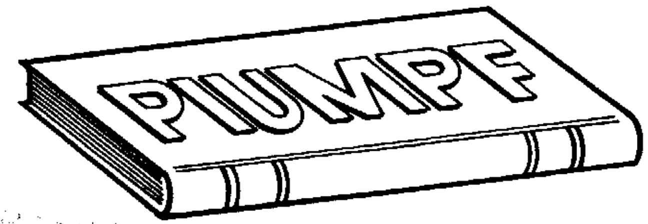
163-03 HORACE HARDING EXPRESSWAY
FLUSHING, NEW YORK 11365

PAPER INDUSTRY UNION MANAGEMENT PENSION FUND



PAPER INDUSTRY UNION-MANAGEMENT PENSION FUND

163-03 Horace Harding Expressway
Flushing, New York
Telephone (212) 762-6636

PAPER INDUSTRY UNION-MANAGEMENT PENSION FUND

163-03 HORACE HARDING EXPRESSWAY
FLUSHING, NEW YORK 11365

Tel. 212 - 762 - 6636

JOSEPH P. TONELLI
Chairman
IRVING C. ROLNICK
Secretary
PAUL J. GROSS
Administrator

January 1, 1976

To All Participants and Beneficiaries:

This new booklet is designed to illustrate the provisions of your new Pension Plan which became effective January 1, 1976. (The original Pension Plan started January 1, 1963).

Changes in the Plan were enacted to comply with the Employee Retirement Income Security Act of 1974 (ERISA) and to bring you and your family increased security and protection, not only during your retirement years but also during your active working years.

Here is a brief summary of the major changes in the Plan. These changes are more fully described in the pages that follow.

- If you earn 10 years of Pension Credit or 10 years of Vesting Service and do not have a permanent break in service, you will be entitled to receive a Deferred Pension payable at your Normal Retirement Age.
- You earn a year of Vesting Service for each calendar year you work at least 1,000 hours in Covered Employment after the Contribution Date. Your accumulated Vesting Service is counted when determining your eligibility for pension.
- A one-year break in Pension Credit and Vesting Service occurs if you do not work at least 440 hours in Covered Employment in any calendar year after 1975.
- A one-year break in service is temporary and may be repaired when you return to work for at least 1,000 hours during any year following your one-year break in service.
- A permanent Break in Service occurs if you have as many consecutive one-year breaks in service as you have years of Vesting Service. When a permanent break in service occurs you lose your accumulated Pension and Vesting Service credits.
- Protection is provided for your spouse in the event of your death either before or after your retirement under the new Husband and Wife Pension.
- If you are married at the time your pension commences you will automatically receive a Husband and Wife Pension unless

you reject this form of payment before your retirement.

- Before your retirement, the Fund Office will provide specific information about the amount of your pension under the Husband and Wife Pension so that you can make an informed choice in selecting the pension that is most appropriate to your needs.
- Certain benefits under the Pension Plan are insured by the Pension Benefit Guaranty Corporation (See page 23).

We urge you to read this booklet carefully so that you will be familiar with the benefits available to you and your family and will understand your rights and responsibilities under the Plan.

The Trustees will continue to keep you advised of any changes in the rules and regulations of the Plan, as we continue in our efforts to provide a greater measure of security for those of you who work many years in the Pulp and Paper Industry.

If you have any questions about your pension benefits under the newly revised Plan, please write to the Fund Office.

Sincerely,

The Board of Trustees

OUTLINE OF CONTENTS

HIGHLIGHTS OF THE PLAN

The Pension Plan provides several different types of pension and other forms of benefits for employees who retire from covered employment in the paper industry.

In order to qualify for the benefits under the Plan, an employee must earn at least two quarters of Future Service Pension Credit — credit for employment for which contributions are made to the Fund. If an employee's effective date of retirement is within two years of the Contribution Date he must work at least 880 hours between the Contribution Date and his Retirement Date.

The following pensions are payable under the Plan:

- **A REGULAR PENSION** for employees who reach Normal Retirement Age.
- **AN EARLY RETIREMENT PENSION** for employees who decide to retire between the ages of 55 and 65 and have pension credit for at least 10 years including one year after age 54. The Early Retirement Pension is actuarially reduced to take account of an earlier retirement age.
- **A DEFERRED PENSION** for employees who leave Covered Employment before age 55 and who have at least 10 years of Pension Credit or 10 years of Vesting Service. The Deferred Pension becomes payable at Normal Retirement Age, or after age 55 in an actuarially reduced amount.
- **A DISABILITY PENSION** for employees at any age who become permanently and totally disabled while actively employed who have accumulated at least 10 years of Pension Credit.
- **THE HUSBAND AND WIFE PENSION** is payable automatically for all types of pensions effective on January 1, 1976 or thereafter, unless this type of payment is rejected before retirement. The Husband and Wife Pension provides a pension equal to 50% of the pensioner's monthly benefit to the surviving spouse.

