SEIU AFFILIATES OFFICERS AND EMPLOYEES PENSION PLAN

(United States Participants)

SUMMARY PLAN DESCRIPTION

January 1, 2014

For additional information and assistance, contact the SEIU Benefit Funds.

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Service Employees International Union, CLC

Affiliates' Officers and Employees Pension Fund

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January, 2014

TO ALL PARTICIPANTS:

We are pleased to provide you with this revised booklet describing the SEIU Affiliates Officers and Employees Pension Plan for United States participants.

This booklet consists of a description of the basic provisions of the Plan and explains the rules relating to the most important aspects of your pension. The Plan reflects changes approved at SEIU International Conventions and required to maintain status as a qualified pension plan under laws of the United States.

Please share this booklet with members of your family so that your spouse or beneficiary will also become informed about potential benefits available under this Plan.

Copies of the full legal text of the Pension Plan are available to participants of the Plan upon request.

If you have any questions about the amended Plan and how it affects your right to a pension, you should call or write the SEIU Benefit Funds for an explanation.

Sincerely,

THE BOARD OF TRUSTEES

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IMPORTANT NOTICE

THE FOLLOWING SUMMARY IS A BRIEF DESCRIPTION OF THE MOST IMPORTANT PROVISIONS OF YOUR PENSION PLAN. YOUR RIGHTS TO BENEFITS WILL BE GOVERNED BY THE PENSION DOCUMENT AND THE INTERPRETATIONS OF THE BOARD OF TRUSTEES. NOTHING IN THIS SUMMARY SHALL MODIFY OR CHANGE THE OFFICIAL PLAN. THE TRUSTEES RESERVE THE RIGHT TO AMEND THE PLAN. YOUR RIGHTS TO BENEFITS CAN ONLY BE DETERMINED BY OFFICIAL ACTION OF THE TRUSTEES.

A SUMMARY PLAN DESCRIPTION OF THE
SEIU AFFILIATES OFFICERS AND EMPLOYEES PENSION PLAN

for United States Participants

I. PARTICIPATION AND CONTRIBUTIONS

Your Plan in General

This Plan was established October 1, 1964. It has been amended and improved from time to time. Amendments generally apply to officers and employees in active service when the Plan was amended. This Summary Plan Description refers to dates when major changes were adopted. This Summary Plan Description describes the Plan's current provisions as of January 1, 2014. Copies of previous Plans are available from the Fund.

The Pension Plan covers all officers and employees on whose behalf participating organizations are required to contribute, provided that organization actually has made contributions to the Trust Fund. The Plan is funded completely by your employer. No employee contributions are required, although employee contributions may exist in the Plan because of mergers with other pension plans or account balances transferred to this Plan.

Benefits are based on accrued service and your average salary during your highest 36 consecutive months of employment. Benefits are in addition to other pensions that your employer helps to finance, such as Social Security. Vesting occurs after three years of employment. Once you are vested, benefits are payable even if you leave employment. Death Benefits and/or benefits to a surviving spouse are also provided under the Plan. No benefits will be paid, however, unless proper application is made to the Trustees. All of these provisions are discussed in detail in this booklet.

Employer Contributions and Plan Funding

Participating employers include SEIU Local Unions and affiliated organizations which have been admitted to the Plan. Employers contribute in accordance with the requirements of the SEIU Constitution, this Plan, and the Trust Agreement. Once an employer joins this Plan, contributions are made to the Trust on behalf of all "full-time" officers and employees, unless certain employees are excluded from coverage by a waiver recommended by the Pension Trustees and approved by the SEIU Executive Board. Contributions are made for new "full-time" officers and employees from their date of employment.

"Full-time" means you are employed in a permanent position (including any probationary periods) which calls for an annual rate of pay of $4,000* or more. Contributions are also required for any temporary or part-time employees who meet all of the following requirements:

- Receive compensation in more than six months in any 12-month period, and
- Earn $4,000 in any 12-month period, and
- Work more than 60 days in any 12-month period.

Contributions for employees meeting these requirements must be made retroactive to the beginning of the 12-month period involved. Contributions for such employees must continue as long as employment continues, even if the amount of work drops below the contribution standards.

After a participating employer is obligated to contribute on behalf of an employee, the participating employer, or any participating employer that subsequently employs the employee will be obligated to continue to make contributions to the Trust Fund on the employee's behalf for all periods of service with such participating employer, regardless of the employee's annual rate of pay or status as a temporary employee, provided there is a break-in-service between participating employers of no more than one year.

The Pension Plan's assets are held in a Trust Fund separate and apart from the assets of the International Union and all participating organizations. These assets may be used only for the purpose of providing benefits and defraying reasonable administrative expenses. The Trust Fund complies with all applicable laws governing pension plans. The Plan is administered by a Board of Trustees consisting of national SEIU officers and representatives of participating Local Unions.

Participation Rules

You are a “Participant” of the Plan on the first day of the month after completion of 12 continuous months of employment, with compensation of $4,000 or more, in a position for which the employer is required to contribute. Your participation date, of course, must be on or after the date your employer commenced contributions to the Trust Fund. It is not necessary for compensation to be earned in each of the 12 continuous months, but employment must be continuous.

You will continue to be a Participant as long as you are employed and your employer remains a contributing organization to the Trust Fund. You also will continue to be a Participant if you are vested with rights to an immediate or future benefit, even if employment is terminated or employer contributions are discontinued.

If a non-vested former Participant is rehired, he or she will again become a participant on the first day of the month after completion of 12 continuous months of employment, with compensation of $4,000 or more, in a position for which the employer is required to contribute.

If you work for a participating employer as a “leased employee” for more than a 12-month period, you may also qualify as a Participant, subject to certain limits set forth in the Plan. A leased employee means any person (other than an employee of SEIU or another participating employer) who meets each of the following three conditions:

- Works pursuant to an agreement with a participating employer;
- Works full-time for a participating employer for at least one year; and
- Works under the direction and control of a participating employer.

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* Prior to January 1, 1993, “full-time” meant that the annual rate of pay was $2,000 or more. Contributions were not required for temporary employees unless their actual compensation was $2,000 or more in a calendar year.

II. SERVICE CREDITS

Your service under the Plan counts in several important ways. As previously stated, it counts toward your eligibility for participation in the Plan. It also determines whether you are eligible for a pension and the amount of your pension.

This section explains how you earn service in the Plan. It also explains how service in other pension plans may count toward your service in this Plan. There are several different kinds of service:

- Current Service — service for which your employer contributed to the Plan.
- Past Service — service with your employer before contributions were made.
- Service Credit — the sum of Current Service and Past Service.
- Vesting Service — service counted for purposes of vesting, which generally is the same as Current Service but may differ.

Current Service

Current Service is awarded for periods of employment following the date your employer joined the Plan and commenced contributions to the Trust Fund. For most organizations, this means service after October 1, 1964. If your organization joined later, your employer or the Fund can provide the employer entry date. If your employer joined this Plan by merger, Current Service usually includes periods of contributions to prior plans.

For years of service prior to January 1, 1993, you will be granted a year of Current Service for each calendar year in which you worked as an officer or an employee of a participating organization and received annual gross compensation of at least $2,000.

For service on or after January 1, 1993, you will be granted one month of Current Service for each month in which any compensation is earned. Current Service during 1993 and thereafter will be recorded in years and months, rather than just full years.

Past Service

The following service qualifies for Past Service under the Plan:

- Continuous service from your date of hire to the employer entry date if your organization entered the Plan when it began on October 1, 1964, and
    - you were an officer or employee of that organization during 1961, 1962 and 1963, and you were employed on or after October 1, 1964; or
    - you subsequently earned at least five years of Current Service.

- If your organization entered the Plan after October 1, 1964, or had a pension plan that merged with this Plan, credit for prior service is awarded by the Trustees through direct arrangements with the employer or merging pension fund. This service may be granted in whole or in part, and you will be advised of service granted if this occurs.

  If credit for prior service is not granted or is granted only partially, your employer and the Trustees may agree to offer employees with prior service the option to purchase Past Service under this Plan by transferring pre-tax money from a prior qualified pension plan, SEP-IRA or from a conduit rollover IRA. (A conduit rollover IRA is an Individual Retirement Account that consists of money transferred from a prior qualified pension plan plus investment earnings.) You will be advised of the terms of an offer and the cost of credit for your prior service if such an offer is made.

  > *Please note: Whether such an offer is made or not and whether you accept or not, when you apply for a pension you also have the option to use money from a qualified pension plan or a conduit IRA to purchase an annuity through the Plan – see the end of Section VIII for an explanation of this Plan feature.*

- Employment with an organizing committee sponsored in whole or in part by SEIU, an SEIU Local, or another participating organization will count as Past Service*. You must earn at least one year of Current Service under the Plan for this Past Service to be awarded.

* This rule was adopted as of December 1, 1982, and applies only to pensions awarded on or after that date.

If your prior employment qualifies for Past Service, the years of Past Service are determined as follows:

- If your organization entered the Plan before January 1, 1993, a year of Past Service is earned for a calendar year in which you earned $2,000 or more, or for a calendar year in which you earned any compensation if that year is continuous with a year when you earned at least $2,000*.

- If your organization entered the Plan on or after January 1, 1993, Past Service is awarded on a monthly basis for prior months of continuous employment in which compensation was actually received from the organization.

Past Service is granted based on available employment records of the International Union, participating organizations, and Social Security records. You may furnish other evidence to the Trustees for their consideration. Past Service is awarded only when evidence of employment is provided which is satisfactory to the Trustees. The Trustees' determination as to what is satisfactory evidence is within their sole and absolute discretion.

Extra Service Credit

If you apply for an Early Retirement or Disability Pension, the Plan may grant extra Current Service or Vesting Service for a partial year to bring your total up to the 10 or 15 year eligibility requirement. The Plan will round up to the next whole year the total years of your Current Service or Vested Service earned, if necessary to meet the 10 or 15 year requirement. (See Sections V and VI for eligibility requirements for Early Retirement or Disability Pensions.)

Vesting Service

Once you become a participant, you will earn Vesting Service for periods of employment during which your employer contributes to the Plan. Although this is similar to the definition of Current Service, there may be years when Vesting Service is granted but Current Service is not, as follows:

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*Credit for years with compensation under $2,000 was adopted as of April 1, 1992, and does not apply to any pension awarded prior to that date, even if such retiree returns to active service.

- Prior to January 1, 1993, a year of Vesting Service is also awarded for a calendar year if your compensation is less than $2,000 but is equal to 870 hours of work (using your lowest hourly rate of compensation during the calendar year).

- On or after January 1, 1993, Vesting Service is based on months you receive compensation. A year of Vesting Service is earned in a calendar year when you have accumulated five months or more in which some compensation was paid. There is no minimum annual earnings requirement to earn a year of Vesting Service.

- If an employer joined this Plan on or after December 1, 1982 and an employee earns four years of Current Service under this Plan, then Vesting Service is also granted back to the employee's date of hire with that employer based on the above rules.

