SOUND
VARIABLE ANNUITY
PENSION TRUST

SOUND VARIABLE ANNUITY PENSION TRUST

A LABOR-MANAGEMENT RETIREMENT PLAN SUMMARY PLAN DESCRIPTION

JULY 2021





Sound Variable Annuity Pension Trust

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YOUR SUMMARY PLAN DESCRIPTION

We are pleased to present this Summary Plan Description ("SPD") explaining the pension benefits provided under the Sound Variable Annuity Pension Trust ("VAP" or "Plan"). We suggest you review this material carefully in order to take full advantage of the benefits provided. This SPD explains the basic rules of the Plan as of July 1, 2021. This SPD is only a summary of the rules and procedures of the Plan. You should refer to this SPD whenever you need general information about your Plan and benefits. However, if there is a conflict between the terms of the Plan document and this SPD, the Plan document will govern.

In general, this SPD describes the benefit you earn on or after July 1, 2021 under the VAP. This SPD also includes information on the benefits under the VAP for certain former participants in the Sound Retirement Trust ("SRT") as of July 1, 2021.

This SPD describes how the VAP works and how benefits are paid to you under the terms of the VAP as of July 1, 2021. If you earned hours of service under the SRT but did not work in Covered Employment on or after July 1, 2021, see the SRT summary plan description for information about your SRT benefit. You may also visit **www.soundvaptrust.com** for general information about the VAP, including information about Plan provisions, frequently asked questions, and details about your own pension benefit.

The VAP is funded by Contributing Employers under Collective Bargaining Agreements with Unions and Participation Agreements with the VAP. This VAP provides retirement income that is in addition to any benefits you may be entitled to receive from other sources, such as Social Security or another retirement plan, such as the SRT.

It is extremely important that you keep the Trust Office informed of any change in address, marital status, or desired changes in beneficiary designation. It is the primary way to keep in touch with you regarding Plan changes and other developments affecting your benefits under the Plan.

HOW YOUR PENSION PLAN WORKS

The VAP is a defined benefit pension plan, which means you earn a benefit for work in Covered Employment based on a set formula. However, unlike a traditional defined benefit pension plan, the value of your entire benefit under the VAP may increase or decrease each year depending on the VAP's actual investment returns for that year. Each year you work in Covered Employment you earn a Nominal Accrual Rate benefit also referred to as the "Base Rate". The Base Rate benefit will increase or decrease each year relative to a target rate of investment return of 5.5% (the "Hurdle Rate") and a maximum rate of investment return of 8.5% (the "Ceiling Rate"). The benefit paid to you in a year also may be supported by a Stabilization Reserve established under the VAP. See **page 26** for details.

Thus, the amount of your Plan benefit will depend on all of the following (described further in "Your Regular Base Pension Amount" on **page 10**):

- Your Base Rate;
- Your Pensionable Contributions;

- The VAP's actual investment returns; and
- The VAP's Stabilization Reserve.

KEY FEATURES OF YOUR PENSION PLAN

- Contributing Employers make all contributions to the VAP; you are not required or permitted to make employee contributions.
- You earn a right to your pension benefit after you complete five (5) years of service. This is known as "vesting." Your service under the SRT generally is counted for purposes of determining the five (5) years of service under the VAP.
- Several payment options are available. Generally, if the total value of your benefit exceeds $5,000, all options pay monthly benefits for your lifetime. If the total value of your benefit is $5,000 or less, a single lump sum payment of your entire benefit is the only form available to you.
- Your pension benefit is insured, up to certain limits, by the Pension Benefit Guaranty Corporation, a U.S. Government corporation.

LEGAL INFORMATION

The contents and delivery of this SPD are intended to comply with the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If there is any conflict between the information in this SPD and the Plan document, the Plan document will govern.

The only party authorized by the Board of Trustees to answer questions concerning the pension plan is the Trust Office, Zenith American Solutions ("Zenith"). Zenith may be contacted at:

Zenith American Solutions
11724 NE 195th Street, Suite 300
Bothell, Washington 98011-3145
Telephone number: (206) 282-4500 or (800) 225-7620, option 2 then option 3
Fax: (206) 298-3422

The Board of Trustees has the sole power and discretion to interpret, apply, construe and amend the provisions of the Plan and make factual determinations regarding its construction, interpretation and application. Any decision made by the Board of Trustees in good faith is binding upon Employers, Employees, a Union, participants, beneficiaries, and all other persons who may be involved or affected by the VAP.

No Contributing Employer, employer association, labor organization, or any individual employed thereby, has any authority to answer questions about the Plan. The Trustees have full discretionary and final authority to interpret the Plan, and to decide all pension benefit claims (subject to the appeal rights summarized on **page 34** of this SPD.)

If you have questions about this SPD or the terms of the VAP, please contact the Trust Office at (206) 282-4500 or (800) 225-7620, option 2 then option 3, or visit **www.soundvaptrust.com**.

QUESTIONS AND ANSWERS

Where do I find a list of defined terms?	This SPD uses a variety of terms specific to the VAP, many of which are defined in the "Definitions" section on **page 40**. These definitions are capitalized when used in this SPD. If a capitalized used term is not captured in the "Definitions" section, you may contact the Trust Office with your question or to request a copy of the full Plan document, which includes more definitions used in the administration of the VAP.
Can I receive a copy of documents describing this Plan?	Yes. Copies of the following documents are available for inspection at the Trust Office during regular business hours. Copies are also available upon written request—see the Trust Office's contact information on **page 43**. The Trust Office may charge a reasonable amount for copying these documents. You may request in writing to review a number of documents regarding the VAP, including: • The Plan and trust agreement (including amendments). • Collective Bargaining Agreements and/or Participation Agreement or Special Agreement that apply to you. • Annual reports filed with various government agencies that have been in the VAP's possession for less than six (6) years.

ELIGIBILITY AND PARTICIPATION

You are a participant if you are an Employee of a Contributing Employer working under a Collective Bargaining Agreement with your Union or a Participation Agreement or Special Agreement with the VAP that requires contributions to the VAP for your employment. Your participation begins on the first day of the calendar month after you work one (1) Hour of Service in Covered Employment. In determining when you become a participant, your Hours of Service credited under the SRT count for participation purposes under the VAP.

The Plan does not cover any sole proprietors, partners, corporate owner/officers with management responsibilities, or any other self-employed persons.

