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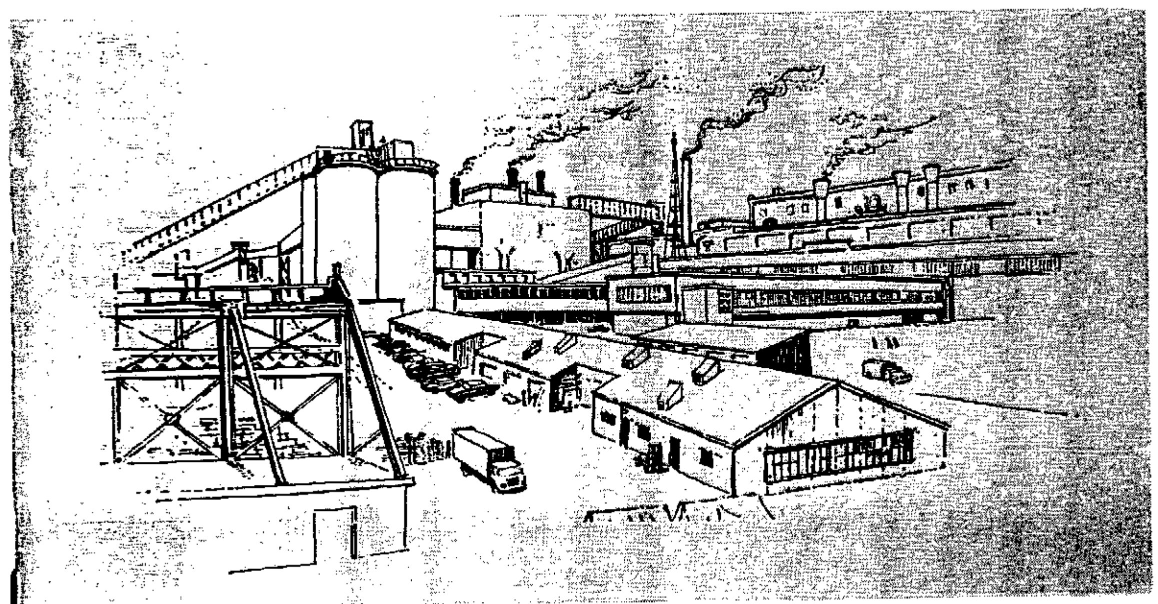
UNITED PAPERMAKERS & PAPERWORKERS

PAPER INDUSTRY UNION-MANAGEMENT PENSION FUND



PENSION FUND OFFICE

820 SECOND AVENUE, NEW YORK, NEW YORK 10017

AS OF JANUARY 1, 1970

Date 4/23/70

From the Desk of

Francis J. Tierney
Assistant to President

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PAPER INDUSTRY UNION-MANAGEMENT PENSION FUND

JOSEPH TONELLI
Chairman

IRVING ROLNICK
Secretary

820 SECOND AVENUE, NEW YORK, N.Y. 10017
Phone: (212) 697-7141

January 1, 1970

To All Covered Employees, Contributing Employers
and Participating Unions:

This new booklet furnishes you with an up-to-date description of the benefits provided by your Pension Fund. Since the last booklet was printed the following significant changes have been made in the Plan:

Necessary legal requirements were met to open the Plan to participation by Local Unions affiliated with the United Papermakers and Paperworkers. The change in the name of the Plan from Pulp, Sulphite and Paper Mill Workers Union and Industry National Pension Fund reflects this action of the Trustees.

The requirement of two quarters of Future Service Credit to be eligible for a pension was eased. Now, if an employee retires within two years of his contribution date, he will meet the two quarter requirement if contributions were made on his behalf for at least 880 hours without regard to calendar years.

The retirement definition has also been eased for Pensioners over age 67. Such a Pensioner may work in the paper industry as a plant watchman or guard if such jobs are not covered by a collective bargaining agreement with the Pulp, Sulphite or United Papermakers Unions.

The Trustees are proud of the Plan's progress and wish to assure you that we shall continue to work in your behalf to make every possible improvement in the future.

In the pages that follow you will find a brief description of all the benefits that are provided, requirements for attaining eligibility and the procedure to be used when applying for benefits. Following that is a full text of the rules and regulations for the Pension Plan generally. In the event it is needed, assistance may be obtained from the Fund Office.

As you know, the Pension Plan is designed to provide a substan-al measure of financial security to those who have given many years f service to the Industry—even if such service was with a number f different employers.

Detailed actuarial studies were performed before the form and enefits of the Pension Plan were adopted by the Board of Trustees. ıll changes in the Plan are also based on actuarial studies. Accord-ıgly, when you retire under the Paper Industry Union-Management ension Plan you can look forward with confidence to receiving the fetime benefits which the Plan provides—in addition to other bene-ts to which you may be entitled from Social Security, the Canadian)ld Age Pension or any other Pension Plan.

The Plan has been approved by the U. S. Treasury Department ffording all possible tax advantages to the covered employees, con-·ibuting employers and the Fund. Also, the Pension Plan has met all ther applicable Federal and State Laws.

For the convenience of the employees and employers who are overed by an existing company Pension Plan, provision is made for articipation in the Pension Plan on a supplementary basis. This is ut one of the many flexible provisions of the Plan which includes, mong others (a) protection of service credits earned with more than ne employer, that is to say—"portability"; and (b) payment of the ighest benefit level an employee was covered by in his last year nder the Plan even if all prior years under the Plan provided him ·ith a substantially lower benefit level.