In addition, the following benefits are available:

- **AN AUTOMATIC PRE-RETIREMENT SURVIVING SPOUSE'S BENEFIT** for employees who have attained age 55 and are eligible for a pension. This benefit provides that if an active employee dies before he retires, his spouse will receive a pension equal to 50% of the amount he would have received if he had retired the day before his death. (See page 15).
- **SIXTY (60) CERTAIN MONTHLY PAYMENTS** for pensioners who retire under the Regular, Early, or Deferred Pension. This provision guarantees the payment of the equivalent of 60 monthly pension payments to the pensioner. If he dies before the equivalent of 60 payments are made, payment in the same amount will continue to his beneficiary until a total of the equivalent of 60 monthly payments are made. This provision does not apply to the pensioner who elects the Husband and Wife Option, the Joint and Survivor Option, the Social Security Level Income Option or to a Disability Pensioner.
- **THE JOINT AND SURVIVOR OPTION** may be elected before retirement by an employee retiring on a Regular Pension. It provides 50%, 75% or 100% of the pensioner's actuarially reduced benefit to his designated beneficiary. (See page 16).
- **THE SOCIAL SECURITY LEVEL INCOME OPTION** is available for employees who retire under the Early Retirement provision of the Plan. It provides a more-or-less level income both before and after Social Security Administration payments begin. (See page 17).

HOW DO YOU BECOME A PARTICIPANT IN THE PLAN?

You are eligible to become a participant in this Plan on the earliest January 1 or July 1 that follows a 12-month period during which you work at least 1,000 hours in Covered Employment.

For example: If you start work in Covered Employment on January 1, 1977 and are employed for 1,000 hours during the next 12 months, you'll become a participant on January 1, 1978.

When we talk about 1,000 hours, we mean each hour for which you are paid, or are entitled to be paid by your Employer. This may include some unpaid periods such as military service. You will also be able to count your continuous work with the same employer even if part of that work is not in a job covered by the Plan.

HOW DOES YOUR TIME COUNT?

The amount of time you've worked in the industry counts in several ways. First of all, it counts as the basis of your eligibility for participation in the Plan. Hours you work also determine whether you're eligible for benefits, as well as how much your benefits will be. The amount of your benefit is based, in part, on your years of accumulated pension credit.

HOW PENSION CREDIT IS DETERMINED

Pension Credit is granted for hours you work both before and after the Contribution Date. Before the Contribution Date, Pension Credit is based on **Past Service**. On or after the Contribution Date, Pension Credit is based on **Future Service**. The term "Contribution Date" means the first date that your employer makes a contribution to the Fund on your behalf based on a collective bargaining agreement with the Union.

PAST SERVICE PENSION CREDIT

HOW TO QUALIFY FOR PAST SERVICE

You are automatically eligible to receive Pension Credit for Past Service — your years of continuous past employment in the Pulp and Paper Industry prior to your employer's Contribution Date-if you have at least 5 or more years of Future Service credit.

Employees with 15 or more years of service in the industry, 5 of which are with a Contributing Employer, are also automatically qualified for Past Service credit.

If you have less than 5 but at least 3 years of Future Service credit at the time you retire, you must have worked at least 1200 hours in each of any two of the three calendar years before the Contribution Date applicable to your earliest entrance in Covered Employment.

If you have less than 3 years of Future Service credit at the time you retire, you must have worked at least 1200 hours in each of the three calendar years before the Contribution Date applicable to your earliest entrance in Covered Employment.

If you do not meet any of the above requirements you may still qualify for Past Service credit if you were involuntarily unemployed or disabled for any of five years immediately preceeding your Employer's Contribution Date and were unable to meet the work requirements during this period. In this case you must furnish satisfactory proof such as records of governmental unemployment or disability plans, employer's certified records or medical proof of disability.

Hours of work used to meet the requirements stated above must have been with an Employer who had a collective bargaining agreement with the Union and you must have worked 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 your employment with that employer during the three years may be used to meet this qualification.

HOW TO COMPUTE PAST SERVICE CREDIT

If you meet the requirements outlined on pages 6 and 7 and qualify for Past Service, you will receive 1 year of Past Service credit for each year of Past Service you were employed for 1200 hours. Your Past Service must have been 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 that qualify for Past Service credit would be those usually covered by a collective bargaining agreement.

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.

Past Service credit will also be granted for certain periods of absence from work due to military service, 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.

BREAKS IN PAST SERVICE CREDIT

When your employment before the Contribution Date is interrupted you may have a break in Past Service employment. If you were out of the Pulp and Paper Industry for long periods of time, your prior Past Service is cancelled. However, if you worked in Covered Employment at least 1200 hours in one of any three consecutive calendar years, you can avoid a break in Past Service.

