HANDBOOK OF BENEFITS

HAWAII TRUCKERS - TEAMSTERS UNION
PENSION PLAN

(Revised through July 1, 2020)

THIS PLAN IS ADMINISTERED BY

BENEFIT & RISK MANAGEMENT SERVICES
(ADMINISTRATIVE OFFICE)
560 N. NIMITZ HIGHWAY, SUITE 209
HONOLULU, HAWAII 96817

TELEPHONE: (808) 523-0199

IMPORTANT NOTICE

As a Participant, should you have any questions concerning this Plan, please contact the Administrative Office at 560 N. Nimitz Highway, Suite 209, Honolulu, Hawaii 96817, Phone (808) 523-0199 (8:00 A.M. - 4:30 P.M., M-F)

HAWAII TRUCKERS - TEAMSTERS UNION PENSION PLAN

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INTRODUCTION

TO ALL PLAN PARTICIPANTS:

This new booklet includes all changes made in the Hawaii Truckers - Teamsters Union Pension Plan since the last booklet was issued.

Over the years, there have been several benefit formula changes. The most recent change in benefits was effective on June 1, 2018.

This booklet presents a summary of the Plan provisions in effect on July 1, 2020 and, as such, may not be applicable to events that occurred prior to that date. If you have any questions as to your rights or benefits under this Plan, contact the Administrative Office.

You should read this booklet carefully to understand how the Plan works and how the rules apply to your case. Of course, all of your rights and benefits under this Plan are subject to the terms of the official Plan documents, and those documents shall govern in the event of any conflict with this booklet.

Sincerely,

BOARD OF TRUSTEES

PLAN PARTICIPATION

You become a Participant in the Hawaii Truckers - Teamsters Union Pension Plan when you work for an Employer who contributes to the Plan on your behalf under a collective bargaining agreement with the Hawaii Teamsters and Allied Workers, Local 996.

Your Plan participation starts on the first day of the month for which your Employer is required to make a contribution on your behalf.

If after you become a Participant you incur a Break in Service (**see page 29**) because you have not been credited with any Service for a Plan Year (April 1 - March 31) your participation ceases. But you can again become a Participant on the first day of the month in which you return to work for an Employer who contributes to the Plan on your behalf.

WHEN YOU MAY RETIRE

There are three kinds of retirement possible under the Plan. Each has its own requirements.

Normal Retirement—

If you did not become a Former Employee (**see page 27**) before April 1, 1987, your Normal Retirement Date is the first day of the month coinciding with or next following the one in which you attained age 62. If you did become a Former Employee before April 1, 1987, your Normal Retirement Date is the first day of the month coinciding with or next following the one in which you attained age 65.

If you have earned less than 5 years of Vesting Service (**see page 26**), you may still retire on your Normal Retirement Date provided you have not incurred a Break in Service in the Plan Year prior to your retirement.

(**NOTE**: Unless specifically indicated, the remainder of this booklet is based on a Normal Retirement Date of age 62.)

Early Retirement—

You may elect to retire on the first day of any month if you meet either of the two eligibility provisions:

(a) You have attained your 55th birthday and completed at least 10 years of Vesting Service (**see page 26**), or

(b) The sum of your age (including fractional years) and years of Vesting Service totals at least 84.

Disability Retirement—

You are entitled to a Disability Retirement Benefit if, before your Normal Retirement Date,

(a) You become permanently and totally disabled as a result of mental or physical injury or disease and are prevented from engaging in any further employment;

(b) You have attained age 40;

(c) You have completed at least 10 years of Vesting Service; and

(d) You are disabled before you have a Break in Service (**see page 29**).

Disability retirement benefits will not be paid concurrently with wages or salaries paid by reason of employment either within or outside the industry. You shall be deemed permanently and totally disabled if you are awarded a Social Security Disability Benefit under Title II of the Social Security Act.

HOW MUCH ARE YOUR RETIREMENT BENEFITS

The amount of your retirement benefit depends on your age and the number of years of Credited Service (**see page 25**).

Normal Retirement Benefit

On or after April 1, 2017, if you are not a Former Employee (**see page 27**), your monthly benefit will be the sum of the following amounts:

1. For each year of Credited Service earned before April 1, 1982, you will receive a monthly benefit of $41.13.

2. For each year of Credited Service earned between April 1, 1982 and March 31, 1987, your monthly benefit will vary depending on the Contribution Rate paid by your Employer, as follows:

Contribution Rate	Monthly Benefit for Each Year of Credited Service
32¢ per hour	$28.26
37¢ per hour	32.55
42¢ per hour	36.84
47¢ per hour	41.13
52¢ per hour	45.42
57¢ per hour	49.71
62¢ per hour	54.00
67¢ per hour	58.29

Any higher contribution rate will increase the monthly benefit per year of Credited Service by $4.29 for each additional 5¢ increment.

For purposes of Credited Past Service earned during this period of time, the Contribution Rate in the above table is the Contribution Rate that is nearest to the initial contribution rate that was negotiated between the Teamsters Local 996 and your employer.

For purposes of Credited Future Service earned in any Plan Year during this period of time, the Contribution Rate to be used for that Plan Year is equal to the average Contribution Rate for that Plan Year rounded to the nearest 5¢ increment. (The average Contribution Rate is equal to total contributions made on an Employee's behalf during the Plan Year divided by total Hours of Work for that Plan Year.)