Be sure to read your booklet and keep it in a safe place for eady reference. It contains information about your rights and obli-ations which will play an important part in your plans for retirement. 'ou will note that a convenient space is provided on the last page for our employment history. Keeping your employment history up to ate will benefit you at the time you apply for retirement.

Sincerely yours,

Board of Trustees

CONTENTS

IMPORTANT

It is important for you to appreciate that your pension rights are governed by the Rules and Regulations of the Pension Plan. Because of the brief nature of the explanatory material, which is necessary in the interest of clarity, you must refer to the full text of the Rules and Regulations of the Pension Plan itself to answer any specific question. Any questions about the Pension Plan should be sent to the Trustees, in writing: Paper Industry Union-Management Pension Fund, 820 Second Avenue, New York, New York 10017.

HIGHLIGHTS OF THE PLAN

1. The improved Pension Plan described in this booklet became effective January 1, 1970. The original program began January 1, 1963.

2. The Pension Plan provides for *nine* different types of pensions or other forms of benefits for employees who retire from covered employment in the Pulp and Paper Industry as follows:

   a. A NORMAL PENSION for employees who reach the age of 65 and who have credit for at least 25 years of service when they retire.

   b. A REDUCED PENSION for employees who reach the age of 65 and who have credit for a minimum of 15 years of service but less than the 25 years needed for the Normal Pension.

   c. AN EARLY RETIREMENT PENSION for employees who choose to retire between the ages of 55 and 65 and have credit for at least 15 years of service.

   d. AN AGE 55 DEFERRED PENSION (VESTING) payable on or after age 62, for employees who leave Covered Employment on or after age 55 and have credit for at least 15 years of service.

   e. AN AGE 45 DEFERRED PENSION (VESTING) payable on or after age 55, for employees who leave Covered Employment on or after age 45 and have credit for at least 15 years of service of which at least 5 years represents future credited service for which contributions were made to the Fund on or after January 1, 1968.

   f. A DISABILITY PENSION for employees who become permanently and totally disabled at any age provided they have credit for at least 15 years of service at the time their disability commences.

   g. A JOINT AND SURVIVOR OPTION TO THE NORMAL PENSION (WIDOW'S PENSION) for pensioners who agree to accept a reduced Normal Pension amount in return for guaranteeing to their surviving spouse a lifetime pension benefit.

   h. A SOCIAL SECURITY LEVEL INCOME OPTION TO THE EARLY RETIREMENT PENSION for pensioners who wish to increase the amount of their monthly pension from the Fund until their Social Security Pension begins in return for accepting a reduced pension amount from the Fund thereafter. The idea is to achieve approximately the same amount of monthly pension, on a combined basis, before and after their Social Security Pension begins.

   i. A THREE-YEAR (THIRTY-SIX MONTH) GUARANTEE for pensioners who retire under a Normal, Reduced, Early Retirement or Deferred Pension and who die within three years of the effective date of their pension. In such cases, the surviving spouse will receive the balance. You must, however, be living on the effective date of the pension; otherwise, this guarantee does not apply.

3. The amount of the Normal Pension will range from the minimum of $55 a month to the maximum of $275 depending on the amount of the employer contributions made on behalf of the employees. The amount of the Reduced, Early Retirement, Deferred and Disability Pension is related directly to the amount of the Normal Pension Benefit.
   Please Note: If you had contributions made on your behalf providing for various benefit levels—from $55 to $275 a month—and you earned at least one year of future service credit at the $275 benefit level, that benefit would become your lifetime benefit.

4. The amount of the Supplementary Pension (for employees participating under the Plan as a supplement to an existing company pension plan) will range from a minimum of $11 a month to a maximum of $275 depending on the amount of employer contributions made on behalf of the employees. The amount of the Supplementary Pension when paid out in the form of a Reduced, Early Retirement, Deferred or Disability Pension will also be related directly to the amount of the Supplementary Normal Pension Benefit—from $11 a month to a maximum of $275 a month.

5. In general, pension credit will be given for periods of continuous "past" employment in job classifications and at plant locations which are within the Pulp and Paper Industry, as defined by the Trustees. Such "past" employment need not have been covered by a collective bargaining agreement; although the kinds of jobs would be those usually covered.

Also, the Plan allows certain non-union groups (such as clerical employees, executive employees, etc.) to participate if the employer agrees to contribute for them.

6. Pension credit for periods of "future" employment will be given based on contributions made to the Pension Plan by the employer in accordance with the collective bargaining agreement.

7. Upon retirement under the Pension Plan the pension benefits will be paid to you in a monthly amount for the rest of your life. The principle of the highest benefit level under which you were covered by the Plan in the year prior to the retirement and the principle of the three year (36 month) payment guarantee should you die before having received 36 monthly benefit payments, will apply.

8. Except for pensioners approved for Disability Pensions, there is no restriction on future employment or earnings after retirement so long as the employment is completely outside of the Pulp and Paper Industry.