FUTURE SERVICE PENSION CREDIT

All work for which your employer or employers have made contributions on your behalf to the Fund is called FUTURE SERVICE. Your Future Service begins with the date on which your first contributing employer began paying to the Fund. For example, if your first contributing employer began payments to the Fund on January 1, 1963, your Future Service begins on January 1, 1963 and your Future Service credit will be determined by the contributions paid on your behalf after this date.

You receive Future Service credit for all employment for which your employer or employers have made contributions on your behalf to the Fund, provided you have not had a "Break-in-Service". (See page 9).

You must have at least 2 quarters of Future Service credit to qualify for any type of pension.

HOW FUTURE SERVICE IS DETERMINED

Future Service is credited in quarterly units during each calendar year, based on the number of hours for which contributions are made to the Fund by your employer in accordance with his collective bargaining agreement with the Union.

If you work more than 1,760 hours for which contributions are made on your behalf, you receive 4 quarters, or 1 full year of Future Service credit. The following table shows how Future Service is credited:

HOURS OF CONTRIBUTIONS IN CALENDAR YEAR		QUARTERS OF CREDIT
More than	1760	4
1320 but less than	1760	3
880 but less than	1320	2
440 but less than	880	1
Less than 440		0

VESTING SERVICE

HOW VESTING SERVICE IS CREDITED

You are credited with one year of Vesting Service for each year in which you work 1,000 hours in Covered Employment after the Contribution Date.

If you work for a Contributing Employer in a job not covered by this Plan, and your position changes to a job in Covered Employment with the same employer, you receive credit for Vesting Service for your non-covered employment providing your employment was continuous.

Vesting Service is not credited if you have a permanent break-in-service (see page 10) before you accumulate at least 10 Vesting Service credits (or 10 Pension Credits). After you have accumulated at least 10 Vesting Service credits or 10 Pension Credits, you are eligible for a Deferred Pension (see page 13).

BREAKS IN SERVICE

If you have less than 10 years of Vesting Service or 10 Pension Credits you are subject to a break in service if you do not work the minimum number of hours required by the Plan in any one calendar year or if you leave the industry. A break in service may be temporary or permanent depending on the number of Vesting Service credits you have accumulated and the number of consecutive one year breaks in service you have incurred. A temporary break in service is repairable — a permanent break in service means that you lose your accumulated Pension and Vesting Service credits.

Rules governing breaks in service differ depending on when a break occurs, as follows:

ONE YEAR BREAK IN SERVICE AFTER 1975

After 1975 a one year break in service occurs if you do not work at least 440 hours in covered employment in a calendar year.

Hours of employment are defined as hours you perform work in covered employment as well as all hours paid for by your employer, including vacations, holidays and disability time covered by disability benefits.

Certain non-working periods also count towards credit, in the same way as if you were working in covered employment. These periods include military service in the Armed Forces of the United States or Canada, total disability for a period of up to one year and up to 2 quarters of credit for pregnancy. To obtain credit for non-working periods, notice must be submitted to the Trustees within 12 months after the period for which credit is sought.

A one year break in service is repaired when you return to work in covered employment for at least 1,000 hours in a calendar year.

A PERMANENT BREAK IN SERVICE AFTER 1975

If the number of your consecutive one year breaks in service equal or exceed the number of your accumulated Vesting Service credits, you have a permanent break in service. When a permanent break occurs, you lose all of the Pension and Vesting Service credits you accumulated before the date of your break in service.

For example, if you have earned 7 years of Vesting Service and during the next 6 years worked less than 440 hours each year in Covered Employment, you have 6 one-year breaks in service years. However, if you work at least 1,000 hours in the year following, you will not have a permanent break in service and will retain your 7 years of Vesting Service. If you work less than 1,000 hours during the year following your sixth consecutive one-year break in service year, you will have a permanent break in service because the number of your break years would equal the number of years of your accumulated Vesting Service credits.

A PERMANENT BREAK IN SERVICE BEFORE JANUARY 1, 1976

If you left covered employment before January 1, 1976 and did not earn at least 4 quarters of Future Service credit in any period of four consecutive calendar years during the Contribution Period, you have a permanent break in service. However, up to one calendar year is allowed as a grace period if you were totally disabled and furnished written notice to the Trustees not later than 12 months after that period. In addition, a covered employee who left the collective bargaining unit represented by the union and continued employment with the same contributing employer, does not have a permanent break in service if he subsequently returns to covered employment and earns 8 quarters of Future Service credit with this employer.

When you earn 10 years of Vesting Service or 10 years of Pension Credit you are no longer subject to the break in service rule. At this time your Vesting Service and Pension credits are "frozen" and even if you do not work again in covered employment you will be eligible for a Deferred Pension based on your accumulated credit. The Deferred Pension is payable when you reach your Normal Retirement Age or at age 55 in an actuarially reduced amount, as described on page 13.

