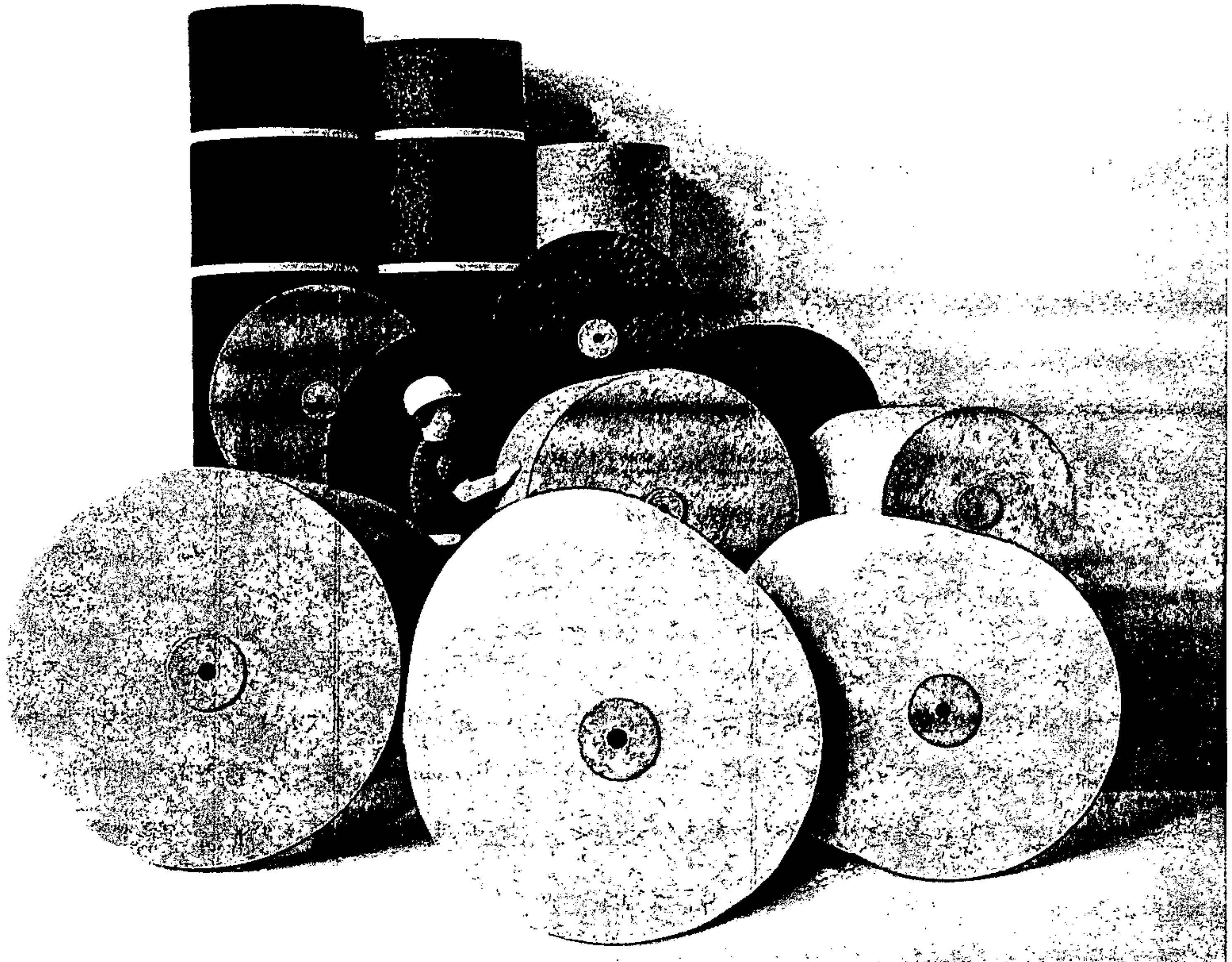

THE PAPER INDUSTRY UNION-MANAGEMENT PENSION FUND

Paper Industry Union-Management Pension Fund
3340 Perimeter Hill Drive
Nashville, Tennessee 37211
(615) 242-0252

To All Participants and Beneficiaries:

The Board of Trustees of the Paper Industry Union-Management Pension Fund is pleased to present you with this updated booklet which summarizes the Rules and Regulations of your Pension Plan. This booklet is not meant to be a substitute for the full text of the Plan document. If there are differences between this description and the Plan, the Rules and Regulations will govern. If you would like to have a copy of the Plan, please call the Fund Office. The entire Plan is financed by employer contributions according to the collective bargaining agreements with the United Paperworkers International Union AFL-CIO.

The Plan can provide valuable security for you and your family both before and after retirement. 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 Defined Contribution Plan rules have been liberalized allowing more employees to be eligible for participation. Be sure to review this section of the booklet which describes how you become eligible for these supplemental benefits.

The Trustees will continue to advise you of any changes in the Rules and Regulations of the Plan as we try to provide a greater measure of security for you who work in the industry.

If you have any questions about your benefits under either the Pension Plan or the Defined Contribution Plan, please write to the Fund Office.

Sincerely,

THE BOARD OF TRUSTEES

8/93 (10M)

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.

