



**Local 804 I.B.T. and  
Local 447 I.A.M.-  
UPS Multi-Employer Retirement Plan**



**Summary Plan Description**

For Full-Time Employees of  
United Parcel Service, Inc.  
Represented by Local 804 I.B.T.

## INTRODUCTION

This Summary Plan Description describes the Local 804 I.B.T. and Local 447 I.A.M. – UPS Multi-Employer Retirement Plan as amended and restated effective January 1, 2014.

For simplicity, this Summary Plan Description uses the following abbreviated terms:

- The Local 804 I.B.T. and Local 447 I.A.M. – UPS Multi-Employer Retirement Plan is called the “**Plan**”
- This Summary Plan Description is called the “**SPD**”
- International Brotherhood of Teamsters Local 804 is called the “**Union**” and
- An Employee who is covered by the Plan is called a “**Participant.**”

The SPD provides a non-technical explanation of the Plan's features applicable to those Eligible Employees described in the next section. This SPD is specifically for full-time employees of United Parcel Service, Inc. (UPS) who are represented by the Union. There are separate summary plan descriptions for the other Participants of the Plan.

Capitalized terms are defined in the section of the SPD in which they are first described. Every effort has been made to ensure this SPD is complete and accurate. However, if there is a difference between this SPD and the official Plan documents, or if an issue is covered in this SPD in less detail, the terms of the Plan documents will control. Copies of the official Plan documents are available from the Plan Administrator, which is the Board of Trustees. For more information, contact:

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Atlanta, GA 30328  
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## **ELIGIBILITY AND PARTICIPATION**

### **Eligible Employee**

You are an Eligible Employee if you satisfy each of the following conditions:

- You are a full-time employee of UPS;
- You are included and have attained seniority in a collective bargaining agreement ("CBA") between UPS and the Union that provides for contributions to be made on your behalf to the Plan;

Additionally, employees of the Union, other than employees subject to collective bargaining, are considered Eligible Employees if contributions are made to the Plan on his or her behalf.

The term "Employer" used in this SPD refers to UPS, UPS Related Companies, and the Union. This SPD describes benefits available only to the Eligible Employees described above. The benefits for other Participants of the Plan are set forth in separate summary plan descriptions.

### **When You Become a Plan Participant**

If you are an Eligible Employee, you become a Participant immediately following any 12 consecutive month period during which you have completed at least 750 Hours of Work and have attained age 21 and are then in Covered Employment. Covered Employment is employment with an Employer for which the Employer is required to make a contribution to the Plan on your behalf.

### **Hours of Work**

An Hour of Work is generally each hour for which you are paid, or entitled to be paid, for the performance of your job duties for an Employer.

Hours of Work also include hours for which you are paid or entitled to be paid for:

- Vacations and holidays,
- Illness,
- Incapacity including disability,
- Layoff,

- Jury duty
- Military duty, or
- An authorized leave of absence.

However, the number of Hours of Work for any of the above is limited to a maximum of 501 Hours of Work for any single continuous period during which you perform no job duties.

Additionally, to avoid having a Permanent Break in Service described below, you are eligible to receive up to a maximum of 730 Hours of Work during your lifetime for work not performed as the result of a workers' compensation injury.

### **When Participation Ends**

You will cease to be a Participant on the last day of the calendar year in which you have a Permanent Break in Service or when you die. You incur a Permanent Break in Service if, before you are vested, you have six consecutive calendar years in which you fail to complete at least 375 Hours of Work. If you have a Permanent Break in Service, your participation in the Plan is cancelled. You will have to re-qualify for participation in the Plan. Moreover, the years of Pension Credit and Vesting Service you earned before the Permanent Break in Service will be cancelled and will not count toward determining your benefit.

### **Vesting Service**

Vesting Service determines whether you have a non-forfeitable right to your benefit. You earn one year of Vesting Service for each calendar year in which you complete at least 750 Hours of Work with an Employer.

The Plan provides that you will receive Vesting Service for your Hours of Work as an employee of a UPS Related Company even if you do not work in a job classification for which benefits are provided by the Plan (i.e., are not in Covered Employment). For example, if you participate in the Plan for three years and then you no longer work in a position covered by the Plan, you can still receive a benefit from the Plan (based on those three years), if you continue to work for a UPS Related Company in another capacity and accumulate another two years of Vesting Service, for a total of five years.

**When You Vest**

You become vested upon completing five (5) years of Vesting Service. In addition, if you have not completed five (5) years of Vesting Service, you will become vested if you reach your Normal Retirement Age while you remain an employee of an Employer.

**Normal Retirement Age**

Your Normal Retirement Age is your 55<sup>th</sup> birthday, or if later, the fifth anniversary of the start of your participation in the Plan.

**Pension Credit**

The amount of your monthly retirement benefit is directly related to the years of Pension Credit that you accrue. A full year of Pension Credit is earned for any calendar year in which you have at least 1,600 contributory hours. A contributory hour is an Hour of Work in Covered Employment for which the Employer is obligated to make contributions to the Plan on your behalf. Should you have less than 1,600 contributory hours during a calendar year, you will earn partial Pension Credit for each respective calendar year as indicated in the following table:

Contributory Hour	Year(s) of Pension Credit
1 - 149	0.08333
150 - 294	0.16667
295 - 439	0.25000
440 - 584	0.33333
585 - 729	0.41667
730 - 874	0.50000
875 - 1,019	0.58333
1,020 - 1,164	0.66667
1,165 - 1,309	0.75000
1,310 - 1,454	0.83333
1,455 - 1,599	0.91667
1,600 or more	1.00000

## YOUR BENEFIT

There are three types of pensions: Regular, Service and Disability. Generally, a pension is determined by multiplying Pension Credits by the applicable accrual rate. If you are eligible for a Regular Pension and a Service Pension, you will receive the benefit that pays the largest monthly amount at your benefit commencement date.