9. All benefits of the Pension Plan are ***in addition to*** any amounts a retired employee may receive under the Social Security Law or through Canadian Old Age Benefits. The amount of the Normal Pension benefit *plus* Social Security benefits will provide, for most United States employees, a substantial monthly income. For example, if you are entitled to a $154 a month Normal Pension Benefit and you (and your wife) are entitled to $220 as a Social Security benefit, your combined income of $374 a month will give you a weekly income of approximately $87.

Note: In the course of the description of the Pension Plan which follows, the term "Contribution Date" is used in a number of instances. This term means the first day set forth in the Collective Bargaining Agreement for which the employer will make contributions to the Paper Industry Union-Management Pension Fund.

* * *

A summary of the Plan provisions which follow is based upon the Pension Plan in effect as of January 1, 1970.

* * *

THE NORMAL PENSION BENEFIT

The Normal Pension is the benefit most employees will receive from the Pension Plan. It is referred to as the "Normal" Pension for this reason.

An employee is eligible for the Normal Pension if he meets these three requirements:

1. He has attained age 65.
2. He has at least 25 years of credited service.
3. He has accumulated at least two quarters of Future Service credit (based on 880 hours of contributions).

Future Service Credit will be fully explained in the section on service credit. Briefly it means credit earned after your employer has begun making contributions for you.

The amount of Normal Pension (called the Benefit Level) you will be entitled to receive is determined by your employer's "Contribution Rate." Each employer's Contribution Rate to the Pension Fund is set forth in his collective bargaining agreement with the Union. The Contribution Rate depends on the average age of the employees of a Contributing Employer covered by the Plan on the Contribution Date. In calculating the Contribution Rate every Covered Employee group is placed in an age classification according to the average age of the group. The following table gives the required Contribution Rate, by age classification, for a Normal Pension Benefit Level of $55 a month. The cost of higher benefits is proportional. For example, the cost of a Normal Pension of $110 a month is exactly twice the cost of a $55 a month benefit.

The first column in the table gives the average age classification. The second column gives the cents-per-hour contribution necessary to provide a Benefit Level of $55 a month and the third column gives the cents-per-hour contribution necessary to provide each additional $11 of monthly benefit above $55.

Average Age of Covered Employees	Contribution in cents Per Hour ($55 Benefit Level)	Additional Contribution in cents Per Hour (each supplementary $11 Benefit Level)
Under 32.8	4 ¢	.8¢
32.9–34.7	4.5	.9
34.8–36.3	5	1.0
36.4–37.7	5.5	1.1
37.8–39.0	6	1.2
39.1–40.3	6.5	1.3
40.4–41.4	7	1.4
41.5–42.5	7.5	1.5
42.6–43.3	8	1.6
43.4–44.1	8.5	1.7
44.2–44.6	9	1.8
44.7–45.1	9.5	1.9
45.2–45.5	10	2.0
45.6–45.8	10.5	2.1
45.9–46.2	11	2.2
46.3–46.5	11.5	2.3
46.6–46.8	12	2.4
46.9–47.3	12.5	2.5
47.4–47.7	13	2.6
47.8–48.1	13.5	2.7
48.2–48.5	14	2.8
48.6–48.9	14.5	2.9
49.0–49.3	15	3.0
49.4–49.7	15.5	3.1
49.8–50.2	16	3.2
50.3–50.6	16.5	3.3
50.7–50.9	17	3.4
51.0–51.3	17.5	3.5
51.4–51.7	18	3.6
51.8–52.1	18.5	3.7
52.2–52.5	19	3.8
52.6–52.9	19.5	3.9
53.0–53.3	20	4.0
53.4–53.7	20.5	4.1
53.8–54.1	21	4.2

There is one other factor to be considered in determining the amount of the Normal Pension. That is, the length of time an employee has worked under the Benefit Level in effect at the time he stops working.

The highest Benefit Level in effect at the time an employee retires will determine the benefit amount for an employee who has earned at least one year of Future Service Credit under that Benefit Level. When an employee has been covered by more than one Benefit Level but has not earned one year of Future Service Credit at the highest Benefit Level, his Normal Pension will be the next lower Benefit Level, under which he earned at least two quarters of Future Service Credit.

The following example may be helpful in understanding how this works:

Example 1. An employee has 25 years of service including *four* years of Future Service Credit. The employer made contributions on his behalf at the rate of 6¢ per hour ($55 Benefit Level) for the first three years and 12¢ per hour ($110 Benefit Level) for 1 year. The Normal Pension for this employee would be $110 because he earned at least one year of Future Service Credit at the $110 Benefit Level.

However, if the same employee had four years of Future Service Credit, three and ½ of which were at the $55 level and only ½ year at the $110 level, his pension would be $55 per month.

Another example, of interest to employees who have 10 or 15 or more years until retirement, follows:

Let us say an employee has 25 years of service including *15* years of Future Service Credit. Based on employer contributions on his behalf and the following hourly contribution rates, his Normal Pension —at retirement—would be *$275 a month for life;* although there was only one year of contribution at the required contribution rate for the $275 monthly Benefit Level:

First three years:	6.0¢	—	$ 55	Benefit Level
Next " "	8.4¢	—	$ 77	" "
Next " "	12.0¢	—	$110	" "
Next " "	16.8¢	—	$154	" "
Next *two* years	24.0¢	—	$220	" "
Last *one* year	30.0¢	—	$275	" "

FLEXIBILITY AND CONVENIENCE OF SUPPLEMENTARY PENSION

The Supplementary Pension, as shown in the third column on page 8, is available in units of $11 Benefit Levels.