Section III of this booklet covers the amount of service necessary to enable an employee to become vested. Although Vesting Service may be used to meet pension eligibility requirements, only Past Service plus Current Service (also referred to collectively as Service Credit) may be used to calculate the amount of your benefit or to meet the Rule of 80 requirements for an unreduced pension.

Vesting Service with the International Staff Plan

If you transfer from employment with the International Union to a contributing employer of this Plan, you will receive credit in this Plan for any Vesting Service granted by the Pension Plan for Employees of SEIU (United States Participants; referred to as the "International Staff Plan"). This Vesting Service is not used to determine the amount of your pension but only to determine your eligibility for a benefit under this Plan.

Common Service Rules with the International Staff Plan

This Plan and the International Staff Plan have adopted Common Service rules. These rules recognize each participant's total career with the International Union and with SEIU Local Unions or other related employers participating in this Plan. This allows your service and salary with all of these organizations to be used to determine your pension benefits for your total career with these organizations.

The Common Service rules work as follows:

1. First, you must qualify as a Participant separately under the requirements of this Plan and the International Staff Plan. Once this occurs, your combined service in both Plans adjusted for duplicate periods of time is used to determine pension eligibility in each Plan.

2. Each Plan calculates your average monthly salary and the amount of your pension as if all compensation had been earned under that one Plan.

3. Your total SEIU career is then divided into two portions to determine the career-percentage spent with employers in this Plan and the percentage spent with employers in the International Staff Plan.

4. Finally, each Plan determines your accrued pension benefit to be equal to the benefit from step #2, times the percentage determined in step #3.

The Common Service Rules cannot work to lower the total dollar amount of your combined pension benefits. If the total dollar amount of your two pensions is greater under the standard rules of each Plan, that total benefit will be used and allocated between the two Plans, using the percentages in step #3 above.

If you have earned service under both Plans, you may wish to contact the Fund for a more complete description of the Common Service rules.

Credit for Military Service

Service or Vesting Service, as appropriate, is granted for a period of leave for qualified military service in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994. "Qualified military service," in general means active or reserve duty with the U.S. Army, Navy, Marines, Air Force, Coast Guard, or National Guard. For purposes of this Plan, "qualified military service" also includes the U.S. Merchant Marines.

In most cases, in order to qualify for such service under the Plan, your total period of military service must not exceed five years and you must return to your place of employment within the following time periods after leaving military services:

If your period of military service is:		
At least:	*Up to:*	*You Must Return By:*
1 day	30 days	The next work day
31 days	180 days	Within 14 days
181 days or more		Within 90 days

However, effective January 1, 2007, if you die while on leave for qualified military service, the Pension Plan will provide any additional death benefits that would have been payable to your Beneficiary (including Spouse) as if you had returned to employment and were an active employee before your death; in addition, your period of qualified military service will be counted for purposes of determining your Vesting Service under the Pension Plan. For more information regarding your rights under USERRA (the federal law governing reemployment rights after leaving military service), please contact the Fund or your local office of the U.S. Department of Labor, Veterans' Employment and Training Services.

Family and Medical Leave Act

Vesting and eligibility service is granted as required for time during which you are away from employment due to an approved leave under the Family and Medical Leave Act of 1993 (FMLA). If you have any questions about the FMLA, you should contact your Employer or the nearest office of the Wage and Hour Division, listed in most telephone authorities under the U.S. Government Department of Labor, Employer Standards Administration.

Portability Agreements

This Plan has signed "Portability Agreements" with certain other Pension Plans, including the SEIU National Industry Pension Plan. The Fund can provide a current list of plans with which this Plan has a Portability Agreement. If you become a participant of any of those plans in the future or you were a participant of any of those plans in the past, Service Credits certified by those Plans may be counted under this Plan for purposes of vesting and eligibility. Even if a Portability Agreement is terminated, you are still eligible to have portability service counted, provided you were a participant in either plan while the Portability Agreement is in effect.

Portability Service Credit is not used as service in your benefit calculation. Provided it is not for duplicate periods of time, however, Vesting Service certified under a Portability Agreement may be counted as additional Vesting Service under this Plan, and eligibility service certified under a Portability Agreement may be counted as additional eligibility service under this Plan. Therefore, service credited under a Portability Agreement may allow you to be eligible for certain types of pensions sooner than if such credit was not granted. There are special rules which cover the granting of Service Credit under a Portability Agreement, including:

- If you are not vested, a break in employment (from termination of employment covered by the first Pension Plan to the date of employment covered by the second Pension Plan) cannot be long enough to cause a permanent break in service and loss of credit. If this occurs, portability service is not available.
- This Plan will not recognize any of your portability service from another Pension Plan if you received benefits from this Pension Plan prior to the date the Portability Agreement between the two Pension Plans was signed.

- Neither Pension Plan will recognize any of your portability service if you receive benefits from one Pension Plan while you are still an active employee under the other Pension Plan. (Exceptions are made for payments made on or after Normal Retirement Age, distributions due to the termination of a plan, or disability payments later discontinued because of recovery.)

This Plan has, or has had Portability Agreements in place with the following plans:

- SEIU National Industry Pension Fund

- AFL-CIO Staff Retirement Plan (Portability Agreement terminated July 25, 2005)

- Hotel Employees and Restaurant Employees International Union Pension Fund on behalf of former employees of SEIU Local 362 who transferred employment to HERE Local 362.

III. VESTED RIGHTS AND PAYMENTS UPON TERMINATION OF EMPLOYMENT

Vesting Requirements

The term "vested" means that your benefit cannot be lost if employment terminates. These rules have changed over the years, as outlined in the following table. If you become vested under any of these rules, further pension rights for you and survivor rights for your spouse or beneficiary in case of death before retirement are guaranteed. (The different types of service are defined in the previous Section.)

Employment Period	Vesting Rule
If you are a Participant who is currently employed or you terminated participation after 1/1/1986	Vesting requires three years of Current Service or Vesting Service; or 15 years of Service Credit with at least one year of Current Service.
If you were a Participant and employed after 1/1/1976 but terminated prior to 1/1/1986	Vesting requires 10 years of Current Service or Vesting Service; or 15 years of Service Credit with at least one year of Current Service.
If you were a Participant and employed on or after 10/1/1964, but terminated prior to 1/1/1976	Vesting requires 15 years of Service Credit.

Lump Sum Payments Upon Termination

After termination of employment, the Trustees may pay your vested benefit immediately as a lump sum rather than on a monthly basis when you reach retirement age. If the Plan does not receive contributions or otherwise credit service on your behalf for at least one full calendar year, the Plan may pay out your benefit, if it falls within the following limits:

- If the lump sum present value of your pension is **$5,000 or less**, you will receive your entire benefit immediately as one lump sum if you consent to the distribution. If you defer payment and later you still meet the conditions for this automatic lump sum, it will be paid no later than your Normal Retirement Age. No spousal consent is required to receive your benefit as an automatic lump sum.

- If the lump sum present value of your pension **exceeds $5,000 but does not exceed $10,000**, you may elect to receive the benefit as a lump sum or in the form of an immediate life annuity or immediate 50% Spousal Annuity (if you have a spouse), although this immediate annuity will be adjusted for your age and will be smaller than if you wait until you reach retirement age. If you are married to a spouse, however, your spouse must consent in writing to the lump sum distribution (see Section VIII for additional information on lump sum payments).

If a lump sum payment is made, there is no entitlement to any further benefits based on that period of service. If in the future you are covered again by a participating employer, your prior service will be disregarded for any purpose other than Vesting Service.

Employee Contributions to Prior Plans

Some employees who were prior participants of certain prior plans that merged with this Plan made employee contributions to those plans. These plans include the Firemen and Oilers Pension Plan, which merged with this Plan on February 1, 1995 and the California State Employees Association Retirement Plan, which merged with this Plan on June 1, 2010. The amount of these employee contributions is always considered 100% vested, including any interest credits. Refund of these contributions may occur:

- Upon termination of employment, if not vested in a benefit other than your own contributions.

- Upon termination of employment, if vested in a benefit other than your own contributions, and if a refund is requested. Any remaining pension to be paid from this Plan will be adjusted to reflect the actuarial value of the distribution.

Death benefits and pension benefits, if paid by this Plan, must always equal or exceed employee contributions plus interest, unless previously refunded.

Tax Treatment of Lump Sum Payments

Lump sum payments become taxable income in the year in which they are paid to you. The Pension Plan is required by law to withhold 20% for federal income taxes if payment of the lump sum is made directly to you. An alternative is to have the Plan pay part or all of the lump sum to an Individual Retirement Account (IRA) or Roth IRA that you set up (or to another qualified recipient employer plan in which you participate if that plan accepts such direct transfers). If your benefit is directly transferred to a qualified recipient plan, no federal income tax withholding will be required and no federal income tax will be due (except in cases of a direct transfer to a Roth IRA) until your benefits ultimately are distributed.

If you are a spousal equivalent or non-spouse beneficiary, withholding and taxation can be avoided in the year of receipt of a lump sum death benefit to the extent that part or all of the benefit is directly transferred to a so-called "inherited" Individual Retirement Account (IRA); withholding (but generally not taxation) can be avoided by directly transferring part or all of the distribution to a so-called "inherited" Roth IRA (but taxation in that year on the distribution can generally not be avoided).

If you do not have your lump sum benefit directly transferred to a qualified recipient plan, and this Plan withholds on your distribution amount, your distribution will generally be taxable in the current year unless such distributed amounts (including an amount equal to the amount withheld) are "rolled over" to a qualified recipient plan or IRA (except a Roth IRA) within 60 days of their receipt.

When you apply for benefits, you will receive more detailed information about the federal tax treatment of lump sum distributions. You should also consult with your tax advisor about the specifics of your situation.

IV. DEATH BENEFITS BEFORE RETIREMENT

If you die before you retire, your beneficiary will receive Death Benefits under the Plan. You may designate a beneficiary or beneficiaries to receive Death Benefits on forms provided by the Fund for this purpose. You may change your beneficiary(ies) at any time, but the Trustees only can validate forms properly completed and received by the Fund before your date of death.

If you are married, a beneficiary form naming a person other than your current spouse is not valid unless your current spouse signs a form consenting to the designation of another beneficiary (or consenting to your naming and changing your beneficiary at will). This form must be witnessed by a notary public or an authorized member of the Fund office. If your spouse cannot be located or if special circumstances exist, contact the Fund. If your beneficiary is not your spouse or spousal equivalent, Death Benefits under this Plan will be paid to your beneficiary as if you were single. (See below -- a higher pre-retirement Death Benefit may be provided to your spouse or spousal equivalent than to other beneficiaries.)

If you fail to name a beneficiary or your beneficiary(ies) die(s) before you, the Plan will pay Death Benefits to your spouse or spousal equivalent if he or she is living. If you are survived by children only, Death Benefits will be paid to them. In other circumstances, the Trustees will honor the latest beneficiary designation on file with your participating employer (from other benefit plans) or make payment to your estate.

The following discussion explains the kinds of Death Benefits available, and who is eligible for these benefits.

