

**BAY AREA PAINTERS AND TAPERS
ANNUITY PLAN**

**SUMMARY PLAN DESCRIPTION
AND
TEXT OF THE PLAN DOCUMENT
2022 Edition**

BAY AREA PAINTERS AND TAPERS ANNUITY PLAN

c/o Health Services & Benefit Administrators, Inc.

4160 Dublin Boulevard, Suite 400

Dublin, CA 94568-7756

(866) 894-3705

BOARD OF TRUSTEES

Employer Trustees

Steve Eckstrom

Chris Harris

Sal Madrigal

Dan Monks

Frank Nunes

Jeannie Simpelo

Employee Trustees

Jose Espinosa

William Gonzalez

James Hewett

Troy Notrangelo

Joe Sanders

Robert Williams

Legal Counsel

Saltzman & Johnson Law Corporation

Consultant

Segal

Administrator

Health Services & Benefit Administrators, Inc.

Account Platform

John Hancock

BAY AREA PAINTERS AND TAPERS ANNUITY PLAN

c/o Health Services & Benefit Administrators, Inc.

4160 Dublin Boulevard, Suite 400

Dublin, CA 94568-7756

(866) 894-3705

To All Plan Participants:

We are pleased to present you with a summary plan description booklet (“SPD”) that provides important information concerning your participation in the Bay Area Painters and Tapers Annuity Plan.

The Annuity Plan was established with the goal of providing retirement benefits to eligible retiring Participants. Its benefits supplement those that may be payable from the Bay Area Painters and Tapers Pension Plan and the Resilient Floor Covering Pension Fund. These Plans provide a measure of financial security for you and your family upon your retirement. The Annuity Plan also provides benefits in the event of your death before retirement or if you become totally disabled (as determined by Social Security) before retirement.

The most important provisions of the Annuity Plan are summarized in the questions and answers in this booklet. As such, the booklet does not address every provision or detail of the Plan. In all cases, the rules and regulations of the Bay Area Painters and Tapers Annuity Plan (“Plan document”) serves as the legal basis governing the administration of the Annuity Plan. Should there be any detail not covered in this booklet or any conflict between this booklet and the Plan document, the latter shall govern. The Plan document, containing the complete text of the Annuity Plan, which sets forth your actual benefits, rights and obligations under the Plan, appears following this booklet.

You will be notified and kept up to date on any material changes made to the Plan through the issuance of notices referred to as summaries of material modifications (“SMMs”). You should keep this SPD and any SMMs together in a safe place and share them with your family as they contain information that will play an important part in your plans for retirement.

If you have any questions about the Plan or your rights to benefits under this Plan, you should write to the Trust Fund Office for an explanation. You should understand, however, that only the Board of Trustees has authority to interpret or modify the terms of the Plan and that this authority cannot be delegated to the staff of the Trust Fund Office, the Union, or any Contributing Employer.

If you have any questions, the staff of the Trust Fund Office will be happy to answer them.

Sincerely,

BOARD OF TRUSTEES

IMPORTANT

This explanation of the Bay Area Painters and Tapers Annuity Plan is no more than a brief and very general statement of the most important provisions of the Annuity Plan. No general statement such as this can adequately reflect all the details of the Plan. Nothing in this statement is meant to interpret, extend, or change in any way the provisions expressed in the Plan document. The rights of a Participant or Beneficiary can only be determined by consulting the Plan Document of the Bay Area Painters and Tapers Annuity Plan.

As a courtesy to you, the Trust Fund Office may respond informally to your oral questions by telephone or in person. However, these oral answers are not binding upon the Board of Trustees and cannot be relied on in any dispute concerning your benefits.

ONLY THE FULL BOARD OF TRUSTEES IS AUTHORIZED TO INTERPRET THE PLAN OF BENEFITS DESCRIBED IN THIS BOOKLET. THE BOARD OF TRUSTEES HAS BROAD DISCRETION TO DETERMINE ELIGIBILITY AND OTHERWISE INTERPRET THE PLAN. A DECISION BY THE TRUSTEES WILL BE GIVEN JUDICIAL DEFERENCE TO THE EXTENT THAT IT DOES NOT CONSTITUTE AN ABUSE OF DISCRETION.

NO EMPLOYER OR UNION, NOR ANY REPRESENTATIVE OF ANY EMPLOYER OR UNION, IS AUTHORIZED TO INTERPRET THE PLAN – NOR CAN SUCH PERSON ACT AS AN AGENT OF THE BOARD OF TRUSTEES. ANY QUESTIONS YOU HAVE CAN BE DIRECTED TO THE STAFF AT THE TRUST FUND OFFICE WHO WILL PRESENT YOUR QUESTIONS TO THE BOARD.

TABLE OF CONTENTS

TYPE OF PLAN	1
1. What type of Plan is the Bay Area Painters and Tapers Annuity Plan?.....	1
PLAN PARTICIPATION	2
2. How do I know if I am eligible to participate in the Annuity Plan?	2
3. When do I become a Plan Participant?	2
4. When do I cease to be a Plan Participant?	2
INDIVIDUAL ACCOUNTS AND ACCOUNT BALANCES.....	3
5. What is an Individual Account?.....	3
6. What determines the amount of money in my Individual Account?.....	3
7. Can I direct the investment of my Individual Account monies?.....	4
8. Can I contribute to my Individual Account?.....	4
9. What are Valuation Dates?	4
10. What is the Accumulated Share?	4
11. What determines the value of the Accumulated Share?.....	5
12. Will Contributions be made on my behalf for periods of military service?.....	5
13. Will I receive a statement showing the status of my Individual Account?	6
14. What should I do if the statement does not show Contributions from an Employer for whom I worked as a painter, taper, or floor coverer during the last quarter?	6
PAYMENT OF BENEFITS.....	7
15. What is the exact amount of money I will receive when I am eligible for the distribution of my Individual Account?.....	7
16. When can I receive the money in my Individual Account?	7
17. How will my Individual Account be paid out?	8
18. Are there additional conditions attached to electing and receiving either the Qualified Joint and Survivor Annuity or Qualified Optional Survivor Annuity?	9
19. If I am married, how do I select an option other than the Qualified Joint and Survivor Annuity?...	9
20. If I am married, what information will my Spouse and I receive to help us decide whether to elect or waive the Plan’s QJSA option in favor of another payment form?.....	10
21. What if I am legally married, but cannot locate my Spouse?	10
22. Can I withdraw some or all of the money in my Individual Account if I am experiencing serious financial hardship?	10
23. Can I withdraw some or all of the money in my Individual Account for childbirth or adoption expenses?	12
24. Can I withdraw my money purchase and profit sharing Individual Accounts at different times?..	12

25. Can I elect different payment forms for my money purchase and profit sharing Individual Accounts?.....	12
26. What happens if I withdraw the money in my Individual Account and then start working again?	12
DEATH PRIOR TO RECEIVING ACCUMULATED SHARE.....	13
27. What happens if I die before I withdraw my Individual Account and receive my Accumulated Share?.....	13
DESIGNATION OF BENEFICIARY.....	14
28. Under what circumstances are Accumulated Shares payable to surviving Spouses or Beneficiaries?.....	14
29. How do I designate a Beneficiary for my Accumulated Share?	14
30. Can I change my designated Beneficiary?.....	15
31. What happens if I do not designate a Beneficiary or if my designated Beneficiary dies?	15
ASSIGNMENT OF BENEFITS AND QUALIFIED DOMESTIC RELATIONS ORDERS.....	16
32. May I assign my Individual Account or any other right or benefit under the Plan?	16
33. What is a Qualified Domestic Relations Order?	16
TAXES	17
34. Do I have to pay tax on the money in my Individual Account?.....	17
35. Can the Trust Fund Office assist me in determining my tax liabilities in connection with my Individual Account?.....	17
36. Does the form of payment that I elect affect my taxes?.....	17
37. Is money withheld from the distribution of my Accumulated Share?	17
38. Does my receipt of my Accumulated Share prior to attaining age 59 ½ have some effect on the taxes that I may owe?.....	18
APPLYING FOR YOUR ACCUMULATED SHARE AND CLAIMS AND APPEALS PROCEDURES.....	19
39. What is the application procedure for receiving payment of my Accumulated Share?	19
40. When and how is my application acted upon?.....	20
41. How will I be notified if my application (claim) is denied?	20
42. What is the procedure to follow if my application (claim) is denied?	20
43. How is my appeal reviewed?	21
44. Do I have to withdraw the money in my Individual Account as soon as I am eligible for its payment?.....	21
45. What is my Required Beginning Date and why is it important?.....	22
46. Since the Internal Revenue Code only imposes a tax penalty if I do not receive at least the Required Minimum Distribution (RMD) for the year, can I elect to just receive the RMD portion of my Accumulated Share?	22

RIGHT TO BENEFITS	23
47. Could I lose some or all of the money in my Individual Account?	23
48. Can the Annuity Plan be modified, amended, or terminated?	23
AVAILABILITY OF PLAN DOCUMENTS	24
49. Are Plan documents available to Participants and Beneficiaries?	24
INFORMATION ABOUT THE PLAN	25
STATEMENT OF ERISA RIGHTS	28

TYPE OF PLAN

1. What type of Plan is the Bay Area Painters and Tapers Annuity Plan?

Prior to January 1, 2019, the Annuity Plan was a defined contribution money purchase plan. Effective January 1, 2019, it is converted to a defined contribution profit sharing plan. The term “profit sharing plan” is a technical term for Internal Revenue Code purposes only and does not mean that Employer Contributions made on your behalf are dependent on whether your Employer(s) realizes a profit. Under both types of plans, the benefits payable to eligible Participants are based on the monetary balance in their Individual Accounts. As required under the Internal Revenue Code, and for accounting purposes, separate money purchase and profit sharing Individual Accounts are maintained on your behalf depending on your eligibility for each under the Plan. While the Plan’s primary purpose is to provide Participants with a source of income at retirement, it also provides benefits in the event of disability or death. Additionally, only profit sharing Individual Accounts permit “hardship distributions” for Participants experiencing serious financial hardship. The rules that govern hardship distributions are described later in this booklet.

PLAN PARTICIPATION

2. How do I know if I am eligible to participate in the Annuity Plan?

You are eligible to become a Plan Participant if you are working for a Contributing Employer in Covered Employment. Covered Employment refers to work in a job class for which a Contributing Employer is obligated to contribute to the Annuity Plan on your behalf under the terms of a Collective Bargaining Agreement, or pursuant to a resolution of the Board of Trustees. It also includes employment with any District Council or Local Union, a Joint Labor-Management Committee or Committees or other related entities on which the District Council or Union is represented, trade associations affiliated with the Union, the Board of Trustees. You are not eligible to become a Participant if you are a self-employed person – whether a sole proprietor or partner.

Participation is also open to certain Alumni. An Alumni is a Non-Bargained Employee who previously accrued a benefit under the Annuity Plan while working in a job covered by a Collective Bargaining Agreement, and who is now employed by a Contributing Employer having a Collective Bargaining Agreement requiring contributions to this Plan, by the Union or the Annuity Plan and participates in the Plan pursuant to a written subscription agreement that provides for benefits under the Plan.

3. When do I become a Plan Participant?

Beginning January 1, 2019, you are eligible to participate in the profit sharing Annuity Plan, after a Contribution is received by the Plan on your behalf upon completing your first Hour of Work in Covered Employment.

Prior to January 1, 2019, you were eligible to participate in the money purchase Annuity Plan after completing your first Hour of Work for a Contributing Employer. Beginning January 1, 2019, the Plan became a profit sharing Annuity Plan, and no new contributions will be made to the money purchase Individual Accounts currently in existence and no new money purchase Individual Accounts will be created.

4. When do I cease to be a Plan Participant?

You cease to be a Plan Participant when your Individual Account is terminated (i.e., when you no longer have any Individual Account balance). This is the result of you either having received distributions of your Accumulated Share or having no balance after the assessment of your share of Plan expenses.

If you cease to be a Plan Participant, you will again become a Participant by satisfying the provisions described in **Questions 2 and 3**.

INDIVIDUAL ACCOUNTS AND ACCOUNT BALANCES

5. What is an Individual Account?

When you become a Plan Participant, an “Individual Account” is established in your name. Your Individual Account balance (also called the Accumulated Share) represents the benefit payable to you by the Annuity Plan.

If you were a Participant with Employer Contributions prior to and after January 1, 2019, you have both a money purchase plan Individual Account and a profit sharing Individual Account. Participants with no Employer Contributions on or after January 1, 2019 only have a money purchase Individual Account. Participants who only have Employer Contributions on or after January 1, 2019 only have a profit sharing Individual Account. As of January 1, 2019, the money purchase Individual Accounts have been frozen and no further contributions are permitted into them.

Unless otherwise indicated, where the term Individual Account or Accumulated Share appears in this booklet, it refers to the sum of both the money purchase and profit sharing Individual Account/Accumulated Shares, as it applies to you.

You are always 100% vested in the balance of your Individual Account.

6. What determines the amount of money in my Individual Account?

Your Individual Account balance is based on Employer Contributions made to your Individual Account; eligible Rollover Contributions accepted by the Plan and added to your Individual Account; the results of the investment of your Individual Account monies; and your share of the expense charges assessed on all Individual Accounts for the ongoing operation of the Annuity Plan.

Prior to January 1, 2019, you received credit for Employer Contributions required to be made on your behalf as a result of work in Covered Employment – even if your Employer failed to make the Contributions to the Annuity Plan. Beginning January 1, 2019, you will not receive credit unless and until Employer Contributions are actually received by the Plan.

7. Can I direct the investment of my Individual Account monies?

Yes. You may direct the investment of your Individual Account monies.

If you do not make any investment elections, your Individual Account will be invested in a qualified default investment alternative (“QDIA”). A QDIA selected by the Board of Trustees is a pooled investment vehicle that:

- Applies generally accepted investment theories;
- Is diversified so as to minimize the risk of large losses; and
- Is designed to provide long-term appreciation and capital preservation through a mix of equity and fixed income investments consistent with a target level of risk appropriate for Plan Participants as a whole.

Information concerning your investment options can be obtained from John Hancock. If you have questions, please contact the Trust Fund Office.

8. Can I contribute to my Individual Account?

No. The Annuity Plan does not accept Participant contributions – whether on a pre-tax or post-tax basis.

However, subject to the following conditions, the Annuity Plan will accept the direct plan-to-plan transfer of Eligible Rollover Distributions from other qualified retirement plans or conduit IRAs.

- The Plan will accept the transfer of Eligible Rollover Distributions only in lump sum cash amounts on behalf of current Plan Participants.
- Transferred Eligible Rollover Distributions are 100% vested at all times and are distributable from the Annuity Plan when you satisfy one of its distribution eligibility rules.
- When distributable, the transferred Eligible Rollover Distributions will be payable under the Annuity Plan’s available payment forms.