Other factors that may affect your benefit commencement date and the amount of your benefit include:

- your age,
- your spouse's age (if you are married when you retire), and
- the form of payment you elect when you retire.

Once you are eligible to retire and have terminated employment with the Employer, your retirement benefit may commence on the first of the month following the later of your termination or your filing with the Plan Administrator of a completed application for benefits.

### **Regular Pension**

Your Regular Pension is the monthly benefit payable at your Normal Retirement Age. It is expressed as a Single Life Annuity with 120-Month Payment Guarantee (as described on page 11) and will be subject to adjustment if you elect another form of payment.

Subject to your termination of employment with your Employer, you are entitled to receive a Regular Pension if you are vested and have attained your Normal Retirement Age.

Your Regular Pension is calculated as follows:

- \$144 multiplied by Years of Pension Credit up to a maximum of 25 years

*Example* – Jim terminates employment and retires on June 30, 2014 commencing his Regular Pension on July 1, 2014. Jim accrued 24.5 years of Pension Credits. Jim's Regular Pension is \$144 times 24.5 years, or \$3,528 per month.

If you are vested, and you terminate employment prior to Normal Retirement Age, payment of your Regular Pension is deferred and cannot begin until you reach Normal Retirement Age.

### **Service Pension**

If you have at least 25 years of Pension Credit, you are eligible for a Service Pension upon terminating employment with your Employer. However, the calculation of your Service Pension benefit amount will depend on when you left Covered Employment and at what age you commence your benefit. No more than 30 years of Pension Credit are used to calculate Service Pension amounts. Service Pension amounts are expressed as a Single Life Annuity with 120-Month Payment Guarantee (as described on page 11) and are subject to adjustment for other forms of payment. If you meet the qualifications for both a Regular Pension and a Service Pension, you are only entitled to the pension that results in the greatest monthly benefit amount at the time of your retirement.

### **Service Pension Amount – Covered Employment Ended Between January 1, 2014 and July 31, 2017.**

#### *Before Attaining Normal Retirement Age*

If your last day in Covered Employment is between January 1, 2014 and July 31, 2017, and you had not attained your Normal Retirement Age as of your last day in Covered Employment, your Service Pension is calculated as follows:

\$136 multiplied by 25 years of Pension Credit  
**plus**  
\$100 multiplied by years of Pension Credit in excess of 25 years  
(but no more than 30 years total).

Using this formula, a Participant who is less than Normal Retirement Age and has accrued 27.41667 years of Pension Credit is eligible for a monthly Service Pension of \$3,641.67, calculated as follows:

\$136 x 25 years of Pension Credit	=	\$ 3,400.00
<b>plus</b>		
\$100 x 2.41667 years of Pension Credit	=	\$ <u>241.67</u>
Total Monthly Benefit		\$ 3,641.67



The following table illustrates the Service Pension amounts for each whole year of Pension Credit between 25 and 30 years.

Years of Pension Credit	Service Pension (January 1, 2014)
25	\$3,400.00
26	\$3,500.00
27	\$3,600.00
28	\$3,700.00
29	\$3,800.00
30	\$3,900.00

*After Attaining Normal Retirement Age*

If you reach Normal Retirement Age while in Covered Employment, have accrued 25 or more years of Pension Credit and your Covered Employment ended between January 1, 2014 and July 31, 2017, your monthly Service Pension amount will be \$3,900.

**Service Pension Amount – Covered Employment Ended on or after August 1, 2017**

*Before Attaining Normal Retirement Age*

If your last day in Covered Employment is after July 31, 2017, and you have not attained Normal Retirement Age as of your last day in Covered Employment, your Service Pension is calculated as follows:

\$140 multiplied by 25 years of Pension Credit  
**plus**  
 \$100 multiplied by years of Pension Credit in excess of 25 years  
 (but no more than 30 years total).

Using this formula, a Participant who is less than Normal Retirement Age and has accrued 27.58333 years of Pension Credit is eligible for a monthly Service Pension of \$3,741.67, calculated as follows:

\$140 x 25 years of Pension Credit	=	\$ 3,500.00
<b>plus</b>		
\$100 x 2.41667 years of Pension Credit	=	<u>\$ 241.67</u>
Total Monthly Benefit		\$ 3,741.67

The following table illustrates the Service Pension amounts for each whole year of Pension Credit between 25 and 30 years.

Years of Pension Credit	Service Pension (August 1, 2017)
25	\$3,500.00
26	\$3,600.00
27	\$3,700.00
28	\$3,800.00
29	\$3,900.00
30	\$4,000.00

*After Attaining Normal Retirement Age*

If you reach Normal Retirement Age while in Covered Employment, have accrued 25 or more years of Pension Credit and your Covered Employment ended after July 31, 2017, your monthly Service Pension amount will be \$4,000.

**Working Beyond Normal Retirement Age**

If you work for an Employer beyond your Normal Retirement Age, your benefit will begin the first of the month following, or coinciding with, your termination of employment with the Employer. Subject to the minimum required distribution rules for individuals over 70 ½, described below, commencement of your benefit must be postponed until you actually terminate employment. Your benefit is said to be suspended while you work after reaching Normal Retirement Age. You will receive no benefit payments during the suspension period and no adjustments will be made to your future benefit to reflect that period of time that benefit payments were suspended, except to recognize the Pension Credits you may continue to earn during the suspension period. When you ultimately retire, your benefit will be calculated pursuant to the Plan terms in effect as of your last day in Covered Employment.