- *A Regular Pension* for employees who reach Normal Retirement Age. (See page 6)
- *An Early Retirement Pension* for employees who decide to retire between the ages of 55 and 65 and have at least 10 years of pension credit or vesting service. The Early Retirement Pension is reduced to take account of an earlier retirement age. The amount of reduction depends on whether you are a Plan A, Plan B or Plan C covered employee. (See page 7)
- *A Deferred Pension* for employees who leave covered employment before age 55 and who have at least 10 years of pension credit or vesting service. For employees who leave covered employment after January 1, 1989, a deferred pension may be paid to those with 5 years of pension credit or vesting service. The Deferred Pension becomes payable at age 65, or between age 55-65, in a reduced amount. (See page 7) For those participants who have less than 10 years vesting or pension credit, the benefit is payable at Normal Retirement Age.
- *A Disability Pension* for employees at any age who become permanently and totally disabled while working in covered employment and who have at least 10 years of pension credit. (See page 7)
- *The Husband And Wife Pension* is payable automatically for all types of pensions, unless this type of payment is rejected before payments start. The Husband and Wife Pension provides a reduced pension during the pensioner's lifetime, and after his death 50% of the pensioner's monthly benefit will continue to his surviving spouse. (See page 11)

In addition, the following benefits are available:

- *Sixty (60) Certain Monthly Payments* for pensioners who retire under the Regular, Early, or Deferred Pension. This provision guarantees the payment of 60 monthly pension payments to the pensioner. If the pensioner dies before 60 payments are made, payment in the same amount will continue to his beneficiary until a total of 60 monthly payments are made. This provision does not apply to a pensioner who receives the Husband and Wife Pension, the Joint and Survivor Option, the Social Security Level Income Option, or to Disability Pensions. (See page 12)
- *The Joint And Survivor Option* may be elected before retirement by an employee. It provides 50%, 75% or 100% of the pensioner's actuarially reduced benefit to his surviving beneficiary. (See page 11)
- *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 benefits begin. (See page 12)
- *An Automatic Pre-Retirement Surviving Spouse's Benefit* for employees who 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 with a Husband and Wife Pension. (See page 13)

- *A Lump Sum Death Benefit* for single employees who die in covered employment with at least 10 years of service. (See page 14)
- *A Death Benefit* will be paid to the surviving spouse of an inactive participant who is eligible for a deferred pension benefit under this Plan. Your spouse will receive 50% of the amount you would have received if you retired on a Husband and Wife Pension. The benefit amount will be reduced further if benefits begin before you reached age 55.
- *The Defined Contribution Plan* which is designed to supplement your benefits under the Pension Plan. Note that eligibility for the Defined Contribution Plan is separate from eligibility for Pension Plan benefits. A description of this Plan begins on page 16.

The Trustees hope that these highlights and the following summary plan description will help you get to know your Plan better. However, the highlights and summary are NOT meant to be a substitute for the Plan itself, which can be obtained from the Fund Office. If there is any difference between the Plan document and the highlights or summary, your rights will *always* be determined under the Plan document.

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

HOW DO YOU BECOME A PARTICIPANT IN THIS PLAN?

You're eligible to become a participant in this Plan if you're an employee covered by a collective bargaining agreement between your employer and the United Paperworkers International Union, AFL-CIO *and* if the agreement requires your employer to contribute to the Plan for the hours you work. Your service on which your employer is obligated to contribute is called your *covered employment.*

When Do You Become a Participant?

If you are already a participant of the Plan, you will remain a participant. If you are not already a participant, you may become a participant if you work 1,000 hours in covered employment during your first year on the job (or in any calendar year which starts after you are hired).

"Hours" When we talk about hours in this Plan, we mean each hour for which you are paid, or are entitled to be paid by your employer. However, no more than 441 consecutive hours of non-working time are counted. You may also include some unpaid periods such as military service (while you have re-employment rights under law). You may 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 collective bargaining agreement.

You will be formally enrolled as a participant for whom contributions are made to the Pension Benefit Guaranty Corporation (see page 22) on the first January 1 or July 1 after you meet the 1,000-hour requirement and are age 21 (assuming you are still employed in covered employment).

The date on which you become a participant does not affect the amount of your benefits, because the Plan gives you credit, under the rules described below, for some or all of your service before the time your membership starts. Similarly, it does not affect your employer's obligation to make contributions for you, since contributions are required for all hours subject to the Standard Form of Agreement for Participation, including hours before you are formally enrolled as a participant.

HOW DOES YOUR WORKING TIME COUNT?

The amount of time you work for an employer in the Plan counts in several important ways. First of all, it counts toward becoming a participant of the Plan as we've just explained. It also determines whether you're eligible for a pension and how much your pension will be.

Your Years of Pension Credit

Pension credit for work *before* your employer starts contributing to the Fund for you is called *past service.* Pension credit for work on which your employer contributes is called *future service.* When you retire, your total pension credit is figured by adding your past service credit and future service credit.

Future Service Credit

Future Service is based on your covered employment–in other words, your service on which your employer contributes to the Fund for you. You'll receive one full year of future service credit for each year that you have at least 1,760 hours for which contributions are made on your behalf.

The following table shows how much credit you receive:

Hours of Contributions Due in Calendar Year	Years of Pension Credit
1,760 or more	1
1,320-1,759	¾
880-1,319	½
440-879	¼
Less than 440	0

Past Service Credit

Past Service is your years of eligible employment in the Industry before your employer starts contributing to the Fund for you.

How to Qualify for Past Service Credit

Ordinarily, to receive pension credit for your past service, you must have at least 5 years of future service credit; and, if your covered employment started after August 16, 1982, you must be in covered employment on the first day your employer starts contributing to the Fund. However, you may be eligible to receive pension credit for past service even if you have less than 5 years of future service credit if–but only if:

- you are in covered employment on the first day your employer starts contributing to the Fund; and
- you completed at least 1,200 hours in the 12-month period up to that day.