3. For each year of Credited Service earned between April 1, 1987 and March 31, 1993, your monthly benefit will vary depending on the Contribution Rate paid by your Employer, as follows:

Contribution Rate	**Monthly Benefit for Each Year of Credited Service**
32¢ per hour	$19.76
37¢ per hour	22.77
42¢ per hour	25.78
47¢ per hour	28.79
52¢ per hour	31.80
57¢ per hour	34.81
62¢ per hour	37.82
67¢ per hour	40.83

Any higher contribution rate will increase the monthly benefit per year of Credited Service by $3.01 for each additional 5¢ increment.

For purposes of Credited Past Service earned during this period of time, the Contribution Rate in the above table is the Contribution Rate that is nearest to the initial contribution rate that was negotiated between the Teamsters Local 996 and your employer.

For purposes of Credited Future Service earned in any Plan Year during this period of time, the Contribution Rate to be used for that Plan Year is equal to the average Contribution Rate for that Plan Year rounded to the nearest 5¢ increment. (The average Contribution Rate is equal to total contributions made on an Employee's behalf during the Plan Year divided by total Hours of Work for that Plan Year.)

4. For each year of Credited Service earned between April 1, 1993 and March 31, 2013, your monthly benefit will vary depending on the Contribution Rate paid by your Employer, as follows:

Contribution Rate	**Monthly Benefit for Each Year of Credited Service**
32¢ per hour	$22.77
37¢ per hour	25.78
42¢ per hour	28.79
47¢ per hour	31.80
52¢ per hour	34.81
57¢ per hour	37.82
62¢ per hour	40.83
67¢ per hour	43.84

Any higher contribution rate will increase the monthly benefit per year of Credited Service by $3.01 for each additional 5¢ increment.

For purposes of Credited Past Service earned during this period of time, the Contribution Rate in the above table is the Contribution Rate that is nearest to the initial contribution rate that was negotiated between the Teamsters Local 996 and your employer.

For purposes of Credited Future Service earned in any Plan Year during this period of time, the Contribution Rate to be used for that Plan Year is equal to the average Contribution Rate for that Plan Year rounded to the nearest 5¢ increment. (The average Contribution Rate is equal to the total contributions made on an Employee's behalf during the Plan Year divided by the total Hours of Work for that Plan Year.)

5. For each year of Credited Service earned between April 1, 2013 and March 31, 2018, your monthly benefit will vary depending on the Contribution Rate paid by your Employer, as follows:

Contribution <u>Rate</u>	**Monthly Benefit for Each Year of <u>Credited Service</u>**
32¢ per hour	$15.94
37¢ per hour	18.05
42¢ per hour	20.16
47¢ per hour	22.27
52¢ per hour	24.38
57¢ per hour	26.49
62¢ per hour	28.60
67¢ per hour	30.71

Any higher contribution rate will increase the monthly benefit per year of Credited Service by $2.11 for each additional 5¢ increment.

For purposes of <u>Credited Past Service</u> earned during this period of time, the Contribution Rate in the above table is the Contribution Rate that is nearest to the initial contribution rate that was negotiated between the Teamsters Local 996 and your employer.

For purposes of <u>Credited Future Service</u> earned in any Plan Year during this period of time, the Contribution Rate to be used for that Plan Year is equal to the average Contribution Rate for that Plan Year rounded to the nearest 5¢ increment. (The average Contribution Rate is equal to the total contributions made on an Employee's behalf during the Plan Year divided by the total Hours of Work for that Plan Year.)

6. For each year of Credited Service <u>earned after April 1, 2018</u>, your monthly benefit will vary depending on the Contribution Rate paid by your Employer, as follows:

Contribution Rate	**Monthly Benefit for Each Year of Credited Service**
32¢ per hour	$ 9.72
37¢ per hour	11.01
42¢ per hour	12.30
47¢ per hour	13.59
52¢ per hour	14.88
57¢ per hour	16.17
62¢ per hour	17.46
67¢ per hour	18.75

Any higher contribution rate will increase the monthly benefit per year of Credited Service by $1.29 for each additional 5¢ increment.

For purposes of Credited Past Service earned during this period of time, the Contribution Rate in the above table is the Contribution Rate that is nearest to the initial contribution rate that was negotiated between the Teamsters Local 996 and your employer.

For purposes of Credited Future Service earned in any Plan Year during this period of time, the Contribution Rate to be used for that Plan Year is equal to the average Contribution Rate for that Plan Year rounded to the nearest 5¢ increment. (The average Contribution Rate is equal to the total contributions made on an Employee's behalf during the Plan Year divided by the total Hours of Work for that Plan Year.)

Example:

If you retire on your Normal Retirement Date with 5 years of Credited Service between April 1, 1982 and March 31, 1987 at a Contribution Rate of 52¢ per hour, 6 years of Credited Service between April 1, 1987 and March 31, 1993 at a Contribution Rate of 57¢ per hour, 18.5 years of Credited Service between April 1, 1993 and March 31, 2013 with a Contribution Rate of 62¢ per hour for 5 years, 67¢ for 5 years and $1.12 per hour for 8.5 years, 3 years of Credited Service between April 1, 2013 and March 31, 2018 with a Contribution Rate of $2.22 per hour and 2 years of Credited Service after March 31, 2018 with a contribution rate of $2.37, your monthly benefit will be:

<u>For Credited Service Between April 1, 1982 and March 31, 1987</u>

5 years times $45.42 per year of service	=	227.10

<u>For Credited Service Between April 1, 1987 and March 31, 1993</u>

6 years times $34.81 per year of service	=	208.86

<u>For Credited Service Between April 1, 1993 and March 31, 2013</u>

5 years times $40.83 per year of service	=	204.15
5 years times $43.84 per year of service	=	219.20
8.5 years times $70.93 per year of service	=	602.91

<u>For Credited Service Between April 1, 2013 and March 31, 2018</u>

3 years times $96.12 per year of service	=	288.36

<u>For Credited Service After March 31, 2018</u>

2 years times $62.61 per year of service	=	125.22
Total Monthly Benefit	=	$1,875.80
Rounded to the next higher multiple of 50¢	=	**$1,876.00**

[**<u>NOTE</u>**: Benefits are raised to the next higher multiple of 50¢ unless it is already a multiple of 50¢.]

<u>Postponed Retirement Benefit</u>

If you postpone your retirement beyond your Normal Retirement Date, your monthly benefit will be equal to the greater of:

(a) Your Normal Retirement Benefit calculated as above, but based on your Credited Service earned to your actual retirement date, or

(b) Your Normal Retirement Benefit calculated as above based on your Credited Service earned to your Normal Retirement Date, but increased by an actuarial factor for those months that your actual retirement date occurs after the later of (i) January 1, 1982 or (ii) your Normal Retirement Date.

Early Retirement Benefit

If you are vested (**see page 27**) with 5 years of Vesting Service but have not met either of the two rules discussed on **page 8** at the time you retire, you will have to wait until you reach age 62 before you will be able to start receiving your pension benefit under the Plan.

If you meet either of the rules on **page 8** and you retire early, you have the following three choices available to you:

Choice 1: You may wait until your Normal Retirement Date to start receiving your benefit. Your benefit will then be figured the same way as your Normal Retirement Benefit.

Choice 2: You may start receiving your benefit as soon as you retire. The amount of your benefit will be reduced because you will be receiving it for a longer time.

If you became a Former Employee (**see page 27**) before April 1, 2008, your benefit is reduced 4/10 of 1% for each month of early retirement between age 60 and your Normal Retirement Date plus 6/10 of 1% for each month prior to age 60.

If you are not a Former Employee or became a Former Employee (**see page 27**) after April 1, 2008, your benefit is reduced 4/10 of 1% for each month of early retirement.

Example:

If you retire at age 58 after having earned 6 years of Credited Service between April 1, 1987 and March 31, 1993 at a Contribution Rate of 57¢ per hour, 20 years of Credited Service between April 1, 1993 and March 31, 2013 at a Contribution Rate of $1.12 per hour and 5 years of Credited Service between April 1, 2013 and March 31, 2018 at a Contribution Rate of $2.12 and 3 years of Credited Service after March 31, 2018 at a Contribution Rate of $2.32 per hour, your accrued monthly Normal Retirement Benefit would be $2,271.00 (6 years x $34.81 + 20 years x $70.93 + 5 years x $91.90 + 3 years x $61.32 = $2,270.92, raised to $2,271.00). Because you are retiring early and you are not a Former Employee, your Normal Retirement Benefit is reduced by 48 months (for the years between age 58 and age 62) x .004 = 19.2%.

Total reduction = 19.2% x $2,271.00 = $436.03.

Therefore, your monthly Early Retirement Benefit = $1,835.00 ($2,271.000 - $436.03, raised to the next higher multiple of 50¢).

Example:

If you retire at age 56 after having earned 6 years of Credited Service between April 1, 1987 and March 31, 1993 at a Contribution Rate of 57¢ per hour and 10 years of Credited Service between April 1, 1993 and March 31, 2005 at a Contribution Rate of $1.12 per hour and became a Former Employee on March 31, 2006, your accrued monthly Normal Retirement Benefit would be $918.50 (6 years x $34.81 + 10 years x $70.93 = $918.16, raised to $918.50). Because you are retiring early and you became a Former Employee before April 1, 2008, your Normal Retirement Benefit is reduced by 24 months (for the years between age 60 and age 62) x .004 = 9.6%, and by 48 months (for the years between age 56 and age 60) x .006 = 28.8%.

Total reduction = 38.4% x $918.50 = $352.70.

Therefore, your monthly Early Retirement Benefit = $566.00 ($918.50 - $352.70, raised to the next higher multiple of 50¢).

Choice 3: If you are single or are married and you and your spouse have rejected the Automatic Joint and Last Survivor Annuity Benefit (**see page 19**), you may elect to receive a monthly benefit starting on your Early Retirement Date but adjusted so that, as nearly as possible, your retirement benefit from the Plan, together with your primary Social Security benefit, will provide a level monthly income for life.

Example:

Let us assume that you retire at age 60 and your monthly Early Retirement Benefit was determined to be equal to $1,000.00.

Let us also assume that at age 62 you would be entitled to a monthly Social Security benefit of about $900. If you take this level income option, then your monthly payments will be:

	From Age 60 to Age 62	**After Age 62**
The Plan will pay:	$1,761.85	$ 861.85
Social Security pays:	-0-	900.00
	$1,761.85	$1,761.85

Possibly by the time you attain age 62 your Social Security Benefit will be different than $900, but the Plan Benefit would be unchanged (still $861.85).

Please note that the amounts shown in the table above are illustrative only as the factors that are used to determine benefits under this benefit form will vary as interest rates fluctuate.