Pre-retirement Surviving Spouse Pension

If, at the time of your death, you are vested and have been married or had a spousal equivalent for at least one year, the following rules apply to Death Benefits for your spouse or spousal equivalent, depending on whether you were eligible for retirement at the time of death:

If eligible for retirement at time of death (at least age 55, or age 50 if age plus service equals at least 50):

Your spouse or spousal equivalent (if applicable) will be entitled to an immediate pension determined as if you had retired on a 100% Joint and Survivor Option using your years of Service Credit and Final Average Compensation as of the date of your death. There is no reduction if you are younger than age 65. This Pre-retirement Surviving Spouse Pension is paid monthly for your spouse's or spousal equivalent's (if applicable) lifetime beginning the first day of the month following your death.

Your spouse or spousal equivalent (if applicable) may elect to receive a portion of the benefit as a Partial Lump Sum Payment when he or she begins the Pre-retirement Surviving Spouse Pension. The Partial Lump Sum Payment is based on the total present value of your benefits at the time of your death. If the Partial Lump Sum is elected, the monthly Joint & Survivor annuity will be reduced by the percentage of the lump sum payment. The Plan's guaranteed distribution is 36 times your accrued monthly benefit before adjustment for the 100% Joint and Survivor Option, including any amount paid as a lump sum.

Example: Suppose you die while actively employed at age 56 with 15 years of Service Credit and a Final Average Compensation of $5,000. Your spouse is five years younger. Your accrued monthly benefit is $1,875 or (15 years x 2.5% x 5,000).

A Pre-retirement Surviving Spouse Pension will be paid to your spouse as if you had elected a 100% Joint and Survivor Option at the time of your death, with monthly payments of $1,521 (.811 x 1,875). The Plan guarantee is 36 x $1,875 or $67,500. If your spouse dies before that amount is received, the payments would continue to a beneficiary until paid.

If you are not yet eligible for retirement at time of death:

Your spouse will be entitled to a pension determined as if you had retired on a 100% Joint and Survivor Option using your years of Service Credit and Average Monthly Salary as of your date of death. This pension will start on the first day of the month following your date of death and will be paid for the first 24 months following your death, or for as long as any of your dependent children are under age 18, whichever is longer. This period is guaranteed, even if your spouse dies before your children reach age 18.

Additionally, the lifetime benefits to your spouse or spousal equivalent will be reinstated the first of the following month you would have reached age 50, if your age plus Service Credits total 80 or more at your death, and in no event later than the date you would have reached age 55. Note that there could be a lapse in payments to your spouse and spousal equivalent before the start of the lifetime payments. See the example below.

Example: You die at age 49 with 26 years of Service Credit and Average Monthly Salary of $6,250. (Your survivors include your spouse age 44, and two minor children, ages 15 and 17.)

Your accrued monthly pension benefit is $4,063 calculated as follows: 26 years x 2.5% x $6,250 = $4,063.

Because your spouse is five years younger, the adjustment from Table 2 for a 100% Joint and Survivor Option is 81.1%: 81.1% x $4,063 = $3,295.

Your surviving spouse will receive $3,295 a month for three years until the youngest child reaches 18. The benefit then will cease. A lifetime benefit will begin three years later when your spouse reaches age 50. (This is the point when you would have reached age 55, the age you would have first been eligible to retire based upon your age and service at your date of death.) The COLA adjustment will be made each year the pension is in payment status.

Your spouse can elect a Partial Lump Sum Payment. The Plan guarantee is 36 x $4,063 or $146,268. If your spouse dies before that amount is received, the payments would continue to a beneficiary until paid.

To avoid a lapse in payments after the 24-month period ends, your surviving spouse can elect to have an uninterrupted benefit, but this will be actuarially reduced to be the equivalent in value to the benefit above. If your survivor is a spousal equivalent, the spousal equivalent must receive the uninterrupted benefit.

Lump Sum Death Benefit If You Are Not Eligible for the Pre-Retirement Surviving Spouse Pension

If you are vested and die before your Effective Date and do not have a spouse or if you were married for less than one year to your spouse or spousal equivalent, your beneficiary (ies) will be entitled to a Lump Sum Death Benefit equal to 60 times your monthly pension benefit, based upon your Average Monthly Salary and Service Credits up to your date of death. There is no reduction if you are younger than age 65. The Lump Sum Death Benefit will not be less than $5,000.

Example: You die before your Effective Date, at age 53 with 22 years of Service Credit and Average Monthly Salary of $6,250. You do not have a spouse or spousal equivalent of at least one year. Your accrued monthly Normal Pension benefit is $3,438 calculated as follows: 22 years x 2.5% x $6,250 = $3,438.

Your beneficiary is entitled to a Lump Sum Death Benefit of 60 times your monthly benefit. The Lump Sum would be $206,280 (60 x $3,438). This distribution is taxable income for the beneficiary and tax withholding is required.

If the beneficiary is your spouse, withholding and taxation in that year can generally be avoided by rolling over part or all of the distribution to an Individual Retirement Account (IRA) other than a Roth IRA (see Section III for more information on taxation of lump sum distributions).

V. BENEFITS IN CASE YOU ARE DISABLED

If you become disabled, you may be eligible either to receive benefits from a Long Term Disability (LTD) plan provided by your employer or to receive a Disability Pension from this Plan. If your employer has a LTD plan, that plan would generally provide disability benefits until you reach retirement age. During the period that you receive disability benefits from the LTD Plan, your Service Credits are coordinated under this Plan as explained later in this Section.

Disability Pension from this Plan

If you do not qualify for employer LTD benefits and you become totally and permanently disabled (at any age before age 65) while actively employed as an officer or employee, you are eligible for a Disability Pension provided you have:

- At least 10 years of Current Service or Vesting Service; or
- At least 15 years of Service Credit, with at least one year of Current Service.

Disability Pensions provide a monthly benefit equal to 2.5% of your Final Average Compensation times your Service Credit. Reductions for retirement prior to age 65 do not apply.

If your application is filed in a timely manner, your Disability Pension starts on the earliest of the first day of the seventh month following the commencement of disability, or the first of the month of your Date of Entitlement shown on your Social Security Disability Award. If this start date is prior to the month you filed your application, the Plan will pay a retroactive benefit (equal to the monthly benefit payable from your start date) but not for more than six months.

Definition of Disability

A finding of total and permanent disability requires medical evidence demonstrating that the disability prevents you from continuing as an officer or employee, that you cannot engage in any substantial gainful employment, and that the disability is likely to last for the remainder of your life or at least until age 65. In order to receive a Disability Pension from this Plan, you must submit proof of a Social Security Disability Award or present other medical evidence of your disability to satisfy the Trustees.

Termination of a Disability Pension

Disability payments cease should you recover from your disability prior to age 65. If you recover and then return to covered employment, any additional Service Credits you earn will be added to the Service Credits you had prior to becoming disabled, when you later apply for a retirement benefit.

Coordination of Service with Long Term Disability (LTD) Plans

If you become disabled and qualify for an LTD benefit from a participating employer, you will continue to earn Current Service under this Plan for each month you receive LTD benefits. You will receive Current Service until you reach age 65 or recover from your disability, if sooner. If you recover and return to work, your Service Credits will be uninterrupted. This avoids any break in service due to your disability.

The Plan will generally follow the decisions of the LTD insurance carrier regarding your disability status. The Trustees, however, in their sole and absolute discretion, may make their own determination as to whether you are disabled. They may from time to time require proof of such disability including examination by a physician selected by the Trustees.

There are several factors you must consider if you become disabled, qualify for LTD benefits, and subsequently become eligible for a pension under this Plan. You have a choice when to commence your pension from this Plan. As your pension grows, the amount may become greater than the amount of your LTD benefit. You need to understand that starting a pension could reduce the amount of your LTD benefit.

The following situations outline how your pension and LTD benefits are coordinated:

- *You become disabled, you remain disabled until Normal Retirement Age, and elect to retire at that time.*
  - You receive one month of Current Service under the Pension Plan for every month you received LTD benefits, to be applied when you retire.
  - Your Final Average Compensation at retirement will be based on your highest 36 consecutive months of compensation while you were actually working (before

your disability) adjusted for inflation during your period of disability (but in no event adjusted past your 65th birthday or recovery from your disability if earlier).*

- ° The Plan will use "Disability" factors for computing payment options at retirement. (See Section VIII.)

  Example: You become disabled at age 58 with 20 years of Current Service with current pay of $6,000 per month. At that time, your Final Average Compensation is $5,400 per month. If your employer's LTD plan provides a benefit equal to 60% of pay when disabled, you would receive $3,600 per month while disabled from the LTD plan ($6,000 x 60%). This LTD benefit would adjust in subsequent years only if your LTD benefit plan calls for such adjustments.

  At age 65 you would have 27 years of Current Service under this Pension Plan, which includes seven additional years of Current Service earned while receiving LTD benefits. Your Final Average Compensation is adjusted for inflation (this and following examples assume 4% per year, which compounded over seven years is 31.6%) to $7,106 per month. Your monthly retirement benefit at age 65 would be $4,797 ($7,106 x 27 years x 2.5%).

- ° Some LTD plans may continue to pay benefits after you reach age 65 if you become disabled at older ages. If this is the case, you do not accrue any service in this Plan while disabled after age 65. Your pension from this Plan would start at age 65, even if you are still receiving LTD benefits.

- *You become disabled for a period of time, recover, then return to covered employment before retirement.*

  - ° You receive one month of Current Service under the Pension Plan for every month you received LTD benefits, to be applied when you retire. The Current Service you earn after returning to work will be added to this without any interruption.

  - ° Your Final Average Compensation at retirement is calculated based on periods of <u>active</u> employment. Work periods before and after the disability are considered consecutive for purposes of determining Final Average Compensation.

  - ° The Plan will use "Non-Disability" factors for computing payment options at retirement. (See Section VIII.)

- *You become disabled for a period of time, recover before age 65, but do not return to covered employment.*

* If you first became disabled and qualified for an LTD benefit from a participating employer prior to January 1, 2000, the adjustment to your compensation is 7% compounded annually for each full year of disability (but in no event past your 65th birthday or recovery from your disability, if earlier).

- You receive one month of Current Service under the Pension Plan for every month you received LTD benefits, to be applied when you retire.

- If you retire on Early Retirement immediately upon recovery, your Final Average Compensation at retirement will be based on your highest 36 consecutive months of compensation while you were actually working (before your disability), adjusted for inflation during your period of disability. In this case, the Plan will use “Disability” factors for any optional payment forms.

- If you do not immediately retire but apply for a pension at a later time, your Final Average Compensation is based only on periods of actual employment, and the Plan will use factors for computing payment options at retirement as if you never had been disabled.

  Example: You become disabled at age 45 with 14 years of Service Credit, with Final Average Compensation of $5,400 and current pay of $6,000 per month. Your employer’s LTD plan provides a 60% benefit, so you would receive $3,600 per month while disabled ($6,000 x 60%) under the LTD plan. You recover at age 55 and do not return to work.

  If you immediately retire on Early Retirement, then you would have 24 years of Current Service and your indexed Final Average Compensation would be $7,993. Your monthly benefit would be $2,398 ($7,993 x 24 years x 2.5% with an Early Retirement reduction of 50%). If you were to elect an optional form of payment, the factors used would be the “Disability” factors in the Plan (see Section VIII).