If your employer signed a collective bargaining agreement with a Local Union for the first time at the same time it joins the Fund, then all your employment with that employer during the preceding 12-month period may be used to meet the 1,200 hour test, regardless of what job classification you were in when you earned those 1,200 hours. In all other cases, these 1,200 hours must have been with your employer under a collective bargaining agreement with the Union *and* must have been worked in a job classification covered for pension purposes by the collective bargaining agreement on the day your employer starts contributing to the Fund. In both cases, in meeting the 1,200 hour test you can count hours you would have worked for the employer in the 12-month period but were unable to do so because of layoff or disability. You must submit proof such as records of governmental, unemployment or disability plans, employers' certified records or medical proof.

How Much Past Service Credit Do You Get?

You'll receive one year of past service credit for each calendar year that you worked at least 1,200 hours in the Industry in job classifications and at plant locations which are:

- covered for pension purposes as of the first date contributions are obligated to be made to the Fund on your behalf; or

- covered by a collective bargaining agreement with the Union; or
- defined by the Trustees as having been within the Industry.

Also, you may receive a partial year of past service credit for the calendar year in which your covered employment starts, and the calendar year in which your past service starts, figured by giving one quarter of credit for each 300 hours.

You *will not* receive pension credit for past service which occurred before a period of three or more consecutive calendar years in each of which you worked fewer than 1,200 hours in employment described above.

Your Years of Vesting Service

You'll receive one year of vesting service for each calendar year in which you have at least 1,000 hours in covered employment (see page 3). This includes the time you worked in covered employment before you became a member of the Plan.

You'll also receive one year of vesting service for each year of your past service pension credit earned in calendar years before the year your covered employment starts.

In determining your vesting service you may also count hours worked for a contributing employer in a job not covered by this Plan–but only if that work immediately precedes or follows your covered employment with that employer. Also, hours of non-covered work before your employer joined the Plan will count toward vesting service only if it was at the same place of business as your covered employment.

Is It Possible to Lose Your Pension Credit and Your Vesting Service?

Yes, this can happen if you have a *permanent break in service* before you have enough years of vesting service or pension credit to be eligible for a Deferred Pension.

If you are in covered employment *after January 1, 1989* you will have a permanent break in service if you leave covered employment before you have five years of pension or vesting credit and you have five consecutive one-year breaks in service.

Between January 1, 1987 and December 31, 1988 you will have a permanent break in service if you leave covered employment before you have 10 years of pension or vesting credit and when your number of consecutive one-year breaks is equal to five or your total number of years of vesting service, whichever is greater. For example, if you have earned two years of pension credits or vesting service, you will not lose those credits until you have been away from the Industry for five years. If you previously earned seven years of pension credit or vesting service, you have seven years to return to the Industry before you lose all of your credits.

If you have a permanent break in service, you'll lose your membership in the Plan. You'll also lose all the vesting service and pension credit you earned before the break.

After December 31, 1975 you'll have a *one-year break in service* if you work less than 440 hours in a calendar year in covered employment, or in any other employment with the same employer that is continuous with your covered employment. If you earn a year of vesting service before the break becomes permanent , your previously earned vesting service and pension credit will be restored.

After December 31, 1975, and before January 1, 1989, you'll have a *permanent break in service* if you leave covered employment before you have 10 years of pension or vesting credit, and you have consecutive one-year breaks in service, including at least one after 1975, that equal or are more than your years of vesting service or pension credit before the first one-year break.

Before January 1, 1976, you had a permanent break in service if you left covered employment before you had 10 years of vesting service or pension credit and subsequently did not earn four quarters of future service credit within any period of four consecutive calendar years.

However, if you were unable to work because of total disability, up to one full calendar year will not count when determining whether or not you had a permanent break.

You cannot lose your right to a pension or have a permanent break in service if you have already earned a right to a Deferred Pension.

Special Note If you have a break in service of up to one year for maternity or paternity reasons (i.e., for your own pregnancy, the birth of your own child, for the placement of a child with you for adoption, or for the caring for a child after birth or adoption), you will receive up to one year of credit if doing so will prevent you from having a one-year break in service. This credit will be given for the year in which your absence begins. If you don't need the credit to prevent a break in this year, you will be given credit for the absence in the following year. The Trustees and Plan Administrator may ask you to provide information or proof that your absence was for the above reasons.

Also, if you left the collective bargaining unit represented by the Union and continued working for the same employer, you will not have a permanent break if you return to the collective bargaining unit and earn at least eight quarters of future service credit. (Under these circumstances, your pension benefit level may be determined under a special rule, described in Section 6 of Article III of the Plan.)

WHEN ARE YOU ELIGIBLE FOR A PENSION?

For All Pensions

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 obligated to be made to the Fund. If an employee's effective date of retirement is within two years of the first day his employer starts contributing to the Fund, he must complete at least 880 hours on which contributions are made over a period of two consecutive calendar years.

Also, to receive a pension you must be *completely* retired from the industries covered by the Plan (see page 16).

Regular Pension

You are eligible for a regular pension if you are 65 years old. However, your normal retirement age will never be later than any mandatory retirement age imposed by your employer.

If you keep working for a contributing employer after your normal retirement age, you may continue in the Plan until you actually retire. However, your regular pension payments must begin no later than the April 1 of the calendar year following the calendar year in which you reach age 70½.

Early Retirement Pension

You can retire anytime between age 55 and 65 if you have at least 10 years of pension credit or vesting service.