However, your benefits must commence no later than the April 1<sup>st</sup> following the calendar year in which you reach age 70 ½, even if you are still working. In that case, your benefit will be calculated as if you had retired on December 31 of the calendar year in which you reached age 70 ½. Your benefit will be recalculated annually as long as you continue working for the Employer. Upon retiring from the Employer, your benefit will be recalculated by the Plan, taking into consideration all of the Pension Credits you've earned up to your actual retirement date.

## **Disability Pension**

You will be eligible for a Disability Pension if you have at least 10 years of Pension Credit and become totally and permanently disabled provided your total and permanent disability commenced while you were an Eligible Employee of an Employer. Additionally, if you are totally and permanently disabled as the result of an injury that you received while performing your customary duties for the Employer while an Eligible Employee, and as a result of such injury you become a quadriplegic, you will be eligible for a Disability Benefit if you have at least 5 years of Pension Credit.

You are totally and permanently disabled if the Plan Administrator determines, in its sole discretion, that due to a physical, mental or emotional condition, you have been continuously prevented from performing your customary work for the Employer for 6 months and that your condition will prevent you from satisfactorily performing such duties again prior to attaining Normal Retirement Age. The Plan Administrator may take into account any determinations and opinions of workers' compensation boards, insurance companies, the U.S. Social Security Administration, the U.S. Veterans' Administration, qualified physicians and surgeons, and all other evidence presented to them.

If such determination is made, you are eligible to receive the Disability Pension beginning as of the date that the Plan Administrator determine is six (6) months after the commencement of the disability, provided you have terminated employment.

The monthly amount of your Disability Pension benefit is expressed as a Single Life Annuity with 120-Month Payment Guarantee (as described on page 11). It is equal to the amount of your Regular Pension and is determined by the benefits in effect on the day your employment with the Employer terminates. Your Disability Pension Benefit is subject to adjustment for other forms of payment, including the Qualified Joint and Survivor Annuity, which is the normal form of benefit if you are married. The forms of payment, and how you may select your form of payment, are explained in the Payment Options section of this SPD.

If you elect and receive a Disability Pension, no other benefits, such as a Regular Pension or Service Pension, are payable to you. If you are also entitled to another type of pension, such as a Service Pension, please compare the amounts and options carefully. As mentioned above, you need to wait six (6) months to start a Disability Pension, while other Pensions can start as soon as your application is approved.

In addition, the factors used to convert your Disability Pension to a Joint and Survivor Annuity form of payment produce a greater discount than those factors used for other pensions (see the Section entitled "Adjustment for Joint and Survivor Annuities" page 12).

Because of the variables under these circumstances, the Plan Administrator cannot determine which pension is best for you and defers to your decision when electing a Disability Pension.

### **Pre-Retirement Survivor Benefits**

If you are married and die after you become vested in your Plan benefit but before your payments begin, your surviving spouse is eligible to receive a monthly benefit from the Plan (a "Pre-Retirement Surviving Spouse benefit"). Your spouse's benefit will be based on the Pension Credits you had earned as of your date of death.

The benefit amount and the date that your spouse may receive such benefit is determined as follows:

- If you are at least Normal Retirement Age or have at least 25 years of Pension Credit when you die, your surviving spouse will receive the monthly benefit amount that would have been received if you had retired, elected the Qualified Joint and Survivor Annuity the day before your death and then died the next day. Benefit payments may commence on the first day of the month after your death.
- If you have not attained Normal Retirement Age and you have less than 25 years of Pension Credit when you die, your surviving spouse will receive the monthly benefit amount that would have been received if you had lived to Normal Retirement Age, retired, elected the Qualified Joint and Survivor Annuity the day before your death and then died the next day. Benefit payments may commence on the first day of the month after you would have reached Normal Retirement Age.

If you have accrued at least 25 years of Pension Credit at the time of your death and are either unmarried or you and your spouse elect to waive the Pre-Retirement Surviving Spouse benefit prior to your death (see "Naming a Beneficiary"), your beneficiary is eligible for the Survivor's Benefit of 120 Payments, which is equal to the applicable Service Pension that you or your beneficiary would have received over the 120-month guarantee period had you retired on the date of your death and elected the Single Life Annuity with 120-month Payment Guarantee. If no beneficiary is named or the named beneficiary does not survive you, a lump sum, reduced by one-half of one percent (0.5%) interest for each calendar month the payment precedes the original payment schedule, is payable to your estate. Benefit payments may commence on the first day of the month after your death.

Please note, if a beneficiary survives you and begins receiving payments, but dies before all guaranteed payments have been made, then benefits will be paid to such beneficiary's surviving designated beneficiary or, if none, to the beneficiary's estate as a lump sum, reduced by one-half of one percent (0.5%) interest for each calendar month the payment precedes the original payment schedule.

### **Death Benefit**

If you die prior to retirement, have at least 10 years of Pension Credits when you die, and no other death benefits are payable by the Plan (i.e., the Pre-Retirement Surviving Spouse Benefit or Survivor's Benefit), your beneficiary will receive a death benefit equal to \$13 times the number of your Pension Credits, up to a maximum of \$2,500. If there is no designated beneficiary when you die, or if the designated beneficiary predeceases you, the benefit will be paid to your estate.