Disability Retirement Benefit

Your Disability Retirement Benefit is computed in the same way as your Normal Retirement Benefit based on the number of years of Credited Service you have accumulated up to the time of your disability retirement.

HOW YOUR BENEFITS ARE PAID

Your Benefits (**see pages 10 - 18**) will be paid to you each month for your lifetime only as long as you remain retired or disabled, in the case of a Disability Retirement. These benefits may be paid in other ways if:

(1) You are married at the time of your retirement and you and your spouse do not reject the Automatic Joint and Last Survivor Annuity Benefit, or

(2) You and your spouse, if any, reject the Automatic Joint and Last Survivor Annuity Benefit and choose another form of benefit payment.

What is the Automatic Joint and Last Survivor Annuity Benefit?

ERISA requires that all married retirees have their benefits adjusted under a 50% Joint and Last Survivor Annuity unless both the retiree and his or her spouse elect otherwise in writing. Under this form the monthly benefit to which you would be entitled will be reduced during your lifetime so that if you die before your spouse, he or she will receive a lifetime benefit equal to 50% of your monthly benefit. (Note: You and your spouse must be married to each other when the first retirement benefit payment becomes due.)

Bear in mind that this benefit is automatic for married members—it goes into effect without any action being taken by you. If you do not want this benefit, you and your spouse must reject it in writing, generally within an election period of at least 30 days but not more than 180 days prior to the date benefits commence and, your spouse's consent to this rejection must be notarized in order to be valid. If you and your spouse reject it and instead choose to have the benefit paid for your lifetime only, your monthly benefit will not be reduced and there will be no benefit continuation to your spouse after your death.

If you are provided with your election form within 30 days of your effective date of retirement or after your effective date of retirement, you will be allowed to waive the 30-day minimum election period in which case a 7-day minimum election period would apply.

If you are planning to retire within the next year, write to the Administrative Office and ask for a written description of how this benefit works and how it will affect you.

What is the Qualified Optional Joint and Survivor Annuity Benefit?

Since April 2009, a married participant who, with spousal consent, has rejected the Automatic Joint and Last Survivor Annuity Benefit, may elect to receive his benefit in the form of a Qualified Optional Joint and Survivor Annuity Benefit. Under this form the monthly benefit to which you would be entitled will be reduced during your lifetime so that if you die before your spouse, he or she will receive a lifetime benefit equal to 75% of your monthly benefit. Because the amount payable to your spouse after your death would be greater than the amount payable to your spouse after your death under the Automatic Joint and Last Survivor Annuity Benefit, the amount payable to you under this benefit form will be less than the amount payable under the Automatic Joint and Last Survivor Annuity Benefit.

What other forms of benefit can you choose at retirement?

If you and your spouse, if any, have rejected the Automatic Joint and Last Survivor Annuity Benefit and do not elect the Qualified Optional Joint and Survivor Annuity Benefit, you may elect a Contingent Annuity Option. Under this form you will receive a reduced monthly income for life with a portion of your monthly income going to your beneficiary after your death. You choose the person who is to receive the survivor's benefit—it can be your spouse or any other person. The Trustees may limit your choice to certain persons or classes of persons by rules applied uniformly to all Participants. You also choose the percentage of your monthly income to be paid to your survivor—it can be 50%, 66-2/3% or 100%—as long as it complies with Federal tax regulations. Once payments begin, neither of these decisions can be changed.

The amount of monthly income you receive under this form will depend on the age of your beneficiary and the percentage of your monthly income he or she is to receive. Ask the Administrative Office to figure your benefits under this form before you make this choice.

If you die before your effective date of retirement, this option will not take effect but death benefits may be payable (**see page 22**).

If the person you have chosen to receive the survivor benefit dies before your effective date of retirement, your election of this option becomes null and void and you will have the opportunity to make a new election.

What Happens if the Lump Sum Value of your retirement benefit is less than $5,000?

Notwithstanding the above, if the lump sum equivalent of your monthly retirement benefit is determined to be less than $5,000, the Plan will pay you your retirement benefit in the form of a lump sum payment. Once this payment has been made, you will not receive any additional benefits from the Plan.

This also applies to any pre-retirement death benefit that may be payable to your beneficiaries (**see pages 22 - 24**).

WHAT OTHER BENEFITS ARE PROVIDED

The Plan also provides benefits other than age and disability retirement benefits for employees and their families. These are:

(a) Death Benefits

(b) Survivor Benefits

Death Benefits

There are three different kinds of death benefits—

(1) Eligible Spouse Death Benefit before retirement. Under this arrangement, if you are vested, have been married for at least one year at the time of death and die prior to retirement, your surviving spouse will receive an Eligible Spouse Death Benefit from the Plan.

If you die while eligible to retire with a Normal, Early or Postponed Retirement Benefit, the Eligible Spouse Death Benefit will be determined as if you had retired on the day before your death and elected the Automatic Joint and Last Survivor Annuity Benefit.

If you die before becoming eligible to retire with a Normal, Early or Postponed Retirement Benefit, the Eligible Spouse Death Benefit will be determined:

(a) as if you had terminated your employment on the date of your death,

(b) survived until the earliest date upon which you could have elected to retire and receive benefits from the Plan,

(c) retired and began to receive benefits in the form of the Automatic Joint and Last Survivor Annuity Benefit, and

(d) died on the next day.