Deferred Pension

If you leave covered employment on or after January 1, 1989 and you have at least five years of pension credit or vesting service (or 10 years before January 1, 1989), and before you reach age 65, you can receive a deferred pension. This benefit starts at age 65 if you have less than 10 years of credit. However, you can start receiving it anytime after age 55 in a reduced amount with 10 or more years of pension or vesting credit.

Disability Pension

You can receive a disability pension if you are totally and permanently disabled while working in covered employment *and* you have at least 10 years of pension credit (including at least 2 quarters of future service credit) at the time your disability starts. There is no age requirement.

HOW MUCH WILL YOUR PENSION BE?

The amount of your pension depends on your years of pension credit *and* on the benefit level in effect when you last worked in covered employment, provided you have one hour of service during the 90-day period immediately before the change in the benefit level. If you do not have one hour of service during that period, you can still qualify for the higher benefit level if you have 880 hours for which contributions are required to be made to the Fund at that level over a period of two consecutive calendar years.

If you have been covered under more than one benefit level and do not meet the 90-day or two quarters requirement under the highest benefit level, your pension will be based on the next lower benefit level.

Your pension benefit amount will be rounded up to the next whole dollar amount.

Regular Pension

If you have at least 25 years of pension credit at retirement, the monthly amount of your regular pension will be equal to the benefit level that applies to you.

If you have less than 25 years of pension credit at retirement but at least five, the monthly amount of your regular pension is:

your years and partial years of pension credit divided by 25
times
your benefit level

For example:

Larry is retiring at age 65 with 22 years of pension credit. The benefit level in effect when he retires is $529, and he qualifies for that level. His monthly pension is:

22 divided by 25 = .88
.88 times $529 = $465.52

Larry will receive a monthly pension of $466.00 a month.

If you have more than 25 years of pension credit at retirement you are eligible for an additional monthly benefit based on those pension credits. This additional monthly benefit will be equal to 4% of the benefit level which applies to you for each year of pension credit you have earned beyond 25. This additional benefit applies for participants working in covered employment on or after January 1, 1987.

For example:

John is retiring at age 65 with 35 years of pension credit. He qualifies for a benefit level of $575. His monthly pension is:

35 years of pension credit minus 25 = 10 years
10 years of pension credit times 4% = 40%
40% times $575 = $230.00
$575.00 plus $230.00 = $805.00
John will receive a monthly pension of $805.00

Early Retirement Pension

An early retirement pension is first calculated the same way as if you were retiring on a regular pension–and that's the amount you'll get if you retire early but decide to delay the start of benefits until age 65. If you decide to have your early retirement pension start immediately on early retirement–or on some later date up to age 65–how much you get will depend on whether you qualify for Plan A, Plan B or Plan C coverage, as described below.

Plan A is the Fund's regular early retirement program and applies to most participants. Plan B and Plan C are special early retirement programs, which were introduced by the Trustees on February 28, 1980.

To be eligible for Plan B or Plan C, your bargaining unit must specifically negotiate for that coverage–at a higher contribution rate than Plan A. If you're working in Plan B or Plan C covered employment, your early retirement pension will be paid under Plan B or Plan C only if:

- Your final quarter of pension credit was earned under Plan B or Plan C; and
- You earned your last 5 years of pension credit with that same bargaining unit, or you earned at least 5 of your last 8 years of Future Service pension credit in Plan B or Plan C covered employment.

If you can't meet these tests, your early retirement pension is figured under Plan A.

Plan A—Pensions Starting Before Age 65

Your early retirement pension is first calculated the same way as if you were retiring on a regular pension. This amount is then reduced ½ of 1% (.005) for each month you are younger than age 65 on the day your pension starts. (This reduction of ½ of 1% for each month is the same as 6% per year.)

For example:

Paul is retiring at age 60 with 18 years of pension credit. The highest benefit level for which he qualifies is $460. Paul's monthly pension is calculated as follows:

18 divided by 25 = .72
.72 times $460 = $331.20 (monthly pension if payments start at age 65)

.005 times 60 (number of months between age 65 and pension starting date) = 30%
$331.20 times 30% = $99.36
$331.20 minus $99.36 = $231.84 (monthly pension if payments start at age 60)

Paul will receive an early retirement pension of $232.00 a month if his pension starts immediately upon retirement. If he decides to have payments start at age 65, he'll get $332.00 per month.

Plan B

If you qualify for Plan B, your early retirement pension is first calculated the same way as if you were retiring on a regular pension. This amount is then reduced by ½ of 1% (.005) for each month you are younger than age 62 on the day your pension starts. (This reduction of ½ of 1% per month is the same as 6% per year.) If your early retirement pension starts at age 62 or later, it will not be reduced at all.

For example:

Assume that Joe is retiring at age 60 under the same facts that applied to Paul in the Plan A example. But let's also assume that Joe qualifies for Plan B. Joe's monthly pension is calculated as follows:

$331.20 = monthly pension if payments start at age 65
.005 times 24 (number of months between age 62 and pension starting date) = 12%
$331.20 times 12% = $39.74
$331.20 minus $39.74 = $291.46 (monthly pension if payments start at age 60)

Joe will receive an early retirement pension of $292.00 if his pension starts immediately upon retirement. If he decides to have benefits start at age 62 he'll get $332.00 per month, because a Plan B early retirement pension which starts after age 62 is not reduced.

Plan C

If you qualify for Plan C, your early retirement pension is first calculated the same way as if you were retiring on a regular pension. This amount is then reduced by ⅓ of 1% (.003⅓) for each month you are younger than age 65 on the day your pension starts. (This reduction of ⅓ of 1% per month is the same as 4% per year.)