### **Rehired Employees**

If you terminate employment as a vested Participant and are later rehired with an Employer, your participation will automatically resume and your prior service will be included for vesting and benefit calculations, as applicable. However, if you received a lump sum payment when you previously terminated employment, prior Pension Credits will not be restored unless you repay the full amount, plus interest. In order to reinstate your prior service, repayment must be within the 6 months of when you incurred 5 consecutive years in which you failed to complete 375 Hours of Work.

If you retire and later return to work with an Employer, benefit payments are suspended for any calendar month in which you complete at least 40 Hours of Work, subject to the minimum required distribution rules when you reach age 70 ½ (see above, "Working Beyond Normal Retirement Age"). The suspension will be removed as of the first day of the calendar month in which you do not complete 40 Hours of Work. Reinstatement of the benefit payments, inclusive of any applicable retroactive amounts back to the date the suspension was removed and with consideration for any additional Pension Credit accruals, will occur by the first day of the third month after the suspension is removed. In certain situations, payment amounts may be adjusted to account for payments that were not timely suspended or to account for payments made to you prior to Normal Retirement Age, as applicable. In no event will the reinstated benefit be less than the amount payable to you prior to the suspension.

If you leave employment with the Employer before you are vested and are later rehired, the service that you completed before you left will continue to count toward your years of Pension Credit and Vesting Service, provided you do not incur a Permanent Break in Service (see, "When Participation Ends" on page 2).

## **PAYMENT OPTIONS**

### **Normal and Optional Payment Forms**

The normal form of payment for married Participants is the Qualified Joint and Survivor Annuity. The normal form of payment for a single Participant is the Single Life Annuity with 120-month Payment Guarantee. Marital status will be determined and set at the time you commence your benefit. Changes to your marital status after benefits have commenced will not change the form of payment. As a reminder, benefit amounts set forth in this SPD are expressed as a Single Life Annuity with 120-month Payment Guarantee and payments will be adjusted, if applicable to reflect different payment forms.

### **Single Life Annuity with 120-Month Payment Guarantee**

The Single Life Annuity with 120-Month Payment Guarantee pays a monthly benefit for your lifetime with a guarantee of benefit payments for a period of 120 months (10 years) regardless of the duration of your actual lifetime. If you die before you have received the guaranteed 120 months of payments, your beneficiary continues to receive the same benefit amount for the remainder of the guarantee period.

If you live beyond the guarantee period, you continue to receive payments until your death; however, no payments are payable to anyone, including your estate, after your death. If you are single, your benefit must be paid as a Single Life Annuity with 120-month Payment Guarantee. If you are married and elect the Single Life Annuity with 120-month Payment Guarantee, your spouse must provide written, notarized consent to your choice of this payment form. Furthermore, your spouse must provide written notarized consent of the beneficiary (or beneficiaries) named for the guaranteed payments (see "Naming a Beneficiary" on page 15).

### **Joint and Survivor Annuities**

The Plan provides for two different Joint and Survivor Annuities, the Qualified Joint and Survivor Annuity, which is the normal form of benefit for married Participants, and the optional Joint and 75% Survivor Annuity. Under each of the Joint and Survivor Annuities, you will receive a monthly benefit during your lifetime, and after your death your surviving spouse, if any, will receive a monthly benefit equal to a percentage of what you were receiving.

If you elect the Qualified Joint and Survivor Annuity, your spouse's monthly benefit equals 50% of the actuarially reduced monthly benefit that you receive during your lifetime. Similarly, if you elect the Joint and 75% Survivor Annuity, your spouse's monthly benefit equals 75% of the actuarially reduced monthly benefit that you receive during your lifetime.

Because the Joint and Survivor Annuities pay benefits over two lifetimes, the amount paid to you is actuarially reduced from the Single Life Annuity with 120-month Payment Guarantee, to account for the fact that your surviving spouse will receive continuing monthly benefits for his or her lifetime. The actuarially reduced amount offered in each of the Joint and Survivor Annuities is approximately the same relative value as the Single Life Annuity with 120-month Payment Guarantee taking into account the longer period over which the Joint and Survivor Annuities are expected to be paid.

With either option, should your spouse die after your benefit payments begin, the reduced benefit you are receiving will continue without change during your lifetime, and no payments will be made to anyone, including your estate, after your death.

If you are married, you may elect either of the Joint and Survivor Annuities, without your spouse's consent. If you do not wish to choose either of the Joint and Survivor Annuities, your spouse must provide consent for your choice and waive his or her rights to the Qualified Joint and Survivor Annuity. Consent must be provided in writing and be witnessed by a notary public.

#### **Adjustment for Joint and Survivor Annuities**

For purposes of determining the amount of a Participant's Qualified Joint and Survivor Annuity, the full amount otherwise payable to the Participant is multiplied by the following factors:

- (1) *Regular and Service Pensions*: 94%, plus 0.50% for each full year that the spouse's age is greater than the Participant's age (with a maximum adjustment factor of 99%), or minus 0.50% for each full year that the spouse's age is less than the Participant's age.
- (2) *Disability Pension-77.50%*: plus 0.40% percent for each full year that the spouse's age is greater than the Participant's age (with a maximum factor of 99%), or minus 0.40% for each full year that the spouse's age is less than the Participant's age.

For purposes of determining the amount of a Participant's Joint and 75% Survivor Annuity, the full amount otherwise payable to the Participant is multiplied by the following factors:

- (1) *Regular and Service Pensions*: 89%, plus 0.60% for each full year that the spouse's age is greater than the Participant's age (with a maximum factor of ninety-nine percent 99%), or minus 0.60% for each full year that the spouse's age is less than the Participant's age.