9. What are Valuation Dates?

A Valuation Date is any day of the year when the financial markets are open. The value of your Individual Account balance is determined as of each Valuation Date.

10. What is the Accumulated Share?

Your Accumulated Share is the value of your Individual Account at the time that your Individual Account becomes payable to you.

11. What determines the value of the Accumulated Share?

Your Accumulated Share on any given Valuation Date includes any Contributions or distributions made, investment income or losses, and administrative expenses credited or charged to your Individual Account as of that Valuation Date.

12. Will Contributions be made on my behalf for periods of military service?

If you serve in the uniformed services of the United States and are subsequently reemployed by an employer, you may qualify for Contributions to the Annuity Plan (but not earnings on those Contributions) for periods of Qualified Military Service as determined under the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”).

In order to qualify for the Contributions you must satisfy the following requirements:

- Meet the reemployment requirements under USERRA:
 - Be an active Participant in the Plan prior to entering Qualified Military Service, i.e., working for a Contributing Employer or on an out of work list.
 - Generally, remain on military leave for no more than five years.
 - Be discharged from the military under honorable conditions.
 - Following discharge, return to work (i.e., working for a contributing employer or on an out of work list) within the period required under USERRA.

Period of Military Service	Return to Work Requirement
Less than 31 days of service	By the beginning of the first regularly scheduled work period after the end of the calendar day of duty, plus time required to return home safely and an eight hour rest period.
31 to 180 days of service	No later than 14 days after completion of military service.
181 or more days of service	No later than 90 days after completion of military service.
If you are hospitalized for, or recovering from, an illness or injury incurred in, or aggravated during, the performance of Qualified Military Service, you must report to work at the end of the period necessary for recovering from the illness or injury. This period may not exceed two years from the date of the completion of service.	

The amount of Contributions made for your period of military leave will be based upon your average Hours of Work and the average rate of Contributions for all Employees during the 12-month period immediately preceding the period of Qualified Military Service or, if shorter, your period of Covered Employment immediately preceding the Qualified Military Service.

13. Will I receive a statement showing the status of my Individual Account?

If you are a Participant, you will receive a quarterly statement from John Hancock for your money purchase and/or profit sharing Individual Accounts that include the following information:

- Your Individual Account balance as of the last day of the quarter being reported.
- Your hours worked in Covered Employment and Contributions received during the quarter.
- The results of having invested your Individual Account in the investments that you elected or under the Plan's qualified default investment alternative (QDIA).

In addition, at least annually, your statement will include income stream illustrations for payments under a life annuity and a qualified joint and survivor annuity based on your Individual Account balance as of the last day of the quarter being reported.

It is important that you keep the Trust Fund Office informed of any changes in your address or contact information so that you receive quarterly statements and other information timely from the Annuity Plan.

14. What should I do if the statement does not show Contributions from an Employer for whom I worked as a painter, taper, or floor coverer during the last quarter?

It is very important that you carefully check each statement that you receive and notify the Trust Fund Office immediately if you believe there to be an error, such as one of your Employers not reporting all your Hours of Work or not making Contributions on all Hours of Work. It is easier to correct errors if they are reported shortly after they are discovered than later. Corrections will be based on the evidence available. As time passes, you, your Employer or the Union may no longer have the documentation or evidence necessary to correct the error.

Remember that for work in Covered Service on and after January 1, 2019, your Individual Account is not credited with Contributions for work in Covered Employment unless and until those Contributions are actually received by the Plan.

PAYMENT OF BENEFITS

15. What is the exact amount of money I will receive when I am eligible for the distribution of my Individual Account?

The balance of your Individual Account cannot be determined before you are eligible for its distribution and file an application. This is due to the following:

- Your future work history (the number of hours that you will work in Covered Employment and Employer Contribution rates) are not known.
- The future returns on the investment of your Individual Account and your Individual Account's share of Plan expenses are also not known.

However, you can track the progress of your Individual Account balance by reviewing the quarterly benefit statements issued from John Hancock Office.

16. When can I receive the money in my Individual Account?

Subject to your filing of an application for payment, your Accumulated Share is payable to you if you satisfy any one of the following requirements:

- You are receiving a pension from the Bay Area Painters and Tapers Pension Trust Fund or the Resilient Floor Covering Pension Fund.
- You work less than 400 hours in Covered Employment in the two most recent Plan Years (Plan Years are calendar years that run from January 1 – December 31).
- No Contributions have been required to be made to your Individual Account for at least six consecutive months and you can document that on the date of qualification you are not otherwise engaged in employment for wages or profit as a painter, or taper or floor coverer in the geographic area covered by the Annuity Plan.
- You have attained Normal Retirement Age (age 65) and are Retired. To be Retired means that you have completely withdrawn from any employment for wages or profit as a painter, or taper or floor coverer within the geographic area covered by the Annuity Plan.
- You are totally disabled as solely evidenced by a Social Security Administration Disability Benefit award letter. The Plan will not consider any other evidence as proof of total disability.
- For profit sharing Individual Accounts, you are experiencing financial hardship and satisfy the requirements for a hardship distribution. (See Question 22).

- If you die prior to receiving your Accumulated Share, your Accumulated Share is payable to your Spouse or Beneficiary either as a lump sum or as an annuity. (See **Question 27**).
- Under the terms of a Qualified Domestic Relations Order, your Accumulated Share is payable to an “alternate payee.” (See **Question 33**). Such payment shall be made without regard to whether you, as a Participant, are similarly eligible for payment at that time.

17. How will my Individual Account be paid out?

When you qualify for the distribution of your Accumulated Share, you may elect one of the payment forms described below. However, if the money in your account is \$1,000 or less, your Accumulated Share will automatically be paid to you in a one-time lump sum. Once elected and payments begin, you may not elect a different payment form – even if your life circumstances change (for example, you later get married, divorced or your Spouse predeceases you).

- **Life Annuity.** Under this payment form, the Plan uses your Accumulated Share to purchase an annuity on your behalf from an insurance company that will provide monthly payments to you for your lifetime with no further payments due to any party following your death.

This is the automatic form of payment if you are unmarried at the time distributions of your Accumulated Share begin and you fail to otherwise make an election. However, you may reject this form of payment in favor of receiving a Life Annuity with a Period Certain Guarantee, a single Lump Sum payment of your Accumulated Share, or a combination of a Life Annuity and Lump Sum payment.

- **Life Annuity with a Period Certain Guarantee.** Under this payment form, the Plan uses your Accumulated Share to purchase an annuity on your behalf from an insurance company that will provide monthly payments to you for your lifetime. If you die prior to receiving the number of payments specified in the period certain guarantee period, the remaining payments are payable to your Spouse or Designated Beneficiary.
- **Qualified Joint and Survivor Annuity (“QJSA”) – for married Participants only.** Under this payment form, the Plan uses your Accumulated Share to purchase an annuity on your behalf from an insurance company that will provide monthly payments to you for your lifetime. If you die prior to your Spouse, your Spouse will continue to receive 50% of your monthly benefit for the rest of their life. Since monthly benefits are potentially payable for two lifetimes, the monthly amount payable to you during your lifetime under the Qualified Joint and Survivor Annuity is lower than that which is payable as a Life Annuity.

This is the automatic form of payment if you are married at the time distribution of your Accumulated Share begins. However, with the consent of your Spouse you may reject this form of payment in favor of receiving a Qualified Optional Survivor

Annuity, a single Lump Sum payment of your Accumulated Share, a Life Annuity, or a Life Annuity with a Period Certain Guarantee. (See **Question 19**).

- **Qualified Optional Survivor Annuity (“QOSA”) – for married Participants only.** Under this payment form, the Plan uses your Accumulated Share to purchase an annuity on your behalf from an insurance company that provides monthly payments to you for your lifetime. If you die before your Spouse, your Spouse will continue to receive 75% of your monthly benefit for the rest of their life. Since monthly benefits are potentially payable for two lifetimes, the monthly amount payable to you during your lifetime under the Qualified Optional Survivor Annuity is lower than the amounts provided under a Life Annuity or a Qualified Joint and Survivor Annuity, which has a lower 50% survivor benefit payable to your Spouse.
- **Lump Sum.** Under this payment form, the Plan provides a lump sum payment to you that is equal to the amount in your Individual Account. A lump sum payment is also an Eligible Rollover Distribution and may be rolled over to another qualified retirement plan or Individual Retirement Account. (See **Question 37**).
- **Combination of Annuity and Lump Sum.** Under this payment form, you elect to have a portion of your Individual Account paid to you in a lump sum or rolled over to another qualified retirement plan or Individual Retirement Account with the remainder paid to you under one of the previously discussed Annuity payment forms.

18. Are there additional conditions attached to electing and receiving either the Qualified Joint and Survivor Annuity or Qualified Optional Survivor Annuity?

Yes. Generally, once payments have begun under a payment form, that payment form cannot be changed – even if your life circumstances change (e.g., you get married, divorced, or your Spouse predeceases you). For this reason, the monthly payment amount of a QJSA or QOSA is not increased if you are predeceased by your Spouse or get divorced once payment of your Accumulated Share begins.

Additionally, the QJSA and QOSA is only payable to the Spouse to whom you are married when payment of your Accumulated Share begins.

19. If I am married, how do I select an option other than the Qualified Joint and Survivor Annuity?

If you are married when you apply for payment of your Accumulated Share and do not wish to receive payment as a QJSA, both you and your Spouse must sign a form acknowledging the waiver of any survivor benefits that might otherwise become payable to your Spouse under the QJSA. The signing of this form must be witnessed by a notary public. You may then elect payment of your Accumulated Share as a QOSA, a Life Annuity, Life Annuity with a Period Certain Guarantee or a Lump Sum. No spousal consent is required if you elect either the QJSA.

20. If I am married, what information will my Spouse and I receive to help us decide whether to elect or waive the Plan’s QJSA option in favor of another payment form?

Within a period of no more than 180 days and no fewer than 30 days prior to your Annuity Starting Date, the effective date of payment of your Accumulated Share, you will receive a written explanation of:

- The terms and conditions of the QJSA and QOSA, including a document showing the relative values of the Annuity Plan’s available payment forms.
- Your right to make and the effect of an election to waive the QJSA.
- The right of your Spouse to consent to any election to waive the QJSA.
- The right of you and your Spouse to elect and revoke such election any number of times during the election period that ends on the Annuity Starting Date, and the effect of such elections and revocations.
- The relative values of the various optional forms of benefit under the Plan.
- Your right to defer any distribution and the consequences of failing to defer distribution of benefits including a description of the investment options available under the Plan (including fees) if commencement of distributions is deferred.

You may waive the 30-day period if distribution of your Accumulated Share begins more than 7 days after the written explanation has been provided.

21. What if I am legally married, but cannot locate my Spouse?

If you are legally married and your Spouse cannot be located, you must provide evidence satisfactory to the Plan of your efforts to locate your Spouse. The Annuity Plan may also undertake its own efforts to locate your Spouse. Only if sufficient documentation exists to show that your Spouse cannot be located, will the Annuity Plan pay your Accumulated Share to you in the form of either a Lump Sum, Life Annuity or Life Annuity with a Period Certain Guarantee instead of a QJSA.

22. Can I withdraw some or all of the money in my Individual Account if I am experiencing serious financial hardship?

Yes. However, the primary purpose of the Annuity Plan is to serve as a source of income at retirement and any monies withdrawn before then will no longer be available to you when you retire. Therefore, you can only withdraw monies from your Individual Account if you are receiving a Qualified Birth or Adoption Distribution as discussed further in **Question 23**, or if you satisfy the following rules:

- You must be experiencing serious financial hardship as defined by the Plan. The Plan considers a Participant to be experiencing “serious financial hardship” if the distribution is needed to pay for one or more of the following:

- Medical expenses that would be deductible under Internal Revenue Code § 213(d) (determined without regard to whether expenses exceed 7.5% of adjusted gross income) for you, your spouse, children, dependents or Beneficiary;
 - The purchase (excluding mortgage payments) of your principal residence;
 - Tuition and related educational fees for the next 12 months of post-secondary education for you, your spouse, children, dependents or Beneficiary;
 - The need to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence;
 - Burial or funeral expenses for your deceased parent, spouse, children, dependents or Beneficiary; or
 - Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under Section 165(h) of the Code (determined without regard to whether the loss exceeds 10% of adjusted gross income);
 - Expenses and losses (including loss of income) incurred by you on account of disaster declared by the Federal Emergency Management Agency, provided that your principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.
- The distribution being requested cannot be in excess of the amount of the immediate and heavy financial need, plus any amounts needed to pay income taxes and penalties reasonably expected to result from receiving the distribution.
 - You have obtained all distributions, other than hardship distributions, currently available under all qualified retirement plans maintained by your Employer.
 - You have provided to the Plan Administrator a representation in writing that you have insufficient cash or liquid assets reasonably available to satisfy the need.
 - Additional Conditions:
 - A hardship distribution may only be made from your profit sharing Individual Account and will only be made in a lump sum payment. Hardship distributions may not be made from your money purchase account, which are contributions made into the Plan before January 1, 2019.
 - If you are married, your spouse's consent is required.
 - A hardship distribution is not eligible for rollover to an IRA or other qualified plan.

23. Can I withdraw some or all of the money in my Individual Account for childbirth or adoption expenses?

Yes. You can obtain withdraw up to the amount in your Individual Account for a Qualified Birth or Adoption Distribution (QBOAD), not to exceed \$5,000, under the following circumstances:

- You apply for the QBOAD within a 1-year period beginning on the date on which your child is born or on which the adoption of an Eligible Adoptee is finalized.
- An Eligible Adoptee is any individual, other than a child of your spouse, who is under age 18 or is physically or mentally incapable of self-support.
- The QBOAD is available only from your profit sharing Individual Account (for benefits accrued after January 1, 2019).
- You must complete an application for a QBOAD distribution on a Plan form and provide a copy of the child's birth certificate (or other equivalent document) or adoption certificate.
- If you are married, you must obtain written consent by your spouse on a form acceptable to the Plan. Your spouse's consent must be notarized.

24. Can I withdraw my money purchase and profit sharing Individual Accounts at different times?

No. With the exception of distributions made for eligible hardships (see **Questions 22 and 23**), if you are a Participant who on or after January 1, 2019 has an Individual Account under the money purchase plan and the profit sharing you must withdraw the entire balance of both your Individual Accounts at the same time.

25. Can I elect different payment forms for my money purchase and profit sharing Individual Accounts?

No. You must elect a single payment form that will apply to the balances in both your money purchase and profit sharing Individual Accounts.

26. What happens if I withdraw the money in my Individual Account and then start working again?

You will again become a Participant and have a new Individual Account established for you when you again satisfy the requirements for participation as discussed in **Questions 2 and 3**. If you start working again on or after January 1, 2019, your new Individual Account will be a profit sharing Individual Account.