For example:

Assume that Mary is retiring at age 60 under the same facts that applied to Paul in the Plan A example. But let's also assume that Mary qualifies for Plan C. Mary's monthly pension is calculated as follows:

\$331.20 = monthly pension if payments start at age 65
.003⅓ times 60 (number of months between age 65 and pension starting date) = 20%
\$331.20 times 20% = \$66.24
\$331.20 minus \$66.24 = \$264.96 (monthly pension if payments start at age 60)

Mary will receive an early retirement pension of \$265.00 if her pension starts immediately upon retirement. If she decides to have payments start at age 65, she'll get \$332.00 per month.

Deferred Pension

A deferred pension is calculated the same way as an early retirement pension. If you decide to receive this benefit before age 65, your pension will be reduced the same way as an early retirement pension, depending on whether you are eligible for Plan A, Plan B or Plan C. (See page 9) Your deferred pension *cannot* start before age 55 with 10 years of credit or before age 65 with less than 10 years of credit. (On or after January 1, 1989, you are eligible for a deferred pension if you have five or more years of pension credit or vesting service.)

Disability Pension

The amount of your disability pension is the same as the regular pension to which you would be entitled if you reached age 65 and retired on the date of your disability, based on the benefit level in effect on the last day you actually worked and your pension credit up to that day.

For example:

Harry is 55 years old with 20 years of pension credit when he becomes totally and permanently disabled. The last benefit level under which he actually worked is \$460. Harry's disability pension is calculated as follows:

20 divided by 25 = .80
.80 times \$460 = \$368.00

Harry will receive a monthly disability benefit of \$368.

You must submit proof of your disability to the Trustees. You may also be required to submit proof that you are eligible to receive Social Security disability benefits. You should file your application for a disability pension as soon as possible after you are disabled. Your disability pension will ordinarily start on the first day of the month after 5 months disability, if you file your application during that period. If you file later, your disability pension will ordinarily start on the first of the month after you file. *In all cases*, however, benefits will not start until your application has been approved–and while retroactive payments are sometimes made, you can never get more than one year's worth of payments retroactively.

HOW IS YOUR PENSION PAID?

You'll receive your pension in the form of equal monthly payments. However, if the amount of your benefit is less than or equal to $5,000, the Trustees may pay your benefit in one lump sum.

Standard Form If You're Single

If you're single when your pension starts, you'll receive equal monthly payments for life, with a minimum of 60 monthly payments. If you die before receiving 60 payments, the beneficiary you have named will receive the balance of payments. If you do not name a beneficiary before you die, or if your beneficiary dies before you, the balance will be paid to your estate.

The guarantee of 60 payments does *not* apply to disability pensions.

Standard Form If You're Married

The Husband and Wife form of benefit will be your standard form of payment unless you and your spouse waive in writing the right to receive this benefit. The letter must be notarized by a Notary Public or witnessed by a representative of the Fund. You'll receive a reduced monthly pension during your lifetime. Then, if your spouse is still living when you die, he or she will receive 50% of the pension you were receiving. The amount of the reduction depends on the ages of you and your spouse when payments begin.

> For example:
>
> Al is retiring at age 65. His wife is also 65. Al's regular pension amount is $500 a month. With the reduction made to provide for a Husband and Wife Pension, Al receives $450 a month for his lifetime. When he dies, his wife will continue to collect 50% of his pension–$225–for as long as she lives.

For your spouse to receive this benefit, you must be married to the same person on your pension starting date and on the day of your death. Once your Husband and Wife Pension starts, the monthly pension payment to you will not be increased even if your spouse dies before you, or you are divorced.

If you are divorced before you receive retirement benefits, a qualified domestic relations order may also specify that your ex-spouse is entitled to receive part of your retirement benefit after you reach early retirement age, whether or not you retire at that time. Fund guidelines for the review of domestic relations orders may be obtained from the Administrator.

Optional Forms of Payment

If you don't want the Standard Form of Payment that applies to you, you can choose one of the following optional forms of payment.

Joint and Survivor Option: For Regular Pensions Only

You can select the Joint and Survivor Option if you are single or married, provided you are retiring on a Regular Pension.

However, if you are married and wish to name someone other than your spouse as your beneficiary, your spouse must consent to the naming of an alternate beneficiary. The Fund Office will supply you with the appropriate form. This letter must be signed by your spouse, notarized by a Notary Public or witnessed by a representative of the Fund to be valid.

The Joint and Survivor Option provides reduced monthly benefits during your lifetime. When you die, your beneficiary receives 50%, 75%, or 100% of the amount you were receiving for the rest of his or her lifetime. The greater the percentage that you choose, the smaller your monthly benefit will be. You decide on the percentage when you elect this option (at least 12 months before the effective date of your pension).

A Joint and Survivor Option 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 if you file a revocation notice in writing with the Fund Office before your pension starts.

Sixty Guaranteed Monthly Payments

If you are married and retiring on a regular, early or deferred pension, you can choose this option instead of the Husband and Wife Option only if your spouse signs a waiver rejecting the automatic Husband and Wife form of benefit. This rejection letter must be signed and notarized or witnessed by a representative of the Fund. The Fund Office will provide you with the forms.

The Sixty Guaranteed Monthly Payment Option provides you with equal monthly payments during your lifetime. If you die before receiving all 60 payments, the beneficiary you name on your pension application will receive the balance of payments. If you do not name a beneficiary before you die, or if your beneficiary dies before you, the balance will automatically be paid to your surviving spouse. If no spouse survives you, the balance of payments will be made to your estate.