This $11 Supplementary Benefit Level amount makes it convenient for employers and covered employees with existing company plans to participate in the Pension Plan, at a modest cost. This may be accomplished either by discontinuing the company pension plan for the employees covered by the Pension Plan except for the benefit rights which are already vested to these employees or by supplementing the existing company pension plan in Benefit Level units of $11 up to $275 per month.

The decision as to how to participate in the Paper Industry Union-Management Pension Plan through the supplementary participation provision and in what amount is a matter of mutual agreement between the employer and the union in collective bargaining.

THE REDUCED PENSION BENEFIT

An employee is eligible for the Reduced Pension Benefit if he meets these three requirements:

1. He has attained age 65.
2. He has at least 15 years but less than 25 years of credited service.
3. He has accumulated at least two quarters of Future Service Credit.

The purpose of the Reduced Pension Benefit is to enable employees who reach the age of 65 to retire even though they do not have the 25 years of pension credits required for the Normal Pension. However, to be eligible for the Reduced Pension an employee must have at least 15 years of pension credits.

The amount of this benefit is related to the Normal Pension Benefit amount. The Reduced Pension Benefit is that proportion of the Normal Pension which the number of years of credited service bears to 25. For example, if an employee has 17 years of service his Reduced Pension Benefit will be 17/25ths of the Normal Pension Benefit amount. If an employee has 18 years of service his Reduced Pension Benefit will be 18/25ths of the Normal Pension Benefit, and so forth.

In computing the Reduced Pension Benefit amount, credit will also be given for partial years of pension credits. In such cases, all service should be related to quarters to determine the Reduced Pension amount. Twenty-five years of pension credits is equal to 100 quarters of service. By relating the total quarters of service credit to 100, the employee can then determine the Reduced Pension Benefit amount.

For example, an employee is 65 years old and has 17 years and 1 quarter of pension credits. This produces a total of 69 quarters $(17 \times 4 = 68 + 1 = 69)$. His Reduced Pension Benefit amount is then 69/100ths of the Normal Pension Benefit amount.

If the Normal Pension Benefit amount is $165, a person with 17 years and 1 quarter of pension credits would then get a Reduced Pension of 69/100ths of $165 or $114.

The following chart shows the amount of the Reduced Pension Benefit an employee would receive for 15 years of service up to 24 years of service, related to several different Normal Pension Benefit amounts.

Examples of Reduced Pension Benefits in Relation to Various Normal Pension Benefit Levels

NORMAL PENSION BENEFIT

YEARS OF SERVICE	$55	$66	$77	$88	$99	$110
15	33	40	47	53	60	66
16	36	43	50	57	64	71
17	38	45	53	60	68	75
18	40	48	56	64	72	80
19	42	51	59	67	76	84
20	44	53	62	71	80	88
21	47	56	65	74	84	93
22	49	59	68	78	88	97
23	51	61	71	81	92	102
24	53	64	74	85	96	106

THE EARLY RETIREMENT PENSION BENEFIT

An employee is eligible for the Early Retirement Pension if he meets these three requirements:

1. He is 55 years of age but less than 65 years of age.
2. He has at least 15 years of credited service including at least one year of Pension Credit earned after he has attained age 54.
3. He has accumulated at least two quarters of Future Service Credit.

It is recognized that some employees may want to retire before the age of 65. Therefore, the Pension Plan provides an Early Retirement Pension for employees who have attained the age of 55 and have at least 15 years of service.

The amount of the Early Retirement Benefit can be determined by reducing the Normal or Reduced Pension Benefit by ½ of 1% for each month by which the employee is younger than age 65 on the effective date of his pension.

For example, if an employee is 60 years of age and has 25 years of service and his Benefit Level is $165, the Early Retirement Benefit will be $116 per month or a 30% reduction of the Normal Pension Benefit of $165 per month.

The facing chart shows the exact amount of Early Retirement Benefit an employee will receive, depending on his age and length of service, if his Benefit Level is $110. If the Benefit Level is $55 the Early Retirement Benefit will be half of those shown in the chart.

Once an employee retires under the Early Retirement Pension he cannot thereafter be approved for any other type of pension benefit from the Pension Plan.

An employee who retires under the Early Retirement Benefit, (as well as one who retires under the Normal, Reduced or Deferred Benefit) is not restricted on future earnings or employment except that any such future employment or self-employment cannot be in the Pulp and Paper Industry.