WHEN ARE YOU ELIGIBLE FOR A BENEFIT?

At Age 65 or After

- You are eligible for a REGULAR PENSION when you have at least 10 Pension Credits and you are age 65 or at a later age if your tenth anniversary as a participant in the plan occurs at a later date.
- If you leave the Industry after you have at least 10 Pension Credits or 10 years of Vesting Service and before you reach your Normal Retirement Age, you are eligible for a DEFERRED PENSION benefit, payable at your Normal Retirement Age.

Before Age 65

- You can retire at any time between age 55 and age 65 on an EARLY RETIREMENT PENSION when you have at least 10 Pension Credits and at least 1 Pension Credit after you are age 54. (The Early Retirement Pension is reduced by one half of 1% for each month you are younger than age 65 on the effective date of your pension.)
- You may also elect to receive a DEFERRED PENSION between age 55 and age 65 in an actuarially reduced amount if you have at least 10 Pension Credits.

IF YOU Become Disabled

- There is no age requirement for a DISABILITY PENSION. If you have at least 10 Pension Credits with 2 Future Service Credits at the time your total and permanent disability starts, you will be eligible to retire on a Disability Pension. Disability means that you are prevented from continuing your job and from doing any other type of work covered by the Plan.

THE BENEFIT LEVEL

Your benefit amount is determined by the Benefit Level in effect at the time you retire if you earned at least two quarters of Future Service Pension Credit under this Benefit Level before your retirement. As an alternate to this requirement, you qualify for the Benefit Level in effect at your retirement if you have 880 hours for which contributions are made to the Fund over a period of one year from either the last anniversary date of the respective collective bargaining agreement or the last anniversary date of your employment.

Here is an example of how the Benefit Level is determined:

Suppose you have 25 years of credit including 15 years of Future Service Pension Credit. Based on employer contributions on your behalf and the following hourly contribution rates, your Regular Pension payable at age 65 would be $297 a month even though there were only 2 quarters of contributions made at the required contribution rate for the $297 monthly Benefit Level:

FUTURE SERVICE CREDIT	CONTRIBUTION RATE	BENEFIT LEVEL
First three years:	6.0¢	$ 55
Next three years:	8.4¢	$ 77
Next three years:	12.0¢	$110
Next three years:	16.8¢	$154
Next 2½ years:	24.0¢	$220
Last two quarters:	30.0¢	$297

THE SUPPLEMENTARY BENEFIT LEVEL

For employees of an employer covered by a company pension plan under the Supplementary Benefit Level, a Regular Pension is based on units of $11.00. This benefit level may either supplement the existing company plan or may take the place of the Regular Benefit Level, according to the collective bargaining agreement in effect between the employer and the Union.

HOW MUCH WILL YOUR BENEFIT BE?

IF YOU RETIRE AT AGE 65 OR LATER WITH A REGULAR PENSION

The amount of your monthly benefit depends on your total years of Pension Credit, (and the Benefit Level for which you qualify on the date of your retirement up to a maximum of 25 years).

To determine the amount of your Regular Pension, find the proportion that the number of your Pension Credits bears to 25 and multiply this fraction by the Benefit Level for which you qualify.

For example if you qualify for a $297 Benefit Level and you have 25 Pension Credits, your Regular Monthly Pension is $297. If you qualify for

a $297 Benefit Level and you have 20 years of Pension Credit, your monthly pension is 20/25 x $297 or $237.60 which is then rounded up to $238.

IF YOU RETIRE BEFORE AGE 65 WITH AN EARLY RETIREMENT PENSION

The Early Retirement Pension is determined in the same way as a Regular Pension, based on the Benefit Level in effect at the time you last worked in Covered Employment. This amount is reduced by one half of one percent for each month you are younger than age 65 on the effective date of your Early Retirement pension.

For example, if you retire at 60 years of age and have 25 years of service with a Benefit Level of $165, the Early Retirement Benefit is $116 per month. This represents a 30% reduction (6% x 5 years) or $49.

IF YOU LEAVE COVERED EMPLOYMENT AND ARE ENTITLED TO A DEFERRED PENSION

The amount of your Deferred Pension payable at age 65 is determined in the same way as a Regular Pension. If you elect to have a Deferred Pension payable after age 55 and before age 65, your benefit is reduced in the same way as an Early Retirement Pension—by ½ of 1% for each month you are younger than age 65 when your Deferred Pension becomes payable.

For example: If your Benefit Level is $220 when you left Covered Employment after accumulating 10 Pension Credits, your Deferred Pension is 10/25 x $220 or $88 payable at age 65. If you elect to receive the Deferred Pension at age 63, $88 is reduced 6% for each year you are younger than age 65 (½ of 1% each month) on the date payments start, so that your monthly benefit payable at age 63 would be $67.44 which is then rounded up to $68.