Social Security Level Income Option: For Early Retirement Pensions Only

If you are married or single and retiring from covered employment on an early retirement pension, and if you have completed at least one year of pension credit after age 54, you can elect, with the consent of the Trustees, to receive the Social Security Level Income Option. This option gives you a higher pension from the Fund before your Social Security starts and a lower pension from the Fund after your Social Security starts. Therefore, you'll have a somewhat level income during your retirement, taking into account both pension payments under the Plan and Social Security.

A married participant and his spouse who wish to elect the Social Security Level Income Option must waive in writing the right to the automatic Husband and Wife form of benefit. This letter must be witnessed by a Fund representative or notarized by a Notary Public.

The Social Security Level Income Option will not be paid if it results in a monthly benefit of $20 or less.

> For example:
>
> Dan is retiring at age 58 on an early retirement pension of $261 a month. He wants to have a somewhat level income during his retirement, so he chooses the Social Security

Level Income Option. It is estimated that Dan will receive a monthly Social Security benefit of $480 at age 65.

Under this option, Dan will receive $504 a month from the Plan from age 58 to 65. At 65, when his Social Security payments begin, Dan will receive a monthly benefit of $24 from the Plan. With his $480 Social Security benefit, Dan will receive the same monthly benefit after 65 that he was receiving before 65.

Important: *If you die while receiving your pension under the Social Security Level Income Option, benefits will not be paid to anyone after your death.*

HOW CAN YOU PROTECT YOUR SURVIVORS BEFORE YOU RETIRE?

Death Benefits for Married Participants (Active)

Your spouse can receive benefits if you die–

- with at least five years of pension credit or vesting service, and
- while you are employed by a contributing employer to the Fund.

Your spouse will receive 50% of the benefit you would have received if you retired the day before your death on a Husband and Wife Pension.

If you die before age 65, this benefit will be calculated according to the rules of the early retirement pension.

This benefit starts on the first of the month following your death and continues for the lifetime of your spouse. If you are under age 55 when you die, it is assumed for benefit purposes that you are age 55.

The same benefit is payable if you retire from a contributing employer to the Fund after age 55 with rights to a pension and die before your pension starts.

After August 23, 1984, a participant must have at least one hour of service under this Plan on or after January 1, 1976 in order for his surviving spouse to be covered with this protection.

You and your spouse must be married at least one year before your death to be eligible for benefits.

Death Benefits for Married Participants (Inactive)

Effective August 23, 1984, a death benefit is also available to inactive married participants *eligible for a deferred pension.*

To be eligible for this benefit you must–

- have five or more years of pension credit or vesting service (before January 1, 1989, you needed ten years of pension credit or vesting service)
- die before your pension begins and on or after August 23, 1984
- have worked at least one hour in covered employment after 1975

- be married to the same spouse for one year before your death
- not be employed in covered employment at the time of death

Your surviving spouse will receive 50% of the amount which you would have received had you begun to receive your pension in the Husband and Wife form.

If you die before age 65, this benefit will be calculated according to the rules of the early retirement pension. The amount will be reduced further if benefits begin before age 55.

Death Benefits for Single Participants

If you are single and die in covered employment with at least five years of pension credit or vesting service (before January 1, 1989 you needed ten years of pension or vesting service credit), your beneficiary will be entitled to a Death Benefit. This Death Benefit will be equal to 1,000 times your applicable contribution rate at the time of your death for each year of earned pension credit. This benefit is payable to the beneficiary you designate on a form available from the Fund Office. If no beneficiary is designated or the designated beneficiary dies before you do, the benefit will be paid to your estate.

For example:

Mary is single and dies while working in covered employment at age 45. She has 15 years of pension credit at the time of her death. Her employer was contributing at the rate of 30.5 (.305) per hour.

.305 times 1,000 = $305.00 (Death Benefit per year of Pension Credit)
$305.00 times 15 years = $4,575.00 (Lump Sum Death Benefit, payable to her named beneficiary.)

Disabled Members

After August 23, 1984, a participant must have at least one hour of service under this Plan on or after January 1, 1976 in order for his surviving spouse to be covered with this protection.

If you are disabled, and the Trustees have approved your application for a disability pension but you die *during the five-month waiting period before your pension starts*, your spouse can still receive a benefit. Your spouse will get the pension he or she would have received if your pension had already started under the Husband and Wife Option.

This benefit starts on the first of the month following your death and continues for the lifetime of your spouse.

HOW DO YOU APPLY FOR BENEFITS?

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

When you complete the application and have 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 at least three months before you want your pension to start. Try to get your application in earlier–at least 6 months before you want your pension to start–if any of your pension credit was with an employer which is no longer in business; this extra time is needed because the Fund will have to verify your work record with the Social Security Administration.

The application contains instructions on how to elect the form of payment you want.

If you want to know the exact amount of payments under the Husband and Wife Pension, the Joint and Survivor Option or the Social Security Level Income Option, it will be sent to you by the Fund Office if you make this request on your application. After you are advised by the Fund Office, you have 90 days or up to the pension starting date to elect an option or change your previous selection.

The Fund Administrator will acknowledge receipt of your application and will notify you if the Fund needs additional information.

Claims Procedure

If your application for a pension is denied, within 90 days after you are notified of the denial you may file a written request with the Trustees asking that they conduct a full and fair review of your case. You may also submit written comments and examine any pertinent documents, and you may have anyone else you wish help you. If more time is needed, the Trustees may allow you more than 90 days to file your request for review.