If you have any questions about your participation in the VAP, you may contact the Trust Office at (206) 282-4500 or (800) 225-7620 option 2 then option 3 if you have any questions, or visit **www.soundvaptrust.com**.

SERVICE

You must earn Credited Service and Vesting Service to qualify for a benefit under the Plan. Hours of Service in Continuous Non-Covered Employment before or after that Employer was required to contribute to the VAP counts towards Vesting Service. See **page 5** for more information. Your total Credited Service under the Plan and any Related Credit you may have earned under a Related Plan, including the SRT, are used to determine your benefit eligibility. This is called “Combined Credited Service”. Your total Vesting Service under the Plan and any Related Vesting Service you may have earned under a Related Plan, including the SRT, is used to determine whether you are vested in the benefits you have earned in the VAP. This is called “Combined Vesting Service”.

Credited Service

Credited Service is granted for the hours you work for a Contributing Employer for which Employer contributions to the VAP are required under a Collective Bargaining Agreement or Participation Agreement or Special Agreement with the VAP (“Covered Employment”).

You will earn one (1) year of Credited Service for each Plan Year you work 750 or more Hours of Service in Covered Employment.

Combined Credited Service

Your “Combined Credited Service” is your total years of Credited Service under the VAP plus your Related Credit, if any.

If you failed to earn a year of Credited Service under this Plan for a particular time period because your employment was divided between Covered Employment under this Plan and a Related Plan, you still will receive a year of Combined Credited Service under this Plan. You can only receive one (1) year of Credited Service in each Plan Year.

VESTING

You are 100% vested in your pension benefit under the VAP if you have five (5) or more years of Vesting Service, counting your Vesting Service under the Plan and any Related Vesting Service (provided you have at least one (1) year of Credited Service under the Plan or the SRT). If your Covered Employment terminates or you have a One-Year Break in Service before earning five (5) years of Vesting Service, you are not entitled to any pension benefit from the Plan unless you return to work before incurring a Permanent Break in Service.

You will earn one (1) year of Vesting Service for each Plan Year in which you work 750 or more Hours of Service:

- In Covered Employment; or
- In employment with a Contributing Employer that immediately precedes or follows your Covered Employment with that Employer (also called "Continuous Non-Covered Employment").

Your years of Vesting Service under the SRT will be credited under the VAP if they have not been canceled by a Permanent Break in Service.

Combined Vesting Service

Your "Combined Vesting Service" is your total years of Vesting Service under the VAP plus your Related Vesting Service.

If you failed to earn a year of Vesting Service under this Plan for a particular time period because your employment was divided between Covered Employment under this Plan and a Related Plan, you will receive a year of Combined Vesting Service under the Plan. You can only receive one (1) year of Vesting Service in each Plan Year.

RELATED PLAN

Another pension plan in the retail food industry may be recognized by the Board of Trustees as a Related Plan under a reciprocity or other agreement.

- In general, "Related Credit" means the years of credited service you earned while working under a Related Plan according to the rules of that plan. Your SRT credited service is Related Credit that counts towards determining your benefit eligibility and vesting under the VAP.
- In general, "Related Vesting Service" means the years of vesting service you earned while working under a Related Plan according to the rules of that plan.

BREAK IN SERVICE

If you stop working for a Contributing Employer before you are 100% vested, you may lose all of your Credited Service and Vesting Service. A One-Year Break in Service occurs if you fail to complete more than 500 Hours of Service in a Plan Year. If you have five (5) consecutive One-Year Breaks in Service before you are 100% vested, you will have a Permanent Break in Service. This means that all of your years of Vesting Service and

Credited Service are permanently canceled. Any service you earned before the Permanent Break in Service cannot be used to qualify for pension or death benefits. If you return to Covered Employment and earn an additional year of Vesting Service before you have a Permanent Break in Service, your prior Credited Service and Vesting Service will be restored.

Break in Service Grace Periods

If you have a leave of absence, you may be eligible for a One-Year Break in Service grace period, depending on the type of leave you take.

Maternity/Paternity Leave

If you are absent due to maternity or paternity reasons, you will be credited with Hours of Service if they are necessary to prevent a One-Year Break in Service for that year. If the maternity or paternity leave falls over a two Plan-Year period, the hours credited will be treated as Hours of Service in the Plan Year when the leave begins if it prevents you from having a One-Year Break in Service. In all other cases, those hours will be credited the following year in order to prevent a One-Year Break in Service.

Hours of Service will be credited for maternity/paternity leave for:

- Your pregnancy;
- The birth of your child;
- The placement of a child with you due to adoption; or
- Care of your child immediately after birth or adoption.

No more than 501 hours will be credited for any one (1) absence and will be applied only to prevent a One-Year Break in Service. These hours will not count toward earning Credited Service.

If you qualify for a grace period for maternity or paternity reasons, you must provide adequate proof of the maternity or paternity reasons. You must provide the number of days for which there was an absence.

Family and Medical Leave

If you are absent from Covered Employment and eligible for family or medical leave under the provisions of the Family and Medical Leave Act of 1993, you will receive hours for the time on leave, but only for determining whether or not a One-Year Break in Service has occurred or determining your status as a participant. These hours will not count toward earning Credited Service.

Related Hours

Your Related Hours will be considered when determining if you worked the required number of hours under this VAP to avoid a One-Year Break in Service. “Related Hours” means hours of employment which are creditable under a Related Plan.

Military Service under USERRA

The Uniformed Services Employment and Reemployment Rights Act ("USERRA") provides reemployment rights and benefits and protection from discrimination to individuals who, either by induction or as volunteers, have entered military service in any branch of the uniformed forces of the United States. If you satisfy the conditions for protection under USERRA, and you are on leave of absence due to military service, you will receive Credited Service and Vesting Service for any period of required military service plus a readjustment or re-education period, provided you worked for a Contributing Employer prior to military service and became employed by that Contributing Employer after the readjustment or re-education period.

To be entitled to reemployment rights and benefits under USERRA, the law generally requires that you:

- leave employment because of your military service;
- give advance notice of your military service to your Employer, unless notice is prevented by military necessity or is otherwise impossible or unreasonable to give under the circumstances;
- be absent from employment for military service for five (5) years or less, unless extended service is required as part of your initial period of obligation or your service is involuntarily extended, such as during war;
- apply for a job as required by law within the requisite time period; and
- receive an honorable discharge or satisfactorily complete your military service.