  If you do not immediately retire upon your recovery, then at age 56 you would be eligible for Early Retirement under the Rule of 80. Your Final Average Compensation is based on your highest 36 consecutive months of <u>actual</u> employment. This would result in a monthly benefit of $3,240 ($5,400 x 24 x 2.5%). If you were to elect an optional form of payment, the factors used would be the “Non-Disability” factors in the Plan (see Section VIII).

- *You are working after Normal Retirement Age and become disabled.*

  - The period during which you do not receive compensation because of your disability would **not** be counted as Current Service because you cannot accrue service while disabled after age 65 in this Pension Plan.

  - You can immediately apply for a pension when you become disabled if you are eligible for a Normal Pension.

  - The Plan will use “Non-Disability” factors for computing payment options at retirement, as if you never had been disabled.

- *You become disabled and start to receive LTD benefits. You are eligible for Early Retirement when you become disabled or become eligible while receiving LTD benefits.*

- You receive one month of Current Service under the Pension Plan for every month you received LTD benefits, to be applied when you retire.

- You may choose to retire on Early Retirement at any time after you become eligible for Early Retirement. You should especially compare your LTD and Early Retirement Pension benefits at the point you become eligible for an unreduced early retirement benefit, when age plus service total 80.

  - Upon the election of an Early Retirement Pension, most LTD plans usually <u>reduce</u> the LTD benefit payments to <u>offset</u> the amount you will receive from the Pension Plan. A small minimum LTD benefit ($200 or 10%) is often paid.

  - Your Final Average Compensation at retirement will be based on your highest 36 consecutive months of compensation while you were actually working (before your disability), adjusted for inflation during your period of disability until Early Retirement.

  - The Plan will use "Disability" factors for computing payment options at the time of Early Retirement.

- If you elect an Early Retirement Pension, when you reach age 65, or recover from your disability, whichever is earlier, your pension amount will be recalculated. You will receive the greater of your Early Retirement benefit (including any COLA adjustments) or a revised pension with Service Credit for all additional months of LTD coverage, including an inflation adjustment to your Final Average Compensation for the additional period of LTD coverage.

  Example: You become disabled at age 51 with 15 years of Service Credit with a monthly salary of $6,800 and Final Average Compensation of $6,000. You start receiving LTD benefits of $4,080 based on your employer's LTD plan formula of 60% of final pay.

  You become eligible for Early Retirement at age 55. The Early Retirement reduction applies and your monthly benefit is only $1,668 ($6,000 x .025 x 19 x .5, adjusted for four years of inflation aassumed to be 4% per year). You do not take Early Retirement since it would cause your LTD benefit to be reduced.

  You become eligible for Early Retirement based on the Rule of 80 at age 58. Your monthly pension amount would be $4,343 ($6,000 x .025 x 22, adjusted for seven years of inflation assumed to be 4% per year) which is higher than your LTD benefits, so you take Early Retirement. Your LTD benefits, under the rules of your employer's LTD plan, are reduced to $200.

  At age 65, you are still disabled. Your LTD benefit stops. Your pension is recalculated based on your years of Service Credit up to age 65 (which include all years you were disabled). Your monthly pension is increased to $7,533 ($6,000 x .025 x 29, adjusted for 14 years of inflation assumed to be 4% per year).

VI. ELIGIBILITY FOR NORMAL AND EARLY RETIREMENT PENSIONS

When Pensions Start

In general, monthly pensions are effective on the first day of the month following the month in which an application is made and all the conditions entitling an officer or employee to a pension have been fulfilled. This is known as the "Effective Date" of your pension benefit.

If you are eligible for an unreduced pension and you do not apply for your pension when first eligible, you will have a choice between having it paid retroactively as a lump sum to the first of the month after you last worked or receiving a higher monthly pension amount going forward to reflect any delay in receiving your pension benefit when you were first eligible. Your spouse (if any) must consent to the payment of the retroactive lump sum benefit instead of the higher monthly pension amount.

Types of Pensions

Eligibility rules for the various types of pensions are explained below. These rules apply whether you are retiring from active employment covered by the Plan or whether you worked previously under the Plan and became vested.

Normal Pension

You will be eligible for a Normal Pension after you reach age 65 and meet one of the following service requirements:

- You earn at least three years of Current Service or Vesting Service[*], or
- While a participant, you reach the fifth year anniversary of becoming a participant, or
- You earn at least 15 years of Service Credit, with at least one year of Current Service.

[*] If you last worked under the Plan prior to January 1, 1986, a Normal Pension requires ten years of Current Service or Vesting Service.

Early Retirement Pension

You will be eligible for an Early Retirement Pension:

- After you reach age 55, with at least 10 years of Current Service or Vesting Service, or at least 15 years of Service Credit (one of which is Current Service).

- After you reach age 50, provided your age plus Service Credits total 80 or more. (This is referred to as the "Rule of 80".)

In addition to Normal Pension and Early Retirement benefits, the Plan provides benefits if you become disabled. This is further explained in Section V.

The amount of your pension is explained in Section VII.

The Plan also provides for several benefit payment options which may be elected at retirement under a Normal Pension or Early Retirement Pension. These options are explained in Section VIII.

VII. PENSION AMOUNTS

The amount of your Pension is determined by your Service Credits (Past Service plus Current Service) and your Final Average Compensation. (Service Credits are explained in Section II.)

Compensation and Final Average Compensation

The definition of "compensation" is used to determine participation, Service Credit and benefit amounts under the Plan for participants. It also serves as the base used by employers to determine their contributions to the Trust Fund. All references to "compensation" or "gross compensation" mean your regular base pay including continuation of pay while on vacation, sick, holidays, jury duty, or during any other paid leave or paid leaves of absence. It also includes sick leave paid by an insurance company for periods of short term disability and salary deferrals you elect under Internal Revenue Code ("IRC") Section 401(k) pension plans or flexible spending arrangement under IRC Section 125, or qualified transportation fringe benefits under IRC 132 (f)(4), if your employer has these plans.

"Compensation" does not include overtime, bonuses or any expense reimbursement or expense allowances (e.g. car allowances). It does not include special or unusual compensation such as payments for consulting services, attending meetings or participating in picket duty, nor does it include any pension or deferred compensation payments from an employer or lump sum payments such as accrued sick leave or vacation. There must be an employee-employer relationship for compensation to be counted.

If you are working for two or more contributing employers, compensation amounts will be combined if received from Local Unions, Joint Councils and Service Councils.

Compensation from all employers in the Plan for an employee in any calendar year in excess of the limits specified in Section 401(a)(17) of the U.S. Tax Code ($260,000 in 2014, indexed for inflation) is not counted. If an employee's compensation is limited by the Tax Code, an employer need only contribute up to the limit for the year or, if greater, the Final Average Compensation used to calculate any part of the pension benefit for the employee.

Your Final Average Compensation is the average monthly compensation you were paid during your highest 36 consecutive months. Consecutive means the period of time during which compensation is reported to the Plan. An unpaid leave of absence or break in employment between participating employers will not cause a break in consecutive month periods. In any event, your final compensation cannot be less than your three highest non-consecutive or consecutive calendar years of compensation ending with 1992.*

Example: If your highest 36 consecutive months were the months listed below, your average monthly compensation would be $6,029.

June - December 2011	$40,800
January - December 2012	70,000
January - December 2013	75,000
January - May 2014	31,250
Total	$217,050
Divided by 36 months	$ 6,029

Calculation of the Amount of Your Pension

The **Normal Pension** or **Disability Pension*** is a monthly benefit equal to 2.5% of your Final Average Compensation times your years of Service Credit. Years of Service Credit are calculated to the nearest month. If you last worked under the Plan before January 1, 1999, a previous benefit formula will apply:

Time Period	Benefit Formula
If you last worked on or after January 1, 1999 (Current Plan)	2.5% of Final Average Compensation **x** Years of Service Credit
If you last worked prior to January 1, 1999	2% of Final Average Compensation **x** Years of Service Credit
If you last worked prior to June 1, 1984	2% of Final Average Compensation **x** Years of Service Credit up to 20 years, **plus** 1% of Final Average Compensation x Years of Service Credit in excess of 20 years.
If you last worked prior to June 1, 1980	1½% of Final Average Compensation **x** Years of Service Credit up to 20 years, **plus** 1% of Final Average Compensation x Years of Service Credit in excess of 20 years.

* For persons retired prior to January 1, 1993, Final Average Compensation was the average monthly compensation paid during the three highest consecutive or non-consecutive calendar years of compensation. For persons retired prior to July 1, 1986, the three highest years had to be out of the last 10.

** See Section V for disability benefits. Participants of Organizations with Long Term Disability plans may not qualify for Disability Pension benefits.

If you have less than 10 years of Service Credit, you must be age 65 or older to qualify for a pension. The table on the right shows the percent of your Final Average Compensation you will receive at retirement.

Retirement with less than 10 Years of Service Credit		
Years of Service	**Can Retire At Age**	**Percent of Final Average Compensation**
3	65	7.5%
4	65	10.0
5	65	12.5
6	65	15.0
7	65	17.5
8	65	20.0
9	65	22.5

An **Early Retirement Pension** starting before age 65 is calculated using the same formula as a Normal Pension, but it may be reduced because the benefits start sooner and are expected to be paid for a longer period of time.

If your age plus Service Credit total 80 or more (Rule of 80), there is no reduction for Early Retirement.

The table to the right shows combinations of age and service that meet the Rule of 80. The percent of Final Average Compensation you will receive at retirement is shown.

Early Retirement Pensions with a reduction are shown on the following page.

Unreduced Early Retirement		
Years of Service	**Can Retire Without Reduction at Age**	**Percent of Final Average Compensation**
30	50	75.0%
29	51	72.5
28	52	70.0
27	53	67.5
26	54	65.0
25	55	62.5
24	56	60.0
23	57	57.5
22	58	55.0
21	59	52.5
20	60	50.0
19	61	47.5
18	62	45.0
17	63	42.5
16	64	40.0

Percent of Final Average Compensation You Will Receive Including Early Retirement Reduction

Service Credit	Age 65	64	63	62	61	60	59	58	57	56	55*
25	62.50%										62.50%
24	60.00%		(Shaded areas meet Rule of 80 - no reduction for Early Retirement)							60.00%	30.00%
23	57.50%								57.50%	31.63%	28.75%
22	55.00%							55.00%	33.00%	30.25%	27.50%
21	52.50%						52.50%	34.13%	31.50%	28.88%	26.25%
20	50.00%					50.00%	35.00%	32.50%	30.00%	27.50%	25.00%
19	47.50%				47.50%	35.63%	33.25%	30.88%	28.50%	26.13%	23.75%
18	45.00%			45.00%	36.00%	33.75%	31.50%	29.25%	27.00%	24.75%	22.50%
17	42.50%		42.50%	36.13%	34.00%	31.88%	29.75%	27.63%	25.50%	23.38%	21.25%
16	40.00%	40.00%	36.00%	34.00%	32.00%	30.00%	28.00%	26.00%	24.00%	22.00%	20.00%
15	37.50%	35.63%	33.75%	31.88%	30.00%	28.13%	26.25%	24.38%	22.50%	20.63%	18.75%
14	35.00%	33.25%	31.50%	29.75%	28.00%	26.25%	24.50%	22.75%	21.00%	19.25%	17.50%
13	32.50%	30.88%	29.25%	27.63%	26.00%	24.38%	22.75%	21.13%	19.50%	17.88%	16.25%
12	30.00%	28.50%	27.00%	25.50%	24.00%	22.50%	21.00%	19.50%	18.00%	16.50%	15.00%
11	27.50%	26.13%	24.75%	23.38%	22.00%	20.63%	19.25%	17.88%	16.50%	15.13%	13.75%
10	25.00%	23.75%	22.50%	21.25%	20.00%	18.75%	17.50%	16.25%	15.00%	13.75%	12.50%

**Can retire as early as age 50 if age + service equals 80 or more.*

The above table shows combinations of age and service where there is an Early Retirement reduction. If your age plus service total less than 80, there is a reduction of 5/12 of 1% for each month (or 5% per year) that the Effective Date of your pension is earlier than age 65. The percentages in the table are the portion of your Final Average Compensation you will receive if you retire at the intersecting combination of age and service.