IF YOU BECOME TOTALLY AND PERMANENTLY DISABLED AND YOU ARE ELIGIBLE FOR A DISABILITY PENSION

The amount of your Disability Pension is the same as the Regular Pension amount which you would be entitled to if you were age 65 on the date of your disability.

For example, if you become disabled at age 58 and have 18 years of Pension Credit, your Disability Pension based on the Benefit Level in effect on the date of your disability (assume $154) is 18/25 x $154 or $110.88 which is then rounded up to $111.

You will be required to submit proof of your disability. You may also be required to submit proof of your Social Security Disability Pension Award. The Trustees may ask you to submit medical proof as often as may reasonably be required if you remain disabled and eligible for benefits.

Your disability benefit will start on the date of your entitlement to the Social Security Disability Pension, but not earlier than the first of the month following the month you file an application for a Disability Pension from the Fund.

Should you recover before you are age 65, your pension payments will stop unless you meet the age and service requirements and are eligible for an Early Retirement Pension. If you return to work under the Plan, you will be able to add additional years of Pension Credit to those you had when you became disabled.

HOW IS YOUR BENEFIT PAID AFTER RETIREMENT?

IF YOU'RE SINGLE

If you are eligible for a Regular, Early Retirement or Deferred Pension and if you're not married on the date your benefit payments begin, your monthly benefit is payable for a minimum of 60 months. This means that if you should die before receiving 60 payments, your beneficiary will receive the remaining payments up to 60. **The Sixty Certain Monthly Payment** does not apply to the Disability Pension.

Two other options may be elected if you are under age 65 and you're not married. If you are entitled to an Early Retirement Pension you may elect the SOCIAL SECURITY LEVEL INCOME OPTION (described on page 17). If you are eligible for a Regular Pension, you may elect THE JOINT AND SURVIVOR OPTION. This provides a reduced benefit to you with either 50%, 75% or 100% of the amount you received payable to your designated beneficiary at your death. This option is more fully described on page 16.

IF YOU'RE MARRIED

Effective January 1, 1976, as required by ERISA, all types of pension benefits are automatically payable in the form of a HUSBAND AND WIFE PENSION UNLESS YOU REJECT THIS FORM OF PAYMENT BEFORE YOUR PENSION BEGINS. This benefit provides a reduced monthly benefit for you. If you die, your spouse will receive one half of the benefit you were receiving. The amount of reduction in your benefit depends on the difference in ages between you and your spouse, on your sex and the type of pension you are entitled to.

The rules that apply to the Husband and Wife Pension and examples showing how your monthly benefit is reduced under this pension are explained on page 15.

If you reject the Husband and Wife Pension on the appropriate form supplied by the Fund Office and you have not elected an optional form of pension, your monthly benefit is guaranteed for 60 months, providing you are not receiving a Disability Pension, and subject to Article VI, Section 2 of the Pension Plan. This guarantee provides that if you should die before you receive 60 payments, your surviving spouse will continue to receive the remaining payments up to 60.

If you are under age 65 and entitled to an Early Retirement Pension, you may elect the Social Security Level Income Option if you do not choose the Husband and Wife Pension.

HOW YOUR SPOUSE IS PROTECTED

BEFORE RETIREMENT — Automatic Protection

Automatic Protection

Effective January 1, 1976, Pre Retirement Surviving Spouse Benefits are payable if you die while you are in covered employment after you are age 55 and are eligible for one of the pensions payable under the Plan.

This benefit provides a monthly pension for your surviving spouse that is 50% of the monthly amount you would have received had you retired before your death under the Husband and Wife Pension. This benefit starts on the first of the month following the death of an active employee and continues for the lifetime of your spouse.

You and your spouse must have been married for at least one year immediately preceding your date of death in order for this benefit to be payable.

AFTER RETIREMENT — Optional Protection

THE HUSBAND AND WIFE PENSION

If you are married when you retire, your surviving spouse is protected under the Husband and Wife Pension if you do not reject this form of coverage.

THE JOINT AND SURVIVOR OPTION

Before you retire on a Regular Pension, you may elect the 50%, 75% or 100% Joint and Survivor Option which provides lifetime benefits to your designated beneficiary (see page 16).

SIXTY CERTAIN MONTHLY PAYMENTS

If you do not retire under a Husband and Wife Pension, or the Joint and Survivor Benefit or the Social Security Level Income Option, your designated beneficiary is protected when you retire under a Regular, Early Retirement or Deferred Pension by Sixty Certain Monthly Payments. (see page 4).

THE HUSBAND AND WIFE PENSION

When you retire, your pension is payable as a Husband and Wife Pension unless you reject this form of pension at the time you apply for retirement benefits.

Under the Husband and Wife Pension, the pension you are entitled to receive from the Fund is reduced so that a lifetime benefit can be provided to your eligible spouse in the event of your death after retirement.