If you die while performing military service and would otherwise qualify for reemployment rights under applicable federal law, you will be treated as having been reemployed on the day preceding the date of death and then having terminated employment on the date of death to the extent required by law.

This is only a brief summary of the rules under USERRA. You will be entitled to these rights and benefits under the Plan only if you satisfy the requirements under the law.

Upon release from military duty, you must apply for reemployment by these deadlines:

- For less than 31 days military service, apply immediately, taking into account safe transportation plus an 8-hour rest period.
- For 31-180 days military service, apply within 14 days.
- For more than 180 days military service, apply within 90 days.

If you are hospitalized or convalescing, these reemployment deadlines are extended while you recover (but not longer than two (2) years).

The rules above also apply to uniformed service in the commissioned corps of the Public Health Service.

To ensure proper crediting of service under USERRA, you should notify the Trust Office when you take USERRA leave and notify them again when you apply for reemployment after your leave.

Example of One-Year Breaks In Service

Example: Break in Service		
Linda's Effective Date of Coverage under the Plan was January 1, 2022, after which she earns four (4) years of Credited Service and Vesting Service. Then she has four (4) successive Plan Years in which she works less than 500 Hours of Service, earning a One-Year Break in Service each year. The following year, beginning January 1, 2030, Linda works 800 Hours, which adds one (1) year of Credited Service and Vesting Service to the four (4) she originally earned.		
In the Plan Year beginning...	**Linda worked...**	**And earned her...**
1/1/22	1,400 hours	1st year of Vesting Service
1/1/23	1,800 hours	2nd year of Vesting Service
1/1/24	1,100 hours	3rd year of Vesting Service
1/1/25	1,200 hours	4th year of Vesting Service
1/1/26	200 hours	1st One-Year Break in Service
1/1/27	345 hours	2nd One-Year Break in Service
1/1/28	275 hours	3rd One-Year Break in Service
1/1/29	400 hours	4th One-Year Break in Service
1/1/30	800 hours	5th year of Vesting Service
Because Linda earned five (5) years of Vesting Service before having five (5) consecutive One-Year Breaks in Service, she becomes fully vested in her pension benefit. If Linda had five (5) consecutive One-Year Breaks in Service before earning her fifth (5th) year of Vesting Service, she would have a Permanent Break in Service and lose the pension benefit she earned during her first four (4) years of Covered Employment.		

QUESTIONS AND ANSWERS

How are Credited Service, Vesting Service and One-Year Breaks in Service used to determine benefits under the VAP?	**Credited Service** is used to determine your eligibility for pension and death benefits and the amount of those benefits. **Vesting Service** is used to determine your right to receive a benefit (also called vesting). **One-Year Breaks in Service,** or Plan Years in which you work less than 500 Hours of Service, can affect your right to receive a pension benefit and the amount you are eligible to receive.
Are there any breaks that may be excepted when determining years of Vesting Service?	Yes. Your years of Vesting Service will not be broken by periods of: • Military service when you had reemployment rights under federal law, • Qualifying maternity, paternity, and family medical leave, • Service as an Employee of a Union participating in the Plan, or • Employment in a managerial or non-covered position with a Contributing Employer either immediately before or immediately after Covered Employment with that Employer.
Do One-Year Breaks in Service affect me if I'm already vested?	Once you are fully vested under the Plan, a One-Year Break in Service will not cause you to lose the benefit you have earned. However, you will not earn any additional Credited Service or Vesting Service for any One-Year Breaks in Service. You could lose your ability to receive early retirement benefits if you incur a One-Year Break in Service which is not "repaired" and you became a Terminated Vested Participant — see **page 15**.

REGULAR PENSION

ELIGIBILITY

You are eligible for a Regular Pension if:

- You have participated in the VAP and/or the SRT for at least six (6) months combined;
- You have retired; and
- You are age 65 or older and have either:
  - Five (5) or more years of Vesting Service (without a Permanent Break in Service); or
  - Passed your fifth (5th) anniversary of participation (without a Permanent Break in Service).

If you are a Terminated Vested Participant (see **page 15**), you are eligible for a Regular Pension or a Deferred Vested Pension at age 65. You may be eligible for an earlier commencement if you return to work. See the rules on Early Retirement Pension on **page 15** for more information.

YOUR REGULAR BASE PENSION AMOUNT

Your regular base pension is a monthly amount based on the sum:

- The Base Rate benefits that you earn for each year of Credited Service, times
- The annual adjustments for the VAP's investment performance.

This Base Rate is based on your gross monthly wages. Your Regular Pension also may be supported by assets in a Stabilization Reserve in a year in which the VAP's investment performance is below the Hurdle Rate and other factors set forth in the Stabilization Reserve Policy. See **page 26**.

REGULAR BASE RATE AND ANNUAL ADJUSTMENTS

Base Rate

- **Your Base Rate** is equal to your Pensionable Contributions x 2.3%.
- **Your Pensionable Contributions** depends on how your Employer makes contributions to the VAP on your behalf.
  - If contributions made by your Employer are based on a percentage of your salary, your Pensionable Contributions are equal to the contributions made on your behalf by your Employer.
  - If contributions made by your Employer are determined based on cents per hour rather than a percentage of salary, your Pensionable Contributions are calculated in two steps:
    - **Step 1** calculates a monthly wage factor, which is equal to the total monthly contributions paid by your Employer to the VAP for all covered Employees divided by the total monthly wages reported by your Employer for those covered Employees as follows:

Total Monthly Contributions Paid By Your Employer to the VAP
[divided by]
Total Monthly Gross Wages Reported by Your Employer
=
Monthly Wage Factor

Since the amount your Employer contributes to the VAP and the gross wages paid each month varies, the monthly wage factor is expected to change monthly.