DEATH PRIOR TO RECEIVING ACCUMULATED SHARE

27. What happens if I die before I withdraw my Individual Account and receive my Accumulated Share?

If you are married and have been married throughout the one-year period ending on your date of death, your surviving Spouse will receive your Accumulated Share. If you are not married or have not been married throughout the one-year period ending on the date of your death, your designated Beneficiary will receive your Accumulated Share. (See **Question 28**).

If your Accumulated Share is \$1,000 or less, your Accumulated Share will automatically be paid to your Spouse or designated Beneficiary in a one-time lump sum.

If your Accumulated Share is to be paid to your Spouse and is more than \$1,000, the following payment forms are available:

- Life Annuity purchased from an insurance company.
- Life Annuity with a Period Certain Guarantee.
- Lump Sum with option to either receive payment or rollover the distribution to another qualified retirement plan or individual retirement account.
- Combination of Life Annuity and Lump Sum.

In the absence of an election by your Spouse, the Life Annuity option purchased from an insurance company will be the default.

If your Accumulated Share is to be paid to your Beneficiary and is more than \$1,000, the following payment forms are available:

- Lump Sum with option to either receive payment or rollover the distribution to another qualified retirement plan or individual retirement account.

For Participant deaths on or after January 1, 2020, your designated Beneficiary, including an individual who is not more than 10 years younger than you, your minor child, or a chronically ill or disabled individual, must receive a full distribution of your Individual Account not later than the end of the 10th calendar year following your death.

Beneficiaries may not elect payment under either the QJSA or QOSA payment forms.

DESIGNATION OF BENEFICIARY

28. Under what circumstances are Accumulated Shares payable to surviving Spouses or Beneficiaries?

If you die prior to receiving payment of your Accumulated Share, it will be paid to your surviving Spouse if you were married throughout the one-year period ending on your date of death, unless your surviving Spouse consented, in writing, to allow the Accumulated Share to be paid to your designated Beneficiary. If there is no surviving Spouse, or if you were not married throughout the one-year period ending on your date of death, your Accumulated Share will be paid to your designated Beneficiary (who may be your Spouse, if married less than one-year). Your surviving Spouse or designated Beneficiary may elect a benefit payment form depending on their status as a surviving Spouse or designated Beneficiary as described in **Question 27**.

If you applied for payment of your Accumulated Share and elected the Life Annuity with a Period Certain Guarantee, any payments remaining under the guarantee period at the time of your death will be paid to your surviving Spouse or designated Beneficiary, depending on your designation at the time that you commenced benefits.

29. How do I designate a Beneficiary for my Accumulated Share?

A Beneficiary designation is only valid if it is on a form provided by the Trust Fund Office, has your signature, and is received by the Trust Fund Office prior to the date of your death.

If you are designating a Beneficiary in case you die prior to receiving your Accumulated Share, the Beneficiary designation is only valid without spousal consent if you are (1) unmarried on the date of your death or (2) have not been married throughout the one-year period ending on your date of death. In the alternative, if you have been married throughout the one-year period ending on the date of your death your Spouse is required to consent in writing to allow the Accumulated Share to be paid to your designated Beneficiary. However, even if you have not been married for at least one year, you may designate your new Spouse as your Beneficiary, in which case they will receive benefits as a designated Beneficiary and not as a surviving Spouse, unless you have been married to your Spouse for the one-year period ending on the date of your death.

If you are receiving a Life Annuity with Period Certain Guarantee and designating a Beneficiary along with your application for your Accumulated Share, the Beneficiary designation is only applicable to the Period Certain Guarantee. If you are married to your Spouse for at least a year at the time your Accumulated Share begins to be distributed, the election of this payment form requires your Spouse's written notarized consent for the designation of anyone besides your Spouse as the initial Beneficiary designation and for any changes in the Beneficiary designation. You are permitted to designate your Spouse as Beneficiary, even if married less than a year.

30. Can I change my designated Beneficiary?

Subject to the provisions in **Questions 28 and 29**, you may change the Beneficiary designated to receive your Accumulated Share should you die prior to distribution of your Individual Account by completing a new Beneficiary Designation form and filing it with the Trust Fund Office. Any designation of your Spouse as Beneficiary is automatically revoked upon entry of a final decree of marital dissolution unless a Qualified Domestic Relations Order provides otherwise.

If you are receiving payment of your Accumulated Share as a Life Annuity with a Period Certain Guarantee, you may change the Beneficiary designated to receive any remaining payments under the Period Certain Guarantee period by completing a new Beneficiary Designation form and filing it with the Trust Fund Office.

In the case of a QJSA or QOSA, you may not name anyone but your Spouse for purposes of any survivor benefit that may become payable under these options as survivor benefits are only payable to the Spouse to whom you were married when your Accumulated Share began to be distributed.

31. What happens if I do not designate a Beneficiary or if my designated Beneficiary dies?

If you have no designated Beneficiary or you are predeceased by your designated Beneficiary, your Accumulated Share will be paid in the following order, to your:

- (a) Your Spouse
- (b) Your children
- (c) Your grandchildren
- (d) Your parents
- (e) Your siblings
- (f) Your nieces and nephews
- (g) Your grandparents
- (h) Your first cousins
- (i) Your estate.

IMPORTANT

It is your responsibility to have an up-to-date Beneficiary designation form on file with the Trust Fund Office. If you are not sure whether you have an up-to-date Beneficiary designation form on file, or you wish to change your designated Beneficiary, you can obtain the required form by writing or telephoning the Trust Fund Office. Remember, if you are married, you may be limited in your ability to designate a Beneficiary. **(See Questions 28 and 29).**

**ASSIGNMENT OF BENEFITS
AND QUALIFIED DOMESTIC RELATIONS ORDERS**

32. May I assign my Individual Account or any other right or benefit under the Plan?

Neither you nor any Beneficiary can assign any account, right or benefit under the Annuity Plan to another party. However, your benefits will be subject to the Internal Revenue Service's provisions for garnishment of Individual Accounts for income tax purposes under the Internal Revenue Code. It is also subject to Qualified Domestic Relations Orders pursuant to a state's domestic relations law.

33. What is a Qualified Domestic Relations Order?

A Qualified Domestic Relations Order ("QDRO") is a judgment, decree or order pursuant to state law relating to child support, alimony, or marital property rights directing that all or part of a participant's benefit be paid to an alternate payee. The order must be delivered to the Plan for review. The Plan must approve its form and determine it to be "qualified" before payments can be made to an alternate payee.

In order to be "qualified," the order must specify:

- The names and last known mailing addresses of the Participant and each alternate payee covered by the order;
- The amount or formula for determining the amount payable to each alternate payee;
- The number of payments or period of time to which the order applies; and
- The name of the plan to which the order applies.

In order to be "qualified," the order cannot require the Plan to:

- Provide any type or form of benefit, or any option, not otherwise provided under the Plan;
- Provide increased benefits determined on the basis of actuarial value; or
- Pay benefits in conflict with a previously issued Qualified Domestic Relations Order.

Please note that the fact that an Order has been filed with the Court does not automatically make it "qualified." Based on the preceding criteria, the Plan must determine if the Order will be treated as qualified. The Plan will provide a copy of its Qualified Domestic Relations Order procedures upon request, free of charge.

TAXES

34. Do I have to pay tax on the money in my Individual Account?

Your Accumulated Share is not considered taxable income to you until you actually receive the money. Your tax liability is determined at that time.

35. Can the Trust Fund Office assist me in determining my tax liabilities in connection with my Individual Account?

No. While the Trust Fund Office can provide general tax information, is required to report certain tax information to the Internal Revenue Service and State tax agencies and withhold amounts required by law or at your individual direction, its staff cannot provide individual tax advice of any kind.

Any information related to taxes contained in this booklet should be considered as being general in nature. You should consult with your own tax or financial advisor prior to applying for your Accumulated Share and electing its form of payment.

36. Does the form of payment that I elect affect my taxes?

The form of payment affects how the monies in your Individual Account may be taxed. For example, you may elect to roll over Eligible Rollover Distributions into an Individual Retirement Account (IRA) or other eligible retirement plan. Such rollovers are intended to postpone tax liability until distributed from the successor eligible retirement plan.

When you apply for the withdrawal of your Accumulated Share, you will be provided with general information concerning taxes and tax withholding. Again, this information is not intended as tax advice and may not cover all tax issues relevant to your situation.

37. Is money withheld from the distribution of my Accumulated Share?

Depending upon the payment form and other factors, the Plan may be required to withhold monies from your distribution. In other cases, you may voluntarily request that amounts be withheld. Please note that withholding, itself, is not a tax but is applied towards any taxes that you may owe because of receiving a distribution. Again, in cases involving voluntary withholding, the Trust Fund Office cannot advise you as to how much to withhold.

Since you may owe taxes on the money you withdraw, the Federal Government requires that if you (or your surviving Spouse or Beneficiary) are receiving payment of your Accumulated Share in the form of an Eligible Rollover Distribution, 20% **must** be withheld for income tax purposes. Generally speaking, Eligible Rollover Distributions include lump sum payments, installment payments over a period of less than 10 years, and certain death benefit payouts. However, eligible rollovers may be “rolled over” into an IRA or other eligible retirement plan that is willing to accept the distribution, in which case the 20% mandatory withholding will

not apply. You will be given information on the 20% mandatory withholding when you apply for payment of your Accumulated Share.

38. Does my receipt of my Accumulated Share prior to attaining age 59 ½ have some effect on the taxes that I may owe?

Yes. If you receive a payment of your Accumulated Share before you reach age 59½ and you do not elect to rollover the distribution, you may have to pay a penalty tax equal to 10% of the taxable portion of the payment. This tax is in addition to any regular Federal income tax due. This tax also applies to any hardship distributions paid to you. **(See Question 22).**

Unless payment of your Accumulated Share is made under one of the circumstances shown below, payment of your Accumulated Share before you reach age 59½ may be subject to this additional early distribution penalty tax:

- Payment made in the form of life annuity (including a Qualified Joint and Survivor Annuity) following separation from service;
- Payment made when you are at least age 55 in accordance with the Bay Area Painters and Tapers Pension Plan's or Resilient Floor Covering Pension Fund's early retirement provisions;
- Payment made due to your death or permanent and total disability, or to an Alternate Payee as decreed by a Qualified Domestic Relations Order;
- Payment used to pay your medical expenses otherwise deductible under Internal Revenue Code Section 213.
- Payment pursuant to a Qualified Birth or Adoption Distribution, if eventually repaid. **(See Question 23).**

In order to determine if this penalty tax applies to you, you should seek the advice of a tax professional.

IMPORTANT

When you withdraw your Individual Account, significant tax consequences may result from the way that payment is made to you. It is very important that you discuss with a competent tax advisor the manner in which you should take the money out of your Individual Account. None of the Annuity Plan professional advisors, including the Trust Fund Office, legal counsel, actuary/consultant, auditor or investment consultant cannot provide professional tax advice. The Trust Fund Office cannot provide advice of this nature. The Trust Fund Office is required to report to the appropriate government tax agencies any payments made to you, your Spouse or your Beneficiary.

**APPLYING FOR YOUR ACCUMULATED SHARE
AND CLAIMS AND APPEALS PROCEDURES**

39. What is the application procedure for receiving payment of my Accumulated Share?

All applications must be in writing and filed with the Trust Fund Office in a manner prescribed by the Board at least 30 days before payment of your Accumulated Share is to be made. Your application must include the following documents:

- A completed Annuity Plan Application Form. This form can be obtained by contacting the Trust Fund Office. If you are married, your signature and that of your Spouse must be witnessed by a notary public.
- A copy of your birth certificate.
- If you are married, a copy of your Spouse's birth certificate and your marriage license.
- If you were married, but are predeceased by your Spouse, a copy of your Spouse's death certificate.
- If you were married, but then divorced, a copy of all divorce decrees indicating whether your former spouse(s) has/have a claim to any portion of your Accumulated Share. If your former spouse(s) has/have a claim to your Accumulated Share, you must provide a copy of all Qualified Domestic Relations Order(s). **(See Question 33)**.
- Other forms that the Fund Office will send to you.

Your claim for your Accumulated Share will be considered filed when your application is received by the Trust Fund Office, without regard to whether all information necessary to make a benefit determination accompanies your application. If not all of necessary information accompanies your application, the Trust Fund Office will notify you in writing of:

- The standards on which entitlement to benefits is based;
- Any unresolved issues that prevent a decision on the claim; and
- Any additional information needed to resolve those issues.

40. When and how is my application acted upon?

The initial determination of benefits will be made within a reasonable period but not longer than 90 calendar days after the Trust Fund Office receives your application for benefits.

If the Trust Fund Office determines that special circumstances require an extension of time for processing the claim, the Trust Fund Office will notify you in writing prior to the expiration of the 90 days of the circumstances requiring the extension of time and the date by which the Plan expects to make a determination. The extension cannot be more than 90 calendar days from the end of the initial 90-day period.

If an application for benefits is not acted on within these time periods, you may proceed to the appeal procedures as if the claim had been denied.

41. How will I be notified if my application (claim) is denied?

If the Plan denies your application for benefits, in whole or in part, you will be notified in writing of the determination and given the opportunity for a full and fair review of the benefit decision. The written notice of denial will include:

- The specific reason(s) for the denial;
- The specific reference to pertinent Plan provision(s) on which the denial is based;
- A description of any additional material or information necessary for you to perfect your claim and an explanation of why such material or information is necessary;
- A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your rights to bring civil action under §502(a) of ERISA following an adverse benefit determination.

42. What is the procedure to follow if my application (claim) is denied?

If you apply for benefits and your claim is denied, or if you believe that you did not receive the full amount of benefits to which you are entitled, you have the right to petition the Board of Trustees for reconsideration of its decision. Your petition for reconsideration:

- Must be in writing;
- Must state in clear and concise terms the reason(s) for your disagreement with the decision of the Board of Trustees;
- May include documents, records, and other information related to the claim for benefits; and
- Must be filed by you or your authorized representative with the Fund Office within 60 days after you received notice of denial. Failure to file an appeal within this time limit will constitute a waiver of your rights to a review of the denial of your claim. A late

application may be considered if the Board of Trustees finds that the delay in filing was for reasonable causes.

Upon request, you will be provided, free of charge, reasonable access to and copies of all documents, records, and other information relevant to your claim for benefits.

43. How is my appeal reviewed?

A properly filed appeal will be reviewed by the Board of Trustees at its next regularly scheduled quarterly meeting. However, if the appeal is received within 30 days prior to such meeting, the appeal may be reviewed at the second quarterly meeting following the receipt of your appeal. If special circumstances require an extension of time, the Board of Trustees will render a decision at the third scheduled quarterly meeting following the receipt of your appeal. The Trust Fund Office will notify you in writing before the beginning of the extension of the special circumstances and the date that the Board of Trustees will make its decision.