The spouse's benefit under the Husband and Wife Pension is half (50%) of the amount of the actuarially reduced pension you received during your lifetime.

For example, if you retire at age 65 and are eligible for a Regular Pension of $297 per month and your wife is also age 65, your monthly benefit under the Husband and Wife Pension is determined by reducing the Regular Pension by a factor based on your age and the age of your spouse. In this case, the reduction factor is 13.7% so that your Husband and Wife Pension would be $257 a month. This amount is payable to you for your lifetime. If your wife is living at the time of your death, she will receive a monthly benefit of half this amount or $128.50 for the remainder of her lifetime.

At the time when you apply for your pension, the Fund Office will calculate the amount of your pension as a reduced benefit under the Husband and Wife Pension, using the method shown above, and also as an unreduced benefit, under the type of pension for which you are eligible. This will give you a comparison of the benefits available to you, and is presented to help you in making an informed decision regarding the payment of your pension.

In order for your coverage under the Husband and Wife Pension to become effective, you must be married for at least one year at the time of your death. If your spouse dies or you are divorced before your pension begins, the Husband and Wife Pension is not effective.

The amount of a Husband and Wife Pension cannot be increased once it becomes payable in the event you and your spouse are divorced after the time your pension payments begin, or if your spouse dies before you.

THE JOINT AND SURVIVOR OPTION

If you are eligible to retire on a Regular Pension you can elect the Joint and Survivor Option which provides lifetime benefits for you and your designated beneficiary. This option must be elected at least 12 calendar months before the option becomes payable.

At the time you elect this option, you can designate whether 100%, 75%, or 50% of your monthly pension will be continued to your surviving beneficiary. When the option becomes effective, you will receive your Regular Pension in an actuarially reduced amount, depending upon your age and the age of your beneficiary and the percentage of payment you elect to be continued to your beneficiary.

For instance, if you retire at age 65, your beneficiary is age 62, you choose a 100% Joint and Survivor Option, and your Regular Pension

benefit is $297 a month, there is an actuarial reduction of $89, resulting in a benefit of $208, payable to you during your retirement years. At your death, this same amount (100% or $208) is payable to your designated beneficiary. If, instead, you choose a 75% Joint and Survivor Option, your Regular Pension benefit of $297 is reduced to $224, payable to you during your lifetime, with $168 (75% of $224) payable to your designated beneficiary. A 50% Joint and Survivor Option under the same circumstances would be reduced to $244, payable during your lifetime, with half of that amount or $122 payable to your designated beneficiary after your death.

You can elect the Joint and Survivor Option only before your retirement and it will become effective only when the minimum amount payable is at least two-thirds of your Regular Pension amount. Once elected, the Joint and Survivor Option can be revoked before your retirement date if you file a revocation notice in writing with the Trustees before the end of the first calendar month when your pension is payable. Revocation does not become effective until 36 months after this notice has been filed. Until that time, all payments are made according to the option selected, without retroactive adjustment of payments when the option is revoked.

If you elect the Joint and Survivor Option, you must reject the Husband and Wife Pension.

THE SOCIAL SECURITY LEVEL INCOME OPTION

If you retire on an Early Retirement Pension you can elect a provision in the Plan which gives you a **higher** pension before age 62 or 65, and a **lower** pension after age 62 or 65, instead of the level Early Retirement Pension amount.

This provision is included to permit you to "level-off" your income during your entire retirement period by taking into account the amount of the Social Security Pension to which you may be entitled.

Your Social Security Benefits can be estimated in advance. The exact amount of monthly benefits that you will receive will be determined by the Social Security Administration. It is important to keep in mind that the amount of benefit is determined from what is called an employee's "average monthly wage", which takes into account your earnings during a certain number of years prior to your retirement.

Here is a table that shows the amount you would receive if you elect the Social Security Level Income Option compared to the amount you receive under the Early Retirement Pension. In this example, assume you are age 60 and are eligible to receive an Early Retirement Pension of $175 from the Fund. Your payment from the Social Security Administration is estimated at $400 monthly.

	MONTHLY PENSION AMOUNT PAID BY PENSION FUND	MONTHLY PENSION AMOUNT PAID BY SOCIAL SECURITY	TOTAL MONTHLY PENSION
Without Social Security Level Income Option			
age 60 to 65	$175	0	$175
age 65 and later	$175	$400 (Assumed)	$575
With Social Security Level Income Option			
age 60 to 65	$430	0	$430
age 65 and later	$ 30	$400 (Assumed)	$430

As you can see under the Social Security Level Income Option, you receive a total income of $430 monthly from the date of your early retirement at age 60. This same amount is payable to you after you reach age 65 and for all your retirement years.

HOW TO APPLY FOR BENEFITS

Pension application forms are available at your local Union Office, your Personnel Office, the Fund Office or you may ask the Fund Office to mail the form to your home.

