



# Asbestos Workers Locals 80 and 51 Supplemental Pension Plan

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## APPLICATION PACKAGE

### WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION

#### I. Introduction

Participants may use this Application Package to withdraw a portion of their account balances, even while working in Covered Employment, in the form of a single lump sum. The Application Package is divided into five parts: (1) Application Form; (2) Direct Rollover Election Form; (3) Application Instructions; (4) Rollover & Special Tax Notice; and (5) Notice Regarding Other Distribution Options. We encourage you to review each part carefully. **After you've reviewed each part, please fill out the Application Form and, if applicable, the Direct Rollover Election Form, and return them to the Fund Office at your earliest convenience.**

**IMPORTANT:** Withdrawals made under this feature are limited to one per twelve (12) month period and are subject to an administrative processing fee of \$160. The processing fee will be deducted from the amount of the distribution and is subject to change from time to time by the Trustees. If a participant is married and has an Individual Account balance that is greater than \$5,000, the participant's spouse must consent to the withdrawal. The maximum withdrawal amount is described in the Application Form (Part 1) and in the Application Instructions (Part 3).

The Trustees believe the Asbestos Workers Locals 80 and 51 Supplemental Pension Plan plays an important role in your retirement security and are proud to be involved in its continued operation. As always, if you have any questions regarding this Application Package, or the Plan in general, please feel free to contact the Fund Office at (888) 352.0629 or (888) 987.0629 (West Coast).

#### II. Table of Contents

|                |                                       |
|----------------|---------------------------------------|
| <b>Part 1:</b> | Application Form                      |
| <b>Part 2:</b> | Direct Rollover Election Form         |
| <b>Part 3:</b> | Application Instructions              |
| <b>Part 4:</b> | Rollover & Special Tax Notice         |
| <b>Part 5:</b> | Notice Regarding Distribution Options |

**ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN  
WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

**PART 1: APPLICATION FORM**

Please read this Application Form carefully and completely before filling it out and returning it to the Fund Office. If any section of the Application Form is not clear, please refer to the Instructions (Part 3) and contact the Fund Office at (888) 352.0629 or (888) 987.0629 (West Coast) if you have any questions.

| SECTION 1: PERSONAL DATA   |   |                |  |           |  |
|--|---|----------------|--|-----------|--|
| Full Name:   |   | Local Union:   |  |           |  |
| Address:   |   |                |  |           |  |
| City:  |   | State:         |  | Zip Code: |  |
| Telephone:   |   | Email:         |  |           |  |
| SSN (last 4 digits):   |   | Date of Birth: |  |           |  |
| Marital Status (Include Proof of Marriage or Divorce, if applicable):  |   |                |  |           |  |
| Please enter the date you wish to be your Effective Date of Benefits:  |   |                |  |           |  |
| SECTION 2: YEARS OF PLAN PARTICIPATION / WHY ARE YOU ELIGIBLE?   |   |                |  |           |  |
| <p><b>Instructions:</b> Please make the appropriate selection with corresponding certifications depending on whether you have (a) five or more years of Plan participation, or (b) less than five years of Plan participation.</p> |   |                |  |           |  |
| <input type="checkbox"/>   | <p><b><u>5-Year Option.</u></b> A Participant with five (5) or more years of Plan participation may withdraw up to 50% of his or her Individual Account. <i>I certify that:</i></p> <ul style="list-style-type: none"> <li>a. I have five or more years of Plan participation; and</li> <li>b. I have not made a withdrawal from the Plan based on my years of Plan participation within the past twelve (12) months; and</li> <li>c. If my Individual Account is greater than \$5,000, my spouse (if applicable) has consented to a withdrawal based on my years of Plan participation by filing out and signing Section 4 of this Application Form; and</li> <li>d. I understand that withdrawals based on years of Plan participation are subject to an administrative processing fee of \$160. The processing fee will be deducted from the amount of the distribution and is subject to change from time to time by the Trustees.</li> </ul>   |                |  |           |  |
| <input type="checkbox"/>   | <p><b><u>Less than 5-Year Option.</u></b> A Participant with less than five (5) years of Plan participation may withdraw contributions that have been received and held by the Plan on the Participant's behalf for at least two (2) years. In other words, if you have less than five years of Plan participation, you may withdraw contributions that were made at least two years before your withdrawal date. Contributions that were made less than two years before your withdrawal date must remain in the Plan. So if you began participating in June 2013 and submitted an application to make a withdrawal in June 2016, only those contributions that were made between June 2013 and May 2014 would be eligible for withdrawal. <i>I certify that:</i></p> <ul style="list-style-type: none"> <li>a. I have less than five (5) years of Plan participation; and</li> <li>b. I have not made a withdrawal from the Plan based on my years of Plan participation within the past twelve (12) months; and</li> <li>c. If my Individual Account balance is greater than \$5,000, my spouse (if applicable) has consented to a withdrawal based on my years of Plan participation by filing out and signing Section 4 of this Application Form; and</li> </ul> |                |  |           |  |

**ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN  
WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

d. I understand that withdrawals based on years of Plan participation are subject to an administrative processing fee of \$160. The processing fee will be deducted from the amount of the distribution and is subject to change from time to time by the Trustees.

**SECTION 3: PAYMENT AMOUNT**

**Instructions:** Withdrawals Based on Years of Plan Participation must be made in the form of a single lump sum. If you have five (5) or more years of Plan participation, you may withdraw up to 50% of your Individual Account. If you have less than five (5) years of Plan participation, you may withdraw contributions that have been received and held by the Plan on your behalf for at least two years. *Please indicate the amount you wish to withdraw below.*

**Payment Amount:** I elect to withdraw a portion of my Individual Account in the form of a single lump sum in the amount of \$\_\_\_\_\_.

**SECTION 4: MARITAL STATUS / INFORMATION REGARDING SPOUSE / SPOUSAL CERTIFICATION  
ONLY COMPLETE THIS SECTION IF YOUR INDIVIDUAL ACCOUNT IS GREATER THAN \$5,000**

**Instructions:** If your individual Account balance is greater than \$5,000, you (and your spouse, if applicable) must complete this section accurately and fully.

**MARITAL STATUS**

**Please check the appropriate box:**

- I am married. (Include copy of marriage certificate.)
- I am not married.
- I am not now married, but I was married. The marriage ended:
  - by death. (Provide date and copy of death certificate.)
  - by divorce. (Provide date and copy of divorce decree.)

**If you are married, your spouse must consent to your Withdrawal Based on Years of Plan Participation by completing the SPOUSE’S CERTIFICATION (below) unless (check applicable reason):**

- My spouse cannot be located. I agree to provide the Fund Office proof regarding my inability to locate my spouse. I further agree to inform the Fund Office if the location of my spouse becomes known.
- My spouse and I are separated and a copy of the court order to that effect is attached.
- My spouse has abandoned me and a copy of the court order to that effect is attached.

I recognize that the Plan may make inquiries about my marital status with various organizations and individuals and I consent to the release of any information about my marital status from my employers, my Local and International Union, any fringe benefit fund in which I may have participated and any other organization or individual.

**INFORMATION REGARDING YOUR SPOUSE, IF APPLICABLE**

|                      |  |                |  |           |  |
|----------------------|--|----------------|--|-----------|--|
| Full Name:           |  |                |  |           |  |
| Address:             |  |                |  |           |  |
| City:                |  | State:         |  | Zip Code: |  |
| Telephone:           |  | Email:         |  |           |  |
| SSN (last 4 digits): |  | Date of Birth: |  |           |  |

**SPOUSE’S CERTIFICATION, IF APPLICABLE**

I certify that I am the legal spouse of the above-named Participant. I consent to my spouse’s election to withdraw a portion of his/her Individual Account in the form of a single lump sum. I understand that without this consent, no withdrawal can be taken at this time, and unless I consent otherwise in the future, my spouse’s Individual Account would be distributed at the time of his/her retirement

**ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN  
WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

by the purchase of a 50% Joint and Survivor Annuity under which I could receive lifetime survivor benefits in the event my spouse dies before me. I further consent to all other elections or waivers made in this Application Form.

**Spouse's Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Notary Public**

Subscribed and sworn before me on \_\_\_\_\_ (Date).

\_\_\_\_\_ (Signature of Notary).

Notary Public in and for the County of \_\_\_\_\_, State of \_\_\_\_\_ .

My commission expires \_\_\_\_\_ (Date).

*Notary Stamp*

**SECTION 5: PARTICIPANT CERTIFICATION**

**Instructions:** Please sign below in the presence of a Notary Public after reading all of the information in this section. Be sure to ask the Fund Office if you have any questions.

