

The Plumbers & Pipefitters National Pension Plan

The provisions of the plan document described below, including both the previous provisions and the changes to those provisions, only cover some of the main points of the plan. For detail on eligibility for or the amount of monthly benefits please refer to the Summary Plan Description (SPD) and the Full Text of the Plan Rules, available upon request from the Fund office. The terms of the plan document, not this information, will be followed if there is any inconsistency between any provision of the plan and the description below. This and other information is available on the Fund's Website (www.pnpf.org).

Plan Benefit Highlights

Benefit Calculations

Benefit Calculations are a Function of:

- Pension Credit
 - Past Service Credit
 - Future Service Credit
- Benefit Schedule
- Contribution Rate
- Age at Retirement
- Benefit Type and Option Chosen

Pension Credit

Past Service Credit:

- Is generally pension credit for which contributions were not paid to the Fund; however, this work must have been for an employer in this local union jurisdiction that is now covered by the National Pension Fund.
- Employment work history forms or local pension fund records generally are the best source of Past Service Credit information.

Future Service Credit:

- Employer Contributions
- Credit based on Hours of Work
 - Calendar Years prior to 1999 provide a maximum of 1.0 year of Future Service Credit.
 - Calendar Year 1999 provides a maximum of 1.1 years of Future Service Credit.
 - Calendar Years beginning in 2000 provide a maximum of 1.2 years of Future Service Credit.

SEE TABLE →

Hours of Work in Covered Employment During a Calendar Year	Years of Future Service Credit
2100 Hours or More	1.2
1800 - 2099	1.1
1500 - 1799	1.0
1350 - 1499	0.9
1200 - 1349	0.8
1050 - 1199	0.7
900 - 1049	0.6
750 - 899	0.5
600 - 749	0.4
450 - 599	0.3
300 - 449	0.2
150 - 299	0.1
Fewer than 150	0.0

Benefit Schedules

- See Addendum for Plan Schedules of Benefits (Form #25) for the schedules of benefits in effect for all periods of coverage by the Plan.
- *Separation*: A vested participant who incurs 5 or more consecutive years without any Future Service Credit incurs a Separation. Accrued benefit for credit earned prior to the Separation is at the highest contribution rate negotiated by his home local union for this work (for which he has at least 1500 hours in contributions) **at the time of his Separation**. The benefit schedule used is the schedule in effect at the time of the Separation. Separations can also occur for non-vested participants in certain cases and are different than permanent breaks-in-service.

- *Permanent Break in Service:* If, before a participant becomes vested, he does not work in covered employment for certain periods of time, he will suffer a Permanent Break in Service. Unlike a Separation described above, which results in the service earned prior to the Separation being valued at a lower contribution rate and schedule of benefits, a Permanent Break in Service results in the loss of all years of Pension Credit and Vesting Service earned prior to the Permanent Break in Service. However, once you are Vested, although you can still be subject to the effect of a Separation as described above, you cannot thereafter lose your entitlement to a benefit based on the service earned prior to your absence from covered employment. Participants who, prior to incurring a Permanent Break in Service, have at least 1 Hour of Work on or after July 1, 1998, become Vested when they earn at least 5 years of Vesting Service, none of which has been cancelled by a Permanent Break in Service.
- Please refer to the Summary Plan Description for a more complete explanation of Breaks In Service and Separations From Covered Employment.

Age at Retirement

- Ages 62 to 65: Full benefit unreduced by age.
- Early Retirement Reduction Factors:
 - 60 to 62: 1½% per year or 1/8 of 1% reduction per month.
 - 55 to 60: 6% per year or ½ of 1% reduction per month.

Benefit Types and Options

- Normal for single participants: 5 year certain benefit
- Normal for Married Participants: 50% joint and surviving spouse benefit.
- Many other benefit types and options: see the SPD for more details.

Benefit Calculation Example

- Joe is 60 years old on January 1, 2005. His local union started participating in the National Pension Fund in 1984. In 2004 his local union had a contribution rate of \$3.15 per hour and Joe had at least 1500 hours at this rate in December 2004. Joe had 10 Past Service Credits and 20 Future Service Credits. He always worked in his home local union jurisdiction. Joe is married and he and his wife are the same age. If Joe had retired effective January 1, 2005, his benefit would have been calculated as follows.

