may direct that payment be made to the person's spouse or such other individual who is deemed by the Committee to be entitled to receive the payment, unless a claim is made by the legal representative of the person directly entitled to benefits under the Plan.

SECTION 11.
AMENDMENT OR TERMINATION OF THE PLAN

The Plan may be amended at any time by the Committee with the approval of the Construction Unit of the Union and the Association. No amendment may, however, provide for the use of the Fund for any purpose other than the exclusive benefit of the Participants and their beneficiaries.

It is expected that the Plan will continue indefinitely, but the Plan may be discontinued at any time if maintenance of the Plan is no longer called for under the Agreement or any other collective bargaining agreement. If the obligation of the Contributing Employers to make contributions under the Plan terminates or if there is a termination, partial termination, or complete discontinuance of contributions under the Plan, the interest in the Plan of each Participant would become fully vested and nonforfeitable regardless of his Years of Service.

Benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC). Generally, the PBGC guarantees most vested normal retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees limited vested benefits at the level in effect on the date of plan termination. However, if benefits have been increased within the five years before plan termination, it is possible that the benefit increase may not be guaranteed.

For more information on the PBGC insurance protection and its limitations, ask the Committee or the PBGC. Inquiries to the PBGC should be addressed to the Office of Communications, PBGC, 1200 K Street N.W., Washington, D.C. 20005-4026. The PBGC Office of Communications may also be reached by calling (202) 326-4040.

SECTION 12. CLAIMS PROCEDURE

A Participant who believes that he is entitled to benefits may submit a claim to the Committee. If the Committee denies his claim, in whole or in part, it will notify him within 90 days after the claim is filed and state the reasons, cite pertinent Plan provisions, and indicate whether additional information is needed. The Participant will be given a reasonable opportunity for a full and fair review by the Committee of its decision. A Participant may appeal a denial by filing a written request for review with the Committee no later than 60 days after he has received notice of the denial. He may also request a hearing before the Committee. The Participant may submit questions and comments in writing to the Committee for their consideration. The Committee will notify him of its decision, citing specific reasons and Plan provisions.

More information concerning the claims procedure is available from the Committee.

SECTION 13.
PARTICIPATION BY OTHER UNITS OF THE UNION,
INSURANCE FUND, AND UNION CLERICAL EMPLOYEES

Effective July 1, 1970, persons covered by collective bargaining or other similar agreements to which the Motor Repairmen's Unit of the Union is a party are covered under the Plan. For purposes of determining Credited Service under the Plan for members of the Motor Repairmen's Unit, Credited Past Service refers to service before July 1, 1970, and Credited Future Service refers to service on and after July 1, 1970. Utility Men participate in the Plan on the same basis as the Motor Repairmen's Unit, effective October 1, 1970. This is the date for Utility Men which distinguishes Credited Past Service from Credited Future Service.

Effective January 1, 1972, persons covered by collective bargaining or other similar agreements to which the Residential Unit (including residential wiremen and trainees) of the Union is a party are covered under the Plan. For purposes of determining Credited Service under the Plan for members of the Residential Unit, Credited Past Service refers to service before January 1, 1972, and Credited Future Service refers to service on and after January 1, 1972.

Effective January 1, 1972, all employees of the Electrical Workers Local #86 Insurance Fund ("Insurance Fund") and all office and clerical employees of Local #86, I.B.E.W. ("Union Clerical") became covered under the Plan. With respect to employees of the Insurance Fund and the Union Clerical employees, Credited Past Services refers to service before January 1, 1972, and Credited Future Service refers to service on and after January 1, 1972. Uninterrupted Service is measured from the date on which an employee is employed by the Insurance Fund or the Union, whichever is applicable. Credited Service is based on continuous employment with the Insurance Fund or the Union without regard to hours worked. The participation of employees of the Insurance Fund ended on December 25, 1977. Employees of all fringe benefit funds sponsored jointly by the Union and the Association were again covered, effective February 4, 1985.

Effective June 1, 1973, persons covered by collective bargaining, or other similar agreements to which the Sound Installers' Unit of the Union is a party are covered under the Plan. With respect to members of the Sound Installers' Unit, Credited Past Service refers to service before June 1, 1973, and Credited Future Service refers to service on and after June 1, 1973.

SECTION 14. RECIPROCAL AGREEMENTS

From time to time, the Committee may enter into agreements with representatives of other employee benefit pension plans for the exchange of credits earned and/or contributions made on behalf of participants in one plan who work in the jurisdiction of another plan. The Committee has signed an electrical industry-wide agreement approved by the International Brotherhood of Electrical Workers (the “National Reciprocal Agreement”) which provides for the exchange of contributions when a Participant is temporarily working in the jurisdiction of another local union. When this happens, the Participant is credited with hours under the Plan for work performed in the other jurisdiction. The hours credited under this Plan are based on the number of hours for which contributions are made by his employer and received by the Plan, but adjusted to reflect any difference in the hourly contribution rate in effect in the other jurisdiction and the hourly contribution rate required by the Agreement.

SECTION 15. YOUR RIGHTS

As a Participant in the Plan, you are entitled to the protections provided by the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants may:

- (a) Examine, without charge, at the plan administrator’s office, all Plan documents and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- (b) Obtain copies of all Plan documents and other Plan information upon written request to the plan administrator. The administrator may make a reasonable charge for the copies.
- (c) Receive a summary of the Plan’s annual financial report.
- (d) Obtain a statement free of charge telling you whether you have a right to receive benefits at normal retirement age and, if so, what your benefits would be if you stopped working under the Plan now. If you do not then have a right to benefits, the statement will tell you how many more years you have to work to earn a right to benefits. This statement must be requested by you in writing and is not required to be given more than once a year.

In addition to creating rights for Plan participants, ERISA imposes duties on the people who are responsible for the Plan’s operation. These people, called “fiduciaries” of the Plan, have a duty to operate the Plan prudently and in the interest of you and other Plan participants and beneficiaries. No one can be fired or discriminated against for lawfully claiming benefits or exercising rights under ERISA. If your claim for benefits is denied in whole or in part, you must receive a written explanation of the reason for the denial. You may have the Plan review and reconsider your claim.

Under ERISA there are steps you can take to enforce your rights in the unlikely event that a dispute arises that cannot be resolved by agreement. You may seek the assistance of the U.S. Department of Labor or bring suit in federal court if the plan administrator fails to give you requested materials within thirty days, your claim for benefits is denied or ignored, the Plan fiduciaries misuse the plan's money, or you are discriminated against for asserting your rights. If the court decides in your favor, it can grant appropriate relief, including payment from the administrator of \$100 a day for delays in providing documents not caused by reasons beyond the administrator's control. If you are successful in a lawsuit, the court may order the person you have sued to pay court costs and legal fees. If you lose, the court may order you to pay these costs and legal fees, for example, if it finds your claim is frivolous. If you have any questions about the Plan, you should contact the plan administrator. If you have any questions about this statement or your rights under ERISA, you may contact the nearest area office of the U.S. Labor-Management Services Administration, Department of Labor.