**PARTICIPANT CERTIFICATION**

**A. Accuracy of Information and Representations.**

I hereby apply for and consent to payment of benefits, to which I believe I am entitled, from the Asbestos Workers Locals 80 and 51 Supplemental Pension Plan. I certify that the representations made in this Application Form, and any information or proof submitted with this Application Form, are true and correct. I recognize that the Plan is relying on the accuracy and completeness of such representations in making a determination on my Application for benefits, and agree to provide the Plan with any information and proof the Plan deems necessary to determine whether to grant my Application. I understand that any false statement made by me in this Application Form or any fraudulent information or proof I furnish will impede my claim. I further understand that if I have made any false statement or provided fraudulent information or proof, I will be liable to the Plan for any penalties or expenses incurred by the Plan in relying on such statement, information, or proof. Finally, I understand that all payments are governed by the Asbestos Workers Locals 80 and 51 Supplemental Pension Plan ("Plan Document"), and I agree to reimburse the Plan for any payments not provided by the Plan Document.

**B. Waiver of the 30-Day Period.**

I hereby acknowledge that I have been given information from the Plan explaining the form of benefit options available. I understand that I am entitled to consider these options for a minimum of thirty (30) days from the date that I received this information. I also understand that I may waive this requirement and begin my benefits after seven (7) days of the receipt of this Application Package. I hereby consent to the waiver of the 30-day period and request that

**ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN  
WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

my distribution be made on the later of, seven (7) days following receipt of this Application Package, or the Effective Date of Benefits as indicated in Section 1 of this Application Form.

**Participant's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Notary Public**

Subscribed and sworn before me on \_\_\_\_\_ (Date).

\_\_\_\_\_ (Signature of Notary).

Notary Public in and for the County of \_\_\_\_\_, State of \_\_\_\_\_ .

My commission expires \_\_\_\_\_ (Date).

*Notary Stamp*

**ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN  
WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

**PART 2: DIRECT ROLLOVER ELECTION FORM**

Use this Direct Rollover Election Form to elect or reject a direct rollover of your Withdrawal Based on Years of Plan Participation to an Individual Retirement Account (IRA), different qualified retirement plan, or other entity that accepts rollovers. Before completing this form, read the Rollover & Special Tax Notice (Part 4 of this Application Package) regarding plan payments carefully. You also may wish to consult your tax advisor.

| SECTION 1: PERSONAL DATA  |   |                |  |           |  |
|---|---|----------------|--|-----------|--|
| Full Name:  |   |                |  |           |  |
| Address:  |   |                |  |           |  |
| City:   |   | State:         |  | Zip Code: |  |
| Telephone:  |   | Email:         |  |           |  |
| SSN (last 4 digits):  |   | Date of Birth: |  |           |  |
| SECTION 2: ROLLOVER ELECTION  |   |                |  |           |  |
| <p><b>Instructions:</b> Please elect whether (a) you do not want to rollover your withdrawal and wish to receive the entire withdrawal as a lump sum, (b) you wish to rollover your entire withdrawal, or (c) you wish to rollover part of your withdrawal and receive the remainder as a lump sum. After making your election, sign and date this section where indicated.</p> |   |                |  |           |  |
| <input type="checkbox"/>  | <p><b>No Rollover.</b> I do not want to rollover any of my payment to an IRA, different qualified retirement plan, or other entity that accepts rollovers. Pay me the full amount of my requested withdrawal, after withholding 20 percent (20%) for federal income taxes.</p>  |                |  |           |  |
| <input type="checkbox"/>  | <p><b>Complete Rollover.</b> I want to roll over my payment directly to an IRA, different qualified retirement plan, or other entity that accepts rollovers. The IRA or other qualified retirement plan is named in Section 3 below.</p>  |                |  |           |  |
| <input type="checkbox"/>  | <p><b>Partial Rollover.</b> I would like to have only part of my payment directly rolled over. Please roll over \$_____ to an IRA, different qualified retirement plan, or other entity that accepts rollovers named in Section 3 below, and pay the remainder of my benefit to me, after withholding 20 percent (20%) for federal income taxes as required by law.</p> |                |  |           |  |
| <p><b>Signature:</b> _____ <b>Date:</b> _____</p>   |   |                |  |           |  |
| SECTION 3: CERTIFICATION – <u>ONLY</u> COMPLETE THIS SECTION IF YOU ARE ELECTING A COMPLETE OR PARTIAL DIRECT ROLLOVER  |   |                |  |           |  |
| <p><b>Instructions:</b> If you have elected a direct rollover of all or part of your benefit, please read, fill out and sign where indicated.</p>   |   |                |  |           |  |
| <b>Please make payment of benefits on my behalf to:</b>   |   |                |  |           |  |
| IRA Trustee / Qualified Retirement Plan / Etc.:   |   |                |  |           |  |
| Account Number:   |   |                |  |           |  |

**ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN  
WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

|  |  |        |             |           |  |
|--|--|--------|-------------|-----------|--|
| Principal Contact Person:  |  |        |             |           |  |
| Address:   |  |        |             |           |  |
| City:  |  | State: |             | Zip Code: |  |
| Telephone:   |  | Email: |             |           |  |
| <p>I certify that the recipient of a direct rollover that I have named above is an Individual Retirement Account, an Individual Retirement Annuity, qualified retirement plan, or other entity that accepts rollovers. I understand that payment of my benefit to the trustee of any of the above-referenced entities will release the Trustees of the Asbestos Workers Locals 80 and 51 Supplemental Pension Plan from any further obligation or responsibilities with respect to the benefits so paid.</p> |  |        |             |           |  |
| Signature: _____   |  |        | Date: _____ |           |  |

# ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION

## PART 3: APPLICATION INSTRUCTIONS

This document provides Instructions for how to apply for a Withdrawal Based on Years of Plan Participation from the Asbestos Workers Locals 80 and 51 Supplemental Pension Plan. We encourage you to read these Instructions carefully and to contact the Fund Office if you have any questions. If, after you've reviewed these Instructions, you wish to make a Withdrawal Based on Years of Plan Participation, please fill out the enclosed Application Form (Part 1 of this Application Package) and the Direct Rollover Election Form (Part 2 of this Application Package) and return them to the Fund Office at your earliest convenience.

### ELIGIBILITY, AMOUNT AND ADDITIONAL RULES

A participant may withdraw a portion of his or her Accumulated Share (referred to in these Instructions and the Application Form as the participant's "Individual Account"), ***even while working in Covered Employment***, in the form of a single lump sum. The maximum withdrawal amount varies depending on whether an applying participant has reached five (5) years of Plan participation:

#### **1. Participants With Five (5) or More Years of Plan Participation**

A participant with five or more years of Plan participation may withdraw up to 50% of his Individual Account.

#### **2. Participants With Less than Five (5) Years of Plan Participation**

A participant with less than five (5) years of Plan participation may withdraw contributions that have been received and held by the Plan on the Participant's behalf for at least two years. In other words, if a participant has less than five years of Plan participation, the participant may withdraw contributions that were made at least two years before his or her withdrawal date. Contributions that were made less than two years before the withdrawal date must remain in the Plan. So, for example, if a participant began participating in June 2013 and submitted an application to make a withdrawal in June 2016, only those contributions that were made between June 2013 and May 2014 would be eligible for withdrawal.

#### **3. Additional Rules: One Withdrawal Per Twelve-Month Period, Processing Fee, and Spousal Consent.**

Withdrawals based on years of Plan participation are limited to one per twelve (12) month period and are subject to an administrative processing fee of \$160. The processing fee will be deducted from the amount of the distribution and is subject to change from time to time by the Trustees. If a participant is married and has an Individual Account that is greater than \$5,000, the participant's spouse must consent to the withdrawal.

### GENERAL INSTRUCTIONS

- ✓ Please review the Application Package, including the IRS required notices regarding your rollover options, other distribution options, and right to defer a Plan distribution carefully before completing the Application Form.
- ✓ Answer all questions that apply to you.
- ✓ Please make your answers complete and legible.
- ✓ If you do not understand any part of these Instructions or the Application Form, please contact the Fund Office at (888) 352.0629 or (888) 987.0629 (West Coast).
- ✓ You and your spouse, if applicable, must sign the Application Form in the presence of a Notary Public.
- ✓ File the completed Application Form at the Fund Office, along with:



## **ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

- (1) A copy of your driver's license or birth certificate, and
  - (2) Any other documentation required by the Application Form or the Fund Office to process your Application.
- ✓ A Withdrawal Based on Years of Plan Participation cannot be made until you file the Application Form and your Application is approved. Nor can it begin before the end of the seven (7) day period following the date you are provided with these Instructions.
  - ✓ Once filed, by written notice to the Fund Office, you may revoke your Application at any time up to the later of:
    - (1) the withdrawal based on your years of Plan participation is made, or
    - (2) the end of the seven (7) day period following the date you are provided with this Application Package.After that date, it cannot be revoked.
  - ✓ *Your Withdrawal Based on Years of Plan Participation has important tax and legal consequences. You should consider it carefully and consult with your attorney or tax advisor before completing the Application Form.*

### **SPECIFIC INSTRUCTIONS**

The Application Form includes five (5) sections that you must fill out.

1. **Section 1: Personal Data.** Section 1 of the Application Form requires you to input your personal data so the Fund Office may identify you and verify your claim for a withdrawal.
2. **Section 2: Years of Plan Participation / Why Are You Eligible?** Section 2 of the Application Form requires you to indicate why you are eligible for a Withdrawal Based on Years of Plan Participation by indicating whether you have (a) five or more years of Plan participation, or (b) less than five years of Plan participation.
3. **Section 3: Payment Amount.** Section 3 of the Application Form requires you to input the amount you wish to receive as a Withdrawal Based on Years of Plan Participation from your Individual Account.
4. **Section 4: Marital Status / Information Regarding Spouse / Spousal Certification.** If you are married, Federal law gives certain rights to your spouse with regard to your retirement benefits, and he or she must participate in the decision about how your benefits will be paid. If you were previously married, your ex-spouse may also have certain rights established through a Qualified Domestic Relations Order (QDRO) that may impact the amount you may receive as a Withdrawal Based on Years of Plan Participation. Therefore, it is important to verify your current marital status and determine whether a QDRO exists with regard to any previous marriage.

If your Individual Account is greater than \$5,000, federal law requires that your spouse consent to the Withdrawal Based on Years of Plan Participation. With that in mind, if your Individual Account is greater than \$5,000, Section 4 of the Application Form requires you to provide: (a) information and proof regarding your marital status, as applicable; (b) your spouse's name, contact information, and other identifying information, if applicable; and (c) your spouse's signature signifying your spouse's consent to the Withdrawal Based on Years of Plan Participation, if applicable.
5. **Section 5: Participant Certification.**
  - a. *Accuracy of Information and Representations.* By signing and dating Section 5 of the Application Form in the presence of a Notary Public, you acknowledge that the selections you made in previous sections are true and correct to the best of your knowledge. Read Section 5 fully before signing it.

## **ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

- b. *Waiver of the 30-Day Period.* Federal law requires that you be provided with at least 30 days from the date you receive the Application Package to the date the distribution is made to consider the option that was selected. However, you may elect to waive this 30-day minimum period and elect to have the Withdrawal Based on Years of Plan Participation made after 7 days of the receipt of this Application Package. Therefore, you must sign and date Section 5 of the Application Form to receive the distribution before the 30-day minimum period. Read Section 5 fully before signing it.

### **FEDERAL INCOME TAX / ROLLOVERS**

1. **Federal Income Tax Withholding.** Your Individual Account is allowed to grow tax free until it is withdrawn. However, money received as a Withdrawal Based on Years of Plan Participation will be treated as taxable income for federal tax purposes. The Plan is required by federal law to withhold 20% of the amount of the withdrawal for federal tax purposes. Please note that the amount you owe in federal taxes on money received as a Withdrawal Based on Years of Plan Participation may be higher than 20% depending on your individual circumstances.

***Also, if you are under age 59 ½, you will owe an additional 10% in federal income tax unless you terminated employment at or after age 55, you are totally and permanently disabled (within the meaning of the Internal Revenue Code), or other limited exceptions apply. The Plan will not deduct this amount; it will be your responsibility to pay.***

2. **Rollovers.** If you directly rollover all or part of your withdrawal, the Plan will not withhold 20% of the amount rolled over and you will not owe an additional 10% tax penalty on such amounts. Please review the Direct Rollover Election Form (Part 2 of this Application Package) and the Rollover & Special Tax Notice (Part 4 of this Application Package) for additional information regarding your rollover rights.