Since all of Joe's 30 years of Pension Credit was earned prior to 2005, his benefit is calculated using Schedule A (see below). The contribution rate of \$3.15 per hour provides a monthly Normal Pension at age 65 of \$89.71 per year of Pension Credit.

$\$89.71 \times 30$ pension credits =	\$2,691.30	(Benefit for 30 years of service)
	<u>X 97.0%</u>	(3% early retirement reduction at age 60)
	\$2,610.56	(the amount for a single retiree)
<div style="border: 1px solid black; padding: 5px; width: fit-content;">Since Joe is married, his pension is reduced for the 50% Joint and Surviving Spouse Pension.</div>	\$2,610.56	
	<u>X 90.0%</u>	(reduction for spouses of same age)
	\$2,349.50	(the amount for a married retiree)
	<u>X 50.0%</u>	
	\$1,174.75	(amount of surviving spouse pension)

If Joe's spouse dies first, his pension is "popped up" from \$2,349.50 to \$2,610.56.

- Let's assume that rather than retire, Joe continued to work during 2005 earning an additional year of Future Service Credit at the \$3.15 contribution rate. If Joe had retired effective January 1, 2006 at age 61, his benefit would have been calculated as follows.

With Joe's one year of Pension Credit earned during 2005 his benefit for 2005 is calculated using Schedule B (see below). The contribution rate of \$3.15 per hour provides a monthly Normal Pension at age 65 of \$22.43 for this year of Pension Credit, which is added to his previously earned benefit.

	\$22.43 x 1 pension credits =	\$ 22.43	(Benefit for Year 2005)
PLUS	\$89.71 x 30 pension credits =	<u>2,691.30</u>	(Benefit for Years prior to 2005)
		\$2,713.73	(Total benefit for 31 years of service)
		<u>X 98.5%</u>	(1.5% early retirement reduction at age 61)
		\$2,673.02	(the amount for a single retiree)

Since Joe is married, his pension is reduced for the 50% Joint and Surviving Spouse Pension.		\$2,673.02	
		<u>X 90.0%</u>	(reduction for spouses of same age)
		\$2,405.72	(the amount for a married retiree)
		<u>X 50.0%</u>	
		\$1,202.86	(amount of surviving spouse pension)

If Joe's spouse dies first, his pension is "popped up" from \$2,405.72 to \$2,673.02.

- Let's assume that rather than retire, Joe continues to work during 2006 earning an additional year of Future Service Credit. Let's also assume that his local union increased their contribution rate by at least 25% effective January 1, 2006 to a contribution rate of \$3.95. If Joe retires effective January 1, 2007 at age 62, his benefit will be calculated as follows.

With Joe's one year of Pension Credit earned during 2006 his benefit for 2006 is calculated using Schedule C (see below). The contribution rate of \$3.95 per hour provides a monthly Normal Pension at age 65 of \$44.97 for this year of Pension Credit, which is added to his previously earned benefit.

	\$44.97 x 1 pension credits =	\$ 44.97	(Benefit for Year 2006)
PLUS	\$22.43 x 1 pension credits =	22.43	(Benefit for Year 2005)
PLUS	\$89.71 x 30 pension credits =	<u>2,691.30</u>	(Benefit for Years prior to 2005)
		\$2,758.70	(Total benefit for 32 years of service)
		<u>X 100.0%</u>	(no early retirement reduction once age 62)
		\$2,758.70	(the amount for a single retiree)

Since Joe is married, his pension is reduced for the 50% Joint and Surviving Spouse Pension.		\$2,758.70	
		<u>X 90.0%</u>	(reduction for spouses of same age)
		\$2,482.83	(the amount for a married retiree)
		<u>X 50.0%</u>	
		\$1,241.42	(amount of surviving spouse pension)

If Joe's spouse dies first, his pension is "popped up" from \$2,482.83 to \$2,758.70.

- Having learned about the 75% restoration for 2007, Joe continues to work during 2007 earning an additional year of Future Service Credit at the \$3.95 contribution rate. If Joe retires effective January 1, 2008 at age 63, his benefit will be calculated as follows.