The Board of Trustees will review all submitted comments, documents, records and other information related to your claim, regardless of whether the information was submitted or considered in the initial benefit determination. The Board of Trustees will not give deference to the initial adverse benefit determination.

The Trust Fund Office will send you written notification of the benefit determination on an appeal no later than five calendar days after the benefit determination is made. It will include the reason(s) for the determination, including references to the specific Plan provisions on which the determination is based. The written notification will also include a statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim for benefits, as well as a statement of your right to bring an action under §502(a) of ERISA following an adverse benefit determination on appeal.

The denial of a claim to which the right to review has been waived, or a decision of the Board of Trustees or its designated committee with respect to a petition for review, is final and binding upon all parties, subject only to any civil action you may bring under ERISA. Following issuance of the written decision of the Board of Trustees on an appeal, there is no further right of appeal to the Board of Trustees or right to arbitration.

44. Do I have to withdraw the money in my Individual Account as soon as I am eligible for its payment?

No. However, under the Annuity Plan document's "Failure to Apply for Accumulated Share" provisions, if you Retire and do not file an application for payment or you do not file an election of payment deferral within three months from the date of such Retirement, the Board of Trustees shall place your Individual Account in inactive status at the end of the three-month period. Individual Accounts in inactive status continue to be included in all Valuations.

If the Board of Trustees is then unable to locate you within five (5) years of the date at which the payment of your Accumulated Share was to have been made, then no benefit is payable and such amount shall be used to defray the non-investment expenses of the Plan. However, if you subsequently file a claim for such benefit, the benefit shall again become payable to you

in the amount of your Accumulated Share as of the end of the five-year period. In other words, no interest will be added to your Accumulated Share and your Individual Account will not be assessed any expenses beyond that date.

In any event, your Accumulated Share must be distributed to you by your Required Beginning Date.

45. What is my Required Beginning Date and why is it important?

Although you may be eligible to receive a distribution of your Accumulated Share, the Plan does not generally require that you immediately apply for a distribution. Keeping in mind the Plan document's "Failure to Apply for Accumulated Share" provisions, you may defer the distribution to a later date provided that you remain eligible for a distribution on that date. **However, you may not defer payment of your Accumulated Share beyond your Required Beginning Date.**

Effective January 1, 2020, your Required Beginning date is the April 1st of the calendar year following the calendar year in which you reach age 72 (age 70½, if attained before January 1, 2020).

Under Internal Revenue Code § 401(a)(9), upon reaching your Required Beginning Date and each December 31 thereafter, you must receive a distribution that is equal to or greater than your "required minimum distribution" or "RMD" for the year. Under Treasury Reg. § 54.4974-2, Q&A-1, the Internal Revenue Service will impose a 50 percent excise tax on the amount of any RMD that is not timely distributed.

In order to avoid the imposition of the excise tax on any portion of your Accumulated Share, you should contact the Trust Fund Office well in advance of your attainment of age 72 (age 70½, if attained before January 1, 2020) to make sure that your Accumulated Share is distributed no later than your Required Beginning Date.

46. Since the Internal Revenue Code only imposes a tax penalty if I do not receive at least the Required Minimum Distribution (RMD) for the year, can I elect to just receive the RMD portion of my Accumulated Share?

No. Under the Annuity Plan's rules and regulations, attaining your Required Beginning Date is treated as any other qualifying event that permits you to receive a complete distribution of your Accumulated Share. In other words, you must elect to receive payment of your entire Accumulated Share under one of the payment forms described in **Question 17**.

RIGHT TO BENEFITS

47. Could I lose some or all of the money in my Individual Account?

Yes. The money in your Individual Account is not guaranteed. You or your Beneficiary could lose some or all of your Individual Account balance under the Annuity Plan, under any one of the following circumstances:

- The Annuity Plan or your elected investment option experiences investment losses.
- Your share of Annuity Plan expenses exceeds your Contributions and earnings in a year.
- You fail to provide information or give false information to verify disability, age, Beneficiary information, or other vital information.
- All or a portion of your Individual Account is assigned by a QDRO to your Spouse, your former Spouse, or for support of your children or other dependents. (See **Questions 32 and 33**).

48. Can the Annuity Plan be modified, amended, or terminated?

The Board may amend, modify, or terminate the Plan pursuant to its authority under Article 5 the Plan. No amendment or modification may reduce any benefits that have been approved for payment prior to such amendment, so long as sufficient funds are available to provide such benefits.

There is no intent to terminate the Annuity Plan. However, future changes in the law or economic conditions may make it advisable to do so. If it is terminated, after payment of the Annuity Plan termination expenses, the balance of the Plan's assets shall be distributed to the then Participants with each Participant receiving a share of the remaining assets in proportion to the ratio their Individual Account balance bears to the total of all the Participants' Individual Account balances. None of the assets shall be returned to any Employer.

In the event a Participant cannot be located, the Board of Trustees will take the following steps to locate the Participant: use certified mail; call the most recent phone number on file for the Participant; check related plan records (i.e., the District Council 16 Northern California Health and Welfare Trust Fund); check with the employer; check with the Local Union; call and/or mail the designated Annuity Plan beneficiary; use free electronic search tools; and use other reasonable methods.

AVAILABILITY OF PLAN DOCUMENTS

49. Are Plan documents available to Participants and Beneficiaries?

Yes. Copies of the Trust Agreement, Plan document, Plan amendments, Summary Plan Description (SPD), any summaries of material modifications (SMMs), statements of assets and liabilities and income and expenses of the Plan, a summary of the Annual Report as well as the most recent Annual Report (Form 5500) are available at the Trust Fund Office for review. Copies of the Collective Bargaining Agreements pursuant to which the Plan is maintained are also available for review at Trust Fund Office.

You may review Plan documents at the Trust Fund Office during regular business hours (Monday-Friday 9:00 a.m. to 4:00 p.m.) and, upon written request, will be furnished by mail upon payment of reasonable charges. You should request from the Trust Fund Office information about what the charges will be for the furnishing of documents by mail before writing and asking for copies of these documents.

A copy of any Collective Bargaining Agreement that provides for contributions to this Plan will also be available for inspection within 10 calendar days after written request at any of the Local Union Offices or at the office of any Contributing Employer to which at least 50 Plan Participants report each day.

INFORMATION ABOUT THE PLAN

1. The Plan is administered and maintained by the Joint Board of Trustees.

The Board of Trustees is the Plan Administrator. This means that the Board of Trustees is responsible for seeing that information regarding the Plan is reported to government agencies and disclosed to Plan Participants and Beneficiaries in accordance with the Employee Retirement Income Security Act of 1974 (ERISA). The Board of Trustees employs Health Services & Benefit Administrators, Inc. to provide day-to-day administrative services to the Plan.

The Plan Administrator's Office ("Trust Fund Office") is located at:

Board of Trustees
Bay Area Painters and Tapers Annuity Plan
c/o Health Services & Benefit Administrators, Inc.
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756
(866) 894-3705

2. The Trust Fund Office will provide any Plan Participant or Beneficiary, upon written request, information as to whether a particular employer is contributing to this Annuity Plan with respect to the work of Participants in the Annuity and if the employer is a contributor, the employer's address.
3. The Employer Identification Number (EIN) issued to the Board of Trustees by the Internal Revenue Service is 94-6276501. The Plan number is 002.
4. The Plan is a defined contribution profit sharing plan within the meaning of ERISA which is not a plan covered by the plan termination insurance provisions of that Act. Accordingly, the benefits of the Plan are not insured under Title IV of the Act. It provides retirement and termination benefits to eligible Participants.
5. The designated agent for service of legal process is:

Coleen Christophersen
Bay Area Painters and Tapers Pension Trust
c/o Health Services & Benefit Administrators, Inc.
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

Service of legal process may also be made on the Board of Trustees at the address shown above.

6. The Plan Year and Fiscal Year are the twelve-month period ending each December 31.

7. The names, titles, and addresses of the Trustees are shown below:

Employer Trustees

Steve Eckstrom
c/o Bay Area Painters and Tapers Trust Funds
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

Chris Harris
c/o Bay Area Painters and Tapers Trust Funds
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

Sal Madrigal
c/o Bay Area Painters and Tapers Trust Funds
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

Dan Monks
c/o Bay Area Painters and Tapers Trust Funds
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

Frank Nunes
c/o Bay Area Painters and Tapers Trust Funds
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

Jeannie Simpelo (Alternate)
c/o Bay Area Painters and Tapers Trust Funds
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

Employee Trustees

Jose Espinosa
c/o Bay Area Painters and Tapers Trust Funds
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

William Gonzalez
c/o Bay Area Painters and Tapers Trust Funds
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

James Hewett
c/o Bay Area Painters and Tapers Trust Funds
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

Troy Notrangelo
c/o Bay Area Painters and Tapers Trust Funds
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

Joe Sanders
c/o Bay Area Painters and Tapers Trust Funds
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

Robert Williams
c/o Bay Area Painters and Tapers Trust Funds
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

8. The Plan is maintained pursuant to various Collective Bargaining Agreements in force with Local Unions affiliated with District Council No. 16 of the International Brotherhood of Painters and Allied Trades that require contributions at fixed rates per hour.
9. All contributions to the Annuity Plan are made by contributing Employers in accordance with Collective Bargaining Agreements in force with Local Unions affiliated with District Council No. 16 of the International Brotherhood of Painters and Allied Trades at fixed rates per hour.

10. The Trust Agreement provides that Contributing Employers shall not be required to make any further payments or contributions to the cost of operating the Fund or the Plan, except as may be provided in the Collective Bargaining Agreements, subscriber agreements or the Trust Agreement.
11. Benefits are provided directly from the Fund's assets that are accumulated under the Trust Agreement and held in custody by the corporate co-trustee.
12. The Plan's Normal Retirement Age is age 65.

STATEMENT OF ERISA RIGHTS

As a Participant in the Bay Area Painters and Tapers Annuity Plan, 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:

Receive Information about Your Plan and Benefits

Examine, without charge, at the Trust Fund Office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and 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 Trust Fund Office, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Trust Fund Office may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Trust Fund Office is required by law to furnish each Participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (65) and if so, what your benefits would be at Normal 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 a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit 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 administrator. If you have a claim for benefits that 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 or a medical child support 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 Trust Fund Office. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Trust Fund Office, 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 (“EBSA”).

**BAY AREA PAINTERS AND TAPERS ANNUITY PLAN
RULES AND REGULATIONS**

RESTATED PLAN

(Plan Effective January 1, 2022)

**BAY AREA PAINTERS AND TAPERS ANNUITY PLAN
RESTATED PLAN**

ADOPTION

In accordance with Section 5.14 of the Bay Area Painters and Tapers Annuity Plan, the Board of Trustees of the Bay Area Painters and Tapers Pension Trust Fund does hereby adopt the Sixth Revision of the Annuity Plan.

Bay Area Painters and Tapers Pension Trust Fund

DocuSigned by:
Robert Williams
0D9AD26FD7DF4CE...

CHAIRMAN

DocuSigned by:
Sal Madrigal
E7F1AA4805854C7...

SECRETARY

8/25/2022

DATE

BAY AREA PAINTERS AND TAPERS ANNUITY PLAN

RESTATED PLAN

TABLE OF CONTENTS

ARTICLE 1. DEFINITIONS..... - 1 -

ARTICLE 2. PARTICIPATION..... - 7 -

ARTICLE 3. INDIVIDUAL ACCOUNTS - 8 -

ARTICLE 4. BENEFITS AND ELIGIBILITY - 10 -

ARTICLE 5. GENERAL PROVISIONS..... - 17 -

ARTICLE 6. MINIMUM DISTRIBUTION REQUIREMENTS..... - 26 -

ARTICLE 7. CONTINGENT TOP HEAVY RULES - 31 -

**APPENDIX A - MERGER RULES FOR CENTRAL COAST COUNTIES FLOOR
COVERERS ANNUITY PLAN..... - 33 -**

BAY AREA PAINTERS AND TAPERS ANNUITY PLAN
RESTATED PLAN

This document sets forth the Rules and Regulations of the Annuity Plan as amended effective January 1, 2022, and constitutes an amendment, restatement and continuation of the Plan. This revised Annuity Plan is intended to comply with the Employee Retirement Income Security Act of 1974 and with the requirements for tax qualification under the Internal Revenue Code and all regulations there under, and is to be interpreted and applied consistent with that intent. Before January 1, 2019, the Plan was designated as a money purchase plan. Effective January 1, 2019, the Plan is designated as a profit sharing plan in accordance with Internal Revenue Code Section 401(a)(27)(B).

ARTICLE 1. DEFINITIONS
(As used herein)

Unless the context of subject matter otherwise requires, the following definitions shall govern the Plan:

Section 1.01. “Accumulated Share” means the amount payable from an Individual Account as determined in Section 3.05.

Section 1.02. An “Alumni” is a Non-Bargained Employee who benefits under the Plan and is treated as a Collectively Bargained Employee for purpose of meeting federal rules on minimum participation and anti-discrimination. To be an Alumni, the Employee must have accrued a benefit under this Plan while being a Collectively Bargained Employee, must be employed by an Employer having a Collective Bargaining Agreement requiring contributions to this Plan, or the Union or the Plan and must participate in the Plan pursuant to a written subscription agreement which provides for the Employee to benefit under the Plan.

Section 1.03. “Annuitant” means an Employee who Retirees and who receives a benefit from the Plan.

Section 1.04. “Annuity Plan” or “Plan” means the Bay Area Painters and Tapers Annuity Plan established pursuant to the Collective Bargaining Agreements and the Trust Agreement and any modification, amendment, or extension of said Plan.

Section 1.05. “Annuity Starting Date” for a Participant means the first day of the first calendar month starting after the Participant has fulfilled all of the conditions for benefits including the filing of an application.

Section 1.06. “Association” means the Chapters of the Northern California Painting and Finishing Contractors, Inc. and the Wall and Ceiling Alliance, which are parties signatory to the Trust Agreement.

Section 1.07. “Beneficiary” means a person designated by a Participant pursuant to the Plan or by the terms of the Plan who is or who may become entitled to a benefit under the terms of the Plan.

Section 1.08. “Board of Trustees” or “Trustees” means the Board of Trustees established by the Trust Agreement.

Section 1.09. “Collective Bargaining Agreement” means any contract by and between the Association, or any Employer, and any Local Union or District Council, including any and all extensions, amendments or renewals thereof.

Section 1.10. “Contribution” means the payment made or required to be made to the Annuity Plan by an Employer as determined from time to time by the Board of Trustees. “Contributions” shall also include:

- a. Any supplemental payments made or required to be made to the Annuity Plan by an Employer under the provisions of a Collective Bargaining Agreement.
- b. Contributions owed for period of Qualified Military Service in the armed forces of the United States consistent with and to the extent required by the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended (USERRA), and Section 414(u) of the Internal Revenue Code, as amended. Contributions owed to the Individual Account of any Participant for a period of Qualified Military Service shall come from investment income or forfeitures, if any, before coming from the Participant’s last employer prior to the period of Qualified Military Service.