- **Step 2** calculates your monthly Pensionable Contributions by multiplying the monthly wage factor from Step 1 above by the wages you earned in that month from your Employer as follows:

Monthly Wage Factor × Your Monthly Wages = Pensionable Contributions

Here is an example of how Pensionable Contributions for a cents per hour contributing employer is determined for a participant whose wages are $18.50 per hour and who works 173 hours per month:

Example:		(A)	(B)	Step 1: (C) = (A) / (B)	(D)	Step 2: (E) = (C) x (D)
Employer	Month	Total Employer Contributions Made to the VAP for the Month	Total Wages Reported by Employer for the Month	Monthly Wage Factor	Participant's Monthly Wages	Participant's Pensionable Contributions for the Month
A	Jul	$1,500.00	$61,500.00	2.44%	$3,200.00	$78.08
A	Aug	$1,540.00	$62,400.00	2.47%	$3,200.00	$79.04

Here is an example of how Pensionable Contributions for a percentage of salary contributing employer is determined for a participant whose wages increase over three years and who works 173 hours per month:

Example if contributions made by your Employer are based on a percentage of your salary

Terry's starts with a benefit of zero at the beginning of Year 1 and receives Pensionable Contributions of $1,300 in Year 1, Pensionable Contributions of $1,400 in Year 2 and Pensionable Contributions of $1,500 in Year 3. The Pensionable Contributions are multiplied by 2.3% to determine the participant's monthly Base Rate:

$1,300 x 2.3% = $29.90

$1,400 x 2.3% = $32.20

$1,500 x 2.3% = $34.50

As you can see, under either approach, as your salary goes up, your Base Rate benefit is anticipated to increase as well. That is because if the amount of a participant's annual Pensionable Contributions increases over time, the Base Rate benefit earned each year also will increase over time.

ANNUAL ADJUSTMENTS

At the end of each Plan Year after 2021, your Base Rate is subject to an adjustment based on the Plan's investment returns. This is the "Annual Annuity Adjustment Factor". The first Annual Annuity Adjustment Factor will apply to your benefit effective January 1, 2024.

The Annual Annuity Adjustment Factor applied to your benefit earned in prior years is the following:

1 + (Plan's Net Investment Return up to 8.5% for the Prior Plan Year)
[divided by]
1 + 5.5%

At the end of each Plan Year, your total pension benefit earned as of the end of the immediately prior Plan Year is adjusted based on the annual rate of return earned on the Plan's investments above or below the "Hurdle Rate" of 5.5%. If the investment return is greater than the Hurdle Rate, your annual benefit will increase. For investment returns greater than 8.5%, 8.5% will be used in the Annual Annuity Adjustment Factor and the return above 8.5% goes into a Stabilization Reserve to support the benefit you receive in certain years when investment returns are down. Your total benefit can decrease if investment returns are less than the Hurdle Rate.

To determine what your total pension benefit is as of the end of each Plan Year, add together the sum of:

- Your total annual Base Rate benefit for all prior years, adjusted annually by the Annual Annuity Adjustment Factor; **plus**
- The Base Rate benefit that you earned during the current Plan Year.

This may sound complicated but the formula is just a way of comparing the actual returns in any Plan Year to 5.5% and adjusting your benefit up or down to reflect investment performance in each Plan Year relative to 5.5%.

The example below shows how a participant's Base Rate benefits builds over their working career. (It assumes that the participant's annual Pensionable Contributions stays the same to make the example simpler.) It takes time to determine the annual adjustment from the investment experience each Plan Year. Accordingly, the annual adjustment is applied in the next year. For example, the investment return for Year 2 is applied to the benefits earned in Year 2 at the end of Year 3.

Example: Regular Pension Benefit

Terry's starts with a benefit of zero at the beginning of Year 1 and receives Pensionable Contributions of $1,304.35 in Year 1 and in each of the next three (3) years. The Pensionable Contributions are multiplied by 2.3% ($1,304.35 x 2.3% = $30) to determine the Base Rate benefit that Terry earns each year that becomes subject to annual adjustments.

If the VAP earns a 6.0% investment return in Year 1, the amount of the benefit is adjusted upward at the end of Year 2. If the VAP earns a 3.0% return in Year 2, the amount of the total benefit is adjusted downward at the end of Year 3.

If the VAP earns a 9.0% return in Year 3, the adjustment in Year 4 is limited by the 8.5% Ceiling Rate. The excess investment gains over the 8.5% Ceiling Rate are used to build up the Stabilization Reserve to protect against decreases in the benefits paid to you in future years.

Important: This example does not reflect any use of the Stabilization Reserve.

Year	Prior Plan Year Investment Return	VAP Annual Adjustment Calculation
Year 1	N/A	There is no VAP adjustment in Year 1. Benefit earned in Year 1 = $30.00 Benefit at end of Year 1 = $30.00 per month
Year 2	6.00%	VAP adjustment = 1.0047 (1.060 ÷ 1.055) (6.0% return vs. 5.5% Hurdle Rate) Benefit at end of Year 1, adjusted = 1.0047 x $30.00 = $30.14 Benefit earned in Year 2 = $30.00 Total benefit at end of Year 2 = $30.14 + $30.00 = $60.14 per month
Year 3	3.00%	VAP adjustment = 0.9763 (1.030 ÷ 1.055) (3.0% return vs. 5.5% Hurdle Rate) Benefit at end of Year 2, adjusted = 0.9763 x $60.14 = $58.71 Benefit earned in Year 3 = $30.00 Total benefit at end of Year 3 = $58.71 + $30.00 = $88.71 per month
Year 4	9.0%	*Note: Ceiling rate of 8.5% applies* VAP adjustment = 1.0284 (1.085 ÷ 1.055) (8.5% ceiling rate vs. 5.5% Hurdle Rate) Benefits at end of Year 3, adjusted = 1.0284 x $88.71 = $91.23 Benefit earned in Year 4 = $30.00 Total benefit at end of Year 4 = $91.23 + $30.00 = $121.23 per month

Terry has now worked for 10 years, earning a benefit based on 10 years of Credited Service. Terry's benefit at the end of Year 10 reflects investment returns on VAP assets from Year 1 through Year 9. For this example, there was no annual adjustment made at the end of Year 10.

Terry retires in October of Year 13 after working sufficient hours in the first 10 months of Year 13 to earn an annual Base Rate benefit of $25.00 in Year 13. Terry commences pension payments in November of Year 13.

Important: The example does not reflect any use of the Stabilization Reserve.