With Joe's one year of Pension Credit earned during 2007 his benefit for 2007 is calculated using Schedule D (see below). The contribution rate of \$3.95 per hour provides a monthly Normal Pension at age 65 of \$67.46 for this year of Pension Credit, which is added to his previously earned benefit.

	\$67.46 x 1 pension credits =	\$ 67.46	(Benefit for Year 2007)
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PLUS	\$44.97 x 1 pension credits =	44.97	(Benefit for Year 2006)
PLUS	\$22.43 x 1 pension credits =	22.43	(Benefit for Year 2005)
PLUS	\$89.71 x 30 pension credits =	<u>2,691.30</u>	(Benefit for Years prior to 2005)
		\$2,826.16	(Total benefit for 33 years of service)
		<u>X 100.0%</u>	(no early retirement reduction at age 62)
		\$2,826.16	(the amount for a single retiree)

Since Joe is married, his pension is reduced for the 50% Joint and Surviving Spouse Pension.		\$2,826.16	
		<u>X 90.0%</u>	(reduction for spouses of same age)
		\$2,543.54	(the amount for a married retiree)
		<u>X 50.0%</u>	(amount of surviving spouse pension)
		\$1,271.77	

If Joe's spouse dies first, his pension is "popped up" from \$2,543.54 to \$2,826.16.

Other Benefit Calculation Matters

Weighted Average contribution rates, non-standard benefit levels, rate reductions, and separations will all effect the benefit calculations. Please refer to the Summary Plan Description for a more complete explanation of the effects of these matters.

Estimate Requests

You should contact the Fund Office if you want an estimate of your benefit amount before you retire. While the information above provides general information for calculating benefits, you should rely on the Fund to calculate your benefit.



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Schedule A
Schedule of Benefits for Credit Prior to 2005

Hourly Contribution Rate	Monthly Normal Pension Amount Per Year of Pension Credit	Hourly Contribution Rate	Monthly Normal Pension Amount Per Year of Pension Credit
\$ 0.10	\$ 4.00	\$ 2.10	\$ 66.66
0.15	6.03	2.15	67.83
0.20	8.03	2.20	69.09
0.25	10.06	2.25	70.20
0.30	12.00	2.30	71.29
0.35	14.03	2.35	72.31
0.40	15.97	2.40	73.43
0.45	17.97	2.45	74.49
0.50	19.97	2.50	75.63
0.55	22.00	2.55	76.66
0.60	23.57	2.60	77.77
0.65	25.23	2.65	78.86
0.70	26.77	2.70	80.00
0.75	28.49	2.75	81.03
0.80	30.11	2.80	82.17
0.85	31.74	2.85	83.23
0.90	33.34	2.90	84.31
0.95	34.94	2.95	85.37
1.00	36.57	3.00	86.49
1.05	38.26	3.05	87.54
1.10	39.83	3.10	88.69
1.15	41.17	3.15	89.71
1.20	42.69	3.20	90.89
1.25	44.06	3.25	91.94
1.30	45.51	3.30	93.03
1.35	46.94	3.35	94.00
1.40	48.34	3.40	95.00
1.45	49.83	3.45	95.97
1.50	51.23	3.50	97.03
1.55	52.69	3.55	98.03
1.60	54.09	3.60	99.03
1.65	55.51	3.65	100.03
1.70	56.77	3.70	101.03
1.75	57.97	3.75	102.03
1.80	59.17	3.80	103.03
1.85	60.49	3.85	104.03
1.90	61.66	3.90	105.03
1.95	62.91	3.95	106.03
2.00	64.14	4.00	107.03
2.05	65.37	4.01 & above	2.25% of Cont.>\$4.00

Monthly Normal Pension amount per year of Pension Credit earned prior to January 1, 2005 for Participants with Effective Dates of Benefits on or after January 1, 2002, and with at least one-tenth (1/10th) of a year of Future Service Credit after January 1, 2001. These lifetime monthly benefits, plus an additional lifetime monthly benefit equal to 2.25% of all contributions above \$4.00, represent the standard benefit per year of Pension Credit payable at or above age 62.