A Participant who has reemployment rights under USERRA shall be credited with hours worked equal to the average amount of hours earned by the Participant during the 12-month period of employment immediately prior to the period of Qualified Military Service (or, if shorter, the period of employment immediately preceding such period).

The hourly Contribution rate shall be the average hourly contribution rate for all Participants during the Plan Year in which the Qualified Military Service was performed, excluding Rollovers as described in subsection (c), below.

- c. The term “Contribution” shall also include Rollovers to the Plan as described in Section 5.12.

Section 1.11. “Covered Employment” means work as an Employee as defined in Section 1.13.

Section 1.12. “District Council” means any District Council affiliated with the International Brotherhood of Painters and Allied Trades and which is signatory to the Trust Agreement.

Section 1.13. “Employee” means (a) any person who performs work covered by a Collective Bargaining Agreement between the District Council or Local Union and the Association or other employers, and for whom the Employer is obligated to make Contributions to the Annuity Plan and any person who has previously performed work covered by a Collective Bargaining Agreement between an Employer and a Local Union or District Council and who satisfies the definition of Alumni contained in Section 1.02 and the requirements of Section 2.05; (b) any full time salaried officer or representative of a District Council or Local Union which extends

pension coverage to such officers or representatives pursuant to regulations adopted by the Trustees; (c) any employee of the Board of Trustees who, pursuant to resolution of the Board of Trustees, is included under the Annuity Plan; (d) any other persons who, pursuant to resolution of the Board of Trustees, are included under the Annuity Plan. The term “Employee” does not include any self employed person, whether a sole proprietor or a partner.

Solely for purposes of testing for compliance with the non-discrimination rules under Section 401(a)(4) of the Internal Revenue Code, all leased employees as defined in Code Section 414(n) or 415(o) who have performed services for a Contributing Employer on a substantially full-time basis for a period of at least one year shall be treated as employed by a Contributing Employer except to the extent such leased employees are excluded under the safe harbor exemption of Code Section 414(n)(5).

Section 1.14. “Employer” or “Contributing Employer” means any corporation, individual or partnership which has presently in force, or hereafter executes, or is a member of a chapter of the Association or is a member of any employer association, which has executed on its behalf, or is otherwise bound by, a Collective Bargaining Agreement with a Local Union or District Council, which Agreement provides for Contributions into the Annuity Plan, and shall also include any employer who may be authorized by the Trustees to make payments into the Annuity Plan on behalf of particular employees. The term also includes any District Council or Local Union, a Joint Labor-Management Committee or Committees or other related entities on which the District Council or Union is represented, trade associations affiliated with the Union, and the Board of Trustees, pursuant to regulations adopted by the Board of Trustees.

An employer shall not be deemed a Contributing Employer simply because it is part of a controlled group of corporations (within the meaning of §1563(a) of the Internal Revenue Code, determined without regard to §1563(a)(4) and (e)(3)(C), or of a trade or business under common control (within the meaning of §414(c) of the Internal Revenue Code), some other part of which is a Contributing Employer.

Section 1.15. “ERISA” means the Employee Retirement Income Security Act of 1974 as amended and any regulations issued pursuant thereto.

Section 1.16. “Fiscal Year” means January 1 to December 31 of any one year.

Section 1.17. “Fund” means the Bay Area Painters and Tapers Pension Trust Fund and shall include all Contributions - designated for the Bay Area Painters and Tapers Annuity Plan - to the Fund created under the Trust Agreement received by the Trustees under the said Collective Bargaining Agreements and any additional Contributions thereto that may hereafter be agreed upon by the parties under these said Collective Bargaining Agreements, or other collective bargaining agreements between the parties, or any modification, amendment, revision or extension thereof, together with all income, increments, earnings and profits therefrom, and all other funds (as defined in the Trust Agreement) received by the Trustees for the uses, purposes and trusts set forth in the Trust Agreement.

Section 1.18. “Highly Compensated Employee” means each highly compensated active employee and highly compensated former employee of a Contributing Employer. Whether an individual is a highly compensated employee is determined separately with respect to each Contributing Employer, based solely on that individual’s compensation from or status with

respect to that Contributing Employer. Compensation shall have the same meaning as defined in Section 5.09 b.(1) of the Plan.

A highly compensated active employee is an employee of the Contributing Employer who performs service for the Contributing Employer during the determination year and who:

- a. During the look-back year received compensation from the Contributing Employer in excess of \$80,000 (as adjusted under Section 414(q) of the Internal Revenue Code) and was one of the top 20 percent (20%) of the employees of the Contributing Employer during the look-back year when ranked on the basis of the compensation during that year.
- b. Is a five percent (5%) owner at any time during the look-back year or the determination year.
- c. The “determination year” is the Plan Year for which the test is being applied, and the “look-back year” is the 12-month period immediately preceding that Plan Year.

A “highly compensated former employee” is an employee who was a Highly Compensated Employee when they separated from service or was a Highly Compensated Employee at any time after attaining age 55. The determination of who is Highly Compensated Employee will be made in accordance with Section 414(q) of the Internal Revenue Code and the regulations thereunder.

Section 1.19. “Hours of Work” means hours for which an Employee, as defined in Section 1.13, is paid, or entitled to payment, for the performance of duties for a Contributing Employer. “Hours of Work” shall also include hours for which back pay, irrespective of mitigation of damages, is awarded or agreed to by an Employer, to the extent that such award or agreement is intended to compensate an Employee for periods during which the Employee would have been engaged in the performance of duties for the Employer.

Section 1.20. “Individual Account” means the account established for each Participant pursuant to Section 3.01 of the Plan.

Section 1.21. “Local Union” means any local union affiliated with District Council Nos. 8 or 16 of the International Brotherhood of Painters and Allied Trades, which local union is a party to a Collective Bargaining Agreement requiring Contributions to the Annuity Plan.

Section 1.22. “Non-Bargained Employee” means an Employee whose participation in the Annuity Plan is not covered by a Collective Bargaining Agreement.

Section 1.23. “Normal Retirement Age” means age 65.

Section 1.24. “Participant” means any Employee who meets the requirements of Article 2 for participation in the Annuity Plan.

Section 1.25. “Plan” means the rules and regulations set forth herein.

Section 1.26. “Plan Year” means the twelve-month period ending each December 31.

Section 1.27. “Qualified Domestic Relations Order” means a domestic relations order which has been determined, pursuant to procedures established by the Board of Trustees, to be a qualified domestic relations order as defined in §206(d) of ERISA.

Section 1.28. “Qualified Military Service.” Notwithstanding any provision in the Plan to the contrary, a Participant's benefits shall include Contributions (but not investment income or forfeitures) owed for periods of Qualified Military Service in the armed forces of the United States consistent with and to the extent required by the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended (USERRA), and Section 414(u) of the Internal Revenue Code, as amended. Exception: However, no Contributions will be provided under subsection b.

a. Qualified Military Service will be counted for purposes of crediting a Participant's Individual Account with Contributions provided the following conditions are satisfied:

- (1) Participant must have reemployment rights under USERRA in order for their period of Qualified Military Service to be recognized.
- (2) The Participant must be an active Participant in the Plan.
- (3) No more than five years of Qualified Military Service may be recognized for any purpose, except as required by law.
- (4) After discharge from Qualified Military Service under honorable conditions, the Participant must return to work within the time frame required by USERRA, as outlined below:

Period of Military Service	Return to Work Requirement
Less than 31 days of service	By the beginning of the first regularly scheduled work period after the end of the calendar day of duty, plus time required to return home safely and an eight hour rest period.
31 to 180 days of service	No later than 14 days after completion of military service.
181 or more days of service	No later than 90 days after completion of military service.
If you are hospitalized for, or recovering from, an illness or injury incurred in, or aggravated during, the performance of Qualified Military Service, you must report to work at the end of the period necessary for recovering from the illness or injury. This period may not exceed two years from the date of the completion of service.	

b. If a Participant dies on or after January 1, 2007, while performing Qualified Military Service (as defined in Code §414(u)(5)), the deceased Participant's Beneficiaries shall be entitled to any additional benefits (other than contributions relating to the period of Qualified Military Service) that would have been provided under the Plan if such Participant had resumed

covered employment and then terminated covered employment on account of death. In addition, the period of such Participant's Qualified Military Service shall be treated as vesting service under the Plan.

Section 1.29. “Required Beginning Date” means the April 1 following the calendar year in which the Participant attains age 70½ or, if later, Retires. Effective January 1, 1989, Required Beginning Date means the April 1 following the calendar year in which the Participant attains age 70½, regardless of whether the Participant Retires. Effective for Participants who attain age 70 ½ after 2019, Required Beginning Date means the April 1 following the calendar year in which the Participant attains age 72, regardless of whether the Participant Retires.

Section 1.30. “Retires” or “Retired” means the complete withdrawal by a Participant from employment for wages or profit as a painter, taper or floor coverer in the geographic area covered by the Annuity Plan.

The date of retirement shall be deemed to be (a) the first day on the month following the sixth consecutive month for which Contributions cease to be required on the Participant’s behalf, or (b) the effective date of pension payments from the Bay Area Painters and Tapers Pension Plan or (c) the date of commencement of primary Social Security Benefits, whichever is the earliest date.

Section 1.31. “Spouse” means a person to whom a Participant or Annuitant is legally married.

Section 1.32. “Trust Agreement” means the Trust Agreement dated January 1, 1960, establishing the Bay Area Painters Pension Trust Fund and any modification, amendment, extension or renewal thereof.

Section 1.33. “Valuation Date” means each day when financial markets are open.

ARTICLE 2. PARTICIPATION

Section 2.01. Purpose. This Article contains definitions to meet certain requirements of the Employee Retirement Income Security Act of 1974 (otherwise referred to as ERISA). Once an Employee has become a Participant, an Individual Account is established for them to which Contributions made with respect to their work are credited in accordance with the provisions of Article 3.

Section 2.02. Participation. An Employee who works in Covered Employment shall become a Participant in the Plan at such time as they complete their first Hour of Work and contributions are received by the Trust Fund.

Section 2.03. Termination of Participation. A Participant who receives payment of their Accumulated Share or has an annuity purchased for them shall cease to be a Participant as of the date on which the Accumulated Share is paid to them or an annuity is purchased for them in accordance with the provisions of Article 4. A Participant shall also cease to be a Participant when there is no payment to be made to them because there is no balance remaining in their Individual Account after the assessment of the administrative charge.

Section 2.04. Reinstatement of Participation. An Employee who has lost their status as a Participant in accordance with Section 2.03 shall again become a Participant at such time as they satisfy the requirements of Section 2.02.

Section 2.05. Alumni Participation. An Alumni's Hours of Work will be treated as Hours of Work in Covered Employment for all purposes of Plan in accordance with the following rules:

- a. An Alumni who works for one or more Employers, for the Plan, or for the Union, both under a Collective Bargaining Agreement and as a Non-Bargained Employee during a Plan Year will be treated as working under a Collective Bargaining Agreement for the entire Plan Year if at least half of the Alumni's Hours of Service during the Plan Year were performed under a Collective Bargaining Agreement if the subscription agreement between the Employer and the Plan covering the Alumni so provides.
- b. An Alumni who worked under a Collective Bargaining Agreement during a Plan Year (or was treated as such under Section 2.05.a.) will be treated as having worked under a Collective Bargaining Agreement with respect to all their Hours of Service for the duration of the Collective Bargaining Agreement in effect during the Plan Year, or if later, until the end of the following Plan Year if the subscription agreement between the Employer and the Plan covering the Alumni so provides.
- c. An Alumni who was treated as having worked under a Collective Bargaining Agreement pursuant to Section 2.05.b., above, will be treated as working under a Collective Bargaining Agreement, providing the Alumni is working for an Employer, the Plan or the Union, and the subscription agreement between the Plan and their Employer so provides.
- d. Section 2.05.c. will not apply if more than five percent of the Employees covered by the Plan are Non-Bargained Employees determined without application of Section 2.05.c. Employees treated as working under a Collective Bargaining Agreement under Sections 2.05.a. and b. will be deemed to not be Non-Bargaining Employees for purposes of this Section 2.05.d.

ARTICLE 3. INDIVIDUAL ACCOUNTS

Section 3.01. Establishment of Accounts. As of each Valuation Date following the adoption of this Plan, an Individual Account consisting of the amount of Contributions made or required to be made with respect to a Participant's work shall be established for them, unless an Individual Account has already been so established.

Section 3.02. Individual Account Expense Charge. The Individual Account Expense Charge will be an equal per capita charge to each account as necessary from time to time to pay the Plan's administrative expenses.

Section 3.03. Investment Results and Expense. Account balances are adjusted to reflect actual investment income and expenses ("net income") and investment gains and losses ("net gains").

- a. To the extent invested in individually directed investments, net income and net gains during a period will be allocated according to the results of those investments.
- b. To the extent invested in a pooled investment vehicle directed by the Board, net income and net gains during a period shall be allocated proportionately based on the value of each Participant's account invested in the pooled investment vehicle during a period.
- c. The value of Participant's account invested in a mutual fund will equal the value of a share of such fund multiplied by the number of shares credited to the Participant's account.
- d. The Board, or its designee, shall have the right to re-determine the value of Participants' accounts if a previous allocation or valuation was performed incorrectly for whatever reason.

Section 3.04. Employer Contributions. Contributions made or required to be made on behalf of a Participant for Covered Employment will be allocated to their own account. In the absence of an investment election by the Participant to the contrary, their account will be invested in a qualified default investment arrangement consisting of a pooled investment vehicle directed by the Board which shall:

- a. Apply generally accepted investment theories;
- b. Be diversified so as to minimize the risk of large losses; and
- c. Be designed to provide long-term appreciation and capital preservation through a mix of equity and fixed income exposures consistent with a target level of risk appropriate for Participants as a whole.

Section 3.05. Valuation of Accounts.

- a. The Plan permits Participants to exercise control over assets in their accounts in accordance with ERISA § 404(c).

- b. All accounts will be valued daily when financial markets are open (the “Valuation Dates”).
- c. The value of a Participant’s account on any day shall take into account any contributions or distributions credited or charged to the account and any administrative expenses payable from the account.

Section 3.06. Termination of Account. An Individual Account shall be considered terminated:

- a. On a Valuation Date if the amount in the Individual Account is zero or less;
- b. On the date in which payment of the Accumulated Share is made in full; or
- c. On a Valuation Date if the amount in the Individual Account is greater than zero but less than the Individual Account Expense charge for the Fiscal Year. However, if the Participant returns to Covered Employment during the following Fiscal Year or the Participant requests distribution of their Accumulated Share during the following Fiscal Year their Individual Account shall be reinstated.