(2) *Disability Pension*: 70%, plus 0.50% for each full year that the spouse's age is greater than the Participant's age (with a maximum factor of 99%), or minus 0.50% percent for each full year that the spouse's age is less than the Participant's age.

*Example* – Jim retires with a Regular Pension of \$3,528 per month. Jim is married, and elects the Qualified Joint and Survivor Annuity. His wife is a full 5 years younger than he is. Jim's pension of \$3,528 per month is multiplied by an adjustment factor of 91.5% (94% minus 0.5% times 5) for a monthly pension of \$3,228.12.

Assume, instead, that Jim elects the Joint and 75% Survivor Annuity. Now, Jim's pension of \$3,528 per month is multiplied by an adjustment factor of 86% (89% minus 0.6% times 5) for a monthly pension of \$3,034.08.

Compare this to the reduction if Jim retires with a Disability Pension of \$3,528 per month, and he elects the Qualified Joint and Survivor Annuity. Jim's pension of \$3,528 per month is multiplied by an adjustment factor of 75.5% (77.5% minus 0.4% times 5) for a monthly pension of \$2,663.64.

### **Lump Sum Option**

In certain circumstances, you may be able to receive a portion of your pension in a single lump sum payment. To be eligible for this, you need to stop working in Covered Employment and immediately elect and start receiving a Service Pension or a Regular Pension. The amount that you take in a lump sum must be at least \$10,000 and no more than \$50,000. If you take a lump sum, your monthly pension is then reduced by the actuarial equivalent of the amount of the lump sum. Your reduced monthly pension is paid to you subject to the usual rules.

If you are married, your spouse must consent to the election.

You will receive a notice of the tax treatment of the lump sum payment from the Plan before the payment is made. You can elect to take the payment in cash or as a direct rollover.



**Withdrawal Benefit**

You may elect to receive a Withdrawal Benefit if you have a termination of employment with your Employer before Normal Retirement Age, and you have at least 10 years of Pension Credit. The election may be made at any time after your termination and prior to your Normal Retirement Age. If you are married, your spouse must consent to the election. The amount of your Withdrawal Benefit is determined by multiplying \$13 by the number of your full and partial months of Pension Credit. The Withdrawal Benefit cannot exceed \$2,500 or, if less, the present value of your pension. Your monthly pension benefit will be reduced by the actuarial equivalent of the amount of the Withdrawal Benefit you elect to take.

**Automatic Distribution**

If you terminate employment as a vested Participant and the present value of your benefit is \$1,000 or less, you will receive a lump sum distribution of your benefit as soon as administratively practicable. You will receive notice from the Plan prior to payment of the automatic lump sum distribution. The notice will allow you to elect to take the distribution in cash or as a direct rollover to an IRA or to another qualified plan of your choosing.

## ADDITIONAL INFORMATION

To help ensure that you receive the benefits to which you are entitled, keep in mind some important facts about the way the Plan works.

### **Applying for Plan Benefits**

Any person seeking a benefit must file an application before payments can begin. This applies to you, your surviving spouse or other beneficiary in the event of your death, or an alternate payee. Generally, you should provide an application request form to the Plan Administrator 60 – 90 days before the date you expect to retire (but not more than 6 months in advance).

If you are an active employee, you may contact your Human Resources department or the Plan Administrator to obtain an application request form. If you are not an active employee, make your request directly to the Plan Administrator to obtain the application request form.

Upon receipt of your request form, the Plan Administrator will provide you with a retirement application explaining your payment options and benefit amounts available to you. You should complete the retirement application and return it along with certain documents as outlined in the retirement application's instructions, e.g., a copy of a birth certificate or driver's license for you and your spouse and your marriage license, as applicable, to authenticate your age and marital status.

### **Naming a Beneficiary**

Subject to the spousal waiver requirements for a married Participant, you may designate one or more beneficiaries to receive any benefit payable under the Plan as a result of your death. If you are married, unless you have properly designated a different beneficiary, your spouse will automatically be your beneficiary. Designation of a beneficiary other than your spouse requires the written, notarized consent by your spouse.

No beneficiary designation, or change in designation, is effective unless you have filed the required forms with the Plan, as prescribed by the Plan Administrator. If you have not designated a beneficiary, or no beneficiary survives you, any benefits payable under the Plan will be paid to your estate.

### **Income Tax Withholding**

Your benefit is not considered taxable under Federal tax law until it is actually paid to you. Generally, you will have to pay Federal income tax on the amount of your monthly benefit. In addition to Federal taxes, you may be required to pay state or local income taxes on your benefit. Tax laws are complicated. To fully understand the tax consequences of any benefits you receive from this Plan, you should consult a tax advisor. The Plan Administrator cannot advise you on any legal or tax matters.

The Plan is obligated to withhold federal and applicable state income tax from any benefits it pays unless you elect not to have taxes withheld. Unless instructed otherwise, taxes will be withheld depending on your filing status and number of dependents. The Plan will inform Participants and Beneficiaries how they may choose to have taxes withheld. This notification will be in writing and will be sent in accordance with applicable tax regulations.

Taxes will not be withheld if you receive a lump sum distribution of your total benefit, or any part thereof, that is paid as a direct rollover.

### **Right to Correct Benefit Payments and Recover Overpayments**

A Participant, spouse or beneficiary who receives any payment from the Plan in excess of the amount he or she is entitled to receive under the Plan, including, without limitation, due to mistake of fact or law, reliance on false or fraudulent statements, information or proof submitted by a claimant, or continuation of payments after the death of a Participant, spouse or beneficiary ("Excess Payments") will be obligated to repay the Excess Payments upon receipt of a written notice from the Plan Administrator or its designee(s) requesting the repayment.