An alternate benefit for Contribution Rates greater than \$1.10 is calculated based on the benefit amount per year of Pension Credit payable for the \$1.10 Contribution Rate, plus an additional lifetime monthly benefit equal to 2.25% of all contributions above \$1.10. The greater of the two calculated amounts is the lifetime monthly benefit payable at or above age 62.

Schedule B

Schedule of Benefits for Credit for 2005 for All Participants, and for 2006 and Later under Agreements Without the 25% Increase in Contributions

Hourly Contribution Rate	Monthly Normal Pension Amount For a Year of Pension Credit Earned in 2005	Hourly Contribution Rate	Monthly Normal Pension Amount For a Year of Pension Credit Earned in 2005
\$ 0.10	\$ 1.00	\$ 2.10	\$ 16.67
0.15	1.51	2.15	16.96
0.20	2.01	2.20	17.27
0.25	2.52	2.25	17.55
0.30	3.00	2.30	17.82
0.35	3.51	2.35	18.08
0.40	3.99	2.40	18.36
0.45	4.49	2.45	18.62
0.50	4.99	2.50	18.91
0.55	5.50	2.55	19.17
0.60	5.89	2.60	19.44
0.65	6.31	2.65	19.72
0.70	6.69	2.70	20.00
0.75	7.12	2.75	20.26
0.80	7.53	2.80	20.54
0.85	7.94	2.85	20.81
0.90	8.34	2.90	21.08
0.95	8.74	2.95	21.34
1.00	9.14	3.00	21.62
1.05	9.57	3.05	21.89
1.10	9.96	3.10	22.17
1.15	10.29	3.15	22.43
1.20	10.67	3.20	22.72
1.25	11.02	3.25	22.99
1.30	11.38	3.30	23.26
1.35	11.74	3.35	23.50
1.40	12.09	3.40	23.75
1.45	12.46	3.45	23.99
1.50	12.81	3.50	24.26
1.55	13.17	3.55	24.51
1.60	13.52	3.60	24.76
1.65	13.88	3.65	25.01
1.70	14.19	3.70	25.26
1.75	14.49	3.75	25.51
1.80	14.79	3.80	25.76
1.85	15.12	3.85	26.01
1.90	15.42	3.90	26.26
1.95	15.73	3.95	26.51
2.00	16.04	4.00	26.76
2.05	16.34	4.01 & above	0.375% of Cont.>\$4.00

Monthly Normal Pension amount for a year of Pension Credit earned during 2005. This schedule also applies to work in 2006 and later under agreements without a 25% increase in the Contribution Rate that was in effect on December 31, 2004. These lifetime monthly benefits, plus an additional lifetime monthly benefit equal to 0.375% of all contributions above \$4.00, represent the standard benefit for a year of Pension Credit payable at or above age 62.

Schedule C

Schedule of Benefits for Credit for 2006 and Later under Agreements With the 25% Increase in Contributions On or After 1/1/06

Hourly Contribution Rate	Monthly Normal Pension Amount Per Year of Pension Credit	Hourly Contribution Rate	Monthly Normal Pension Amount Per Year of Pension Credit
\$ 0.13	\$ 2.08	\$ 2.60	\$ 33.07
0.15	2.41	2.65	33.56
0.20	3.21	2.70	34.04
0.25	4.01	2.75	34.54
0.30	4.83	2.80	34.99
0.35	5.61	2.85	35.43
0.40	6.41	2.90	35.85
0.45	7.21	2.95	36.27
0.50	7.99	3.00	36.71
0.55	8.79	3.05	37.14
0.60	9.59	3.10	37.59
0.65	10.39	3.15	38.02
0.70	11.03	3.20	38.44
0.75	11.66	3.25	38.89
0.80	12.32	3.30	39.32
0.85	12.95	3.35	39.77
0.90	13.59	3.40	40.21
0.95	14.28	3.45	40.63
1.00	15.06	3.50	41.09
1.05	15.71	3.55	41.51
1.10	16.35	3.60	41.94
1.15	16.99	3.65	42.37
1.20	17.63	3.70	42.80
1.25	18.29	3.75	43.24
1.30	18.96	3.80	43.67
1.35	19.60	3.85	44.11
1.40	20.18	3.90	44.55
1.45	20.74	3.95	44.97
1.50	21.34	4.00	45.44
1.55	21.89	4.05	45.87
1.60	22.47	4.10	46.30
1.65	23.04	4.15	46.71
1.70	23.61	4.20	47.10
1.75	24.17	4.25	47.50
1.80	24.77	4.30	47.89
1.85	25.33	4.35	48.30
1.90	25.91	4.40	48.71
1.95	26.48	4.45	49.11
2.00	27.04	4.50	49.51
2.05	27.61	4.55	49.91
2.10	28.13	4.60	50.31
2.15	28.63	4.65	50.71
2.20	29.11	4.70	51.11
2.25	29.59	4.75	51.51
2.30	30.11	4.80	51.91
2.35	30.59	4.85	52.31
2.40	31.08	4.90	52.71
2.45	31.58	4.95	53.11
2.50	32.07	5.00	53.51
2.55	32.56	5.01 & above	0.75% of Cont.>\$5.00