The Trustees will conduct their review and issue a written opinion to you–usually within 60 days after your request for review is received. If more time is needed, the decision of the Trustees may be delayed until 120 days after your request is received.

How a Surviving Spouse Files for Pre-Retirement 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 copy of the death certificate. Your spouse will be asked to submit proof of age and will be advised if additional information or proof is required to process the claim. The spouse should write to the Fund Office with any questions concerning eligibility for survivor benefits. The Fund Office will help in every way possible with the application.

Can Benefits Be Paid If You Work At Another Job?

Under the Plan you can collect a pension only if you are completely retired from the industry. Industry includes the business activities of the type engaged in by any employers maintaining the Plan in the geographic area covered by the Plan. However, if you are over 67 you can work as a plant guard or watchman without violating the retirement rule, so long as the job isn't under a collective bargaining agreement with the Union. To qualify for this exception, you must request advance approval from the Trustees.

WHAT HAPPENS IF YOU WORK AFTER YOUR PENSION STARTS?

If you return to work after you start receiving your pension, you will not receive benefits for any month in which you complete 40 or more hours of service with a contributing employer. Your pension will not be withheld if you are called back to work by an employer in an emergency situation for a period not longer than 60 days in any calendar year.

Tell the Fund Office immediately about any work you do after retirement or if you intend to return to work. They will notify you if your pension benefits will be withheld.

If you retire and later are re-employed as a covered employee, your pension will later be recalculated as follows:

- If after retirement you earn at least 2 years of future service pension credit, your pension will be recalculated based on your total years of pension credit and the benefit level applicable to you when you finally retire.
- If you retire on a disability pension, return to work, and earn at least one year of future service pension credit, your pension will be recalculated based on your total years of pension credit and the benefit level applicable to you when you finally retire.
- If neither of the above applies, then your pension will be recalculated based on your total years of pension credit and at the benefit level which applied to you before your reemployment.

In all cases, your final pension will be adjusted on actuarial principles to take into account the pension payments you received before re-hire and any payments suspended in months when you had less than 40 hours of service. *However, the monthly amount of your pension will never be reduced because you returned to covered employment.*

PAPER INDUSTRY UNION-MANAGEMENT DEFINED CONTRIBUTION PLAN

Who Is Eligible to Become a Participant?

You are eligible to become a participant of the Plan if you are working for an Employer who is obligated to make contributions to the Paper Industry Union-Management Defined Contribution Fund on your behalf according to a collective bargaining agreement with the Union. You may also become a participant if you are an employee of the Union itself, provided the Union is obligated to make contributions to the Plan on your behalf.

If you are eligible for membership in this Plan, an Individual Account will be established for you if contributions are obligated to be made by your Employer on your behalf for a minimum of 440 hours in a calendar year. After your Individual Account has been established, additions will be made to it, even if employer contributions for less than 440 hours are received.

How Does Your Account Grow?

Contributions made by your employer to the Defined Contribution Plan are credited to Individual Accounts that are established for each participant on each Valuation Date. The Valuation Dates for the Plan are the last day of each calendar quarter.

At the time you become a participant of the Defined Contribution Plan you are 100% vested in your Individual Account. That means that your account cannot be forfeited.

How Is the Value of Each Individual Account Determined?

As soon as practical after each Valuation Date (March 31, June 30, September 30 and December 31) the Trustees determine the amount in each Individual Account by adding together:

- the amount in your Individual Account as of the Valuation Date

  plus

- the Employer contributions obligated to be made on your behalf during the calendar quarter

  plus

- a share of the Fund's earnings, less administrative expenses, determined by the Trustees and applied to each account on a uniform basis. The Trustees may invest Defined Contribution Plan accounts separately from the Pension Fund.

When Are You Eligible for Benefits?

You are eligible to collect benefits from this Plan if you are a member and:

- you retire on or after age 55
- you leave covered employment.

Your beneficiary can collect benefits from this Plan when you die.

How Much Will Your Benefits Be?

When you become eligible for benefits, the amount you will receive will be equal to:

- the value of your Individual Account as of the last Valuation Date,

  adjusted for

- changes in the value of the Fund since the last Valuation Date
- expenses paid by the Fund since the last Valuation Date
- any new contributions required to be made to your Account since the last Valuation Date.

How Will You Be Paid?

When you become eligible to receive benefits, you can choose to be paid in one of the following ways. However, if the value of your Individual Account is less than or equal to $5,000, the Trustees may pay your benefit:

- in a lump sum, or
- in monthly installments until your Individual Account is exhausted (not more than ten years), or
- in any combination of the above.

How Do You Obtain Benefits?

You must file a written application with the Trustees to receive benefits. Distribution of your Individual Account must begin no later than the April 1st of the calendar year following the calendar year in which you reach age 70½.

How Do You Designate A Beneficiary?

As a participant of the Defined Contribution Plan, you can name anyone you wish as your beneficiary. However, if you are married, your spouse will automatically be treated as the beneficiary of one-half of your Individual Account unless he or she waives these rights and consents to the naming of a different beneficiary. The Fund Office will provide you with the necessary forms. This waiver must be signed by your spouse and the signature must be notarized by a Notary Public or witnessed by a representative of the Fund.

What Will Your Beneficiary Receive?

If you die before you become eligible for benefits, your spouse or other beneficiary will receive the value of your Individual Account in installments (not more than ten years) or in a lump sum.