Examples of Early Retirement Benefits Based on a Contribution Rate Which Would Produce a Normal Pension of $110 per Month

AGE AT RETIREMENT

YEARS OF SERVICE	55	56	57	58	59	60	61	62	63	64
15	$27	$31	$35	$39	$43	$47	$51	$55	$59	$ 63
16	29	33	37	41	46	50	54	58	62	67
17	30	35	39	44	48	53	57	62	66	71
18	32	37	42	46	51	56	61	65	70	75
19	34	39	44	49	54	59	64	69	74	79
20	36	41	46	52	57	62	67	73	78	83
21	37	43	49	54	60	65	71	76	82	87
22	39	45	51	57	62	68	74	80	86	91
23	41	47	53	59	65	71	77	83	90	96
24	43	49	55	62	68	74	81	87	93	100
25 and over	44	51	58	64	71	77	84	91	97	104

$ AMOUNT OF MONTHLY BENEFIT

Early Retirement Benefit
Expressed as a Percentage of Normal Retirement Benefit
(Percentage Reduction Factors)

AGE AT RETIREMENT

	55	56	57	58	59	60	61	62	63	64
	%	%	%	%	%	%	%	%	%	%
15	24.0	27.6	31.2	34.8	38.4	42.0	45.6	49.2	52.8	56.4
16	25.6	29.4	33.3	37.1	41.0	44.8	48.6	52.5	56.3	60.2
17	27.2	31.3	35.4	39.4	43.5	47.6	51.7	55.8	59.8	63.9
18	28.8	33.1	37.4	41.8	46.1	50.4	54.7	59.0	63.4	67.7
19	30.4	35.0	39.5	44.1	48.6	53.2	57.8	62.3	66.9	71.4
20	32.0	36.8	41.6	46.4	51.2	56.0	60.8	65.6	70.4	75.2
21	33.6	38.6	43.7	48.7	53.8	58.8	63.8	68.9	73.9	79.0
22	35.2	40.5	45.8	51.0	56.3	61.6	66.9	72.2	77.4	82.7
23	36.8	42.3	47.8	53.4	58.9	64.4	69.9	75.4	81.0	86.5
24	38.4	44.2	49.9	55.7	61.4	67.2	73.0	78.7	84.5	90.2
25 and over	40.0	46.0	52.0	58.0	64.0	70.0	76.0	82.0	88.0	94.0

PERCENTAGE OF NORMAL BENEFIT

THE AGE 55 DEFERRED PENSION BENEFIT (VESTING)

An Employee is eligible for the Age 55 Deferred Pension Benefit (Vesting) if he meets these two requirements:

1. He meets the eligibility requirements for an Early Retirement Pension.
2. He elects a Deferred Pension instead of the Early Retirement Pension at the time he applies for pension benefits.

It is recognized that some employees may want to retire before the age of 65 but may want to postpone receiving retirement benefits

under the Pension Plan until they are age 62 or 65 when they would become eligible for Social Security Benefits. Therefore, the Pension Plan provides a Deferred Pension Benefit for employees who have attained the age of 55 and have at least 15 years of service. This Pension is in lieu of the Early Retirement Pension and must be elected at the time the employee first applies for a pension. Once the Deferred Pension is elected, it cannot be changed to another type of Pension.

If the employee elects to take a Deferred Pension at age 65, the amount of the Pension will be the Normal Pension, if he had 25 years of credited service. If he had between 15 and 24 years of credited service, however, the employee would be entitled to the Reduced Pension as set forth on page 11.

If the employee elects to take a Deferred Pension at age 62, the amount of the Pension will be the amount of the Early Retirement Pension to which he would be entitled at age 62 when he retires.

If an employee who has been approved for a Deferred Pension dies before he has reached the effective date of his pension, no benefit of any kind is payable under this Plan.

THE AGE 45 DEFERRED PENSION BENEFIT (VESTING)

An employee is eligible for the Age 45 Deferred Pension Benefit (Vesting)—as an *alternative* to the Age 55 Deferred Pension Benefit if he meets these three requirements:

1. He has attained age 45.
2. He has a total of at least 15 years of Pension Credits of which at least 5 years represents Future Service Pension Credits based on contributions on his behalf to the Fund on or after January 1, 1968.
3. He has left Covered Employment.

If the employee elects to take a Deferred Pension at age 65, the amount of the Pension would be the Normal Pension if he had 25 years of Credited Service. If he had between 15 and 24 years of Credited Service, however, the employee would be entitled to the Reduced Pension as set forth on page 11.

On the other hand, if the employee elects to take the Deferred Pension at age 55 or any time between age 55 and age 65, the amount of the Pension will be the amount of the Early Retirement Pension to which he would be entitled at the age he actually retires, according to the percentage reduction factors set forth on page 14.

* * *

Note: The amount of the benefit level for the Deferred Pension is geared to the benefit level in effect at the time the employee left Covered Employment, and not the benefit level in effect for his Contributing Employer at the time he retires.

THE DISABILITY PENSION BENEFIT

The Employee is eligible for the Disability Pension if he meets these three requirements:

1. He becomes totally and permanently disabled at any age.
2. He has at least 15 years of credited service at the onset of his disability.
3. He has accumulated at least two quarters of Future Service Credit.

An employee shall be considered totally and permanently disabled if, on the basis of medical evidence satisfactory to the Trustees, he is found to be totally and permanently unable, as a result of bodily injury or disease, to engage in any further employment whatsoever.

An employee applying for a Disability Pension may be required to submit to an examination by a physician or physicians elected by the Trustees, and he may be re-examined at periodic intervals as the Trustees see fit. The nature of the disability will determine the extent of the proof of disability required by the Trustees.

The amount of the Disability Pension will be the Normal or Reduced Pension Benefit amount to which the employee would be entitled if he were age 65 at the time he retired.

If an employee is disabled and is 65 years of age or older and has at least 15 years of service, he should apply for a Normal or Reduced Pension Benefit and not for a Disability Pension Benefit.