Your spouse could elect to begin to receive this Eligible Spouse Death Benefit on the earliest date upon which you would have been eligible to retire and receive benefits or elect to defer these payments to a later date (but not later than the date you would have attained age 72).

(2) Lump Sum Death Benefit. If you are not covered by the Eligible Spouse Death Benefit described above, you have completed 5 or more years of Vesting Service (**see page 26**), or are a Former Employee (**see page 27**) but you die before retirement, your Beneficiary will receive a death benefit equal to the lesser of:

(a) 50% of the total amount of Employer contributions made on your behalf, and

(b) $6,500.

(3) Post-retirement Death Benefit. If you die after you have begun to receive retirement benefits and are not covered by any option which provides a benefit to a surviving beneficiary, then your Beneficiary will receive a sum equal to the excess of what would have been provided under (2) above (as if your death occurred immediately before the effective date of your retirement) over the sum of the payments made to you after retirement.

Survivor Benefits

If, at the time of your death on or after March 1, 1976, you meet either of these two conditions:

(1) You are receiving a retirement benefit under the Plan, are under age 65 and, on the effective date of your retirement benefit, have been credited with a total of at least 3,000 Covered Hours in the Plan Year in which the effective date occurred and in the four preceding years, or

(2) You have not yet retired under the Plan, your service is unbroken, and you have been credited with at least 3,000 hours in the Plan Year in which your death occurs and in the four preceding Plan Years,

your surviving children will share a monthly Survivor Benefit until they reach age 18. The total Survivor Benefit payable due to deaths that occurred on or after April 1, 1992 is $333.50 per month.

This benefit will be payable to the person caring for the children.

If, at the time of your death, you have at least 15 years of Vesting Service (**see page 26**) and you meet either of the two conditions above, your surviving spouse will qualify for a benefit of one-half of the total Survivor Benefit, while there are no eligible surviving children, until she (or he) reaches age 62.

The effective date of the benefit is the first day of the month the survivor satisfies the conditions for eligibility but not before the date which is 12 months prior to the date the Administrative Office receives an application for the benefit.

HOW SERVICE IS DETERMINED

Types of Service Under the Plan

The Plan recognizes:

(a) Credited Service, which determines the amount of your benefits, and

(b) Vesting Service, which determines your eligibility for certain benefits under the Plan.

There are two kinds of Service:

(a) Before your Employer first started contributing to the Trust Fund, Service means employment in a job which, as of the date of your Employer's first contribution, was subject to collective bargaining between the Union and the Employer or employment with the Union if your Employer is the Union.

(b) After your Employer started contributing to the Trust Fund, Service means employment for which contributions are payable to the Trust Fund.

What is Credited Service?

Credited Service is the sum of your **Credited Past Service**, if any, and **Credited Future Service**.

(a) **Credited Past Service**

Credited Past Service means your period of Service prior to the date on which your Employer began making contributions to the Trust Fund.

You are eligible for Credited Past Service only if:

(1) An Employer contribution was payable to the Trust Fund on your behalf for the month of April 1964; or

(2) You were on an Excused Absence (**see page 29**) on April 1, 1964, and until the first Employer contribution is payable on your behalf; or

(3) You were in actual service with an Employer between April 1, 1963 and March 31, 1964, and became a Participant within one year of your last date of employment with an Employer.

If your Employer first begins to contribute to the Plan after April 1, 1964, the dates given above may be adjusted by the Trustees.

Credited Past Service is granted at the rate of 1/10 year for each month during which you were employed by an Employer, up to a maximum of one year's credit in a calendar year.

(b) **Credited Future Service**

This means employment for which your Employer has made contributions to the Trust Fund.

Credited Future Service is granted as follows:

Hours of Work in Each Plan Year	**Years of Credited Future Service**
1,500 and over	1 year
1,125 to 1,499	3/4 year
750 to 1,124	1/2 year
375 to 749	1/4 year
Under 375	None

What is Vesting Service?

Vesting Service is used to determine your eligibility for certain benefits under the Plan. Before April 1, 1976, a Year of Vesting Service was the same as a year of Credited Service, including fractions thereof.

On and after April 1, 1976, a Year of Vesting Service means each Plan Year (April 1 to March 31) in which you accumulated 750 or more Hours of Service. If you accumulate more than 375 but less than 750 Hours of Service, you will be credited with one-half Year of Vesting Service.

Since April 1, 1992, when you have accrued 5 Years of Vesting Service, you are fully vested; this means that you can never lose your rights to a pension when you reach retirement age even if you permanently leave the industry. If you leave the industry after you are fully vested, you will be designated a **Former Employee** and are eligible to receive a pension at your Normal Retirement Date or, if you choose, a reduced benefit at any time between age 55 and your Normal Retirement Date if you have at least 10 years of Vesting Service. (**NOTE**: Between April 1, 1976 and March 31, 1992, fully vested meant accruing 10 or more Years of Vesting Service and before April 1, 1976, fully vested meant the attainment of age 45 and the accrual of 10 or more years of Credited Service.)

If you terminated employment prior to April 1, 1981, the vested benefit you will receive at your Normal Retirement Date will be equal to the product of your accrued Credited Service and the retirement benefit levels in effect at the time you suffer a Break in Service (**see page 29**). If you terminate employment after April 1, 1981, the vested benefit that you will receive at your Normal Retirement Date will be equal to the product of your accrued Credited Service and the retirement benefit levels in effect at the time of your last compensable hour prior to your first Break in Service.