Section 3.07. Limitation of Accounts. The Trustees may, at any time, uniformly reduce the amount in each Individual Account so that in no event on any Valuation date shall the total amounts in all Individual Accounts plus amounts established for expenses and reserves at the time, exceed the market value of the total net assets of the Plan and if such an event should occur then all existing Individual Accounts shall automatically be proportionately reduced so that the total of all Individual Accounts plus amounts established for expenses and reserves is not more than the total net assets.

Section 3.08. Vesting. All Individual Accounts are fully vested upon the establishment of the Individual Account.

Section 3.09. Non-forfeiture. All vested accounts are not forfeitable.

Section 3.10. Quarterly Statements. As soon as practicable after the close of each Plan Quarter, each Participant who has an Individual Account shall receive a statement reflecting the balance of their Individual Account as of the most recent Valuation Date.

ARTICLE 4. BENEFITS AND ELIGIBILITY

Section 4.01. Amount to be Paid. Upon the happening of any event calling for the payment of any benefit from the Plan, the amount to be paid known as the “Accumulated Share” shall be determined in accordance with Section 3.05.

Section 4.02. Payment of Accumulated Share. A Participant’s Accumulated Share shall become payable, if an application is filed, in the manner set forth in Section 4.03 under the following circumstances:

- a. Receipt of a pension from the Bay Area Painters and Tapers Pension Trust Fund or Resilient Floor Covering Pension Fund.
- b. Death before Retirement.
- c. Total disability before Retirement which shall be evidenced by a Participant’s receipt of a determination of entitlement to a Social Security Disability Benefit.
- d. Failure to work at least 400 hours in Covered Employment in the two most recent Plan Years.
- e. Verification that no Contributions were made or required to be made to the Participant’s Individual Account for a period of at least six consecutive calendar months and evidence that the Participant has not otherwise engaged nor, at the time of qualification for the distribution, is engaged in any employment for wages or profit as a painter, taper or floor coverer in the geographic area covered by the Annuity Plan.
- f. Payment to a designated “alternate payee” pursuant to the terms of a Qualified Domestic Relations Order. Upon application by the alternate payee, such payment shall be made without regard to whether the Participant is similarly entitled to payment under the other provisions of this Section 4.02.
- g. Upon retirement any time after a Participant’s Normal Retirement Age as defined in Section 1.23 of the Plan.

Section 4.03. Payment Forms.

- a. A Participant may request in writing to the Trustees to pay their Accumulated Share in any of the following forms:
 - (1) By purchase of an annuity which provides for the payment of fixed monthly installments over a certain period of time not to exceed the life of the Annuitant (except as provided under a life annuity with a period certain guarantee), under terms which may be available under an insured annuity contract which the Trustees may arrange with an insurance company, or
 - (2) A lump sum payment, or
 - (3) A combination of (1) and (2).

In the absence of an election by a Participant for a specific form of distribution and subject to Subsection b. below, the Board of Trustees shall arrange for a non-transferable annuity contract purchased from a licensed insurance company providing monthly annuity payments over the life of the Participant.

- b. Notwithstanding Subsection a. above, a Participant who is married on their Annuity Starting Date shall receive their Accumulated Share in the form of a qualified joint and survivor annuity unless the Participant has filed with the Board, in writing, a timely rejection of that form of annuity subject to all of the conditions of this Subsection b, and elects another form of benefit including the options listed in subsection a above or the 75% Qualified Optional Survivor Annuity. No rejection shall be effective unless the Spouse of the Participant has consented in writing to such rejection, such election designates a beneficiary (or form of payments) which may not be changed without spousal consent (or the consent of the Spouse expressly permits designations by the Participant without any requirement of further consent by the Spouse) and the Spouse's consent acknowledges the effect of such election and is witnessed by a notary public. No consent shall be required if it has been established to the satisfaction of the Board of Trustees that there is no Spouse or the Spouse cannot be located, or if such consent cannot be obtained for extenuating circumstances.

The Trustees shall provide the Participant and their Spouse, if any, with a written explanation of the following information. This written explanation will be provided within a period of no more than 180 days and no fewer than 30 days before the Annuity Starting Date. The Participant and their Spouse may consent in writing to the commencement of payments before the end of the 30-day period and distribution of the Accumulated Share begins more than 7 days after the written explanation was provided to the Participant and spouse.

- (1) the terms and conditions of the 50% Qualified Joint and Survivor Annuity and the 75% Qualified Optional Survivor Annuity;
- (2) the Participant's right to make and the effect of an election to waive the Qualified Joint and Survivor Annuity;
- (3) the right of the Participant's Spouse to consent to any election to waive the Qualified Joint and Survivor Annuity;
- (4) the right of the Participant to elect and revoke such election any number of times during the election period that ends on the Annuity Starting Date, and the effect of such elections and revocations;
- (5) the relative values of the various optional forms of benefit under the Plan; and
- (6) the right to defer any distribution and the consequences of failing to defer distribution of benefits including a description of the investment options available under the Plan (including fees) if commencement of distributions is deferred.

Qualified Joint and Survivor Annuity: A qualified joint and survivor annuity shall be the actuarial equivalent of a single life annuity payable for the life of the Participant with a

survivor annuity continuing for the life of the Spouse which shall be one-half (50%) of the amount of the annuity payable during the joint lives of the Participant and their Spouse.

Qualified Optional Survivor Annuity. A qualified optional survivor annuity shall be the actuarial equivalent of a single life annuity payable for the life of the Participant with a survivor annuity continuing for the life of the Spouse which shall be three-quarters (75%) of the amount of the annuity payable during the joint lives of the Participant and their Spouse.

- c. In the event that a distribution shall be made as a result of the Participant's death prior to their retirement, the forms of distribution set forth in Subsection a. shall be available to the surviving Spouse (if the Employee and Spouse were married throughout the year ending on the date of death). Upon a married Participant's death, such Participant's Spouse may direct the commencement of payments within a reasonable period after the Participant's death.

In the absence of an election by a surviving Spouse for a specific form of distribution, the Board of Trustees shall arrange for a nontransferable annuity contract purchased from a licensed insurance company providing monthly annuity payments over the life of the surviving Spouse.

- d. If there is no surviving Spouse, or if the Employee and their Spouse had not been married to each other through the year ending on the date of death, a distribution pursuant to Subsection a. may be made to the Employee's designated Beneficiary. However, any distribution to a designated Beneficiary other than the surviving Spouse of the Employee, an individual not more than 10 years younger than the Employee, the minor child of the Employee, or a chronically ill or disabled Beneficiary must be distributed no later than the end of the 10th calendar year following the death of the Employee. Accordingly, such a designated Beneficiary may not elect a distribution in the form of an annuity under Sections 4.03.a.(1).
- e. If a beneficiary is not designated, the beneficiary will be as determined according to the rules below. Living relatives higher in the order of succession will cut off more distant relatives lower in the order of succession.

- (a) Participant's spouse.
- (b) Participant's children.
- (c) Participant's grandchildren.
- (d) Participant's parents.
- (e) Participant's siblings.
- (f) Participant's nieces and nephews.
- (g) Participant's grandparents.
- (h) Participant's first cousins.

(i) Participant's estate.

- f. Any designation of a spouse as Beneficiary is automatically revoked upon entry of a final decree of marital dissolution, unless a Qualified Domestic Relations Order provides otherwise.

Section 4.04. Failure to Apply for Accumulated Share. If an Employee Retires, as described in Section 1.29, and an application for payment or an election of payment deferral of their Accumulated Share pursuant to Section 5.04 is not received within three months from the date of such Retirement, the Board of Trustees shall place the Employee's Individual Account in inactive status at the end of the three-month period. Individual Accounts in inactive status continue to be included in all Valuations as described in Section 3.05. If the Board of Trustees is unable to locate such Retired Employee within five (5) years of the date at which the payment of their Accumulated Share was to have been made, then no benefits are payable and such amount shall be used to defray the non-investment expenses of the Plan in accordance with Section 3.02. However, if such a Retired Employee subsequently makes claim for such benefit, the benefit shall again become payable to such Retired Employee in the amount of their Accumulated Share as of the end of the five-year period.

Section 4.05. Lump-Sum Payments. Notwithstanding Section 4.04 above, effective January 1, 2009, if the Accumulated Share payable to a Participant or their Beneficiary does not exceed \$1,000.00, after application as provided for in Section 5.01, the Trustees shall make payment in a lump sum.

Section 4.06. Hardship Distributions.

- a. Hardship. In the event a Participant suffers a serious financial hardship of sufficient severity that the Participant is confronted by present or impending want or privation, such Participant may withdraw some or all of the balance in their "profit sharing plan" sub-account as provided below. The balance of the "money purchase" sub-account is not eligible for a hardship distribution. The determination of whether a serious financial hardship exists shall be based on all relevant facts and circumstances and will require completion of an application in such form as the Board of Trustees may require. A need shall not be disqualified solely because it was reasonably foreseeable or voluntarily incurred. Serious hardship of sufficient severity shall be demonstrated only if the distribution is on account of one or more of the following:
- (i) Medical expenses that would be deductible under Code Sec. 213(d) (determined without regard to whether expenses exceed 7.5% of adjusted gross income) for the Participant, Participant's spouse, children, dependents or Beneficiary;
 - (ii) The purchase (excluding mortgage payments) of a principal residence for the Participant;
 - (iii) Tuition and related educational fees for the next 12 months of post-secondary education for the Participant, their spouse, children, dependents or Beneficiary;
 - (iv) The need to prevent the eviction of the Participant from their principal residence or foreclosure on the mortgage of the Participant's principal residence;

- (v) Burial or funeral expenses for the Participant's deceased parent, spouse, children or dependents; or
- (vi) Expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Section 165 of the Code (determined without regard to section 165(h)(5) and whether the loss exceeds 10% of adjusted gross income.);
- (vii) Expenses and losses (including loss of income) incurred by the Participant on account of disaster declared by the Federal Emergency Management Agency (FEMA) provided that the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

b. Conditions for Hardship Distribution. No hardship distribution shall be made unless the Board, based upon the Participant's written representation and that the the Board does not have actual knowledge that is contrary to the representation, determines that the following conditions are satisfied:

- (i) The distribution is not in excess of the amount of the immediate and heavy financial need of the Participant plus any amounts necessary to pay income taxes or penalties reasonably anticipated to result from the distribution; and
- (ii) The Participant has obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under all qualified retirement plans maintained by the Participant's Employer.
- (iii) The Participant has provided to the Plan Administrator a representation in writing that they have insufficient cash or liquid assets reasonably available to satisfy the need.

c. Other Requirements. A hardship distribution will only be made in a lump sum payment. If the Participant is married the hardship distribution must be made with the consent of the Participant's Spouse. A hardship distribution is not eligible for rollover to an IRA or other qualified plan.

Section 4.07. Coronavirus Distribution. The following temporary Coronavirus Distribution provision applies to Participants affected by the Coronavirus pandemic. This temporary Coronavirus Distribution provision expires on December 31, 2020, in accordance with the Coronavirus Aid, Relief and Economic Security Act (CARES Act).

a. A Participant who meets one of the following eligibility criteria may apply for a Coronavirus Distribution of the balance in the Participant's account not to exceed \$25,000:

- (1) Participant has been diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Center for Disease Control (CDC);

- (2) Participant's Spouse or dependent (as defined in section 152 of the Internal Revenue Code) is diagnosed by such virus or disease by such a test; or
 - (3) Participant has experienced adverse financial consequences as a result of
 - i. being quarantined, being furloughed or laid off, or having work hours reduced due to such virus or disease;
 - ii. being unable to work due to lack of child care due to such virus or disease;
 - iii. closing or reducing hours of a business owned or operated by the Participant due to such virus or disease; or
 - iv. for other factors as determined by the Secretary of the Treasury;
- b. Other Requirements:
- (1) The Participant must certify in writing that the Participant satisfies one of the criteria of subparagraph a. to receive a Coronavirus Distribution.
 - (2) A Coronavirus Distribution will only be made in a lump sum payment.
 - (3) If the Participant is married, the Coronavirus Distribution must be made with the consent of the Participant's Spouse on a form acceptable to the Plan. The consent of the Spouse must be witnessed by a notary public.
- c. Under the CARES Act, the following special tax rules apply to Coronavirus Distributions:
- (1) The 10% early distribution penalty tax under Section 72(t) of the Internal Revenue Code for distributions before age 59 ½ does not apply.
 - (2) The 20% mandatory withholding for federal taxes on pension plan distributions does not apply.
 - (3) Coronavirus Distributions are included in gross income for federal tax purposes ratably over a three-taxable-year period beginning with the year the Coronavirus Distribution is received (unless the Participant elects otherwise).
 - (4) Participants may repay any Coronavirus Distribution to an eligible retirement plan within three years of the date the distribution is received. If repaid, the Coronavirus Distribution will be treated as an eligible rollover distribution and will not be subject to federal income tax.

Section 4.08. Qualified Birth or Adoption Distribution. A Qualified Birth or Adoption Distribution ("QBOAD") is available to a Participant for child birth or adoption expenses not to exceed \$5,000, under the following circumstances:

- a. QBOAD must be made during the 1-year period beginning on the date on which the child is born or on which the legal adoption by the Participant of an Eligible Adoptee is finalized.
- b. An Eligible Adoptee means any individual (other than a child of the Participant's spouse) who has not attained age 18 or is physically or mentally incapable of self-support.
- c. The QBOAD is available from the Participant's Profit-Sharing Sub-Account only (from benefits accrued after January 1, 2019). Distributions are not available from the Participant's Money Purchase Sub-Account (from benefits accrued before January 1, 2019).
- d. To receive a QBOAD the Participant must complete an application for a distribution on a form acceptable to the Plan and provide a copy of the child's birth certificate (or other equivalent document) or adoption certificate.
- e. If the Participant is married, the QBOAD must be made with the consent of the Participant's Spouse on a form acceptable to the Plan. The consent of the Spouse must be witnessed by a notary public.
- f. Under the Setting Every Community Up For Retirement Enhancement Act ("SECURE Act"), the following special tax rules may apply to QBOAD:
 - (1) The 10% early distribution penalty tax under Section 72(t) of the Internal Revenue Code for distributions before age 59 ½ does not apply.
 - (2) The 20% mandatory withholding for federal taxes on pension plan distributions does not apply.
 - (3) Participants may repay any QBOAD to this Plan or another eligible retirement plan. If repaid, the QBOAD Distribution will be treated as an eligible rollover distribution and will not be subject to federal income tax.