If an employee under the age of 65 but at least 55 years of age is disabled but can still engage in gainful employment, he will not be eligible for a Disability Pension Benefit. However, he may be eligible for an Early Retirement Benefit. The Disability Pension Benefit is more than the Early Retirement Pension and hence is reserved for those who cannot do any kind of work.

THE JOINT AND SURVIVOR OPTION TO THE NORMAL PENSION ONLY (WIDOW'S PENSION)

An employee who is eligible for a Normal Pension may, upon giving one year advance written notice on a form provided by the Trustees, select a Joint and Survivor Option. There are a number of limitations and conditions which must be met in order to select this option. And these are described more fully on pages 43-44. What is important about this option is that it gives an employee an opportunity to voluntarily accept a reduction in the Normal Pension amount which he would otherwise receive in return for guaranteeing a lifetime pension benefit to his surviving spouse.

THE SOCIAL SECURITY LEVEL INCOME OPTION

An employee who is eligible for an Early Retirement Pension may, upon giving advance notice in writing to the Trustees on a form provided for this purpose, voluntarily select a Social Security Level Income Option instead. This will result in an increase in the Early Retirement Pension amount otherwise payable until the employee's Social Security Benefits commence and a reduced pension amount from the Fund thereafter. The idea is to enable an employee who retires early, that is between the ages of 55 and 65, to receive an approximate level monthly retirement income for life before and after Social Security Benefits begin. The conditions and limitations which apply to selecting this optional form of benefit are described more fully on pages 44-45.

CREDIT FOR PAST SERVICE

"PAST SERVICE" means the years of employment of an employee *before* his employer's "Contribution Date" in the Pension Fund.

"FUTURE SERVICE" means the years of employment of an employee after his employer's "Contribution Date" in the Pension Fund.

A year of Past Service counts the same as a year of Future Service in counting up an employee's total years of pension credits.

The Pension Fund rules are very liberal in granting credit for years of employment in the past. (See "THREE YEAR TEST RULE FOR PAST SERVICE" page 19). Unlike many pension plans which give credit only for years of employment with the employer for whom the employee was working when the pension plan became effective. your pension plan also recognizes certain other employment in the past.

The first general rule which will be helpful in understanding Past Service Credit is that only employees who meet "the three-year test rule for Past Service" as summarized on pages 19-22 will be eligible for any years of Past Service.

The second general rule—for employees who have met the three-year test rule for Past Service—is that pension credit will be given for periods of continuous "past" service employment in job classifications and at plant locations which are within the Pulp and Paper Industry, as defined by the Trustees. Such "past" employment need not have been covered by a collective bargaining agreement; although the kinds of jobs would be those usually covered.

For example, employment as an executive, clerical employee, watchman, etc., generally do not represent the kind of job covered by a collective bargaining agreement under the jurisdiction of the Union. However, the Plan allows certain non-union groups (such as clerical employees) to participate if the employer agrees to contribute for them. Such employees will get credit for such employment (clerical, executive, etc.) with their contributing employer.

BREAK IN PAST SERVICE

Reference is made to past service credit for periods of *continuous* "past" employment—for those who have met the three-year past service test rule. The requirement for *continuous* past employment must be met as described below, otherwise all prior service credits are subject to cancellation:

1. Past Service will be subject to a "break in service" rule so that if an employee has been out of the Pulp and Paper Industry for long periods of time his prior service credit will be cancelled.

2. In order to avoid a break in Past Service, an employee must have worked in Covered Employment at least 1200 hours in one year of any three consecutive calendar years.

THE THREE YEAR TEST RULE FOR PAST SERVICE

The three year test rule for Past Service is based on two principles:

1. Only those employees associated with the Pulp and Paper Industry at the time their participation in the Plan commences may be entitled to past service credit; hence, the three-year test rule; and

2. The longer an employee is associated with the Pulp and Paper Industry and associated with the Pension Plan, as measured in terms of years of contributions made to the Pension Plan on his behalf, the easier will be the requirement for meeting any test for Past Service Credit.

Thus, employees with *11 or more years* of Future Service Credit (credit which is based on contributions made to the Pension Fund) automatically qualify for Past Service Credit and do not have to meet the three-year test rule. For all other employees, the requirements of the three-year test rule apply; but the requirements become easier as such employees increase their years of Future Service Credit from less than three years to eleven or more years—earned under the Plan.

It is important to realize that if you do not earn 11 or more years of Future Service Credit or cannot otherwise meet the requirements of this three-year test rule, you cannot get credit for *any* years of Past Service.

HOW TO APPLY THE THREE YEAR TEST RULE FOR PAST SERVICE

To find out whether you meet the three year test rule for past service:

1. First determine the three calendar years which immediately precede the date on which your employer began contributions to the Fund. (This refers to the Employer who first paid contributions to the Fund on your behalf.) For example:

Contribution Date of Employer	*Calendar Years for Three-Year Test Rule*		
January 1, 1963	1960,	1961,	1962
March 1, 1964	1961,	1962,	1963
June 1, 1965	1962,	1963,	1964
October 1, 1966	1963,	1964,	1965
July 1, 1967	1964,	1965,	1966
July 1, 1968	1965,	1966,	1967
September 1, 1969	1966,	1967,	1968

2. Then determine the amount of Future Service Credit you have earned. A description of Future Service Credit is given on pages 22 and 23. The requirements of the test rule vary according to the amount of your Future Service Credit.
   a. If you have less than three years of Future Service Credit you must have worked 1200 hours in each of the three calendar years applicable to you.
   b. If you have three years of Future Service Credit but less than five, you must have worked 1200 hours in each of two of the three years applicable to you.
   c. If you have five years of Future Service Credit but less than eleven, you must have worked 1200 hours in one of the three calendar years applicable to you.
   d. Employees with eleven or more years of Future Service Credit automatically qualify for Past Service Credit and do not have to meet the three-year test rule.