Example: if you retire with 22 years of Service Credit at age 56, you would receive 30.25% of your Final Average Compensation. One year later (23 years of service and age 57) the benefit increases to 57.5% of your Final Average Compensation.

If you leave employment covered by this Plan, you continue to add years of age, but your years of Service Credit are frozen.

Disability Pensions are always calculated as if you became disabled at age 65, so no reduction is applied.

Once you have determined the amount of your pension using the above formulas and/or tables, your pension amount may be adjusted because of the form of benefit payment you elect (see Section VIII).

Benefit amounts are always rounded up to the next highest whole dollar amount at the end of the calculation.

The following table provides a description of the Plan's previous Early Retirement formulas, which explain how benefits for current pensioners were calculated.

Time Period	Early Retirement Age	Age + Service	Reduction*
If you retire on or after April 1, 1992 (Current Plan)	55 50	Less than 80 80 or more	5/12 of 1% No reduction
If you retired prior to April 1, 1992	55 50 50	Less than 80 80 but less than 90 90 or more	1/2 of 1% 1/4 of 1% No reduction
If you retired prior to July 1, 1988	55 55	Less than 85 85 or more	1/2 of 1% 1/4 of 1%
If you retired prior to June 1, 1984	55	N/A	1/2 of 1%

*For each month the Effective Date of the pension was earlier than age 65.

Note: If you have service with the California State Employees Association Retirement Plan ("CSEA Plan") and were an active participant (or terminated participant with vested rights) in the CSEA Plan when it merged into the Affiliates Plan (June 1, 2010), with service under the Affiliates Plan after the merger, your benefit will be equal to the following: the greater of the benefit determined under the rules of the Affiliates Plan (assuming your years of service under the CSEA Plan were under the Affiliates Plan) or the benefit you earned under the CSEA Plan to the date of the merger.

Retirement After Normal Retirement Age

There is no such thing as mandatory retirement under the Plan, therefore you may continue to work as long as you desire. However, you are only eligible to receive a monthly pension benefit when you retire. In order to be considered retired, you must fulfill all requirements for a pension under the Plan and incur a Separation from Service. If you stop working, you must file a written application to commence your benefit under the Plan. Additionally, if you have stopped working, you must commence benefits on April 1 of the calendar year following the calendar year in which you reach age 70-1/2 even if you do not file a written application to start your benefit (see "Mandatory Commencement" in Section IX for more detail).

When you work past Normal Retirement Age (age 65) and do not apply for monthly pension benefits, your pension is said to be in a "suspended" status for months that you work for a participating employer for 40 or more hours a month. While you continue to work and your pension is suspended, you will not receive any pension benefits from the Plan. You can continue to earn pension credit while you continue to work after age 65. As long as you continue to be employed by a participating employer under this Plan, your pension benefits will continue to grow. When you start your pension, all of your years of service will be taken into account (For more on the suspension of benefit rules under the Plan, see Section IX)

If you stop working before or after age 65, but do not apply for a pension immediately, you will not lose any benefits for the period after you stopped working and were first eligible for unreduced benefits under the Plan. However, you should always apply to start your pension benefits immediately when you retire. You cannot receive monthly pension payments until you take this step. If there is any delay between the date you retire and the date you apply to start your monthly pension benefits, you will be allowed to choose either of the following for the period after you were first eligible for unreduced benefits during which your benefits were not suspended:

- receive your monthly pension amount retroactively, as if you had applied for and commenced your pension benefits when you first became eligible for unreduced pension benefits; or
- receive your monthly pension amount effective when you apply for benefits, actuarially adjusted for the delay in commencement between the date you retired and the date you applied or, if greater, receive your monthly pension amount based on all of your service to the date you retired .

If you choose to receive your pension benefits retroactively, you must provide proof that your spouse consents to this choice. Your monthly pension benefit going forward will be calculated as if you had applied for and commenced benefits immediately when you were first eligible. You will also receive a retroactive lump sum payment. This lump sum will be the sum of all monthly payments you would have received had pension benefits commenced immediately when you were first eligible up to the actual date you receive your first check. This lump sum payment will be adjusted to include interest.

If you choose not to receive your pension benefits retroactively, your monthly pension benefits will be greater due to the actuarial adjustment for the delay, however you will not receive a retroactive lump sum payment. When you apply for benefits, you will be provided with dollar amounts under each of these choices to help you in making the best decision for your situation.

If you do not believe the suspension of your pension is appropriate under the Plan rules, you may submit a statement of facts and ask for review of the matter. The Plan's procedures on appeals are explained in Section IX. The rules regarding suspension and appeal are in accordance with Department of Labor Regulation §2530.203-3 found in Title 29 of the Code of Federal Regulations.

Benefit Limitations

The Plan limits your pension payments following the federal law on single employer pension plans under IRC Section 415. These limits apply to the total of all benefits payable to you from qualified defined benefit pension plans sponsored by your employer.

There is a maximum dollar amount of benefit that can be paid, and this maximum is adjusted for age and for years of participation in the Plan. This limit is most likely to affect benefits for participants with high levels of compensation, those retiring in their early 50s, or those with less than 10 years of participation. Since these limits are indexed periodically to reflect changes in the cost of living, the Plan may be able to increase pension payments during later years of retirement that had to be cut back at retirement. Any COLA adjustments to your retirement benefit must also stay within these limits.

In addition, your accrued benefit can never exceed 100% of your "average compensation for your high three years" as defined in Section 415 of the Internal Revenue Code. Generally, compensation includes your W-2 compensation over three consecutive years, including certain salary deferrals.

You will be advised at retirement if these limits apply to you.

Effect of Qualified Domestic Relations Order

If you are divorced before or after you retire, and your former spouse or another alternate payee has a right to all or part of your retirement benefit under a Qualified Domestic Relations Order (QDRO), that claim must be honored. Under federal law, any rights of your former spouse or any other alternate payee under a QDRO, with respect to your pension, take precedence over your rights and those of any subsequent spouse or alternate payee. You may obtain without charge, upon written request to the Fund, a copy of the Plan's procedures governing the qualification, processing, and payment of domestic relations orders.

VIII. PAYMENT OF BENEFITS AT RETIREMENT

Benefits at retirement may be paid as a monthly annuity for your lifetime (called a Single Life Annuity). Annuities also can be paid in forms that provide survivor benefits for your spouse, spousal equivalent or other beneficiary. The payment made to you is reduced to help pay for the additional survivor benefit.

In addition to all of the benefit options, you can also elect a Partial Lump Sum Payment. If your benefit is a small benefit, it can be paid completely as a lump sum. Payment forms and lump sum features are described below.

All benefit options come with a guaranteed payment amount equal to 36 times your monthly benefit amount, after any reduction for Early Retirement, but before any reduction for the payment option you have chosen. Any lump sum payment you received, as well as monthly payments, counts toward satisfying the 36-month guarantee. If you die before this amount has been paid, the remaining amount will be paid to your beneficiary (or, if your beneficiary dies before the guaranteed payment amount is paid, to your beneficiary's beneficiary), even if payments would have otherwise stopped. (See Section IX for an example.)

<u>Single Life Annuity</u>

If you do not have a spouse that meets the requirements below under the "50% Spousal Pension," you will receive your retirement benefit in the form of a Single Life Annuity unless you elect an optional form of payment. Under the Single Life Annuity, you will be paid an annuity for life. Because the Single Life Annuity has a 36-month guarantee, even if you are single you should designate a beneficiary in the event you die before the full guarantee amount is paid.

50% Spousal Pension (Participants with a Spouse)

Under the Spousal Pension, a lifetime benefit is provided for your surviving spouse as well as for yourself. The amount of the monthly benefit otherwise payable to you during your lifetime is reduced, based on your age and that of your spouse. Upon your death, 50% of the monthly pension you were receiving will be paid to your spouse for life.

The Spousal Pension will be effective if you are married on your Effective Date. However, if you die after retirement but before you have been married at least one year, the 50% survivor's benefit will not be paid. Instead, your pension will be recalculated as if you were single from the Effective Date of your pension, and any unpaid amounts (including any remaining amount of the 36-month guarantee) will be paid to your beneficiary.

Once you begin receiving benefits under the Spousal Pension, the reduced amount you receive will not increase if your spouse dies before you, or if you and your spouse divorce. A divorce does not change the entitlement of either party unless a Qualified Domestic Relations Order provides otherwise. For example, if you re-marry while a Spousal Pension is in payment status with a former spouse as beneficiary, your new spouse will not be entitled to a benefit after your death.

At retirement, you and your spouse may reject the Spousal Pension and elect the "Single Life Annuity" (no lifetime benefit for your spouse), or one of the optional forms described below. Your spouse must acknowledge in writing the benefit given up and consent to the choice of beneficiary (or consent to you naming and changing your beneficiary at will). The election must be witnessed by a notary public and submitted to the Fund during an election period that ends before your benefit payments begin. If your spouse cannot be located or other complications exist, contact the Fund for instructions.

It is not necessary to reject the Spousal Pension if you are electing any Joint and Survivor Option with your spouse as the designated beneficiary. See below for an explanation of this option.

Table 1 shows some examples of the percentage of the pension you would receive if the Spousal Pension is chosen. There are different amounts for pensions if you are disabled.