Your monthly benefit will be raised to the next higher multiple of 50¢, unless it is already a multiple of 50¢.

What is an Hour of Service?

When applied to Service on or after April 1, 1976, an Hour of Service means each hour for which you get paid by your Employer for actual performance of duties, except hours for which a premium rate is paid because such hours are in excess of a bona fide standard workweek or workday. It also includes any hours for which back pay is awarded or agreed to by your Employer and contributory hours in connection with which a contribution is properly paid to the Trust Fund under either a collective bargaining agreement between the Union and your Employer, or any other agreement approved by the Trustees.

When applied to Service before April 1, 1976 an Hour of Service means each hour compensable on a straight time basis, whether or not actually worked, in a job classification customarily subject to collective bargaining between the Union and an Employer or hours compensable by the Union if your Employer is the Union.

If you should work for an Employer in a job that is not covered by the collective bargaining agreement without interruption either immediately before or after your work in the bargaining unit with the same Employer, those uncovered Hours of Service will also be counted for Vesting Service; however, no Hours of Service in uncovered employment before the first date on which the Employer contributed to the Plan will be counted.

Finally, solely for the purpose of determining when a Break in Service (**<u>see page 29</u>**) occurs, you will be entitled to Hours of Service for a period of absence from work due to “maternity or paternity” reasons. These Hours of Service will normally be credited to the Plan Year next following the Plan Year in which the absence began. However, these Hours of Service may be credited to the Plan Year in which the absence began if they are needed to avoid a Break in Service in that Plan Year. An absence for “maternity or paternity” reasons includes an absence from work (1) due to the pregnancy of an employee, (2) due to the birth of a child of an employee, (3) due to the placement of a child with an employee in connection with the adoption of the child by the employee, or (4) due to the caring of the child for a period of time beginning immediately after such birth or placement. <u>You will not be credited with any Hours of Service under this provision unless the Trustees are notified of this absence in a timely manner and are provided with sufficient information to reasonably establish that the absence was due to maternity or paternity reasons.</u>

IF YOU NO LONGER WORK FOR A CONTRIBUTING EMPLOYER

What is a Break in Service?

Before April 1, 1976 a Break in Service occurred if you did not have any Credited Service for 12 consecutive months unless you did not work due to an Excused Absence. Any month in which you were on Excused Absence did not count toward a Break in Service.

Excused Absences are defined by regulations of the Board of Trustees and include under certain conditions, absences due to disability, pregnancy, military service, employment by the Union, or by an Employer in a capacity outside a collective bargaining agreement, leave of absence granted by an Employer, etc. To determine whether an absence falls within the rules for Excused Absences you should contact the Administrative Office.

After April 1, 1976, a Break in Service occurs at the end of any Plan Year in which you have no Service.

What is the Effect of a Break in Service?

A Break in Service before April 1, 1976 resulted in the cancellation of all Credited Service before that break, unless you were vested (**see page 27**).

Since April 1, 1976, all your Years of Vesting Service and Credited Service were cancelled if, before you became vested (**see page 27**), you incurred a Permanent Break in Service.

Between April 1, 1976 and March 31, 1987, a Permanent Break in Service occurred when the number of consecutive yearly Breaks in Service equaled or exceeded the number of Years of Vesting Service earned before the first of such consecutive yearly Breaks in Service.

Since April 1, 1987, a Permanent Break in Service occurs when the number of consecutive yearly Breaks in Service is at least 5 and equals or exceeds the number of Years of Vesting Service earned before the first of such consecutive yearly Breaks in Service.

Example:

You had three Years of Vesting Service for Plan Years beginning in 1996, 1997, and 1998 and then fail to earn any Hours of Service in each of five consecutive years, 1999, 2000, 2001, 2002 and 2003. You lose all your Years of Vesting Service and any Credited Service you may have earned. If you return to Service, you return as a new Employee.

What happens if you leave Service for Military Service?

If you leave Service for military service and, after your military service, you are reemployed by your Employer on or after December 14, 1994 and within the time frame required under the Uniformed Services Employment and Reemployment Rights Act of 1994 and your Employer provides the Administrative Office with the required written notice within 30 days of your reemployment, you will be credited with the amount of Credited Service and Vesting Service that you would have otherwise earned under the Plan for employment with your Employer during your period of military service.

If you are not reemployed by your Employer after your period of military service as described above, your status under the Plan will be determined based on the Credited Service and Vesting Service that you had earned prior to your military service.

Since January 2007, if you were to die while in military service, your survivors will be entitled to any additional benefits (other than benefit accruals related to your period of military service) provided under the Plan, determined as if you had returned to work and then terminated employment under the Plan on account of death.

What happens if you return to Service after you become a Former Employee?

Your total benefits will be the sum of the accrued vested benefit when you become a Former Employee (**see page 27**) plus any additional benefit you may earn based on your Credited Service earned on and after the date of your reemployment.

What happens if you return to work after becoming a Pensioner?

(In accordance with a U.S. Department of Labor regulation, which can be found in Section 2530.203-3 of the Code of Federal Regulations, the Board adopted the following rules regarding suspension of benefits for a Pensioner who returns to work.)

For benefits attributable to Credited Service that you earned prior to September 14, 1982, your pension payments will be suspended one month for each month in which you have 40 or more Hours of Service with a contributing Employer.