Year	Prior Plan Year Investment Return	VAP Annual Adjustment Calculation
Year 10	N/A	*Note: example begins at end of Year 10* Total benefit at end of Year 10 = $310.00 per month
Year 11	6.00%	VAP Adjustment = 1.0047 (1.060 ÷ 1.055) (6.0% return vs. 5.5% Hurdle Rate) Benefit at end of Year 10, adjusted = 1.0047 x $310 = $311.46 Benefit earned in Year 11 = $30.00 Total benefit at end of Year 11 = $311.46 + $30.00 = $341.46 per month
Year 12	8.00%	VAP Adjustment = 1.0237 (1.080 ÷ 1.055) (8.0% return vs. 5.5% Hurdle Rate) Benefit at end of Year 11, adjusted = 1.0237 x $341.46 = $349.55 Benefit earned in Year 12 = $30.00 Total benefit at end of Year 12 = $349.55 + $30.00 = $379.55 per month
Year 13	0.00%	November of Year 13 Benefit Calculation - Terry retires in October of Year 13: Benefit at end of Year 12, not yet adjusted = $379.55 Benefit earned in Year 13 through October = $25.00 Total benefit as of November at pension commencement = $379.55 + 25.00 = $404.55 per month Participant receives $404.55 per month November-December of Year 13 End of Year 13 Adjustment - Applied to January payment in Year 14: VAP Adjustment = 0.9479 = (1.000 ÷ 1.055) (0.0% return vs. 5.5% Hurdle Rate) Benefit at end of Year 12, adjusted = 0.9479 x $379.55 = $359.78 Benefit earned in Year 13, not yet adjusted = $25.00 Total benefit payment at end of Year 13 = $359.78 + $25.00 = $384.78 per month
Year 14	6.75%	End of Year 14 Adjustment; applied to January Payment in Year 15: VAP Adjustment = 1.0118 (1.0675 ÷ 1.055) (6.75% return vs. 5.5% Hurdle Rate) Benefit at end of Year 13, adjusted = 1.0118 x $384.78 = $389.32 Benefit earned in Year 14 = n/a - retired Total benefit payment at end of Year 14 = $389.32 per month
Years after Year 14	TBD	At the end of each Plan Year after Year 14, and for the rest of Terry's lifetime, the amount of Terry's monthly benefit payment will be adjusted in the same way as described for Year 14 above.

QUESTIONS AND ANSWERS

How will my Regular Pension be paid?	If you are not married, your Regular Pension amount will be paid as a Single Life Annuity. If you are married, your Regular Pension amount will be paid as a 50% Spouse Annuity, unless you and your Spouse elect otherwise. If the total present value of your pension benefit is $5,000 or less, your pension will be paid as a single lump sum and no other payment option will be available to you. All the VAP's payment options are described in "Forms of Payment" beginning on **page 28**.

EARLY RETIREMENT PENSION

INTRODUCTION

In general, an Early Retirement Pension benefit is based on the Regular Pension benefit you would be eligible to receive at age 65 but reduced for your age at benefit commencement because your benefit is expected to be paid for a longer period of time. There are two different types of Early Retirement Pension:

- **Standard Reduced Pension**—is a partly subsidized benefit with no reduction for retirement at age 63 and above, meaning that while the benefit is reduced based on your age, it is not fully reduced as with the Modified Reduced Pension.
- **Modified Reduced Pension**—is not subsidized and is fully reduced to take into account that you will begin to receive benefits before age 65. The early retirement factors used to calculate this pension provide a monthly benefit that is approximately equal in value at each early age. Because there is no subsidy in this benefit, the reductions in the Modified Reduced Pension are larger than those for the Standard Reduced Pension.

The type of Early Retirement Pension that applies to the benefit you have earned depends on your age, service, participation status and retirement date. Terminated Vested Participants are not eligible for the Early Retirement Pension (see below).

Eligibility for Any Type of Early Retirement Pension

For any Early Retirement Pension, you must satisfy all of the following eligibility criteria:

- You are at least age 55, but not yet age 65;
- Six (6) months have elapsed since your Effective Date of Coverage, counting service under the VAP and the SRT combined;
- You have at least five (5) years of Vesting Service, including one (1) or more years of Credited Service under the VAP and/or the SRT; and
- You are not a Terminated Vested Participant when you retire.

You are not a Terminated Vested Participant at the time of your retirement if you earn 750 or more hours of Credited Service during the Plan Year of your retirement or the Plan Year prior to your retirement. Hours of Credited Service under the SRT will be counted under the VAP to determine if you are a Terminated Vested Participant.

The Plan's Early Retirement Pension types are described in the following sections:

STANDARD REDUCED PENSION

Eligibility

You are eligible for a Standard Reduced Pension on all of your benefits if:

- You satisfy the eligibility conditions that apply to any Early Retirement Pension (see above); and
- You have never been a Terminated Vested Participant; or

- If you have been a Terminated Vested Participant, you returned to a Contributing Employer and then worked at least five (5) consecutive Plan Years of 750 or more Hours of Service in Covered Employment.

If you are eligible for an Early Retirement Pension but do not satisfy the rules to receive a Standard Reduced Pension on all of the benefits you have earned, you can still qualify for a Standard Reduced Pension on the benefits you earn after your most recent One-Year Break in Service.

Your Standard Reduced Pension Amount

Your Standard Reduced Pension benefit is the portion of your Regular Pension benefit you are eligible to receive at age 65 after you have met the Standard Reduced Pension eligibility requirements, reduced for your age when you begin receiving payments. This amount is then adjusted again based on the form of payment you select and thereafter annually adjusted by the Annual Annuity Adjustment Factor based on the VAP's investment performance.

The applicable portion of your Regular Pension benefit is reduced by ½ of 1% for each month you are younger than age 63 (but not younger than age 60), and ⅓ of 1% for each month you are younger than age 60.

Example: Standard Reduced Pension Benefit

Jim's Effective Date of Coverage is July 1, 2021, he has twenty (20) years of Credited Service, a Regular Pension benefit of $750 per month (payable at age 65 as a Single Life Annuity), and he worked an average of 1,800 hours per year. He has no One-Year Breaks in Service when he retires on July 1, 2041, at age 58.

Because Jim retired at age 58 and was eligible for a Standard Reduced Pension benefit on all the benefits he earned, his monthly payment will be adjusted as follows:

For ages...	Jim's standard early retirement reduction is calculated as...	For a standard early retirement reduction of...
60 to 63	36 months x 1/2 of 1% per month	18%
58 to 60	24 months x 1/3 of 1% per month	8%
Jim's standard early retirement reduction at age 58 =		**26%**

Jim is eligible for a Standard Reduced Pension equal to 74% (100% - 26%) of his Regular Pension amount. At retirement, he will receive $555 per month ($750 x 74%), payable as a Single Life Annuity. If Jim selects a different form of payment (for example, if he is married and selects the 50% Spouse Annuity), this monthly amount will be further reduced. All benefits amounts are subject to Annual Annuity Adjustment Factor for investment performance each year. See **page 12**.