The Plan Administrator has full authority, in its sole and absolute discretion, to recover the amount of any Excess Payments (plus interest and costs) to or on behalf of any Participant, spouse or beneficiary. The Plan Administrator's authority includes, but is not limited to, the rights to:

- Seek the Excess Payment in a lump sum from the individual;
- Reduce future benefits payable to the individual who received the overpayment;
- Reduce future benefits payable to a spouse or other beneficiary who is, or may become, entitled to receive payments from the Plan; and/or
- Initiate legal action or take other legal action as may be necessary or appropriate to recover any overpayment (plus interest and costs).

### **Social Security**

Your benefit payments under the Plan will not be affected by your receipt of your Social Security benefits. To obtain more information about your Social Security benefits, contact your Social Security office or visit their website at [www.ssa.gov](http://www.ssa.gov).

### **Incapacity**

If a Participant, spouse or beneficiary is, in the Plan Administrator's judgment, unable to care for his or her affairs due to legal, physical or mental incapacity, any payments may be made to the legally appointed guardian, committee or other legal representative or other person or institution who, as determined in the Plan Administrator's sole and absolute discretion, is then maintaining or has custody of such person or is otherwise appropriate to receive such payments on behalf of the Participant, spouse or beneficiary. Such payments constitute a full discharge of the obligations of the Plan and the Plan Administrator.

### **Benefits Cannot Be Assigned**

Benefits payable by the Plan are for the sole use of Participants and their beneficiaries. Except in very limited circumstances, no one has the right to sell, transfer, withdraw, pledge or assign the benefits to any other individual(s), nor are benefits subject in any manner to anticipation, alienation, encumbrance or charge. Benefits may be reduced pursuant to:

- a court order or judgment in connection with a conviction for a crime involving the Plan,
- a civil judgment, consent order or decree in connection with a breach or alleged breach of fiduciary duty under the Employee Retirement Income Security Act of 1974 (ERISA), or
- a settlement agreement between the Participant and the PBGC in connection with a breach of fiduciary duty under ERISA.

In addition, benefits may be altered according to a Domestic Relations Order once it is determined by the Plan Administrator to be qualified (see "Qualified Domestic Relations Orders" in the following section),

### **Qualified Domestic Relations Orders**

A Qualified Domestic Relations Order (a "QDRO") is a court order, judgment, or an income withholding order for spousal support or child support, which assigns all or a portion of your benefit to a spouse, former spouse or dependent child (also known as an alternate payee). A QDRO typically arises in connection with child support, alimony, or marital property rights arising from a divorce.

You will be notified if the Plan ever receives a domestic relations order concerning your benefit. In accordance with the Plan's procedures, the Plan Administrator will determine whether the domestic relations order is a QDRO. During this period of review, payment of your benefit may be delayed.

To obtain a copy of the Plan's procedures for determining whether a document is a QDRO, its impact on your benefit, as well as a copy of the Plan's sample QDRO language, contact the Plan Administrator at the address listed below. The sample language serves as a useful tool in preparing a QDRO.

Board of Trustees  
Local 804 I.B.T. and Local 447 I.A.M. – UPS Multi-Employer Retirement Plan  
55 Glenlake Parkway, NE  
Atlanta, GA 30328

### **Current Addresses and Marital Status**

It is your responsibility to notify the Plan Administrator if your address, or that of your beneficiary, changes. Not only is that the best way to make sure you receive the most current Plan information, it ensures that benefit payments may be made timely. Address change notifications may be made by sending a written notice to the Plan Administrator. Address change notifications will not be accepted over the phone. In addition, please notify the Plan Administrator and provide the relevant documentation if your marital status changes or if you wish to name a new beneficiary or beneficiaries.

### **Missing Participants, Spouses and Beneficiaries**

If the Plan Administrator is unable to locate you, your spouse or beneficiary at the last address on record and a letter sent by registered or certified mail (or other trackable mail service) is returned, then any payments due to such individual will be held without interest until the individual makes a claim for payment.

## ADMINISTRATIVE INFORMATION

### Official Plan Name

The Plan's legal name is the Local 804 I.B.T. and Local 447 I.A.M. – UPS Multi-Employer Retirement Plan.

### Type of Plan

The Plan is a qualified defined benefit pension plan.

### Plan Sponsor, Plan Administrator, Employer Identification Number, and Plan Number

The Board of Trustees is both the Plan Sponsor and the Plan Administrator. The Plan's Employer Identification Number is 51-6117726 and the Plan Number is 001.

The Trustees are:

#### Union Trustees

Edween Villalta, Local 804 IBT

John Piccinich, Local 804 IBT

Daniel Montalvo, Local 804 IBT

James Conigliaro, Local 447 IAM

#### Employer Trustees

Chris Langan, UPS

Dennie Gandee, UPS

Matt Hoffman, UPS

James McGrath, UPS

You may contact the Board of Trustees, and any individual Trustee, by writing to:

Board of Trustees  
Local 804 I.B.T. and Local 447 I.A.M. – UPS Multi-Employer Retirement Plan  
55 Glenlake Parkway, NE  
Atlanta, GA 30328

### Plan Funding

The Plan is funded through Employer contributions which are held in Trust. The assets are managed by investment managers appointed by the Board of Trustees in accordance with the Trust Agreement and applicable law.

**Plan Year**

The Plan's fiscal year is January 1 through December 31.