ARTICLE 5. GENERAL PROVISIONS

Section 5.01. Application for Benefits; Initial Date. Application for all payments of a Participant's Accumulated Share must be made in writing in a form and manner prescribed by the Board of Trustees, at least 30 days prior to the date payment of the Participant's Accumulated Share is to be made in accordance with Section 4.02. No benefits shall be paid prior to the establishment and crediting to Individual Accounts of Contributions and investment earnings, or prior to the receipt of written confirmation from the Internal Revenue Service of the United States that the Trust is an exempt trust and that the Plan is a qualified Plan under the provisions of the Internal Revenue Code, whichever is later.

Section 5.02. Proof to be Furnished; Penalties for Fraud.

- a. Every Employee, Annuitant, or Beneficiary shall furnish, at the request of the Board of Trustees, any information or proof reasonably required for the administration of the Plan or for the determination of any matter that the Board of Trustees may legitimately have before it. Failure to furnish such information or proof promptly and in good faith shall be sufficient reason for the denial of benefits to such Employee or Beneficiary, or the suspension or discontinuance of benefits to such Annuitant. The falsity of any statement material to an application or furnishing of fraudulent information or proof shall be sufficient reason for the denial, suspension or discontinuance of benefits under this Plan except to the extent that the benefits are non-forfeitable and, in any such case, the Board of Trustees shall have the right to recover any benefit payments made in reliance on such false statement or fraudulent information or proof.
- b. Without limitation of the provisions of Subsection a., every Participant must file, before their benefit effective date, a written statement on which the Board of Trustees or other Plan representative is entitled to rely, concerning the Participant's current and prior marital status, including, without limitation, whether or not he is currently legally married, and if married, as to when such marriage occurred. If a Participant states that they were not married throughout the year before their benefit payments began, no person shall be entitled to benefits under this Plan on the grounds that they were, in fact, their Spouse if their Spouse was in fact legally married to them throughout the year before their benefit payments began.
- c. Any payment made in good faith on the basis of a written statement of a Participant or Beneficiary shall discharge all obligations of the Plan to the extent of such payment, and shall entitle the Board of Trustees to exercise all rights of recoupment or other remedies, including the right to adjust the dollar amount of payments made to a surviving Spouse or other Beneficiary in order to recoup any excess benefits which may have been erroneously paid.
- d. The rights of a former Spouse or other alternate payee to any share of a Participant's benefit, as set forth in a Qualified Domestic Relations Order, take precedence over any claims of the Participant's Spouse at the time of retirement or death to the extent provided by such Order or by any federal law or regulation.

- e. The consent of a Spouse or former Spouse given pursuant to any provision of this Plan, or for any other purpose in connection with the administration of the Plan, may not be revoked.

Section 5.03. Right to Appeal and Determination of Disputes.

- a. No Participant, Annuitant, Beneficiary or other person shall have any right or claim to benefits under the Annuity Plan, other than as specified in the Annuity Plan. If any person shall have a dispute with the Board of Trustees as to eligibility, type, amount or duration of such benefits, the dispute shall be resolved by the Board of Trustees under and pursuant to the Annuity Plan, and its decision of the dispute shall be final and binding upon all parties thereto.
- b. Any person whose application for benefits under the Plan has been denied in whole or in part, or whose claim to benefits or against the Fund is otherwise denied, will be notified in writing of the denial within 90 days after receipt of the application or claim. An extension of time not exceeding 90 days may be required by special circumstances. If so, notice of the extension, indicating what special circumstances exist, and the date by which a final decision is expected to be made available, will be furnished to the claimant prior to the expiration of the initial 90-day period.

The period of time within which a benefit determination is required to be made will begin at the time an application for benefits is filed with the Fund Office without regard to whether all the information necessary to make a benefit determination accompanies the filing. In the event that a period of time is extended, as permitted above, due to an applicant's failure to submit information necessary to make a determination, the period for making the benefit determination will be tolled from the date on which the notification of the extension is sent to the applicant until the date on which the applicant responds to the request for additional information.

The notice of denial must set forth in a manner calculated to be understood by the claimant (1) the specific reason or reasons for the denial; (2) specific reference to pertinent Plan provisions on which the denial is based; (3) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why that material or information is necessary; and (4) appropriate information as to the steps to be taken if the claimant wishes to submit their claim for review, and (5) a statement of the claimant's right to bring civil action under §502(a) of ERISA.

- c. Any person may petition the Board for a review of the denial of a claim. A petition for review must be in writing, must state in clear and concise terms the reason or reasons for disputing the denial, must be accompanied by any pertinent documentary material not already furnished to the Fund, and must be filed by the petitioner or their duly authorized representative with the Secretary of the Board within 60 days after the petitioner received notice of the denial. The petitioner or their duly authorized representative will be permitted to review pertinent documents and submit issues and comments in writing.
- d. Upon good cause shown, the Board may permit the petition to be amended or supplemented and may grant a hearing on the petition before a hearing panel consisting of a least one Employer Trustee and one Employee Trustee to receive and hear any

evidence or argument which cannot be presented satisfactorily by correspondence. The failure to file a petition for review within the 60-day period or the failure to appear and participate in any hearing, constitutes a waiver of the claimant's right to review of the denial, provided that the Board may relieve a claimant of any waiver for good cause if application for relief is made within one year after the date shown on the notice of denial.

- e. Upon request, the petitioner or the petitioner's duly authorized representative will be provided, free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the petitioner's claim for benefits. A document, record or other information shall be considered relevant to a petitioner's claim if it was relied upon in making the benefit determination; was submitted, considered or generated in the course of making the benefit determination, without regard to whether it was relied upon in making the benefit determination; demonstrates that the benefit determination was made in accordance with the Plan provisions and that such provisions have been applied consistently with respect to similarly situated claims.

The review of the determination will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim without regard to whether such information was submitted or considered in the initial benefit determination.

- f. A decision by the Board shall be made at the first regularly scheduled quarterly Trust meeting after the Trust's receipt of the petition for review, except that an extension of time until the next meeting may be required if the appeal was received within thirty (30) days of the Trust meeting. If special circumstances require a further extension of time for processing, a benefit determination will be rendered no later than the third meeting following the Trust's receipt of the petition for review and the Trustees will provide the petitioner with a written notice of the extension, describing the special circumstances and the date as of which the benefit determination will be made prior to the commencement of the extension. The Trustees will notify the petitioner of the benefit determination as soon as possible but not later than 5 days after the benefit determination is made.

The petitioner will be advised of the Board's decision in writing. The decision must include specific reasons for the decision, written in a manner calculated to be understood by the petitioner, and specific references to the pertinent Plan provisions on which the decision is based. It will also include a statement that the petitioner is entitled to receive, upon request and free of charge, reasonable access to, and copies of all documents, records and other information relevant to the claim for benefits, and a statement of petitioner's right to bring an action under §502(a) of ERISA following an adverse benefit determination on appeal.

- g. The denial of an application or claim to which the right to review has been waived or the decision of the Board with respect to a petition for review, is final and binding upon all parties, including the applicant, claimant or petitioner and any person claiming under the applicant, claimant or petitioner, subject only to judicial review as provided in Subsection b. No decision of the Board shall be revised, changed or modified by any arbitrator or court unless the party seeking such action is able to show by clear and convincing evidence that the Board's decision was an abuse of discretion in light of the information actually available to it at the time of its decision.

The provisions of this Section apply to and include any and every claim to benefits from the Fund, and any claim or right asserted under the Plan or against the Fund, regardless of the basis asserted for the claim, regardless of when the act or omission upon which the claim is based occurred and regardless of whether or not the claimant is a “Participant” or “Beneficiary” of the Plan within the meaning of those terms as defined in ERISA.

Section 5.04. Benefit Payments Generally. A Participant who is eligible to receive benefits under this Plan and who makes application in accordance with the rules of this Plan shall be entitled upon retirement or termination of participation to receive the benefits provided herein. Benefit payments shall be payable commencing with the first day of the month following the month in which the Participant has fulfilled all the conditions for entitlement to benefits, including the filing of an application. Such first day is the “Annuity Starting Date”.

A Participant may, however, elect in writing filed with the Board of Trustees to receive benefits first payable for a later month, provided that no such election may postpone the commencement of benefits to a date later than the Participant’s Required Beginning Date.

If the Beneficiary is not the Participant’s surviving Spouse, the payment of any benefits under the Plan that become payable on account of the Participant’s death shall begin no later than one year from the date of such death or, if later, as soon as practicable after the Board of Trustees learns of the death, and shall be distributed in accordance with Section 4.03.c. If the Beneficiary is the Participant’s surviving Spouse, payment of any Plan benefits shall commence not later than the date the Participant would have attained their Required Beginning Date had they lived.

In no event shall a Participant be allowed to defer receipt of benefits to the extent that it creates a death benefit that is more than incidental.

Section 5.05. Designation of Beneficiary. Subject to the provisions of Section 4.03.c., a Participant may designate a Beneficiary on a form provided by or acceptable to the Trustees and delivered to the Trustees before death. A Participant may change their Beneficiary (without the consent of the Beneficiary) in the same manner. If no Beneficiary has been designated, or no designated Beneficiary has survived the Participant, distribution of the Participant’s Accumulated Share shall be made pursuant to Section 4.03(e) to any person who is an object of natural bounty of the Participant, or their estate, as the Board of Trustees, in its sole discretion, may designate.

Section 5.06. Incompetence or Incapacity of a Pensioner or Beneficiary. In the event it is determined to the satisfaction of the Board of Trustees that an Annuitant or Beneficiary is unable to care for their affairs because of mental or physical incapacity, any payment due may be applied, in the discretion of the Board of Trustees, to the maintenance and support of such Annuitant or Beneficiary or to such person as the Board of Trustees, in its sole discretion, finds to be an object of the natural bounty of the Annuitant or Beneficiary in the manner decided by the Board of Trustees, unless, prior to such payment, claims shall have been made for such payment by a legally appointed guardian, committee, or other legal representative appropriate to receive such payments on behalf of the Annuitant or Beneficiary.

Section 5.07. Non-Assignment of Benefits. No Participant, Annuitant or Beneficiary entitled to any benefits under this Annuity Plan shall have the right to assign, alienate, transfer, encumber, pledge, mortgage, hypothecate, anticipate, or impair in any manner their legal or beneficial interest, or any interest in assets of the Annuity Plan, or benefits of this Annuity Plan. Neither

the Annuity Plan nor any of the assets thereof, shall be liable for the debts of any Participant, Annuitant or Beneficiary entitled to any benefits under this Plan, nor be subject to attachments or execution or process in any court of action or proceeding.

Notwithstanding the foregoing, benefits shall be paid in accordance with the applicable requirements of any Qualified Domestic Relations Order.

Section 5.08. Powers of the Board of Trustees. The Board of Trustees shall be the sole judge of the standard of proof required in any case. In the application and interpretation of any of the provisions of this Plan, the decisions of the Board of Trustees shall be final and binding on all parties including Employees, Employers, Local Unions, District Councils, and the Beneficiaries.

Section 5.09. Limitations on Annual Allocations under Section 415.

- a. In addition to any other limitations set forth in the Plan and notwithstanding any other provisions of the Plan, effective for Limitation Years beginning on and after January 1, 2008, contributions and other amounts (“annual additions”) under the Plan shall be limited in accordance with Section 415 of the Code and the Treasury Regulations thereunder, in accordance with this Section. This Section 5.09 is intended to incorporate the requirements of Section 415 of the Code by reference except as otherwise specified herein.
- b. Definitions.

For purposes of this Section 5.09, the following terms shall have the following meanings.

- (1) Compensation. For Limitation Years beginning on or after July 1, 2007 for all purposes under the Plan, including this Section 5.09, “Compensation” means remuneration as defined in Treasury Regulation § 1.415(c)-2(d)(4).

Compensation shall also be subject to the following rules:

- (A) Compensation must be paid within the Limitation Year, and paid or treated as paid before Severance from Employment in accordance with the general timing rule of Treasury Regulation § 1.415(c)-2(e)(1) and in accordance with §1.415(c)-2(e)(2).
- (B) 415 Compensation must include amounts paid by the later of 2½ months after Severance from Employment or the end of the Limitation Year that includes the Severance from Employment date in accordance with §1.415(c)-2(e)(3)(i). Such post-severance compensation includes regular pay as defined in §1.415(c)-2(e)(3)(ii), leave cashouts and deferred compensation as defined in §1.415(c)-2(e)(3)(iii), salary continuation payments for military service and disabled participants in accordance with §1.415(c)-2(e)(4), deemed Section 125 compensation as defined in §1.415(c)-2(g)(6), deemed compensation for periods of permanent and total disability in accordance with §1.415(c)-2(g)(4), but not other post-severance payments as defined in §1.415(c)-2(e)(3)(iv). Compensation shall also include elective deferrals under Internal Revenue Code §401(k),

§402(e)(3), §402(h), §457, and §408(p)(2)(A)(I), and under a savings incentive plan (SIMPLE) or Internal Revenue Code §125 cafeteria plan, and elective reductions under Internal Revenue Code §132(f).

- (C) The annual compensation of each Participant taken into account in determining allocations for any Plan Year beginning after December 31, 2001, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with IRC §401(a)(17)(B). Annual compensation for this purpose means compensation during the Plan Year or such other consecutive 12-month period over which compensation otherwise is determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.
- (D) Effective for years beginning after December 31, 2008, Compensation shall include military differential wage payments (as defined in Section 3401(h) of the Code).

(2) Limitation Year. “Limitation Year” means the calendar year.

(3) Severance from Employment. “Severance from Employment” has occurred when a Participant is no longer an employee of any Employer maintaining the Plan.

c. Limit on Annual Additions.

For Limitation Years beginning on or after January 1, 2008, in no event shall the total annual additions credited with respect to any Participant for a Limitation Year exceed the limits determined in accordance with Section 415 of the Code and the Treasury regulations thereunder (the “maximum annual addition”). If a Participant’s total annual additions for a Limitation Year beginning on or after January 1, 2008 would exceed the maximum annual addition for that Limitation Year, annual additions with respect to the Participant shall be frozen or reduced so that the annual additions with respect to the Participant do not exceed the maximum annual addition for that Limitation Year.

d. Aggregation of Plans.

(1) For purposes of applying the limits of this Section 5.09, if a Participant also participates in another tax-qualified defined contribution plan of the Employer that is not a multiemployer plan, only the annual additions under this Plan that are provided by the Employer are aggregated with the annual additions under the other plan.

(2) In the event that the aggregate annual addition in any Plan Year by a Participant exceeds the limits under Section 415 of the Code and the Treasury Regulations thereunder as a result of the mandatory aggregation of the annual additions under this Plan with the Annual additions under another plan maintained by the Employer, the annual additions under such other plan shall be reduced to the extent necessary to comply with Section 415 of the Code and the Treasury Regulations thereunder.

e. General.