TABLE 1

PERCENT OF BENEFIT PAYABLE FOR A SPOUSAL PENSION (Survivor receives 50% of reduced amount)

Age of Spouse in Relation to Age of Participant Retiring	Percent of Benefit Payable for Normal or Early Retirement	Percent of Benefit Payable for Disability Retirement
8 years younger	88.1%	74.6%
7 years younger	88.6	75.1
6 years younger	89.1	75.6
5 years younger	89.6	76.1
4 years younger	90.1	76.6
3 years younger	90.6	77.1
2 years younger	91.1	77.6
1 year younger	91.6	78.1
Same age	92.1	78.6
1 year older	92.6	79.3
2 years older	93.1	80.0
3 years older	93.6	80.7
4 years older	94.1	81.4
5 years older	94.6	82.1
6 years older	95.1	82.8
7 years older	95.6	83.5
8 years older	96.1	84.2

Example: Assume that you are age 65, entitled to a Normal Pension of $2,000 per month, and your spouse is age 60. Since, in this example, your spouse is five years younger than you, you will receive a benefit of 89.6% of your Normal Pension or $1,792 per month (89.6% x $2,000 = $1,792). At your death, your spouse will receive a benefit of $896 per month (50% x $1,792 = $896) for his or her lifetime. Both benefits, of course, increase over time because of the COLA provision. (See Section IX).

Optional Forms of Annuity Payments

If you do not want your benefit paid as a Single Life Annuity or a 50% Spousal form of payment, you may elect an optional form of payment, with your spouse, spousal equivalent or other person as beneficiary, by filing the proper forms with the Fund. If married, your spouse must consent in writing to these other forms of payment and to the designation of a non-spouse beneficiary prior to your Effective Date, except as noted below. The election must be witnessed by a notary public and submitted to the Fund during an election period that ends before your benefit payments begin. If your spouse cannot be located or other complications exist, contact the Fund for instructions.

The optional forms are Joint and Survivor Options; Guarantee Options; and the Level Income Option. If you are married, you also have the option to elect the Single Life Annuity described above, with spousal consent. If you are married, it is not necessary for your spouse to reject the Spousal Pension if you are electing any Joint and Survivor Option below with your spouse as the designated beneficiary.

You will be provided with all your benefit options before you retire so that you will have the necessary information to make a choice.

Spouse and Spousal Equivalent

For purposes of the Plan, your "spouse" is a person who is legally married to you and who is treated as a spouse under federal law of the United States. Your "spousal equivalent" is ; a partner in a civil union with you; or a registered domestic partner. Such civil union or domestic partnership must have been entered into in a state within the United States, the Commonwealth of Puerto Rico, or a Canadian province that licenses or registers such civil unions, or domestic partnerships, and the license or registration process is recognized and sanctioned by the laws of such state, province, or country.

Like a spouse, a spousal equivalent is eligible for the Pre-Retirement Surviving Spouse Pension (See Section IV). However, the pre-retirement Death Benefit for a participant who dies prior to retirement eligibility operates differently for a spousal equivalent.

Like a spouse and other beneficiaries, a spousal equivalent is eligible for post-retirement survivor benefits in the optional retirement forms described in this SPD, provided the optional form is properly elected by the participant. Unlike a spouse, a spousal equivalent is not eligible for the 50% Spousal Pension. Also, unlike a spouse, the 75% and 100% Joint-and-Survivor Annuity may be restricted as required by federal law for a spousal equivalent or non-spouse beneficiary who is much younger than the participant. See the section below on Joint and Survivors Options for more details.

Under federal law, a spouse must provide written consent for a participant to elect a retirement form other than the 50% Spousal Pension, or to designate anyone other than the spouse as a beneficiary. A participant is not required to get written consent from a spousal equivalent to elect an optional form or designate a beneficiary.

Joint and Survivor Options

A Joint and Survivor Option provides you with a reduced pension for your lifetime. When you die, your designated beneficiary will receive your choice of either 50%, 75% or 100% of the pension you were receiving for the rest of his or her life. The amount of the reduction in your pension depends upon the difference between your age and that of your designated beneficiary.

Once payments begin, if your designated beneficiary dies before you, you will continue to receive the reduced benefit for the rest of your life.

If your designated beneficiary is not your spouse, there is a one-year waiting period before the 75% or 100% Joint and Survivor Options can take effect. There is no waiting period for the 50% Joint and Survivor Option. You may make your election one year before you retire, or you may commence your pension benefits during the waiting period. If you choose the latter, your benefit amount will be adjusted to the 50% Joint and Survivor Option amount during the waiting period, then it will revert to the elected benefit after the waiting period expires. If you elect the 75% or the 100% Joint and Survivor Option and die after benefits commence but during the waiting period, your beneficiary will receive a benefit as if you had elected the 50% Joint and Survivor Option.

If you or your beneficiary dies before your Pension Effective Date the option is not valid. You may revoke a Joint and Survivor Option prior to your Effective Date. However, once this option is elected, your benefit cannot be changed or altered for any reason.

Tables 2 and 3 show examples of the percentage of the pension you will receive if you choose a 75% or 100% Joint and Survivor Option. The 50% Joint and Survivor Option percentages are the same as for Spousal Pension shown in **Table 1**. There are different amounts for pensions if you are disabled.

TABLE 2

PERCENT OF BENEFIT PAYABLE FOR A 100% JOINT AND SURVIVOR OPTION

Age of Beneficiary in Relation to Age of Participant	Percent of Benefit Payable for Normal or Early Retirement	Percent of Benefit Payable for Disability Retirement
5 years younger	81.1%	60.7%
2 years younger	83.5	62.8
Same age	85.1	64.2
2 years older	86.7	66.0
5 years older	89.1	68.7

TABLE 3

PERCENT OF BENEFIT PAYABLE FOR A 75% JOINT AND SURVIVOR OPTION

Age of Beneficiary in Relation to Age of Participant	Percent of Benefit Payable for Normal or Early Retirement	Percent of Benefit Payable for Disability Retirement
5 years younger	85.5%	67.6%
2 years younger	87.3	69.4
Same age	88.5	70.6
2 years older	89.7	72.2
5 years older	91.5	74.6

Example: Suppose you are retiring at age 62, your spouse is age 64, and you are entitled to a pension of $2,000 per month.

If you choose a 100% Joint and Survivor Option, your benefit would be 86.7% of this amount, since your spouse is two years older ($2,000 x 86.7% = $1,734). The $1,734 benefit would be paid during your lifetime, and the same benefit would be paid to your spouse for life should you die before your spouse.

If you choose a 75% Joint and Survivor Option, your benefit would be 89.7% of this amount ($1,794), payable for your lifetime. Should you die before your spouse, your spouse would receive $1,346 per month for life ($1,794 x 75%). Both benefits increase over time because of the COLA provision. (See Section IX.)

If your beneficiary is not your spouse and is much younger than you, you may not be able to elect the 75% or 100% Joint and Survivor Options. Federal law limits the number of years that your non-spouse beneficiary may be younger than you. The number of years your beneficiary may be younger than you depends on your age when you start receiving your pension.

You can still elect a 50% Joint and Survivor Pension with a non-spouse beneficiary regardless of age.

Tables 4 and **5** show you the maximum age difference allowed for you to elect the 75% or 100% Joint and Survivor Option with a non-spouse beneficiary:

TABLE 4

Limits on Electing the 75% Joint and Survivor Option With a Non-Spouse Beneficiary

Your age when you commence your pension benefit	The number of years your non-spouse beneficiary may be younger than you
Age 70	19 Years or less
Age 69	20 Years or less
Age 68	21 Years or less
Age 67	22 Years or less
Age 66	23 Years or less
Age 65	24 Years or less
Age 64	25 Years or less
Age 63	26 Years or less
Age 62	27 Years or less
Age 61	28 Years or less
Age 60	29 Years or less
Age 59	30 Years or less
Age 58	31 Years or less
Age 57	32 Years or less
Age 56	33 Years or less
Age 55	34 Years or less

Example: If you retire on an Early Retirement Pension and elect to start your pension benefit at age 60, the table above shows that you may not elect the 75% Joint and Survivor Option with a non-spouse beneficiary who is more than 29 years younger than you.

TABLE 5

Limits on Electing the 100% Joint and Survivor Option With a Non-Spouse Beneficiary

Your age when you commence your pension benefit	The number of years your non-spouse beneficiary may be younger than you
Age 70	10 years or less
Age 69	11 years or less
Age 68	12 years or less
Age 67	13 years or less
Age 66	14 years or less
Age 65	15 years or less
Age 64	16 years or less
Age 63	17 years or less
Age 62	18 years or less
Age 61	19 years or less
Age 60	20 years or less
Age 59	21 years or less
Age 58	22 years or less
Age 57	23 years or less
Age 56	24 years or less
Age 55	25 years or less

Example: If you retire on an Early Retirement Pension and elect to start your pension benefit at age 62, the table above shows that you may not elect the 100% Joint and Survivor Option with a non-spouse beneficiary who is more than 18 years younger than you. You can still elect a 50% Joint and Survivor Pension regardless of age.

Guarantee Options

You may elect an optional guaranteed form of payment which guarantees payment of your monthly benefit to you or to your beneficiary if you die before the expiration of the guarantee period. This guarantee is not affected by any lump sum payment taken at retirement. The guarantees available under the Plan are for either 60 months (five years) or 120 months (10 years). Spousal consent is required if you are married to a spouse and elect one of the Guarantee Options.

A Guarantee Option must be elected at least one year prior to the commencement of benefits unless the designated beneficiary is your spouse or spousal equivalent. You may make your election one year or more before you retire, or commence your pension during the one-year waiting period. Your benefit amount will be adjusted during the waiting period but the guarantee will not become effective until one year has passed. Once the Guarantee Option is in effect, you may change beneficiary(ies) or even revoke the option during the period of the guarantee. If the option is revoked, appropriate actuarial adjustments to your pension will be made to future payments to represent the value of the protection previously in place. Such adjustments will not be retroactive to your initial benefit commencement date.

Any Guarantee Option elected is not valid if you die before the Effective Date of your pension.

Table 6 shows examples of the percentages of your pension you will receive if you choose a Guarantee Option.

TABLE 6

PERCENT OF BENEFIT PAYABLE FOR GUARANTEE OPTIONS

Participant's Age at Retirement	Percentage of Benefit Payable for Normal or Early Retirement	Percent of Benefit Payable for Disability Retirement
	60 Months Guaranteed	
60	99.4%	96.2%
62	99.2	95.8
65	98.9	95.2
	120 Months Guaranteed	
60	96.8%	84.5%
62	95.8	83.1
65	94.3	81.0

Example: Assume you are retiring at age 60 on an Early Retirement Pension of $2,000 per month, and you elect to take 10% of that as a Partial Lump Sum, and you also elect to receive the remainder of your monthly amount in the 120 months Guarantee Option. After paying the Partial Lump Sum, the remaining annuity will be 96.8% of $1,800 (90% x $2,000). Your monthly benefit will be $1,743 for life. If you die before receiving 120 monthly payments, your beneficiary will continue to receive the same $1,743 per month until a total of 120 payments have been paid.

Level Income Option

You can elect the Level Income Option if you retire before the earliest date you are eligible for Social Security benefits, which is age 62, or age 60 for Railroad Retirement benefits, if applicable. This option provides you with a "level income" both before and after Social Security or Railroad Retirement benefits begin.