### **TIMING OF DISTRIBUTION**

Under Federal law, a Withdrawal Based on Years of Plan Participation is treated similarly to other distributions available under the Plan even though a Withdrawal Based on Years of Plan Participation may be paid to you before you retire or incur a separation from covered employment. Therefore, you should keep in mind that under current IRS rules:

- As previously noted, you have the right to a 30-day period after you are provided with this Application Package, including the IRS required notices regarding your rollover options, other distribution options and right to defer a Plan distribution, to decide whether to apply for a Withdrawal Based on Years of Plan Participation. You may waive that right by filing the Withdrawal Based on Years of Plan Participation Application Form within this 30-day period. See Section 5 (“Participant Certification”), Part B (“Waiver of the 30-Day Period”) of the Application Form.
- You must be provided with this Application Package, including the IRS required notices regarding your rollover options, other distribution options and right to defer a Plan distribution, no earlier than 180 days before the date your Withdrawal Based on Years of Plan Participation is made from your Individual Account. Accordingly, if, when you return the Withdrawal Based on Years of Plan Participation Application Form, the distribution cannot be made within 180 days of the date you were provided with this Application Package, the Withdrawal Based on Years of Plan Participation will not be made and you will have to obtain another Application Package before you can re-apply for a Withdrawal Based on Years of Plan Participation.

### **DISTRIBUTION OPTIONS / RIGHT TO DELAY COMMENCEMENT OF YOUR BENEFIT**

In accordance with federal law, a notice regarding the Plan’s Qualified Joint and Survivor Annuity and other optional forms of benefit is included as Part 5 of this Application Package. Part 5 also describes your right to delay commencement of your benefit.

## **ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

### **PART 4: ROLLOVER & SPECIAL TAX NOTICE**

You are receiving this notice because all or a portion of a payment you may receive from the Asbestos Workers Locals 80 and 51 Supplemental Pension Plan (“Plan”) is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the “General Information About Rollovers” section. Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section.

### **I. GENERAL INFORMATION ABOUT ROLLOVERS**

#### **1. How can a rollover affect my taxes?**

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59 ½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay a tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59 ½ (or if an exception applies).

#### **2. Where may I roll over the payment?**

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

#### **3. How do I do a rollover?**

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover. If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59 ½ (unless an exception applies).

#### **4. How much may I roll over?**

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

## **ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70 ½ (or after death)
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

### **5. If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?**

If you are under age 59 ½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days

### **6. If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?**

If you receive a payment from an IRA when you are under age 59 ½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

### **7. Will I owe State income taxes?**

This notice does not describe any State or local income tax rules (including withholding rules).

## **ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

### **II. SPECIAL RULES AND OPTIONS**

#### **1. If you miss the 60-day rollover deadline.**

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevent you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

#### **2. If you were born on or before January 1, 1936**

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

#### **3. If you roll over your payment to a Roth IRA**

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59 ½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

#### **4. If you are not a plan participant**

If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions does not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

**a. If you are a surviving spouse.** If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59 ½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70 ½.

## ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70 ½.

- b. *If you are a surviving beneficiary other than a spouse.*** If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.
- c. *Payments under a qualified domestic relations order.*** If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.
- d. *If you are a nonresident alien.*** If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

### 6. Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

### III. FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

**ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN  
WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

**PART 5: DISTRIBUTION OPTIONS**

The Asbestos Workers Locals 80 and 51 Supplemental Pension Plan provides other distribution options in addition to the right to make a Withdrawal Based on Years of Plan Participation. This notice describes those options. This notice also describes your right to defer commencement of benefits under the Plan.

**BENEFITS AVAILABLE UNDER THE PLAN**

**Benefit Types.** Your benefit under the Plan is determined by the value of an Individual Account held by the Plan in your name. Your benefit is based solely on the amount of money in your Individual Account when it is paid to you upon the occurrence of one of the following events: (a) retirement; (b) separation from employment; (c) withdrawal of your employer from the Plan; or (d) disability. The following paragraphs describe the eligibility requirements for a distribution upon the occurrence of one of these events in greater detail:

1. **Retirement Benefit.** A Retirement Benefit is payable when you reach age 55 and permanently leave employment covered by the Plan. Alternatively, a Retirement Benefit is payable prior to when you reach age 55 if you (a) permanently leave employment covered by the Plan, and (b) you are eligible for an immediate pension from the National Asbestos Workers Pension Fund or another pension plan maintained pursuant to a collective bargaining agreement between your employer and the International Association of Heat and Frost Insulators and Allied Workers or an Asbestos Workers Local Union—OR— you are eligible for immediate retirement benefits under a pension plan of an employer contributing to this Plan for non-collectively bargained employees.
2. **Separation Benefit.** A Separation Benefit is payable when you have not worked any hours for which contributions are required to be made to the Plan on your behalf for a period of at least six (6) months, and you are not working in the United States or Canada in the same industry and in the trade, craft or job of a type covered by the Plan.
3. **Employer Withdrawal Benefit.** An Employer Withdrawal Benefit is payable when your employer is no longer contributing to the Plan due to a change in the terms of the Collective Bargaining Agreement or a Participation Agreement, the cessation does not constitute a termination of the Plan, the employer has not contributed for a period of at least six (6) months, and you are not working in the United States or Canada in the same industry and in the trade, craft or job of a type covered by the Plan.
4. **Disability Benefit.** A Disability Benefit is payable if you become Totally and Permanently Disabled. You will be considered Totally and Permanently Disabled upon a determination by the Trustees that, as a result of an injury, disease, or mental disorder, you are completely unable to engage in Covered Employment and it is reasonably certain that such condition will continue during your lifetime.

**Benefit Forms.** Provided you meet the eligibility requirements referenced above, you may receive the value of your Individual Account in one of the following forms of benefit:

1. **Normal Forms of Benefit.** The default form of benefit in the absence of an election otherwise is referred to as the “normal” form of benefit.
  - a. **50% Joint and Survivor Annuity.** If you are married when benefit payments are scheduled to begin, your Individual Account, by law, is automatically paid as a 50% Joint and Survivor Annuity (the Plan’s QJSA). The 50% Joint and Survivor Annuity provides you with a monthly lifetime benefit. Upon your death, your spouse will receive a lifetime monthly benefit equal to 50% of the amount that you were being paid prior to your death. The 50% Joint and Survivor Annuity will be provided by purchasing an annuity contract from an insurance company with

**ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN  
WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

your Individual Account under the Plan. Please contact the Fund Office if you wish to receive an estimate of what your benefit would be in the form of a 50% Joint and Survivor Annuity.

- b. **Single Life Pension.** If you are not married when payments are scheduled to begin, your Individual Account, by law, is automatically paid in the form of a monthly pension for your lifetime with payments ceasing at your death unless you elect otherwise. The Single Life Pension will be provided by purchasing an annuity contract from an insurance company with your Individual Account under the Plan. Please contact the Fund Office if you wish to receive an estimate of what your benefit would be in the form of a Single Life Pension.
2. **Optional Forms of Benefit.** The normal forms of benefit may be rejected by you (and your spouse, if applicable) in favor of one of the following optional forms of benefit.
- a. **Single Lump Sum.** You may reject the applicable normal form of benefit in favor of receiving your entire Individual Account in the form of a single lump sum.
  - b. **Installments.** You may reject the applicable normal form of benefit in favor of receiving your Individual Account in the form of equal monthly installments payable over a period of 36 to 120 months. Your first payment under this option must be at least \$15. If you elect to receive your Individual Account in installments, upon your death any remainder of your Individual Account would be paid to your beneficiary in a lump sum.
  - c. **Single Lump Sum & Installments.** You may reject the applicable normal form of benefit in favor of receiving a portion of your Individual Account in the form of a single lump sum and receiving the remainder of your Individual Account in equal monthly installments payable over a period of 36 to 120 months. Your first payment under this option must be at least \$15. If you elect to receive a portion of your Individual Account in installments, upon your death any remainder of your Individual Account would be paid to your beneficiary in a lump sum.
  - d. **75% Joint and Survivor Annuity for Married Participants.** You may reject the applicable normal form of benefit in favor of receiving a 75% Joint and Survivor Annuity. The 75% Joint and Survivor Annuity provides you with a monthly lifetime benefit. Upon your death, your spouse will receive a lifetime monthly benefit equal to 75% of the amount that you were being paid prior to your death. The 75% Joint and Survivor Annuity will be provided by purchasing an annuity contract from an insurance company with your Individual Account under the Plan. Please contact the Administrator if you wish to receive an estimate of what your benefit would be in the form of a 75% Joint and Survivor Annuity.