MODIFIED REDUCED PENSION

Eligibility

You are eligible for a Modified Reduced Pension if:

- You satisfy the eligibility conditions that apply to any Early Retirement Pension (see above); and

- You have been a Terminated Vested Participant and you return to a Contributing Employer and work 750 or more Hours of Service in Covered Employment in at least one (1) but fewer than five (5) consecutive Plan Years.

Your Modified Reduced Pension Amount

Your Modified Reduced Pension benefit is the portion of your Regular Pension benefit you would be eligible to receive at age 65 on which you have not met the Standard Reduced Pension eligibility requirements, reduced for your age when you begin receiving payments. Your Regular Pension benefit is reduced by 2/3 of 1% for each month you are younger than age 65 (but not younger than age 60), and 5/12 of 1% for each month you are younger than age 60. This amount is then adjusted for the form of payment you select and annually adjusted by the Annual Annuity Adjustment Factor based on the VAP's investment performance.

Example: Modified Reduced Pension Benefit

Jim's Effective Date of Coverage is July 1, 2021, he has twenty (20) years of Credited Service, a Regular Pension benefit of $750 per month (payable at age 65 as a Single Life Annuity), and he worked 1,800 hours per year through the Plan Year ending December 31, 2041. He has a One-Year Break in Service in the 2041 Plan Year followed by three (3) Plan Years in which he worked 1,000 hours and earned an additional $75 per month when he elects to retire on July 1, 2045, at age 58.

Because Jim has not completed enough service following his 2041 Plan Year One-Year Break in Service, he is not eligible for a Standard Reduced Pension benefit on benefits earned prior to the One-Year Break in Service. He is eligible for a Standard Reduced Pension on the amounts earned after his One-Year Break in Service. The portion of Jim's monthly benefit earned prior to his One-Year Break in Service will be adjusted as follows:

For ages...	Jim's modified early retirement reduction is calculated as...	For a modified early retirement reduction of...
60 to 65	60 months x 2/3 of 1% per month	40%
58 to 60	24 months x 5/12 of 1% per month	10%
Jim's Modified Reduced early retirement reduction at age 58 =		**50%**

The portion of Jim's monthly benefit earned after his return to employment following his One-Year Break in Service will be adjusted as follows:

For ages...	Jim's standard early retirement reduction is calculated as...	For a standard early retirement reduction of...
60 to 63	36 months x 1/2 of 1% per month	18%
58 to 60	24 months x 1/3 of 1% per month	8%
Jim's standard early retirement reduction at age 58 =		**26%**

For the portion of benefits earned prior to his One-Year Break in Service, Jim is eligible for a Modified Reduced Pension equal to 50% (100% - 50%) of his Regular Pension. He will therefore receive $375 per month ($750 x 50%), payable as a Single Life Annuity for that portion.

For the portion of benefits earned after his One-Year Break in Service, Jim is eligible for a Standard Reduced Pension equal to 74% (100% - 26%) of his Regular Pension amount earned. He will therefore receive $55.50 per month ($75 x 74%), payable as a Single Life Annuity for this portion.

Jim's total Early Retirement Pension benefit payable as a Single Life Annuity is $430.50 per month ($375.00 + $55.50). If Jim selects a different form of payment (for example, if he is married and selects the 50% Spouse Annuity), this monthly amount will be further reduced. All benefits amounts are subject to Annual Annuity Adjustment Factor for investment performance each year. See **page 12**.

QUESTIONS AND ANSWERS

How will my Early Retirement Pension be paid?	Your Early Retirement Pension payment options will be the same as a Regular Pension. If you are not married, your Early Retirement Pension will be paid as a Single Life Annuity. If you are married, your Early Retirement Pension will be paid as a 50% Spouse Annuity, unless you and your Spouse elect otherwise. If the total present value of your benefit under the VAP is less than $5,000, your benefit is paid as a single lump sum and no other payment option is available. The Plan's payment options are described in "Forms of Payment," beginning on **page 28**.
If I am not eligible for a Standard or Modified Reduced Pension, can I retire before Normal Retirement Age (generally age 65)?	You generally must meet one of the age and service requirements for an Early Retirement Pension, as explained above, or you must wait until you are age 65 to begin receiving your benefit.

DISABILITY PENSION

ELIGIBILITY

You are eligible for a Disability Pension if:

- You are totally and permanently disabled for at least six (6) months;
- You are under age 65;
- You have earned five (5) or more years of Vesting Service (without a Permanent Break in Service), including one (1) or more years of Credited Service;
- You earned at least one (1) year of Credited Service in the two (2) Plan Years immediately before the Plan Year in which you became totally and permanently disabled; and
- You are not receiving an Early Retirement Pension (except as discussed below).

Service under the VAP and the SRT are counted in determining your eligibility for a Disability Pension. The 6-month requirement may be waived if the Trustees conclude that you have a Total and Permanent Disability. Before ruling on any disability, the Trustees may require that you be examined by a qualified physician of their choice.

A "Total and Permanent Disability" is a disability resulting from bodily injury, disease, or mental disorder that, on the basis of medical evidence, is found by the Trustees to be permanent and is expected to continue for the reminder of your lifetime, and which renders you incapable of continuing in the employment of a Contributing Employer or engaging in other substantially gainful employment which you would otherwise have been expected to be capable of performing in light of your training, experience and abilities.

If you are eligible for an Early Retirement Pension and apply for a Disability Pension, you may begin receiving a temporary Early Retirement Pension while awaiting a decision on your Disability Pension application. Total and Permanent Disability under this exception must be established within thirty-six (36) months of the start date for your Early Retirement Pension and must have commenced within the two (2) Plan Years immediately before the Plan Year in which you became totally and permanently disabled (and before the start date of your Early Retirement Pension). If your Disability Pension application is approved, your temporary Early Retirement Pension will be converted to a Disability Pension retroactive to the date you began receiving benefits.

For former participants of the Washington Meat Industry Pension Trust, special rules apply. Please contact the Trust Office if you are seeking a Disability Pension and this applies you.