When you have completed the application as accurately as possible and attached the required proof of birth and proof of marriage for both yourself and your spouse (if needed) you should sign the form and return it to the Fund Office.

You should complete the application and file it at the Fund Office in advance of the month you wish to retire.

The application contains instructions on how to elect the Social Security Level Income Option and the Joint and Survivor Option. You will be instructed by the fund office how to elect or reject the Husband & Wife option.

If you wish to have available to you information concerning the exact amount of payments under the Husband and Wife Pension or the Joint and Survivor benefit, it will be sent to you by the Fund Office before you elect an optional benefit when you make this request on your application.

The Fund Administrator will acknowledge that your application and papers have been received at the Fund Office and will notify you in the event the Fund needs additional material. After your application is processed at the Fund Office, it is submitted to the Board of Trustees. You will receive your benefit immediately upon approval of your application by the Trustees.

How a Surviving Spouse Files For Death Benefits or the Husband and Wife Pension

As soon as possible after the death of an employee or pensioner, the spouse should contact the Fund Office in writing and submit a transcript or copy of the death certificate. You will be asked to submit proof of your age and you will be advised if additional information or proof is required to process the claim.

We suggest that you write to the Fund Office if you have any questions concerning your benefits or your eligibility for benefits. The Fund Office will help you in every way possible with your application. After your application is processed at the Fund Office, it is submitted to the Board of Trustees for approval.

HOW YOU MAY APPEAL A DENIAL OF BENEFITS

REVIEW PROCEDURE

An applicant who has received a notice that his claim has been denied may request a review of the denied claim within 60 days of the receipt of the notice of denial. An applicant who has not received a decision on a claim for benefits within 90 days or 180 days in special circumstances may request a review of his claim. An applicant or his authorized representative may request a review, may have the opportunity to review pertinent documents, and may submit issues and comments in writing. Requests for review must be made in writing and should be sent to the Fund Office.

DECISION ON REVIEW

The Board of Trustees shall render a decision within 60 days after the receipt of the request for a review unless special circumstances require an extension of time for processing in which case a decision shall be rendered within 120 days. The decision of the Board of Trustees shall be in writing and shall include the specific reason(s) for the decision and specific references to plan provisions on which the decision is based. If you request a review of a denied claim you will be notified of the approximate date that you can expect to receive a decision.

The Board of Trustees will review and decide on the merits ot each pension application. The Trustees have the right to request from you any additional information or proof that is required for a proper determination of your application for retirement benefits. Failure on your part to furnish such information or proof when requested will delay the processing of your application.

The falsity of any statement that is material to an application or the submitting of information or proof that is fraudulent shall be sufficient reason for the denial, suspension or discontinuance of benefits under this Pension Plan; and in any such case the Trustees have the right to recover any benefit payments made in reliance on such statement.

The Board of Trustees shall be the judge of:

1. the standard of proof required in any case,
2. the application and interpretation of this Plan's rules and regulations, and
3. entitlement to and/or amount of pension benefit.

Whenever in the Plan the Trustees are given discretionary powers, the Trustees will exercise such powers in a uniform and non-discriminatory manner.

SOME GENERAL QUESTIONS AND ANSWERS

The following may answer some of your questions about the Pension Plan:

Q. After I apply for benefits, when is my pension payable?

A. Benefits become payable on the first of the month following the date your application is received at the fund office or the last day worked, whichever is later, but in no event any later than the 60th day after the later of:

- the close of the Plan Credit Year in which you reach Normal Retirement Age, or
- the close of the calendar year in which you stop covered employment and retire.

Q. Do I lose my benefits if I cease to be disabled?

A. If you are receiving a Disability Pension and you cease to be disabled, you may reapply to the Trustees for a Regular or Early Retirement Pension.

Q. Can I receive Social Security Benefits in addition to those provided by this Plan?

A. Yes. Social Security Benefits paid by the Social Security Administration are independent of this Plan. You should file for any benefits you are entitled to receive from Social Security.

Q. When may I obtain a statement of the Pension Credit and the benefits I have earned?

A. You may get a statement of Pension Credit and benefits earned once each year by submitting a written application to the Fund Office.

Q. What happens if I am too ill to manage my own affairs?

A. The Trustees may pay any benefits due to your legal guardian, committee or legal representative or, in their absence, to any blood relative or connection by marriage the Trustees consider entitled to receive them for you.

Q. If I owe money, can I sign over my pension benefit?

A. No. The Pension Plan prohibits you from making any assignment, pledge or in any way disposing of your pension payment. This is done for your protection.

Q. Can my retirement be garnished?

A. No. Your retirement payments cannot be attached, garnished or levied against by anyone to whom you owe money. Also, if you should happen to go through bankruptcy, pension benefits do not count as part of your assets.