- (1) To the extent that a Participant's annual additions are subject to provisions of Section 415 of the Code and the Treasury Regulations thereunder that have not been set forth in the Plan, such provisions are hereby incorporated by reference into this Plan and for all purposes shall be deemed a part of the Plan.
- (2) This Section 5.09 is intended to satisfy the requirements imposed by Section 415 of the Code and the Treasury Regulations thereunder and shall be construed in a manner that will effectuate this intent. This Section 5.09 shall not be construed in a manner that would impose limitations that are more stringent than those required by Section 415 of the Code and the Treasury Regulations thereunder.
- (3) If and to the extent that the rules set forth in this Section 5.09 are no longer required for qualification of the Plan under Section 401(a) and related provisions of the Code and the Treasury Regulations thereunder, they shall cease to apply without the necessity of an amendment to the Plan.

f. Interpretation or Definition of Other Terms

The terms used in this Section 5.09 that are not otherwise expressly defined for this Section, shall be defined as provided in the Plan, or if not defined in the Plan, shall be defined interpreted and applied for purposes of this Section 5.09 as prescribed in Section 415 of the Code and the Treasury Regulations thereunder.

Section 5.10. Merger or Consolidation. In the event of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, the amount of benefit which a Participant would receive upon a termination of the Plan immediately after such merger, consolidation, or transfer shall be not less than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer if the Plan had been terminated.

Section 5.11. Special Provisions for Eligible Rollover Distributions. This Section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of any Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the distributee in a direct rollover. For purposes of this Section, the following definitions apply:

As used in this Section 5.11, the following terms shall have the following meanings:

- a. An "Eligible Rollover Distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an Eligible Rollover Distribution does not include:
 - (1) Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more; or

- (2) Any distribution to the extent such distribution is required under §401(a)(9) of the Internal Revenue Code; or
 - (3) The portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
 - (4) Any distribution which is made upon hardship of the Participant.
- b. An “Eligible Retirement Plan” is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified defined contribution plan described in Section 401(a) of the Code, that accepts the Distributee’s Eligible Rollover Distribution. Effective for distributions made after December 31, 2001, an Eligible Retirement Plan also includes an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. Effective for distributions made after December 31, 2007, an Eligible Retirement Plan shall also include a Roth IRA described in Code section 408A, subject to the restrictions that currently apply to rollovers from a traditional IRA into a Roth IRA.
- c. A “Distributee” includes any Participant or former Participant. In addition, the surviving Spouse of a Participant or former Participant and a former Spouse of a Participant or former Participant who is the alternate payee under a Qualified Domestic Relations Order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former Spouse. Effective for distributions after December 31, 2008, a Distributee also includes the Participant’s non-Spouse designated Beneficiary. In the case of a non-Spouse Beneficiary, the direct rollover may be made only to an individual retirement account or annuity described in Code § 408(a) or § 408(b) (“IRA”) or a Roth individual retirement account or annuity (“Roth IRA”) that is established on behalf of the designated Beneficiary and that will be treated as an inherited IRA or Roth IRA.

Section 5.12. Rollovers to the Plan. This Plan will accept direct plan-to-plan transfers or Eligible Rollover Distributions from other qualified plans or direct payments from a conduit individual retirement account, no part of which is attributable to any source other than a rollover contribution to that individual retirement account from a qualified plan, but only if the following conditions are met:

- a. **Form of Payment to the Plan.** The Plan will accept payment only in lump sum cash amounts for individuals who are currently Participants in the Plan.
- b. **Time of Payment.** A Participant’s account attributable to transfers under this provision will be payable only at the times permitted under the terms of this Plan.

c. Form of Payment from Plan. A Participant's account attributable to transfers under this provision will at all times be vested, and will be payable in any form permitted by the Plan at the time of distribution.

Section 5.13. Miscellaneous. Wherever any words are used in this Plan in the masculine gender, they should be construed as though they were also used in the feminine gender in all situations where they would so apply.

Wherever any words are used in this Plan in the singular form they should be construed as though they were also in the plural form in all situations where they would so apply, and vice versa.

Section 5.14. Plan Amendment. The Board of Trustees may amend or modify the Plan at any time in accordance with the Trust Agreement, except that no amendment or modification may reduce any benefits which have been approved for payment prior to amendment, so long as funds are available for payment of such benefits.

Section 5.15. Plan Termination. In the event of termination or partial termination of the Plan, the assets then remaining, after providing for the expenses of the Plan and for the payment of any Accumulated Share theretofore approved, shall be distributed among the Participants. Each Participant shall receive that part of the total remaining assets in the same ratio as their Accumulated Share bears to the aggregate amount of the Accumulated Share of all Participants. No part of the assets shall be returned to any Employer or inure to the benefit of any Employer, the Association, a Local Union, or District Council.

Section 5.16. Partial Invalidity. If any provision of the Plan or any step in the administration of the Plan is held to be illegal or invalid for any reason, such illegality or invalidity prevents accomplishment of the purposes and objectives of the Plan. In the event of any such holding, the Board of Trustees will immediately amend the Plan to remedy the defect.

Section 5.17. Effective Date. The Plan restatement is effective on January 1, 2022.

ARTICLE 6. MINIMUM DISTRIBUTION REQUIREMENTS

Section 6.01. General Rules.

- a. **Effective Date.** The provisions of this Article will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.
- b. **Precedence.**
 - (1) The requirements of this Article will take precedence over any inconsistent provisions of the Plan.
 - (2) Except to the extent inconsistent with this Article, all distribution options provided under the Plan are preserved.
 - (3) This Article does not authorize any distribution options not otherwise provided under the plan.
- c. **Requirements of Treasury Regulations Incorporated.** All distributions required under this Article will be determined and made in accordance with the Treasury regulations under Section 401(a)(9) of the Internal Revenue Code.

Section 6.02. Time and Manner of Distribution.

- a. **Required Beginning Date.** The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date as defined in Section 1.28 of the Plan.
- b. **Death of Participant Before Distributions Begin.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
 - (1) If the Participant dies before distributions begin and there is a designated beneficiary, the Participant's entire interest must be distributed to the designated beneficiary by December 31st of the calendar year containing the fifth anniversary of the Participant's death.
 - (2) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then, the Participant's spouse may elect, in lieu of Section 6.02.a., to have distributions to the surviving spouse begin by December 31st of the calendar year immediately following the calendar year in which the Participant died, or by December 31st of the calendar year in which the Participant would have attained age 72, if later. The election must be made no later than September 30 of the calendar year in which distribution would be required to begin under this Section 6.02.b.(2), or if earlier, Section 6.02.b.(1).
 - (3) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then, the designated beneficiary may elect, in lieu of Section 6.02.b.(1), to have distributions begin by December 31st of the calendar year immediately following the calendar year in which the Participant died. The

election must be made no later than September 30th of the calendar year in which distribution would be required to begin under this Section 6.02.b.(3).

- (4) If there is no designated beneficiary as of September 30th of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31st of the calendar year containing the fifth anniversary of the Participant's death.
- (5) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 6.02.b., other than Section 6.02.b.(2), will apply as if the surviving spouse were the Participant.

For purposes of this Section 6.02.b. and Section 6.04, unless Section 6.02.b.(5) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 6.02.b.(5) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under this Section 6.02.b.(2), if such election is made. If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under an election made under Section 6.02.b.(2)), the date distributions are considered to begin is the date distributions actually commence.

- c. Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections 6.03 and 6.04 of this Article. If the Participant's or designated beneficiary's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations.

Section 6.03. Required Minimum Distributions During Participant's Lifetime.

- a. Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:
 - (1) The quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or
 - (2) If the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

- b. Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this Section 6.03 beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

Section 6.04. Required Minimum Distributions After Participant's Death.

a. Death On or After Date Distributions Begin.

- (1) Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows:
- (A) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
- (B) If the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
- (C) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (2) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30th of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

b. Death Before Date Distributions Begin.

- (1) Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a designated beneficiary, if the designated beneficiary has made an election under Section 6.02.b.(2) or 6.02.b.(3), the

minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in Section 6.04.a.

- (2) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30th of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31st of the calendar year containing the fifth anniversary of the Participant's death.
- (3) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse after having made an election under Section 6.02.b.(2), this Section 6.04.b. will apply as if the surviving spouse were the Participant.

Section 6.05. Definitions.

- a. Designated Beneficiary. The individual who is designated as the beneficiary under Section 1.07 of the Plan and is the designated beneficiary under Section 401(a)(9) of the Internal Revenue Code and Section 1.401(a)(9)-4, Q&A-1, of the Treasury regulations.
- b. Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 6.02.b. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31st of that distribution calendar year.
- c. Life expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.
- d. Participant's account balance. The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

Section 6.06. Treatment of 2009 Required Minimum Distributions. Notwithstanding any other provision in this Article 6, amounts that would have been 2009 required minimum distributions in the absence of Section 401 (a)(9)(H) of the Code, as added by the Worker, Retiree and Employer Recovery Act of 2008, including amounts that would have been first required minimum distributions payable in 2010 were paid as scheduled for 2009.

Section 6.07. The Board of Trustees has elected to not allow participants or beneficiaries to suspend the required minimum distributions required under Sections 6.01 through 6.04 of the Plan as allowed under the Internal Revenue Code Section 401(a)(9)(H), which was amended by the Worker, Retiree, and Employer Recovery Act of 2008.

Section 6.08. Pursuant to the Section 2203 of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), all Required Minimum Distributions under Article 6 of the Plan that would have been payable during calendar year 2020 (or paid in 2021 for the 2020 calendar year for a Participant whose required beginning date is April 1, 2021) may be suspended unless the Participant or Beneficiary chooses to receive the distribution.

If the Participant or Beneficiary chooses to receive a 2020 Required Minimum Distribution, the distribution will be treated as an eligible rollover distribution under Section 5.11 of the Plan.

ARTICLE 7. CONTINGENT TOP HEAVY RULES

Section 7.01. General Rule. If the Plan is determined to be Top-Heavy (as defined in Section 7.02) for any Plan Year, then for any such year, the special minimum benefit limitations of Section 7.03 shall apply to any employee not included in a unit of employees covered by a Collective Bargaining Agreement between the union and one or more employers.

Section 7.02. Determination of Top-Heavy Status.

- a. Determination Date. The determination date for any Plan Year is the last day of the preceding Plan Year.
- b. Top-Heavy Status. The Plan is Top-Heavy for any Plan Year if, as of the determination date, the present value of the individual accounts under the Plan for Key Employees exceeds 60 percent of the present value of the individual accounts under the Plan for all employees.
- c. Key Employees. Whether or not a Participant is a Key Employee depends on their status with the contributing employer that employs the Participant. For any Plan Year, a Contributing Employer's Key Employees are those who, at any time during the Plan Year that includes the determination date for such Plan Year, is or was:
 - (1) An officer of the employer having an annual compensation greater than \$130,000 (as adjusted under IRC Section 416(i)(1) for plan years beginning after December 31, 2002);
 - (2) A 5-percent owner of the employer; or
 - (3) A 1-percent owner of the employer having an annual compensation from the employer of more than \$150,000.

For this purpose compensation means compensation within the meaning of IRC Section 415(c)(3). The determination of who is a Key Employee will be made in accordance with IRC Section 416(i)(1) and the applicable regulations and other guidance of general applicability issued thereunder.

- d. Aggregation Rules. In determining if the Plan is Top-Heavy, the Plan shall be aggregated with each other Plan in the required aggregation group as defined in Section 416(g)(2)(A)(i) of the Internal Revenue Code and may, in the Trustees' discretion, be aggregated with any other plans in the permissive aggregation group as defined in Section 416(g)(2)(A)(ii) of the Internal Revenue Code.
- e. Special Rules.
 - (1) Distributions During Year Ending on the Determination Date. The present values of accrued benefits and the amounts of account balances of an Employee as of the determination date shall be increased by the distributions made with respect to the Employee under the Plan and any plan aggregated with the Plan under IRC

Section 416(g)(2) during the one-year period ending on the determination date or the four preceding plan years. The preceding sentence also shall apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under IRC Section 416(g)(2)(A)(i). In the case of a distribution made for a reason other than severance of employment, death, or disability, this provision shall be applied by substituting “five-year period” for “one-year period.”

- (2) If an individual is not a Key Employee for any Plan Year but was a Key Employee for any prior Plan Year, any accrued benefit for such employee shall not be taken into account for purposes of determining if the Plan is Top-Heavy.
- (3) For purposes of this Article 6, “Compensation” for a Plan Year means the amount required to be included in the Employee’s Form W-2 for the Plan Year.
- (4) The Board is authorized to adopt any other rules or regulations necessary to insure that the Plan complies in all respects with the top-heavy rules of the Internal Revenue Code.

Section 7.03. Special Minimum Benefit Rules. The following rules will apply only to employees not included in a unit of employees covered by a collective bargaining agreement requiring contribution to this Plan and only if the Plan as a whole becomes Top-Heavy. Such employees are referred to herein as Top-Heavy Employees.

a. Special Minimum Benefit Rules.

- (1) Applicability. If the Plan becomes Top-Heavy, then for the first year that the Plan is Top-Heavy, and for all subsequent years during which it is Top-Heavy, the minimum benefit set forth in Subsection a.(2) below shall apply to all Top-Heavy Employees (other than Key Employees) who have a year of Credited Service during any such Plan Year.
- (2) Special Minimum Benefit. If the Plan becomes Top-Heavy, the minimum annual addition for Top-Heavy Employees (other than Key Employees) shall be 3 percent of Compensation.

APPENDIX A

MERGER RULES FOR CENTRAL COAST COUNTIES FLOOR COVERERS ANNUITY PLAN

The following special rules will be applied to effectuate the merger of the Central Coast Counties Floor Covering Industry Annuity Plan into the Plan effective September 1, 2014.

1. Assumption of Liabilities. This Plan assumes the Central Coast Counties Floor Covering Industry Annuity Plan's obligations to pay its benefits which were accrued before September 1, 2014, in accordance with the terms of that plan in effect on August 31, 2014. No benefits will accrue under that plan after August 31, 2014, but benefits already accrued will continue to be 100% vested.

2. Power to Amend. If after August 31, 2014, it is necessary to amend the terms of the Central Coast Counties Floor Covering Industry Annuity Plan to retain this Plan's tax qualified status, this Plan shall have full authority to make such amendments.

3. Benefits Preserved. To the extent required by law or Internal Revenue Service regulations, the merger shall not eliminate or reduce the accrued benefit of any participant or beneficiary under the Central Coast Counties Floor Covering Industry Annuity Plan as of August 31, 2014, specifically including any early retirement benefit or retirement-type subsidy or optional forms of benefits applicable to such accrued benefits, except as permitted by law.

4. Incorporation By reference. In order to assure that all benefits earned under the Central Coast Counties Floor Covering Industry Annuity Plan before September 1, 2014, are maintained, that plan, as it exists on August 31, 2014, is hereby incorporated into this Plan by reference to the extent necessary to preserve those benefits.