YOUR DISABILITY PENSION AMOUNT

Your Disability Pension amount is your Regular Pension (as described on **page 10**) with a reduction for your age if you are younger than age 63. The reduction is 6% per year (1/2% per month) for the first 3 years that you are younger than age 63 and 4% per year (1/3% per month) for each month you are younger than age 60 on the effective date of your Early Retirement Pension. This amount is then adjusted for the form of payment you select and annually adjusted by the Annual Annuity Adjustment Factor based on the VAP's investment performance.

Example: Disability Retirement Pension Benefit		
Gwen's disability onset is effective on January 1, 2024 and she retires at age 52 under disability with a Regular Pension benefit of $1,750 per month (payable at age 65 as a Single Life Annuity). Gwen's Regular Pension benefit will be reduced as follows:		
For ages...	**Gwen's disability retirement reduction is calculated as...**	**For a disability retirement reduction of...**
60 to 63	36 months x 1/2 of 1% per month	18%
52 to 60	96 months x 1/3 of 1% per month	32%
Gwen's disability retirement reduction at age 52 =		**50% per month**

Gwen is eligible for a Disability Pension equal to 50% (100% - 50%) of her Regular Pension amount. She will therefore receive $875 per month ($1,750 x 50%), payable as a Single Life Annuity. If Gwen selects a different form of payment (for example, if she is married and selects the 50% Spouse Annuity), this monthly amount will be further reduced. This amount will be subject to Annual Annuity Adjustment Factor each year based on the VAP's investment returns. See **page 12**.

ABOUT YOUR DISABILITY PENSION PAYMENTS

Disability Pension payments are paid retroactively to the first of the calendar month coinciding with or following the date you become totally and permanently disabled, up to a maximum of six (6) months before the month in which your Disability Pension application is received.

If you begin receiving an Early Retirement Pension after your employment terminates and it is later determined that you qualified for a Disability Pension when you left, the difference in benefit amounts will be paid retroactive to the effective date of your Early Retirement Pension.

Disability Pension payments will stop when your Total and Permanent Disability stops, unless you are age 65. The Trustees may require proof from time to time that your disability is continuing.

Returning to Work

You are allowed to return to work for a trial work period without losing eligibility for a Disability Pension benefit, provided:

- You submit a statement from your doctor that you are still considered totally and permanently disabled and stating the maximum hours of trial work recommended;
- You work less than 749 hours over twelve (12) consecutive months during your trial work period;
- Your disability does not cease during your trial work period;
- You have only one (1) trial work period during any one (1) period of disability; and
- You do not work for more than nine (9) months (not necessarily consecutive) during a trial work period.

During a trial work period, the suspension of benefits provisions described in "Reemployment After Retirement," beginning on **page 38**, do not apply.

TYPES OF DISABILITY PENSION PAYMENTS

When selecting a form of payment for your Disability Pension, there are differences that do not apply for a Regular, Early, Late or Deferred Vested Pensions. These payment differences are detailed below.

Single Life Annuity

If you are eligible for a Disability Pension and select the Single Life Annuity, as described on **page 28**, and survive to Normal Retirement Age (age 65), you may change your payment form to the 50% Spouse Annuity or contingent annuitant benefit option for married participants, as described on **page 29**. This election would be effective the first day of the month coinciding with or following your 65th birthday and will determine the form of benefit paid to your Spouse upon your death.

50% Spouse Annuity

If you are eligible for a Disability Pension and elect the 50% Spouse Annuity, you may not change your benefit payment option when you reach Normal Retirement Age.

Mandatory Lump Sum Cash-Out of Small Benefits

If the total present value of your Disability Pension is $5,000 or less, your pension will be paid as a single lump sum and no other payment option will be available to you.

PROOF OF DISABILITY

You must submit proof to the Trustees of Total and Permanent Disability, including a statement from your physician describing the nature of your disability and how long it is expected to last. The Trustees may also require additional information.

Before making a decision concerning your entitlement to a Disability Pension, the Trustees may designate a physician to examine you.

QUESTIONS AND ANSWERS

When is someone considered totally and permanently disabled?	Under the Plan, you are considered totally and permanently disabled if you are unable to engage in any substantially gainful employment for at least six (6) consecutive months because of a bodily injury, disease or mental disorder which, on the basis of medical evidence, the Trustees determine is total, permanent and expected to continue for the remainder of your lifetime.
How will my Disability Pension be paid?	If you are not married, your Disability Pension will be paid as a Single Life Annuity. If you are married, your Disability Pension will be paid as a 50% Spouse Annuity, unless you and your Spouse elect otherwise. All of the Plan's Disability Pension payment options are described above in "Types of Disability Pension Payments". If the total present value of your Disability Pension is $5,000 or less, your pension will be paid as a single lump sum and no other payment option will be available to you. Please note that the contingent annuitant benefit option for married participants is not available if you are receiving a Disability Pension, unless you originally chose a Single Life Annuity. You will then have the option to change your payment form to another form when you reach age 65.

LATE RETIREMENT PENSION

ELIGIBILITY

You are eligible for a Late Retirement Pension if:

- You have met the eligibility requirements for a Regular Pension or a Deferred Vested Pension; and
- You defer the start of your pension past age 65.

However, whether or not you stop working, a Late Retirement Pension must begin by April 1 following the calendar year in which you reach age 70½.

YOUR LATE RETIREMENT PENSION AMOUNT

Your Late Retirement Pension amount is determined in the same way as the Regular Pension amount, as described on **page 10**, except that it includes any additional benefits you earned from your Normal Retirement Age to your late retirement date (or April 1 following the year you reach age 70½, if sooner). Each year after Normal Retirement Age and prior to your benefit commencement date, the additional benefit you earn will be the larger of the benefit calculated under the Plan's formula, or the prior year's benefit actuarially increased for your age at commencement. This amount is then adjusted for the form of payment you select and thereafter annually adjusted by the Annual Annuity Adjustment Factor based on the VAP's investment performance. If the total present value if your pension is $5,000 or less, your Late Retirement Pension will be paid as a single lump sum and no other payment option will be available to you.