If you meet the qualifications thus far you are eligible for Past Service Credit.

If not, you may still qualify for Past Service Credit if you were disabled for one of the three years and were unable to meet the work requirements. The year you were disabled will be counted as if you met the 1200 hour work requirement in that year.

The hours of work used to meet the test rule must have been with a Contributing Employer who had a collective bargaining agreement with the Union and in a job classification covered for pension purposes by the collective bargaining agreement as of the Contribution Date. However, if your employer signed a collective bargaining agreement with a Local Union for the first time during the three-year period then all such employment with that employer during the three years may be used to meet this qualification.

HOW TO COMPUTE PAST SERVICE CREDIT

If you are eligible for Past Service Credit because you can pass the "three-year test rule" (or by having 11 or more years of Future Service Credit) you can determine the number of years of past service credit as follows.

You will get credit for each year of Past Service in which you were employed 1200 hours providing:

1. Such past employment was in a job classification and at a plant location which is within the Pulp and Paper Industry as defined by the Trustees. Such past employment need not have been covered by a collective bargaining agreement between your employer and the Union; although the kinds of jobs qualifying for Past Service Credit would be those usually covered by a collective bargaining agreement.

2. Your employment was not interrupted for a sufficiently long period to make the "break in service" rule apply.

Past Service Credit will also be granted for certain periods of absence from work due to military service and to total disability or pregnancy, provided that the employee's last job before becoming disabled or pregnant or before entering military service was in employment for which credit would otherwise be granted.

However, an employee cannot receive more than one year of Past Service Credit for any one period of disability. In the case of pregnancy, an employee cannot receive more than two quarters of Past Service Credit for any one pregnancy.

Finally, Past Service Credit will be given to certain non-union groups whose employer has agreed to contribute to this Pension Fund on their behalf. Such employees will get credit for time worked for the Contributing Employer in any covered class of employment.

SUPPLEMENTAL PLAN PARTICIPATION AND ADDITIONAL PAST SERVICE CREDIT RE EXISTING COMPANY PENSIONS PLANS

Effective January 1, 1968, in a case where a Contributing Employer—as of his Contribution Date—terminated his Covered Employees from an existing company pension plan or continued or froze the provisions of the existing company pension plan for his Covered Employees in order to participate in this Pension Fund on a supplementary basis, such Covered Employees who qualify for Past Service shall be given Past Service Credit for all periods of employment prior to the Contribution Date with said employer regardless of job classification.

CREDIT FOR FUTURE SERVICE

It is important to remember that to be eligible for retirement benefits an employee must have at least two quarters of Future Service Credit.

HOW FUTURE SERVICE IS CREDITED

1. An employee will receive Future Service Credit for periods of employment for which employer contributions are made on his behalf to the Paper Industry Union-Management Pension Fund.

2. Future Service Credit will be granted for military service in time of war, national emergency or pursuant to a national conscription law, provided that the employee's last employment prior to military service was in Covered Employment with a Contributing Employer, and provided that the employee makes himself available for Covered Employment with a Contributing Employer within 90 days after discharge or separation from active duty.

3. Future Service Credit will also be granted for the periods of absence from work due to total disability or pregnancy, provided the employee's last job before becoming disabled or pregnant was in Covered Employment with a Contributing Employer. However, an employee cannot receive more than one year of Future Service Credit for any one period of disability. In the case of pregnancy, an employee cannot receive more than 2 quarters of Future Service Credit for any one pregnancy.

In order to receive Future Service Credit for periods of total disability or military service, an employee must furnish the Trustees with written notice of his claim for such credit. Such written notice must be submitted not later than 12 months after the period for which credit is sought.

HOW FUTURE SERVICE CREDITS ARE COMPUTED

An employee receives credit for Future Service in each calendar year based on the number of hours for which contributions were made to the Fund for him.

Future Service is then credited in quarterly units, on the following basis:

Hours of Contributions in Calendar Year	*Quarters of Credit*
More than 1,760	4
1,320 but less than 1,760	3
880 but less than 1,320	2
440 but less than 880	1
Less than 440	0

'REAK IN FUTURE SERVICE

All of an Employee's pension credits; that is, his Past Service ;redits and Future Service Credits, will be cancelled if he fails to earn ı total of 4 quarters of Future Service Credits within any period of 4 ·onsecutive calendar years. This is the general rule.

This test of 4 quarters of Future Service Credit within any 4 con-ecutive calendar years starts from the Contribution Date of the em-ıloyer with whom the employee is employed when he first enters ;overed Employment. (In the application of this rule it should be ıoted that Future Service Credit is given for certain non-working pe-iods as mentioned previously and as detailed in the Rules and Regu-ıtions).