Monthly Normal Pension amount for a year of Pension Credit earned during 2006 and later under agreements with a 25% increase in the Contribution Rate that was in effect on December 31, 2004. These lifetime monthly benefits, plus an additional lifetime monthly benefit equal to 0.75% of all contributions above \$5.00, represent the standard benefit for a year of Pension Credit payable at or above age 62. The monthly Normal Pension for credit earned during 2006 and later under agreements before the 25% increase in the Contribution Rate is determined under the previous schedule.

Schedule D

Schedule of Benefits for Credit Earned In 2007 and Later Under Agreements With the 25% Increase in Contributions Effective On or Before 1/1/07

Hourly Contribution Rate	Monthly Normal Pension Amount Per Year of Pension Credit	Hourly Contribution Rate	Monthly Normal Pension Amount Per Year of Pension Credit
\$ 0.13	\$ 3.12	\$ 2.60	\$ 49.61
0.15	3.62	2.65	50.34
0.20	4.82	2.70	51.06
0.25	6.02	2.75	51.81
0.30	7.25	2.80	52.49
0.35	8.42	2.85	53.15
0.40	9.62	2.90	53.78
0.45	10.82	2.95	54.41
0.50	11.99	3.00	55.07
0.55	13.19	3.05	55.71
0.60	14.39	3.10	56.39
0.65	15.59	3.15	57.03
0.70	16.55	3.20	57.66
0.75	17.49	3.25	58.34
0.80	18.48	3.30	58.98
0.85	19.43	3.35	59.66
0.90	20.39	3.40	60.32
0.95	21.42	3.45	60.95
1.00	22.59	3.50	61.64
1.05	23.57	3.55	62.27
1.10	24.53	3.60	62.91
1.15	25.49	3.65	63.56
1.20	26.45	3.70	64.20
1.25	27.44	3.75	64.86
1.30	28.44	3.80	65.51
1.35	29.40	3.85	66.17
1.40	30.27	3.90	66.83
1.45	31.11	3.95	67.46
1.50	32.01	4.00	68.16
1.55	32.84	4.05	68.81
1.60	33.71	4.10	69.45
1.65	34.56	4.15	70.07
1.70	35.42	4.20	70.65
1.75	36.26	4.25	71.25
1.80	37.16	4.30	71.84
1.85	38.00	4.35	72.45
1.90	38.87	4.40	73.07
1.95	39.72	4.45	73.67
2.00	40.56	4.50	74.27
2.05	41.42	4.55	74.87
2.10	42.20	4.60	75.47
2.15	42.95	4.65	76.07
2.20	43.67	4.70	76.67
2.25	44.39	4.75	77.27
2.30	45.17	4.80	77.87
2.35	45.89	4.85	78.47
2.40	46.62	4.90	79.07
2.45	47.37	4.95	79.67
2.50	48.11	5.00	80.27
2.55	48.84	5.01 & above	1.125% of Cont.>\$5.00

Monthly Normal Pension amount for a year of Pension Credit earned during 2007 and later under agreements with a 25% increase in the Contribution Rate that was in effect on December 31, 2004. These lifetime monthly benefits, plus an additional lifetime monthly benefit equal to 1.125% of all contributions above \$5.00, represent the standard benefit for a year of Pension

Credit payable at or above age 62. Previous schedules apply if the 25% increase is effective after January 1, 2007 or has not been adopted at all.