Any death benefits paid to your spouse will be in the form of a Husband and Wife annuity for his or her lifetime, unless the total benefit amount is less than $5,000. If the benefit is $5,000 or less, it may be paid in one lump sum.

Payments If You Become Disabled

If you become totally and permanently disabled, you will be able to receive benefits from your Individual Account in the form of monthly installments or in one lump sum.

Total and permanent disability means permanent physical inability to work in the Paper Industry. It is determined at the discretion of the Trustees.

Your Plan Account

Each year all participants will receive a statement reflecting the balance of their Individual Accounts as of the last Valuation Date (December 31st).

OTHER IMPORTANT INFORMATION

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

The Paper Industry Union-Management Defined Contribution Plan is a defined contribution program of individual accounts maintained within the Pension Fund, and is administered by the same joint Board of Trustees.

The name and address of the Plan Sponsor and Plan Administrator is:

Board of Trustees
Paper Industry Union-Management Pension Fund or Defined Contribution Fund
P.O. Box 1475
Nashville, Tennessee 37202-1475
(800) 251-4098
(615) 242-0252

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

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.

Plan Year: The Plan operates on a calendar year basis. The Plan's fiscal year is the twelve month period beginning January 1 and ending December 31.

The Employer Identification Number assigned by the Internal Revenue Service to the Board of Trustees is 13-6144834. The Plan Number 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.

Funding Medium

The Fund Office will provide you, upon written request, information as to whether a particular employer is contributing to this Plan on behalf of employees 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 Trust Agreement and held in the 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 these investment managers:

Bank of New York
48 Wall Street
New York, New York 10015

Sovran Bank Central/South
Sovran Plaza
Nashville, TN 37219

Lazard Freres
Asset Management
One Rockefeller Plaza
New York, NY 10020

Lee, Robinson & Steine, Inc.
First American Center
Nashville, TN 37237

Weaver Barksdale & Associates, Inc.
30 Burton Hills Blvd., Suite 550
Nashville, TN 38215

Shields Asset Management
709 Westchester Avenue
White Plains, NY 10604

First American Trust Company
First American Center
Nashville, TN 37237

First Tennessee
Investment Management, Inc.
4385 Poplar Avenue
Memphis, TN 38117

R.D. Hill & Associates, Inc.
41 East 57th Street
New York, NY 10022

A current Summary Annual Report (available from the Plan Administrator) gives details of the Plan funding of benefits.

Type of Administration

The Fund employs an in-house administrative staff.

Merged Plans

The Paper Industry Union-Management Pension Fund is the successor plan to the following pension plans of:

Acco International
Ogdensburg, New York

Bergstrom Paper
W. Carrollton, Ohio

Clinton Paper
Lock Haven, Pennsylvania

Deerfield Specialty Papers
Augusta, Georgia

Paper Box Makers Union Local 299 Retirement Fund
New York, New York

Denney-Reyburn
Cleveland, Ohio

Doughboy Recreational
West Helena, Arkansas

Gilman Employees Pension Plan and Trust
Gilman, Vermont

The "United Papermakers & Paperworkers International Union 35 Pension Fund"
Jenkintown, Pennsylvania

Retirement Plan and Trust of Georgia-Pacific Eastern Joint Pension Trust for Kalamazoo, Michigan Employees, Lyons Falls, New York Employees, Plattsburgh, New York Employees, Reading, Pennsylvania Employees, Port Hudson, Louisiana Employees, Taylorville, Illinois Employees, Tomahawk, Wisconsin Employees, & Gary, Indiana Employees.

Great Southern Paper Company, Woodlands Division
Cedar Springs, Georgia

Herbert Malarkey Roofing Co.
Portland, Oregon

Stone Container Corporation
Detroit, Michigan

Western Kraft Paper Group
Port Hueneme, California

Local 107 Labor-Management Retirement Fund
Brooklyn, New York

A. Klein Company
Long Island City, New York

Independent Paper Stock Company Retirement Plans for Employees of the Los Angeles, Long Beach, Portland and Tacoma Plants

James River Pension Plan for Hourly Employees–Fort Smith
Fort Smith, Arizona

Participants and beneficiaries affected by the provisions of a merged plan may inspect or obtain copies of all Plan documents.

Employer Withdrawal

If your employer withdraws from the Fund your benefits for past service credit may be limited.

For employee groups participating in the Fund on February 28, 1980, this provision applies only to benefit increases negotiated after that date, unless the employer is withdrawing for some reason other than the closing of its business or before being in the Fund for at least four years.

Insured Benefits–Plan Termination

While the employers and Union expect the Plan to continue, the employer and Union Trustees have the power to jointly decide to terminate the Plan. If the Plan does terminate, benefits will be provided only to the extent that the monies held in the Trust Fund (including future payments of Employer withdrawal liability, if any) can pay benefits. After termination of the Plan, neither the employers nor the Union nor any other person will make contributions to the Trust Fund, except to the extent required by ERISA.

If the Plan terminates or becomes insolvent or enters reorganization status under ERISA, benefits can be reduced to a level required by the government. However, benefits under the Plan are insured by the Pension Benefit Guaranty Corporation if the Plan becomes insolvent (whether after termination or otherwise). 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. 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 the Fund Office 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.

If the Plan terminates, all benefits not previously vested become vested to the extent funded.

Rights and Responsibilities

Benefits are paid according to Plan provisions out of a trust fund which is used solely for that purpose. If you have any questions or problems about benefit payments, you have the right to get answers from the Trustees who administer the Plan.

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, documents relating to mergers 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 a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once 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 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $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.