

**Important Notice to Participants in the
Sheet Metal Workers' Local 10 Pension Plan**

**(Summary of Material Modifications and 204(h) Notice)
October 2013**

This Summary of Material Modifications and Section 204(h) Notice describes changes to the Sheet Metal Workers' Local 10 Pension Plan (the Plan) that will become effective for all hours worked on and after January 1, 2014. Effective on and after that date, the Plan will be amended as follows:

1. The value of Pension Credits will be adjusted from \$24.00 per dollar of applicable contribution to \$10.50 for hours worked on and after January 1, 2014;
2. The Plan will no longer consider a portion of the hourly contribution as a "supplemental contribution", meaning the entire hourly contribution made on your behalf for hours worked on and after January 1, 2014 will earn a benefit; and
3. The Early Retirement Benefit reduction factors will be revised and different reductions for future credits earned on and after January 1, 2014 will apply to Participants retiring with 25 or more Pension Credits and those retiring with less than 25 Pension Credits.
4. The Plan's definition of Normal Retirement Age will be raised to age 65 (with at least five years participation in the Plan) for benefits earned on and after January 1, 2014.

Each of these changes is described in more detail below.

The Trustees of the Plan regularly consult with the Plan's actuary to determine the Plan's financial condition. Collectively, they work to assure that the contributions to the Plan and investment earnings on those contributions will be sufficient to pay the benefits promised to Plan Participants. From time to time, the Trustees find it necessary to take action to make sure this balance is maintained. You will recall, changes of this type have occurred previously to accomplish this. The Trustees expect that this set of changes will be sufficient to assure the long-term stability of the Pension Plan.

Changing the Value of Pension Credits

Recently, the actuary recommended that the Trustees amend the Plan to revise the value of Pension Credits earned in the future. The Trustees have acted on that recommendation. Effective for hours worked on or after January 1, 2014, the value of a Pension Credit will be \$10.50 for each \$1.00 of the hourly creditable contribution to the Plan. Prior to this change, the value of the Pension Credit was \$24.00 per \$1.00 of creditable contribution.

A creditable contribution is that portion of the hourly contribution made on a Participant's behalf on which benefits accrue. The next section of the Notice explains that the creditable contribution for all Participants will increase on January 1, 2014 because the Plan will now provide for accrual of benefits on all dollars contributed on an hourly basis subject to the Plan's 1400 hour maximum.

Before and After:

Before this change, \$1.00 of creditable contribution earned a Normal Retirement Benefit of \$24.00 per month.

After this change, \$1.00 of creditable contribution will earn a Normal Retirement Benefit of \$10.50 per month.

This change only applies to contributions earned for work performed on and after January 1, 2014. All benefits accrued prior to that date are unaffected by this change.

Removing the Supplemental Contribution Provision from the Plan

The Plan will be amended effective January 1, 2014 to provide that the entire hourly contribution made on behalf of a Participant will earn a benefit subject to the Plan's 1400 hour maximum. Prior to this change, a portion of each hourly contribution did not accrue a benefit and was used solely to improve the funding of the Pension Benefit.

Please note that reference to "Supplemental Contribution" is not in any way related to your individual account in the Supplemental Retirement Fund (Wells Fargo). Any changes listed in this notice will not affect that Fund in any manner.

Before and After:

Prior to this change, the Plan did not provide benefit accruals on the entire hourly contribution made on behalf of a Participant. An amount equal to 18.6% of the hourly contribution rate in place on April 1, 2006 was subtracted from the hourly contribution rate to determine the amount of "creditable contribution" which would accrue a benefit. The amount subtracted was deemed a "supplemental contribution" and was used solely to improve the Plan's funding.

After this change, this "supplemental contributions" have been discontinued. Thus, if your collective bargaining agreement provides for a \$2.00 per hour contribution, you will receive a benefit calculated on that entire contribution amount.

This change only applies to contributions earned for work performed on and after January 1, 2014 and is subject to the Plan's 1400 hour maximum. All benefits accrued prior to that date are unaffected by this change.

Early Retirement Pension – Reduction Factors Revised

Participants who retire with an Early Retirement Pension have their monthly benefit calculated by applying certain reduction factors to what would be paid as a Normal Retirement Pension. These factors have been revised for benefits earned on or after January 1, 2014. For benefits earned prior to that date, other reduction factors apply.

The new reduction factors are as follows:

For Participants who have earned at least 25 Pension Credits at the time they retire, the reduction taken will be one-half of one percent (.5%) for each month the Participant is younger than age 62 on his retirement date.

For Participants who have earned less than 25 Pension Credits at the time they retire, the reduction will also be one-half of one percent (.5%), but the reduction will be made for each month the Participant is younger than age 65 on his retirement date.

Past service may be granted to Participants working within the jurisdiction of Local #10 in a contract area that has not yet contributed to the Local 10 Pension Fund for 25 years.

Before and After:

Prior to this change, all early retirement reductions were taken only if a participant retired prior to age 62.

After this change, Participants who have not earned 25 Pension Credits when they retire will have their benefit reduced based on the number of months until their 65th birthday rather than their 62nd birthday.

In addition, the early retirement reduction factor has increased from 4% to 6% per year.

This change only applies to benefits accrued for work performed on and after January 1, 2014. All benefits accrued prior to that date are unaffected by this change.

Raising Normal Retirement Age

The Plan's definition of Normal Retirement Age is being changed for benefits earned on or after January 1, 2014. On and after that date, a Participant will reach Normal Retirement Age on the date he or she reaches age 65, or, if later, the fifth anniversary of participation in the Plan. This change does not impact benefits earned prior to January 1, 2014. In most cases, Participants will reach Normal Retirement Age with respect to those benefits when they reach age 62.

Before and After:

Participants who reach Normal Retirement Age are entitled to receive an unreduced benefit under the Plan.

Prior to this change, most Participants reached Normal Retirement Age when they attained age 62 and had earned at least ten (10) Pension Credits.

After this change, for benefits earned on an after January 1, 2014, a Participant will reach Normal Retirement Age on the later of the date he or she attains age 65 or has participated in the Plan for five (5) years.

This means that Participants working prior to an after this change will have two separate "Normal Retirement Ages" applying to benefits earned prior to 2014 and benefits earned after 2013.

Please contact the Fund Office if you have any questions about these changes.