For benefits attributable to Credited Service earned after September 14, 1982, your pension payments will be suspended one month for each month in which you have 40 or more hours of employment in the "same industry" and "same trade or craft" in the State of Hawaii.

"Same industry" means the business activity of the type engaged in by any Employer maintaining the Plan, including self-employment. And, “same trade or craft” means an occupation in which the Employee was employed at any time under the Plan, or supervisory activities relating to skill or skills utilized in such occupation.

If your pension payments are suspended, you will be given a notice by certified mail during the first month of suspension which will explain why your pension payments are suspended. You may contest the suspension in accordance with the claim procedures of the Plan (**see page 38**).

If you later again retire, pension payments will resume no later than the first day of the third calendar month after the calendar month in which you are no longer employed, provided you so notify the Trustees. Your first payment after your re-retirement will include the payment for that month plus any amounts withheld since you stopped working less any overpayments previously made to you. The offset for overpayment is limited to 100 percent (100%) of the amount due in the first month in which benefit payments resume and 25 percent (25%) of each monthly payment thereafter until all overpayments are fully recovered.

If you are a Pensioner, you must notify the Trustees of any employment and provide such reasonable information as the Trustees may request. About once each year, on a form prepared by the Administrative Office, you must either certify that you are unemployed or provide the Administrative Office with information to prove that you have not been working in the Industry.

If you do not meet the above certification requirement, your pension payments may be withheld. When you finally meet this requirement, you will receive any eligible pension payments which had been withheld from you.

You may request the Administrative Office to determine whether or not a job that you are considering would cause your pension payments to be suspended. If you return to work and later again retire, your pension will be increased for Credited Service, if any, earned while reemployed.

YOUR RIGHTS

All members of the Plan have certain rights and protections under ERISA.

What are your rights?

As a Participant in the Hawaii Truckers - Teamsters Union Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

(a) 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 insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration (formerly Pension and Welfare Benefits Administration).

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

- Receive a summary of the plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

- Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (age 62) and if so, what your benefits would be at Normal Retirement Age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

(b) Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

(c) 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. (A brief summary of the plan's claim procedure can be found **on page 38**.)

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits 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 or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

(d) 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 Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or:

The Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue N.W.
Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

OTHER FACTS YOU NEED TO KNOW

What happens if you leave the Bargaining Unit and work for Management?

You will not earn any Credited Service for uncovered employment. But you may continue to earn Years of Vesting Service if you were in Covered Employment immediately before or immediately after you took a non-bargaining unit job with the same Employer.

How may you lose your rights to a benefit?

There are circumstances which may result in loss or suspension of benefits for you or your beneficiary.

No benefits will be paid if any of the following occur:

(a) You incur a Permanent Break in Service and have all your Years of Vesting Service and your Credited Service cancelled;

(b) You or your beneficiary do not file a written application for benefits with the Trustees (application form may be obtained from the Administrative Office) because no retroactive benefits will be paid for any month more than six months preceding the month in which you file an application;

(c) You are not vested and incur a Break in Service in the Plan Year prior to your Normal Retirement Date.

Your total disability retirement benefits—

(a) Will not be paid at the same time you are receiving wages or salaries paid by reason of employment either within or outside the industry;

(b) Will not be paid for any month more than six months before your application is filed;

(c) Will be discontinued when your disability ceases unless you have attained your Normal Retirement Date.

Your retirement benefits will be suspended for any month in which you return to employment in the same industry in the same trade or craft in Hawaii for 40 or more hours.

Do you have to begin to draw your pension by a certain age?

Yes, in certain cases.

All participants who attained age 70-1/2 in calendar year 1987 through calendar year 2019 must begin to draw their pension by no later than the April 1 following the calendar year in which they attain age 70-1/2, even if they continue to work in covered Service beyond that date.

Participants who attain age 70-1/2 in calendar year 2020 or later must begin to draw their pension by no later than the April 1 following the calendar year in which the later of the following occurs: (a) attainment of age 72, or (b) termination of employment under the Plan. However, these participants may elect to begin drawing their pension as early as the April 1 following the calendar year in which they attain age 70-1/2, even if they continue to work in covered Service beyond that date.

Will Social Security benefits affect your retirement benefits?

No. Your retirement benefits under this Plan are in addition to benefits paid by Social Security.

What happens if your benefits under this Plan are subject to a qualified domestic relations order?

(a) Definition

A qualified domestic relations order ("QDRO") is a judgment, decree or order (including approval of a property settlement agreement) which relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child or other dependent of a participant, is made pursuant to a state domestic relations law (including community property laws), and meets a series of specific criteria set forth in both the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code.

(b) Procedure

If the Administrative Office receives an instrument that purports to be a qualified domestic relations order affecting your interest in the Plan, you will be notified, and you will be provided with a copy of the Plan's established procedure for determining whether or not the instrument constitutes a qualified domestic relations order.

Participants and beneficiaries can obtain, without charge, a copy of these procedures from the Administrative Office.

(c) Effect of a Qualified Domestic Relations Order

A qualified domestic relations order creates rights in a person known as an "alternate payee." The alternate payee may become entitled to any part of, or all of, your interest under the Plan. In addition, the order may grant to a former spouse the rights normally provided to a surviving spouse under the Plan, preventing a later spouse from having full spousal rights.

What is the claims procedure to obtain benefits from the Plan?

Claims for all benefits must be filed in writing on forms available from the Administrative Office.