*IMPORTANT CAVEAT:* If your account balance is \$5,000 or less, payment will be made only in a lump sum.

**Special Additional Benefits.** You may also withdraw a specified portion of your Individual Account based on your years of Plan participation or if you experience a hardship in the form of an immediate and heavy financial need as specified in the Plan. However, if you are eligible for these types of withdrawals, you must receive the withdrawal in the form of a single lump sum.

- 1. **Withdrawal Based on Years of Plan Participation / Single Lump Sum Only.** If you have five (5) or more years of Plan participation, you may withdraw up to 50% of his Individual Account in the form of a single lump sum. If you have less than five (5) years of Plan participation, you may withdraw contributions that have been received and held by the Plan on your behalf for at least two years in the form of a single lump sum. Withdrawals based on years of Plan participation are limited to one per twelve (12) month period and are subject to an administrative processing fee of \$160. The processing fee will be deducted from the amount of the distribution and is subject



## **ASBESTOS WORKERS LOCALS 80 AND 51 SUPPLEMENTAL PENSION PLAN WITHDRAWAL BASED ON YEARS OF PLAN PARTICIPATION**

to change from time to time by the Trustees. If you are married and have an Individual Account that is greater than \$5,000, your spouse must consent to the withdrawal.

2. **Hardship Withdrawal / Single Lump Sum Only.** The Plan's Hardship Withdrawal feature allows you to withdraw money from your Individual Account if you have certain specific immediate and heavy financial needs which you cannot meet from other sources, such as savings, distributions from other plans or commercial borrowing at reasonable terms.

The amount of the Hardship Withdrawal is limited to the amount needed to meet the immediate need. The minimum amount that can be taken in a Hardship Withdrawal is \$1,000. The maximum amount is 90% of your Individual Account, determined after the Fund has withheld 10% of the distribution for tax purposes. You will be limited to a single Hardship Withdrawal in a 12-month period, unless the Trustees determines based on evidence provided by you that there are extraordinary circumstances allowing an additional Hardship Withdrawal.

A Hardship Withdrawal will be given only if it is for one of the following reasons: (a) unreimbursable medical expenses of a participant or dependents; (b) purchase of a principal residence (not mortgage payments); (c) post-secondary educational expenses for participant or dependent for the next 12 months (college or professional); (d) to prevent eviction from or foreclosure of principal residence; (e) unreimbursable funeral expenses for family member; (f) expenses for the repair of damage to a participant's principal residence, provided that this expense would qualify for the casualty deduction under Section 165 of the Internal Revenue Code; or (g) unreimbursable medical expense for nondependent family member.

### **RIGHT TO DELAY COMMENCEMENT OF YOUR BENEFIT**

Please remember that distribution of your Individual Account must be made or begin by your Required Beginning Date. Your Required Beginning Date is defined as April 1 of the year following the year in which you reach age 70 ½. Please note that you have the right to defer distribution of your Individual Account until your Required Beginning Date. If you refrain from commencing your benefit, the value of your Individual Account will remain invested in the investment options chosen by you, or if none, the Plan's qualified default investment alternative. Information regarding the Plan's investment options and the fees associated with such options may be directed to the Fund Office or the Plan's recordkeeper. You may also refer to your quarterly statement, or other literature produced by the Plan's recordkeeper, for a description of the fees associated with the Plan's investment options.

### **AUTHORITY OF THE BOARD OF TRUSTEES**

The Board of Trustees has the exclusive responsibility and complete discretionary authority to control the operation and administration of the Plan, with all powers necessary to enable it to properly carry out such responsibility. For example, the Board of Trustees has the exclusive responsibility and authority to construe the terms of the Plan and to resolve all interpretative, equitable, and other questions that arise in the operation and administration of the Plan. The Board of Trustees also reviews and makes final decisions on all claims for benefits. All actions or determinations of the Board of Trustees are final, conclusive and binding on all persons.

### **PLAN TERMS PREVAIL**

We emphasize that the preceding portion of this Part 5 provides a general explanation of the benefits available under the Asbestos Workers Locals 80 and 51 Supplemental Pension Plan. Nothing in this Part 5 is meant to interpret, extend or change in any way the formal rules and regulations of the Plan. In case of doubt or conflict between this Application Package and the Plan document, the Plan document, as interpreted by the Trustees, will always govern.