Based on eligibility for Social Security, the amount you initially receive from the Plan takes into account the money it is estimated you will receive from Social Security at age 62. When you retire, the Plan pays you a higher monthly pension benefit. You continue to receive this higher amount from the date you retire until you reach age 62, at which time your payments from the Plan are reduced. The combined amount you receive from Social Security and the reduced amount from the Plan should approximately equal the pension amount you were receiving from the Plan before Social Security payments started. Your total income after retirement from both the Plan and Social Security remains level and predictable. **The Plan will adjust your pension at age 62, whether or not you actually apply for Social Security benefits at that time.**

The Level Income Option is not available if you apply for a Disability Pension from this Plan, since disabilities usually enable Social Security benefits to commence when you become disabled.

Example: Suppose you are retiring at age 55 on an Early Retirement Pension of $2,000 per month and your Social Security benefit at age 62 is estimated to be $1,600 per month. The following example shows how the Level Income Option works:

Age 55 to 62:	**Without Level Income Option**	**With Level Income Option***
Amount paid by Plan	$ 2,000	$ 2,905
Amount paid by Social Security	0	0
Total Monthly Benefit	$ 2,000	$ 2,905
Age 62 and after:		
Amount paid by Plan	$ 2,000	$ 1,305
Amount paid by Social Security	1,600	1,600
Total Monthly Benefit	$ 3,600	$ 2,905

*The amount of Level Income benefit may vary, depending on interest rates at the time of retirement. The amount shown above is the minimum amount. The above example is also simplified because it does not include COLA adjustments to the benefit.

If you elect the Level Income Option, you must provide the Fund with an estimate of your Social Security or Railroad Retirement benefit. You may obtain this information directly from the appropriate government agency. Once the Level Income Option becomes effective, your election cannot be changed or altered for any reason. Your pension will not be recalculated if the estimate of your Social Security or Railroad Retirement benefits later changes.

If you choose the Level Income Option, it is not possible for you to further convert your benefit into a Joint and Survivor or Guarantee Option, and spousal consent is required.

Single Lump Sum Payment for Small Benefits

The Plan will pay out benefits as a single lump sum for Participants who have small pension amounts. If the lump sum present value of your monthly pension amount is:

- **$5,000 or less,** the Plan will automatically pay out your pension to you in a single lump sum upon your application for such benefit. If you have not reached your Normal Retirement Age, your consent to this benefit is required. There is no spousal consent required.

- **Between $5,001 and $10,000** you may elect to receive the benefit as a lump sum at retirement. Your spouse, if any, must also consent to the distribution of your pension as one lump sum in this situation.

(See **Table 7** below for guidance to determine the lump sum present value of your monthly pension.)

Partial Lump Sum Payment

At retirement you may elect to convert part of your pension into the form of a single lump sum payment. Lump sums can only be taken in 1% increments, from 5% to 30% of your pension amount. The portion you elect to receive as a lump sum will be subtracted from your Normal, Early Retirement, or Disability Pension. You can make a "second" election for the remaining portion of your pension. It can be paid in any optional form allowed by the Plan.

If you are married, written spousal consent is required in order to receive a Partial Lump Sum Payment. The lump sum payment will be paid jointly to you and your spouse, regardless of the form of payment elected.

The Partial Lump Sum Payment may also be elected if you qualify for a Disability Pension (see Section VI). If you recover and return to work, the amount of your accrued benefit that was converted to a Lump Sum payment would be subtracted from any future pension or Death Benefit paid by the Plan.

Table 7 shows examples of lump sum factors you can use to estimate the amount of your Partial Lump Sum Payment. The factors used to calculate lump sums adjust from year to year based on current interest rates and mortality tables. As an example, the factors shown are the factors applicable for 2014.

TABLE 7

2014 CONVERSION FACTORS FOR EACH DOLLAR OF MONTHLY BENEFIT PAID AS A LUMP SUM

Age at Retirement	Lump Sum Factor	Age at Retirement	Lump-Sum Factor
50	236.6682	61	193.4945
51	233.2872	62	189.0093
52	229.7816	63	184.4519
53	226.1562	64	179.8467
54	222.4161	65	175.1721
55	218.5632	66	170.4350
56	214.6157	67	165.6596
57	210.5866	68	160.8135
58	206.4603	69	155.8762
59	202.2354	70	150.8665
60	197.9103	71	145.7699

Example: Assume you are at age 55 entitled to a pension of $1,000 per month. You elect to receive 10% of your accrued benefit representing $100 monthly as a Partial Lump Sum payable at retirement. The dollar amount of your Partial Lump Sum Payment would be $21,856.32 ($100 x 218.5632 [the factor corresponding to your age].) The remaining 90% or $900 per month will be paid as a lifetime annuity in the form chosen by you
.

Purchasing Additional Annuity Benefits Through the Plan

When you apply for your pension, you have the option to purchase an additional annuity through the Fund. In order to purchase an annuity, you must use pre-tax funds that can be transferred from a qualified pension plan, 401(k) plan, SEP-IRA or from a conduit IRA. A conduit IRA is an Individual Retirement Account which consists of money transferred from a prior qualified pension plan plus investment earnings.

This annuity will be calculated and paid to you in the same form as your pension benefit, such as a lifetime annuity or a joint & survivor benefit. Unlike your regular pension benefit, however, it will not receive an annual COLA adjustment. If you die before receiving (in annuity benefits) the full amount that you transferred to the Plan, the remainder of the full amount will be paid to your beneficiary or estate.

If you are interested in this option, when you apply for a pension you will need to indicate to the Plan the amount of money you wish to transfer to the Plan, and indicate the payment option you have selected for your pension. The Plan will then calculate the annuity benefit that you can receive for the amount transferred. You will then have an opportunity to decide whether you wish to purchase the annuity.

IX. BENEFIT PAYMENTS AFTER RETIREMENT

Cost of Living Adjustment

To help offset the effect of inflation on the purchasing power of your pension, your monthly payment will increase by 1.5% each January 1. This increase applies to pensions which have been in payment status for six months or longer. The increase is not applicable to pensions which are suspended because of a return to employment or because the pension is not in payment status. If your beneficiary is receiving monthly benefit payments, a COLA adjustment will also be applied to those payments in the same manner.

The COLA adjustment applies equally to benefit amounts to be paid in the event of your death. For example, suppose you were receiving $2,000 per month and your spouse would be entitled to receive $1,000 per month following your death. After making the COLA adjustment, your benefit would increase to $2,030 per month and your spouse would be entitled to $1,015 per month following your death.

Working After Retirement

The number of hours you may work each month after retirement without affecting your monthly pension payments depends on several factors. The most important factor is whether you return to work for a participating employer under the Plan. If you return to work for an employer who is not under the Plan, you may work as many hours as you wish with no effect on your monthly pension payments. If you return to work for a participating employer under the Plan, the maximum number of hours you may work without affecting your pension benefits depends on your age.

If you have yet to reach Normal Retirement Age (generally age 65), your monthly pension payments will be suspended if you return to work for a participating employer under the Plan. After you reach Normal Retirement Age, if you return to work for a participating employer under the Plan for more than 40 hours per month, your monthly pension payments will be suspended. If you return to work for 40 or less hours per month, your monthly pension payments will not be suspended. Once your monthly pension payments are suspended, they will only start again after you reapply for benefits.

If you start to receive your monthly pension and subsequently return to work within the permitted limits to avoid suspension, you will be eligible for an annual adjustment to your pension for any additional accruals as long as you have reached age 65 and your monthly benefits are not suspended. Your pension will be recalculated in January of each year to reflect any additional service earned during the prior year. If the result of this recalculation is a higher monthly pension amount than you would have received due to the cost of living adjustment, you will receive the higher monthly amount instead of the cost of living adjustment.

If you work beyond the number of hours permitted in any month, your monthly pension benefits will be suspended for every month thereafter that you work more than 40 hours per month. You will receive a notice that your benefits have been suspended. In addition, you will not receive any cost of living adjustment first effective in a month when your monthly pension benefits are suspended.

Note: If you have service under the California State Employees Association Retirement Plan, the part of your benefit attributable to that service is not suspended. However, the accruals that you earn under the Affiliates Plan while you continue to work will be offset by the value of the payments you receive that are not suspended.

If you do not believe the suspension of your pension is appropriate under the Plan rules, you may submit a statement of facts for review of the matter. The Plan's procedures on appeals are explained in Section X.

Rules if Benefits Have Been Suspended

If your benefits are suspended, your monthly pension benefits will not start again until you stop working in covered employment and reapply. You will continue to earn pension credit while your pension benefits are suspended, as long as you continue to be employed by an employer under this Plan with contributions made to this Plan on your behalf. When you start your pension again after this suspension, all of your years of service earned from your suspension to your new retirement date will be taken into account, as described below.

If you stop working but do not apply for your pension immediately, you will not lose any benefits. However, you should always apply to re-start your pension benefits immediately when you re-retire. You cannot receive monthly pension payments until you take this step. If there is any delay between the date you re-retire and the date you apply to re-start your monthly pension benefits, and you are eligible for unreduced benefits, you will be allowed to choose either of the following for the period during which your benefits were not suspended:

- receive your new monthly pension amount retroactively as if you had re-applied for and re-commenced pension benefits immediately when you re-retired; or
- receive your new monthly pension amount effective when you re-apply for benefits, actuarially adjusted for the delay in commencement between the date you re-retired and the date you re-applied.

If you choose to receive your pension benefits retroactively, you must provide proof that your spouse consents to this choice. Your monthly pension benefit going forward will be calculated as if you had re-applied for and re-commenced benefits immediately when you re-retired. You will also receive a retroactive lump sum payment. This lump sum will be the sum of all monthly payments you would have received had pension benefits commenced immediately when you re-retired up to the actual date you receive your first check. This lump sum payment will be adjusted to include interest. If you choose not to receive your pension benefits retroactively, your monthly pension benefits will be greater due to the actuarial adjustment for the delay, however you will not receive a retroactive lump sum payment. When you do apply for benefits, you will be provided with dollar amounts under each of these choices to help you in making the best decision for your situation.

If your suspension is retroactive and you have been overpaid, the overpaid amounts will be deducted from your monthly pension payments once your pension benefits are reinstated. If you have not reached age 65, you will not receive any pension benefits until the entire amount of the overpayment is recovered. If you are at age 65 or older, 100% of the first payment made upon resuming benefit payments will be deducted if necessary to recover the overpayment. After the first payment, there will be a deduction of 25% of your monthly pension benefit until the entire amount of the overpayment is recovered.

When your benefits are reinstated again after a period of suspension, your pension amount will consist of the sum of the following parts:

1. The amount of your previous pension payment, including any retiree increases up to your date of suspension. You will not qualify for any additional retiree increases while your pension is suspended, unless the Effective Date of the pension increase occurs during a month for which your pension was not suspended.

2. If your previous pension payment was calculated with a reduction for Early Retirement, each month of suspension will reverse one month of reduction for Early Retirement. For example, suppose your pension had a reduction of $10 for each month your pension started before age 65, and you retired 20 months early. The reduction totals $200. If you received your pension for five months before it is suspended for 14 months, your new Early Retirement reduction will be based on six months (20 months minus 14 months). Based on the example above, your previous pension payment will be increased when it starts again by $140, representing the number of months before age 65 that your pension was suspended.