If your claim for benefits is denied in whole or in part, a written notice will be sent to you. The notice will explain the reasons for the denial setting forth (1) the specific reason(s) for the adverse determination; (2) reference to the specific Plan provision(s) on which the denial is based; (3) a description of any additional material or information necessary for the applicant to perfect the claim and an explanation of why such material or information is necessary; and (4) a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA.

If, after you receive a denial notice, you disagree with the decision, you may appeal the decision by filing an appeal in writing with the Administrative Office within 60 days of receiving the decision, after which the Trustees will review the denial of the claim. If they believe it would be useful, they may hold a hearing at which you and your representative may appear. You will be given adequate advance notice of any hearing. The decision of the Trustees shall be in writing, will include specific reasons for the decision and references to those Plan provisions on which the decision is based, and will normally be sent to you within 60 days of your appeal (it may take up to 120 days if circumstances warrant it).

Are there any guarantees of my benefits?

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 5 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.

Your Employer may also be required to pay to the Fund its "fair share" of the Fund's "unfunded vested liability"[1] if it should withdraw from the Plan.

Will the Plan ever be changed?

Every effort has been made to design and develop this Plan as a safeguard to your interest which will meet any future conditions insofar as they can be anticipated at the present time. **The Trustees, however, reserve the right to change, modify, or amend the Plan at any time.**

Many provisions of the Plan are subject to provisions of ERISA and regulations issued under the law. Legal interpretations of the law continue to be issued. As a result of these interpretations, it may become necessary for the Plan to be modified.

You will be advised of any changes which may become necessary.

What about the future of the Plan?

It is expected that the Plan will continue indefinitely, however, the Board of Trustees reserves the right to terminate this Plan at any time. The Plan could also be terminated as a result of an agreement between the contributing Employers and the Union.

If the Plan is terminated, you will become 100% vested and all funds held in the Trust Fund, to the extent available, will be used to provide benefits to the Plan participants and beneficiaries. In no

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[1]This is the liability that is incurred for vested Employees (**see page 27**) that is not covered by the Plan's assets.

event would the termination of the Plan result in the reversion of any assets to any contributing Employer.

If at termination, the Plan's assets are insufficient to fully fund the benefits of all participants and beneficiaries, they may receive all or a portion of the balance of their benefits from the Pension Benefit Guaranty Corporation as noted on **page 39**.

INFORMATION REQUIRED UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)

Name of Plan

Hawaii Truckers - Teamsters Union Pension Plan

Plan Sponsor and Plan Administrator

Board of Trustees of the
Hawaii Truckers - Teamsters Union Pension Plan

Administrative Office
560 N. Nimitz Highway, Suite 209
Honolulu, Hawaii 96817
Phone: (808) 523-0199

Participants and beneficiaries may receive from the Plan Administrator, upon written request, information as to whether a particular Employer is a sponsor of the Plan and, if so, the sponsor's address.

Identification Numbers

Assigned by the Internal Revenue Service: 99-6009518
Assigned by Plan Sponsor: Plan No. 001

Type of Plan

The Plan is known as a **"defined benefit plan."** This means that pension benefits are determined by a formula.

Type of Administration

The Board of Trustees has engaged Benefit & Risk Management Services, which maintains an office at 560 N. Nimitz Highway, Suite 209, Honolulu, Hawaii 96817, to serve as Contract Administrator for the Pension Trust Fund.

Agent for Legal Process

Carla Jacobs
Benefit & Risk Management Services
560 N. Nimitz Highway, Suite 209
Honolulu, Hawaii 96817

Service of legal process may also be made upon a Plan Trustee or the Plan Administrator.

Collective Bargaining Agreement

The Hawaii Truckers - Teamsters Union Pension Trust Fund was first established, effective April 1, 1964, by the various Collective Bargaining Agreements between the Trucking Industry represented by the Hawaii Employers Council, other trucking companies, and the Hawaii Teamsters and Allied Workers, Local 996. Copies of current Collective Bargaining Agreements may be obtained from the Plan Administrator upon written request or may be examined at the Administrative Office at 560 N. Nimitz Highway, Suite 209, Honolulu, Hawaii 96817.

Name, Title and Address of Principal Place of Business of Each Trustee

Employer Trustees

Luis DeLeon
HR Manager
United Parcel Service
3375 Koapaka Street, D180
Honolulu, Hawaii 96819

Dan Kroll
UPS Metro Center Business Manager
United Parcel Service
128 Mokuea Place
Honolulu, Hawaii 96819

Labor Trustees

Wayne Kaululaau
President
Teamsters Union Local 996
1817 Hart Street
Honolulu, Hawaii 96819

Ronan Kozuma
Teamsters Union Local 996
1817 Hart Street
Honolulu, Hawaii 96819

Fiscal Year

The ending date of the Plan's fiscal year is **March 31**.

Funding Medium

Fund assets are accumulated under the provisions of the Collective Bargaining Agreements and the Trust Agreement and held in a Trust Fund for the purpose of providing benefits to covered participants and defraying reasonable administrative expenses. The Fund's assets and reserves are held in custody by First Hawaiian Bank.

IMPORTANT INFORMATION

NOTE
RETAIN YOUR PAY STUBS AS PROOF OF RECORD

CHANGE-OF-ADDRESS
In order to assure accurate records on your behalf, please notify the Trust Fund Office of any change.

CHANGE-OF-BENEFICIARY NOTIFICATION
Be sure you have named your selected Beneficiary in writing and that it is on file at the Administrative Office.