**Legal Process**

The Plan Administrator is the agent for legal process. In addition, process may be served on any of the individual Trustees at the Plan's address.

**Contributing Employer**

The Plan Administrator will provide to you, upon written request, information as to whether a particular employer is contributing to the Plan. A complete list of employers and employee organizations sponsoring the Plan may be obtained upon written request to the Plan Administrator. You may have to pay a reasonable charge for the copies. The documents are also available for examination at reasonable times at the office of the Plan Administrator

**Collective Bargaining Agreements**

The Plan is maintained under one or more collective bargaining agreements. A copy of each collective bargaining agreement may be obtained by Participants and beneficiaries upon written request to the Plan Administrator, and is available for examination by them at reasonable times at the Plan's Office.

**Discretionary Authority**

The Plan Administrator governs the Plan in accordance with the Trust Agreement. The Plan Administrator (or its designee(s)) have the sole and absolute power and discretionary authority to administer, apply, construe and interpret the terms of the Plan, including this summary and all official Plan documents, and to decide all matters (including factual matters) arising in connection with the operation of the Plan, the Trust and the investment of assets. Without limiting the generality of the foregoing, the Plan Administrator, and/or its duly authorized designee(s), shall have the sole and absolute discretionary authority to:

- Take all actions and make all decisions (including factual decisions) with respect to the eligibility for, and amount of, benefits payable from the Plan;
- Formulate, interpret and apply rules, regulations and policies necessary to administer the Plan in accordance with its terms;
- Decide questions, including legal or factual questions, relating to the calculation and payment of benefits from the Plan;

- Resolve and/or clarify any ambiguities, inconsistencies and omissions (including factual determinations) arising from the Plan, including this Summary, the Trust agreement or other Plan documents;
- Process and approve or deny benefit claims; and
- Determine the standard of proof required in any case.

All determinations and interpretations (including factual determinations) made by the Plan Administrator and/or its authorized designee(s) shall be final and binding upon all Participants, beneficiaries and any other individuals claiming benefits from the Plan. No one else has any authority to interpret the Plan (or other applicable documentations) or make any promises to you about it, including any claims for benefits.

### **Plan Participation**

Your participation in the Plan does not guarantee your continued employment with any Employer. If you quit, are discharged or laid off, the Plan does not give you a right to any benefit or interest in the Plan except as specifically provided in the Plan's documents.

### **Pension Benefit Guaranty Corporation**

Your retirement 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.

Under its multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if it 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 (i) 100% of the first \$11 of the monthly benefit accrual rate and (ii) 75% of the next \$33. The PBGC's maximum guarantee limit is therefore \$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:

- Normal and early retirement benefits;
- Disability benefits if you become disabled before the Plan becomes insolvent; and
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law;
- 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;
- Benefits that are not vested because you have not worked long enough;
- Benefits for which you have not met all of the requirements at the time the Plan becomes insolvent; and
- 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 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 (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 online at [www.pbgc.gov](http://www.pbgc.gov).

### **Plan Amendment and Termination**

The Trustees expect and intend to continue the Plan indefinitely. But because future conditions can never be fully anticipated, the Trustees reserve the right at any time to amend, modify, suspend or terminate the Plan in whole or in part. In no event may any person discussing or describing the Plan, or its benefits, have the effect of amending or changing the Plan terms. For example, your Employer cannot change the terms or amounts of your benefits even if they make a promise to you that is different than your actual entitlement from the Plan. If the Plan is amended or merged with another plan, the benefit you have immediately after the amendment or merger will be at least equal to what you had immediately before the amendment or merger.

In the unlikely event that the Plan is terminated or if there is a partial termination affecting you, you will immediately be 100% vested in your earned benefit as of the Plan termination date.

### **Military Leaves of Absence**

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) provides certain provisions for employees on military duty. You may have additional protections under state laws. If you leave work temporarily for military duty and you are entitled to rights under USERRA, your absence will not be considered a Break in Service. In addition, time spent in military duty may be counted towards Pension Credit if certain conditions are satisfied.

If you are reemployed by an Employer after your military duty and you are entitled to rights under USERRA, you are entitled to all seniority and other rights and benefits you would have received had you not been on leave.

### **Maximum Benefits**

The law contains certain limits on the size of the benefit you can receive from the Plan. It is unlikely that you will be affected by these limits, but if you are affected, you will be notified. For an employee retiring in 2017, the limit on an annual single life annuity payable from the Plan is \$215,000.

## CLAIMS AND APPEALS

You may file a claim for a benefit, in accordance with the procedures described below. As used in this section, "you" means a Participant, a Participant's surviving spouse, any other beneficiary, an alternate payee or an authorized representative of any of these claimants.

A claim may be filed to:

- obtain or recover benefits;
- enforce your rights under the Plan; or
- clarify your rights or entitlements to future benefits.

### **Filing the Initial Claim**

Claims are to be submitted, in writing, to:

Local 804 I.B.T. and Local 447 I.A.M.-UPS Multi-Employer Retirement Plan  
55 Glenlake Parkway, NE  
Atlanta, GA 30328  
retirement@ups.com

An authorized representative of the Plan Administrator will review all initial claims filed.

### **Notification of the Decision on the Initial Claim**

**Time of Notification:** You will be notified in writing of the decision within 90 days after the claim has been received (45 days for a claim for a Disability Pension). However, an additional 90 days (or 45 days for claim for a Disability Pension) may be required under special circumstances communicated to you, along with an expected date of the decision, before the expiration of the original 90-day (or 45-day) period.