3. An additional monthly amount attributable to service between the date your monthly pension benefits were suspended and the date you re-retire. If the date you re-retire is prior to age 65, this additional monthly amount will be subject to an Early Retirement reduction and you will be allowed the option of selecting a new benefit payment form with respect to this additional monthly amount.

4. If applicable, any actuarial adjustment necessary to account for delay in payment of your monthly pension benefits beyond the April 1st of the calendar year following the calendar year in which you attain age 70½ (see below under "Mandatory Commencement").

Your benefit election prior to suspension cannot be changed or altered for any reason. However, if you were under age 65 when your earlier pension was effective, you are allowed to choose a different form of pension for the additional amounts earned that are described in (3) above.

If you and your spouse elected a 50% Spousal Pension, a 75% Joint and Survivor pension, or a 100% Joint and Survivor pension at retirement, that benefit protection will remain in place while your benefits are suspended. If necessary, the amount of the pension on which the survivor pension is based will be recalculated for additional service or a change in Early Retirement reduction. In addition to any survivor annuity you may have elected, your spouse is also entitled to the remainder of the 36 month guarantee from the point of suspension, which will be reduced by the benefit payments already made to you.

Mandatory Commencement

Generally, you must begin receiving your monthly pension benefits no later than April 1 of the calendar year following the calendar year in which you reach age 70½ or retire, whichever is later. If you remain in active employment beyond April 1 of the calendar year following the calendar year in which you reach age 70½, your benefits will not be considered suspended; however, you will not receive your benefits while you continue to so work. Instead, you will be eligible for an actuarial adjustment for any delay in the commencement of your monthly pension benefits after this April 1. The adjustment will be for the period between the April 1 of the calendar year after you reach age 70½ and the date you actually stop working and begin your pension benefits.

Death After Retirement

When you die, your designated beneficiary will receive survivor benefits for the rest of his or her life if you elected the 50%, 75% or 100% survivor option at retirement. In addition, under this Plan, retirement benefits have a guarantee that at a minimum, you will receive payments that will total at least 60 times your monthly benefit. The guaranteed amount is equal to 36 times your accrued monthly benefit at retirement after any required adjustment for Early Retirement, but before adjustment for any option elected.

If your death occurs after you retire, but before you receive a total amount of benefits equal to 36 times your monthly benefit, your pension benefits will continue to be paid to your beneficiary until that amount has been issued. The length of time it takes to receive this guaranteed dollar amount of total pension benefits depends on whether you elected any Partial Lump Sum Payment and the optional form of payment elected.

If your surviving beneficiary also dies before the amount equal to 36 months has been paid in full, the balance will be paid to the beneficiary of your beneficiary. In cases where no beneficiary has been designated, the Plan will pay the remaining payments, if any, to a beneficiary chosen in the following sequence: spouse; surviving natural or adopted children; beneficiary properly designated under the participating employer's other benefit plans; and the participant's or beneficiary's estate.

Example: Suppose you retire at age 58 and elect the 100% Joint and Survivor Option. Your spouse is two years younger. Your accrued benefit is $2,000 per month before adjustment for the 100% Joint and Survivor Option. Your monthly benefit after adjustment for the 100% Joint and Survivor Option is $1,670.

You die in a car accident one year after retirement. A year later your spouse dies after receiving Survivor benefits for 12 months.

The guarantee is 36 x $2,000 = $72,000. You received 12 x $1,670 or $20,040. Your spouse received 12 payments of $1,696 (including the COLA adjustment) or $20,352. The remaining guarantee is $72,000 - 20,040 - 20,352 = $31,608. Monthly payments will continue to the designated beneficiary until that amount is paid.

Suppose, however, you took a portion of your pension as a Partial Lump Sum Payment, and the remainder as a 100% Joint and Survivor Option. The Partial Lump Sum Payment would count toward satisfying the Plan's guarantee of $72,000 in payments.

X. APPLYING FOR BENEFITS

Application for a Pension

The processing of your application may take weeks, so **you should apply for your pension at least four to six full months before you intend to retire.** Otherwise, there may be a delay between your retirement date and when you receive your first check. Applying for a pension involves the following steps:

1. You can receive an application by calling the Fund office on a workday between 8:00 am and 6:00 pm Eastern Time. You will be asked for your name, expected date of retirement, social security number, address and phone number.

2. The Fund will send you an application, along with an estimate of the benefits payable to you, and details of your work history. Review your work history to make sure it is complete and correct. Complete the application forms, attach the required proofs of age and marriage, and send the completed forms to the SEIU Benefit Fund office.

3. The Fund will review your application for completeness and accuracy, and will send you a letter acknowledging receipt of your application. The acknowledgement letter will notify you if additional information if needed.

4. Once the application information is complete and the Benefit Fund office has verified that you are eligible for benefits, you will receive an approval letter. This letter will provide you with your elected benefit amounts. If you are married, unless you are electing the automatic fifty percent Spousal Pension, your spouse must consent in writing to your election of benefits. (Note: your spouse's consent is not valid if it is signed more than 180 days before the payment begins.)

When the Fund has received the completed payment option forms, your benefits generally will begin within 30 days.

Appeal of a Denial of Benefits; Review of Fund Determinations

If your application for benefits is denied in whole or in part, the Fund will provide you with a written notice that sets forth the reasons for the denial within 90 days after they receive your application. The notice will provide references to any pertinent Plan provisions, a description of any additional material or information which might help your claim, an explanation of why that information is necessary, a general explanation of the Plan's claims procedure, and a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974 (ERISA). Should special circumstances require additional time to decide your claim, the Plan will provide you with a written notice of the extension within 90 days after receipt of your claim explaining the special circumstances and the date by which the Fund expects to render the benefit determination. This extended due date cannot exceed 180 days from the date on which your claim was originally filed.

If you receive such a notice or if you disagree with a policy, determination or action of the Fund, you may request the Board of Trustees to review your benefit denial or the Fund policy, determination or actions with which you disagree. Your written appeal should state the reasons for your appeal and shall be filed within 90 days after receipt of the notice. This does not mean that you are required to cite all applicable Plan provisions or to make "legal" arguments; however you should state clearly why you believe you are entitled to the benefit claim or why you disagree with a Fund policy, determination or action. The Trustees can best consider your position if they clearly understand your claims, reasons and / or objections.

The Trustees or a designated Committee of the Trustees will review your appeal and make a decision within 60 days of receipt. If an extension of time is necessary, written notice of the extension shall be furnished to the Appellant, prior to the expiration of the initial 60-day period, describing the need for the special extension and the date by which a decision will be made. In no event shall the extension exceed a period of 60 days from the end of the initial period.

You will receive written notice of the decision of the Trustees or Committee promptly after review by the Trustees or Committee. The notice will explain the reasons for the decision, will include specific references to Plan provisions on which the decision is based and may indicate if additional information might help your claim. The notice will also state your right to reasonably access all relevant documents and information regarding you claim as well as a statement of your right to bring a civil action under Section 502(a) of ERISA.

If you wish, you can appoint an authorized representative to act on your behalf for the purpose of filing a claim or seeking a review of a denied claim. You also can choose to represent yourself. If you wish to use an authorized representative (this person may be a lawyer, but need not be), you must notify the Fund in advance in writing of the name, address, and phone number of the authorized representative.

Assignment of Benefits

Neither you nor any beneficiary can assign any of the benefits to which you are entitled under the Plan to any other person. Your benefits cannot be sold or pledged as security on a loan. Furthermore, your benefits are not subject to the payment of any judgment or decree of a court or otherwise unless you also serve as a fiduciary of the Plan. If you do also serve as a fiduciary of the Plan, your benefits may be offset, within certain limits, to pay damages resulting to the Plan from your breach of fiduciary duty or for damages caused to the Plan by certain other actions. The Plan also may be required to pay your benefits to satisfy a lien for delinquent federal taxes.

However, as noted earlier, if any benefit under the Plan becomes subject to a Qualified Domestic Relations Order, the benefit will be paid in accordance with that order. You will be notified if your benefits are affected by a Qualified Domestic Relations Order.

XI. GENERAL INFORMATION

Plan Administrator

The Plan Administrator is the Board of Trustees. The address is:

Board of Trustees
SEIU Affiliates Officers and Employees Pension Plan
11 Dupont Circle, NW
Suite 900
Washington, DC 20036
Telephone assistance: toll free (800) 458-1010
Washington, DC area (202) 730-7500

The names and addresses of the members of the Board of Trustees are:

The SEIU Executive Director of Benefits, Eunice Washington, has been designated as the agent for service of legal process. Service may be made at the Fund address or on any member of the Board of Trustees.

Participants may obtain copies of the Collective Bargaining Agreement, a list of employers and employee organizations sponsoring the Plan and information as to whether a particular employer or employee organization is a sponsor of the Plan, and if the employer is a Plan sponsor, the sponsor's address. Participants may examine these documents at the Fund office upon written request to the Plan Administrator.

Fund Administration

Benefits are provided from the Fund's assets which are accumulated under the provisions of the Trust Agreement and Plan and held in a Trust Fund for the purpose of providing benefits to covered participants and defraying reasonable administrative expenses.

The Fund's assets are held by a custodian bank and invested by investment managers designated by the Trustees.

Federal Insurance

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law.

Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first $11 of the monthly benefit accrual rate and (2) 75% of the next $33.

The PBGC's maximum guarantee limit is $35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be $12,870.

The PBGC guarantee generally covers: (1) Normal and Early Retirement benefits; (2) disability benefits if you become disabled before the Plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the earlier of: (i) The date the Plan terminates or (ii) the time the Plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the Plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your Plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000.

Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

<u>Termination of the Plan</u>

The Board of Trustees reserves the right to amend this Plan or terminate it in whole or part subject to the terms of the Plan and of the SEIU Constitution. In the event of Plan termination or discontinuance, you will not accrue any further benefits under the Plan. However, the benefits that you already have accrued will become vested, that is, nonforfeitable, to the extent your benefits can be funded by the Plan assets allocated for such purposes.

Statement of Rights under ERISA

As a Participant in the SEIU Affiliates Officers and Employees Pension Plan, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants will be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including 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 Pension and Welfare Benefit Administration.

- Obtain, upon written request to the Plan Administrator, copies of all Plan documents governing the operation of the Plan, including collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and an updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.

- Receive notice annually on the Plan's funding status. The Plan Administrator is required by law to furnish each participant with a copy of this Annual Funding Notice.

- Obtain a statement annually telling you whether you have a right to receive a pension at Normal Retirement Age (age 65) and, if so, what your benefits would be at normal retirement if 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 must work to have a right to a pension. This statement must be requested in writing and is not required to be given more than once every 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", have a duty to do so prudently and in the interest of you and other Plan Participants and Beneficiaries. No one, including your employer, 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 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 which 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, you may file suit in Federal court. If it should happen that Plan fiduciaries have misused 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 frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

Employer identification number: 52-0812348
Plan number: 001
Fiscal Year end date: December 31
Type of Plan: Multiemployer Defined Benefit Pension Plan

Service Employees International Union, CLC

Affiliates' Officers and Employees Pension Fund

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