ME 36-MONTH GUARANTEE OF PENSION PAYMENTS

If an Employee *receiving* the Normal, Reduced, Deferred or Early ;etirement Pension should die within the 36-month period following ıe effective date of his pension payments, then the monthly benefit ı which he was entitled will be paid to the employee's surviving pouse for the rest of the 36-month period.

This in no way affects the fact that retired employees will be paid enefits for their lifetime following retirement beyond the minimum uarantee of 36 pension payments.

Note, however, that if an employee eligible for a Deferred Pension ies before the effective date of his pension, his spouse is not entitled ı any benefits under this Plan. In general, the employee must be alive on the effective date of his pension before the 36-month guarantee will apply.

ote: The 36-Month Guarantee does not apply to the Joint and Survivor Option to the Normal Pension. It will apply, however, to the Social Security Level Income Option to the Early Retirement Pension in the following modified form: If the pensioner should die within the 36-month period following the effective date of his pension payments, then the employee's surviving spouse, if any, will be entitled to receive the difference, if any, between the 36 months of the Early Retirement Pension amount computed before adjustment for the Social Security Level Income Option and the total amount of pension payments received by the pensioner from the effective date of his Social Security Level Income Option Pension until his date of death.

FOR EXAMPLE:

If John Smith retires on January 1, 1970 under a Normal Pension Benefit of $110 a month, and dies on February 23, 1971, he will have received 14 months of pension payments up to the time of his death. His spouse would then receive 22 monthly payments of $110 each.

SOME GENERAL QUESTIONS AND ANSWERS

Q. How were the benefit amounts for the various types of pensions determined?

A. The Pension Plan was set up on the basis of detailed actuarial studies, so that the persons approved for pensions can be assured of the fact that they will receive the promised benefits for the remainder of their lives following retirement.

Q. Will an employee who leaves the Industry before being eligible for any pension under the Plan be entitled to any monies contributed by his employer to the Pension Fund during his period of employment?

A. No, since this is not a contributory plan. The Pension Plan is financed solely by employer contributions and is designed to pay the highest possible benefits to men with many years of service in the Pulp and Paper Industry under collective bargaining agreements. This can be done if the Pension Fund is devoted to paying pensions only. If monies were paid to men who leave the Industry before being eligible for a pension, in many cases to work in other industries, it would lower substantially the lifetime benefit that the qualified pensioners would receive.

Q. May an employee change jobs within the Pulp and Paper Industry and still retain and build up his pension credits?

A. Yes, provided that all the employers for whom he works are contributors to the Pension Plan.

Q. Can a pensioner work at some other type of job after he has retired under the Pension Plan?

A. Yes. When an employee retires under any of the benefits of the Pension Fund, except the Disability Pension, there is no restriction on future employment or the amount of earnings from such future employment as long as the employment and such earnings are completely out of the Pulp and Paper Industry including any labor organization or association of employers in the Pulp and Paper Industry or any branch thereof.

Q. Is retirement compulsory?

A. No, the Pension Plan does not force an employee to retire.

Q. If an employee leaves the collective bargaining unit and continues to be employed by the same Contributing Employer, can he become eligible for a pension?

A. Yes, if (1) he left the collective bargaining unit after the Contribution Date and (2) he returns to the collective bargaining unit and after his return he earns at least eight quarters of Future Service Credit and (3) such return is bona fide as judged by the Trustees. He will receive credit for his service accumulated before he left the collective bargaining unit, but he will not receive any service credit for his employment while he was not in the collective bargaining unit.

Q. Can an employer become eligible for pension benefits?

A. No. This Plan is designed for employees only and not for employers, self-employed or otherwise.

Q. If an employee owes money, can he sign over his retirement benefits?

A. No. The Plan contains a provision prohibiting any assignment, sale, transfer, or attachment of a pension benefit.

Q. Who administers the Pension Plan?

A. The Pension Plan is administered by a Board of Trustees, made up of an equal number of Union Trustees and Employer Trustees. This Board of Trustees governs the Pension Fund in accordance with an Agreement and Declaration of Trust which provides that the money contributed by the employers to the Pension Fund can be used only for the purpose of providing pensions for the employees covered by the Pension Plan.

HOW TO APPLY FOR PENSION BENEFITS

Generally speaking, an application for Pension Benefits must be filed at least two calendar months in advance of the first month for which pension benefits are payable. For example, if you wish your pension to start on November 1, your application must be mailed to the Fund Office before September 1. It is advisable to apply even earlier, if possible.

Whenever possible you should apply for a pension while you are still working and should not stop working until your pension has been approved. If your application was filed long enough in advance, you will be entitled to Pension Benefits from the first of the month following the date for which you last received wages.

You can secure an application form for Pension Benefits by writing to the Union or the Fund Office. As soon as your request is received, an application form will be mailed to you together with detailed instructions on how to complete it.

You will be required to submit proof of age with your application. You will also be asked to list all employers for whom you have worked in the past.

When you are ready to retire, the Trustees will be pleased to answer any questions you may have concerning your eligibility and will help you in every way possible with your application.

* * *

It is important for you to appreciate that your pension rights are governed by the Rules and Regulations of the Pension Plan. Because of the brief nature of the explanatory material, which is necessary in the interest of clarity, you must refer to the full text of the Rules and Regulations of the Pension Plan itself to answer any specific question.