**Content of the Notification:** If the claim has been denied in whole or in part, the notification will:

- describe the specific reason(s) for denial;
- contain specific references to pertinent Plan provisions upon which the denial is based;

- describe any additional material or information necessary for you to perfect the claim and why such material or information is needed;
- explain the Plan's review procedure and the time limit for filing appeals under the procedure;
- include a statement of your right to bring a civil action under section 502(a) of ERISA as amended following the whole or partial denial of the claim after the appeal described below; and
- If the claim was for a Disability Pension and if the denial was based on an internal rule, guideline, protocol, standard or other similar criterion, include a description of such information or a statement that such rule, guideline, protocol, standard or other criterion will be provided free of charge upon request.

### **Appealing a Denied Initial Claim**

**Time and Method of Requesting Review:** If you dispute the initial decision denying the claim, you may appeal the decision by requesting a review within 60 days after receiving notification of the decision (180 days if the claim is for a Disability Pension). This request is made by writing to the Plan Administrator at the address above. Failure to file an appeal within this 60-day period (or 180-day period if the claim is for a Disability Pension) will constitute a waiver of the right to review of the initial decision denying the claim, and such decision will be final and binding upon all parties thereto. The Plan Administrator will review all appeals filed.

**Documents and Other Information:** In connection with an appeal, you will be provided with, upon request and free of charge, reasonable access to and all copies of documents, records and other information which is in the possession of the Plan, and which is relevant to the claim. Further, you may submit written issues and comments, documents, records and any other information to be considered by the Plan Administrator. In reaching a decision on the appeal, the Plan Administrator will consider all issues, comments, documents, records and other information submitted by you, without regard to whether the same was considered in the initial review of the claim.

**Review of a Disability Claim:** If your appeal is with respect to a claim for a Disability Pension, the review of the appeal will not afford deference to the initial decision on the claim, and will not be made by the decider of the initial claim nor any individual who is subordinate to such decider. The Plan Administrator may consult with medical or vocational experts in reaching a decision. However, if the decision on the review will be based in whole or in part on a medical judgment, the Plan Administrator is required to consult with a health care professional, who has appropriate training and experience in the field of medicine involved in the medical judgment. Such health care professional cannot be an individual who was consulted in connection with the initial determination of the claim, nor a subordinate of any such individual.

Any medical or vocational experts whose expertise or advice was sought or obtained on behalf in connection with your claim or appeal must be disclosed to you upon your request. This is to be done without regard to whether the expertise or advice was taken or relied upon in making any decision on your claim.

**Time for Deciding the Appeal:** The Plan Administrator will decide the appeal at the regular quarterly meeting following the receipt of the appeal. However, if the appeal is filed within 30 days preceding the date of such meeting, a decision may be made by no later than by the date of the second regular quarterly meeting following the Plan's receipt of the appeal. If special circumstances (such as the need to hold a hearing) require a further extension of time for deciding the appeal, a decision will be rendered not later than by the date of the third regular quarterly meeting of the Plan Administrator following the receipt of the appeal. If such an extension of time for deciding the appeal is so required, the Plan Administrator will provide you with written notice of the extension, describing the special circumstances and the date as of which the decision on the appeal will be made, prior to the start of the extension.

The Plan Administrator will notify you of its decision on the appeal as soon as possible, but not later than 5 days after the Plan Administrator's meeting at which the decision is made.

## **Notification of the Decision on Appeal**

Method of Notification: The notification will be in writing or sent electronically in accordance with Department of Labor regulations at 29 CFR section 104b-1(c).

Content of the Notice of the Decision On Appeal: Notification of an adverse decision on appeal will include:

- The specific reason(s) for the determination;
- specific references to pertinent Plan provisions upon which the determination is based;
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of all documents, records and other information which is held by the Plan, and which is relevant to your claim; and
- A statement of your right to bring a *civil action* under section 502(a) of ERISA, and any time limit imposed by the Plan for bringing such action; and
- If the claim was for a Disability Pension and if the denial was based on an internal rule, guideline, protocol, standard or other similar criterion, include a description of such information or a statement that such rule, guideline, protocol, standard or other criterion will be provided free of charge upon request.

## **Need To Exhaust Claims Procedures / Time Limit On Bringing Actions**

You may not bring a civil action or other legal action, with respect to a claim, against the Plan (or the Plan Administrator or any of their agents) unless and until you have exhausted the Plan's claims procedures outlined above, including appeal of a denied claim. Further, no such action may be commenced by you, with respect to a claim against the Plan (or the Plan Administrator or any of their agents) more than one year after you are given notice of denial of that claim on appeal.

## YOUR ERISA RIGHTS

You are entitled to certain rights and protections under ERISA. ERISA provides that all Participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as work sites and union halls, all documents governing the Plan, including your employer's collective bargaining agreement, the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor which is also available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including your employer's collective bargaining agreement, the latest annual report (Form 5500 Series) and the Summary Plan Description. A reasonable charge may be required for the copies.
- Receive a copy of the Plan's annual funding notice. The Plan Administrator is required by law to furnish each participant with a copy of this annual funding notice.
- Obtain a statement telling you whether you have a right to receive a pension at your Normal Retirement Age 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 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 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 retirement benefit or exercising your rights under ERISA.

### **Enforce Your Rights**

If your claim for a retirement 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 these rights. For instance, if you request materials 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 are not sent because of reasons beyond the control of the Plan 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, but only after you have exhausted the Plan's claims and appeals procedures. 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, provided you have exhausted all appeals under the Plan. You have one year from the date your appeal was denied to file a lawsuit.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

### **Assistance With Your Questions**

If you have any questions about your Plan, you should contact the 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.