Q. Can I still get all my benefits if I move outside the United States?

A. Generally, yes, but check with the Fund Office before you move, because there are certain restrictions. You should always be sure the Fund Office has your full and correct mailing address.

IMPORTANT FACTS ABOUT THE PLAN

The Paper Industry Union-Management Pension Fund is a defined benefit plan and is administered by a joint Board of Trustees, consisting of four Union representatives and four Employer representatives.

The name and address of the Plan Administrator is —

The Paper Industry Union-Management Pension Fund
163-03 Horace Harding Expressway
Flushing, New York 11365
Telephone: (212) 762-6636

The names, titles, and business addresses of Trustees are:

Union Trustees	Addresses
Joseph Tonelli, President	United Paperworkers International Union 163-03 Horace Harding Expressway Flushing, New York 11365
Kenneth Hendershott, Vice-President	United Paperworkers International Union 660 Northland Boulevard, Suite 42 P.O. Box 40425 Cincinnati, Ohio 45240
James Dassaro, President	Local 318 136-65 37th Ave. Flushing, New York 11354
Joseph Schmell, President	Local 1296 c/o A. Klein & Company 29-10 Thomson Avenue Long Island City, New York 11101

Employer Trustees	Addresses
Irving Rolnick, President	National Process Corporation 100 Fifth Avenue New York, New York 10011
G. Ralph Meyer, President	Portco Corporation Vancouver, Washington 98661
John K. McMahon, General Manager	Compensation and Benefits The Continental Group, Inc. 633 Third Avenue New York, New York 10017
Melvin I. Bricker, Executive Vice-President	Interstate Container Corporation 300 East 42nd Street New York, New York 10017

The Board of Trustees is designated as the agent for the service of legal process. In addition, service of legal process may be made upon a plan trustee.

The fiscal year-end date is December 31.

The Employer Identification Number assigned by the Internal Revenue Service to the Board of Trustees is 136144834. The Plan No. is 001.

Financial Information All contributions to the Plan are made by Employers in accordance with their collective bargaining agreements with The United Paperworkers International Union, AFL-CIO.

The Fund Office will provide you, upon written request, information as to whether a particular employer is contributing to this Plan on behalf of Participants working under the collective bargaining agreement. The collective bargaining agreements require contributions to the Plan at fixed rates per hour.

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

The Fund's assets and reserves are held in custody and invested by the Investment Manager, Chemical Bank, 277 Park Avenue, New York, New York 10017.

Plan Procedures The types of benefits provided and the Plan's requirements with respect to eligibility as well as circumstances that may result in disqualification, ineligibility, or denial or loss of any benefits are fully described in this descriptive booklet.

The procedures to follow for filing a claim for benefits are set forth on page 18 of the booklet. If your claim is denied, you may appeal that decision. To make an appeal, write to the Fund Office within 60

days. You will be advised further as to how the appeal will be considered.

Insured Benefits Benefits under this Plan are insured (discretionary until January 1, 1978) by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions.

However, PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of Plan termination. However, if a Plan has been in effect less than five years before it terminates, or if benefits have been increased within the five years before Plan termination, the whole amount of the Plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a ceiling on the amount of monthly benefit that PBGC guarantees, which is adjusted periodically.

For more information on the PBGC insurance protection and its limitations, ask your Plan Administrator or the PBGC. Inquiries to the PBGC should be addressed to the Office of Communications, PBGC, 2020 K Street, N.W., Washington, D. C. 20006. The PBGC Office of Communications may also be reached by calling (202) 254-4817.

Rights and Responsibilities As someone who is eligible for benefits from this Plan, you are no doubt aware of the fact that the benefits are paid in accordance with plan provisions out of a trust fund which is used solely for that purpose. If you have had any questions or problems as to benefit payments, you have, as you know, had the right to get answers from the Trustees who administer the Plan.

The same basic rights have now been incorporated in the Employee Retirement Income Security Act, which Congress adopted in 1974, for application to all benefit plans. Those rights are set forth in the following section.

STATEMENT OF RIGHTS UNDER EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

As a participant in the Paper Industry Union-Management Pension Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the plan with the U. S. Department of Labor, such as detailed annual reports and plan descriptions.

Obtain copies of all plan documents and other plan information upon written request to the plan administrator. The administrator may make a reasonable charge for the copies.

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

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age (65), or, if later, your age on the tenth anniversary of your participation) 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 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 a year. The plan must provide the statement free of charge. The plan will provide this information to the extent it is able to based on available records.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who have the responsibility for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA. If your claim for a pension benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the plan and do not receive them within 60 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 $100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. 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

frivolous. 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, you should contact the nearest area office of the U.S. Labor Management Services Administration, Department of Labor.

Nothing in this statement is meant to interpret or extend or change in any way the provisions expressed in the Plan or insurance policies. The Trustees reserve the right to amend, modify or discontinue all or part of this Plan whenever, in their judgment, conditions so warrant.