QUESTIONS AND ANSWERS

How will my Late Retirement Pension be paid?	If you are not married, your Late Retirement Pension will be paid as a Single Life Annuity. If you are married, your Late Retirement Pension will be paid as a 50% Spouse Annuity, unless you and your Spouse elect otherwise. All the VAP's payment options are described in "Forms of Payment," beginning on **page 28**. If the total present value of your pension is $5,000 or less, your pension will be paid as a single lump sum and no other payment option will be available to you.
Is my Late Retirement Pension affected if I'm still working at age 70½ and begin receiving payments?	Yes. If you are employed beyond age 70½ and begin receiving minimum distributions from the VAP, you will receive an annual adjustment to your monthly benefit to reflect any additional benefits you earn under the Plan.

DEFERRED VESTED PENSION

ELIGIBILITY

You are eligible for a Deferred Vested Pension if:

- You leave Covered Employment after earning at least five (5) years of Vesting Service, including one (1) or more years of Credited Service under the VAP and/or the SRT; and
- You are at least age 55.

PENSION AMOUNT

Your Deferred Vested Pension benefit is equal to your Regular, Early, or Late Retirement Pension amount, depending on the type of pension for which you are eligible (see Early Retirement Pension starting on **page 15**). This amount is then adjusted for the form of payment you select and thereafter annually adjusted by the Annual Annuity Adjustment Factor based on the VAP's investment performance.

QUESTIONS AND ANSWERS

How will my Deferred Vested Pension be paid?	If you are not married, your Deferred Vested Pension will be paid as a Single Life Annuity. If you are married, your Deferred Vested Pension will be paid as a 50% Spouse Annuity, unless you and your Spouse elect otherwise. All the Plan's payment options are described in "Forms of Payment," beginning on **page 28**. If the total present value if your Deferred Vested Pension is $5,000 or less, your pension will be paid as a single lump sum and no other payment option will be available to you.

PARTIAL PENSION

If, because of job changes or transfers, you have worked under the jurisdiction of different pension plans, you may not otherwise qualify for a pension from the VAP because your years of creditable employment were divided between the jurisdiction of this VAP and another pension plan in the retail industry. To remedy this, the VAP entered into agreements (called "reciprocity agreements") to recognize service with other pension plans ("Related Plans") for purposes of vesting for a Partial Pension. The SRT is a Related Plan. See "Related Plans," later in this section, for details and a list of these plans.

ELIGIBILITY

You are eligible for a Partial Pension if:

- You would be eligible for a pension if your Combined Credited Service earned under the VAP and any Related Plan(s) were treated as Credited Service under this Plan; and
- You earned one (1) or more years of Credited Service under the VAP Plan as a result of work in Covered Employment, counting years of Credited Service under this Plan and the SRT.

Except for Credited Service under the SRT, Credited Service under a Related Plan does not count in determining your eligibility for an Early Retirement Pension.

YOUR PARTIAL PENSION AMOUNT

Your Partial Pension amount is determined in the same way as the Regular, Early, Late, Disability, or Deferred Vested Pension, depending on the type of Partial Pension for which you are eligible. Only Credited Service and contributions applicable to the VAP are used to determine your partial pension amount. This amount is then adjusted for the form of payment you select and thereafter annually adjusted by the Annual Annuity Adjustment Factor based on the VAP's investment performance.

Example: Partial Pension

Carol retires on July 1, 2025, at age 65, after earning four (4) years of Credited Service under the VAP and three (3) years of service under the SRT. (See "Related Plans," later in this section.)

Without the provision for a Partial Pension, Carol would not be eligible for a pension from either plan since she did not earn enough service under either plan. However, the Partial Pension provisions permit service under both plans to be combined. In this case, Carol would receive a monthly pension payment from the VAP based on her Credited Service and Employer contributions earned under the VAP, plus a monthly pension payment from the SRT based on her SRT service. (This is assuming Carol did not have a Permanent Break in Service between her service periods in the two (2) plans.)

RELATED PLANS

As of July 1, 2021, the following plans are Related Plans, including the SRT. If you need to confirm the current status of these reciprocity agreements, contact the Trust Office at (206) 282-4500 or (800) 225-7620 option 2 then option 3.

Related Plan	UFCW Local Unions
Sound Retirement Trust	Local 3000, 367 and Teamsters Local 38
Alaska United Food and Commercial Workers Pension Trust	1496 and 1689
Clark County Employers and Retail Clerks Union Local #942 Pension Trust (merged with Oregon Retail Employees' Pension Trust)	942
Rocky Mountain United Food & Commercial Workers Unions and Employers' Pension Trust (through 1994, then merged with Desert States January 1, 1995)	7
United Food & Commercial Workers Unions and Employers Midwest Pension Fund	30, 35, 98, 219, 229, 254, 304, 313, 418, 435, 482, 526, 575, 580, 680, 736, 896, 912, 1053, 1130, 1263, 1354, 1453, 1460, 1470, 1504, 1540, 1550, 1595, and 1696
Intermountain Retail Store Employees Pension Trust	4, 8, 33, 102, 189, 560, 683, 684, 991, 1434, 1439, 1573, 1612, and 1614
United Food & Commercial Workers District Union Local 2 and Employers Pension Fund (formerly the Kansas City Area Retail Food Store Employees Pension Fund)	322, 576, and 782
Northern California Retail Clerks Unions and Food Employers Joint Pension Trust Fund	8, 17, 199, 373, 410, 428, 541, 588, 648, 775, 839, 1100, 1179, 1288, 1364, and 1532
Oregon Federation of Butchers Pension Trust (merged with Oregon Retail Employees' Pension Trust)	143, 231, 524, 555, 656
Oregon Retail Employees' Pension Trust (and Lower Columbia Fish Packing Industry)	25, 143, 148, 201, 555, 992, 1092, 1188, and 1257
Retail Drug Employees' Pension Trust (through September 30, 2008)	21, 330, and 1001
Washington Meat Industry Pension Trust (through June 30, 2014)	44, 81, 367, 554, and 1439
Retail Clerks Specialty Stores Pension Trust (formerly Northern California Retail Specialty)	115, 120, 377, 410, 428, 480, 588, 648, 775, 839, 870, 1100, 1119, 1179, 1288, and 1532
Southern California UFCW Unions and Food Employers Pension Trust Fund	135, 324, 770, 905, 1036, 1167, 1428, and 1442
Retail Food Employers & UFCW Local 711 Pension Trust	4 and 711
Intermountain Retail Food Industry Pension Trust	33, 99R, 242, and 368
UFCW Local 1439 and Food Industry Retirement Savings Trust	1439
UFCW International Union-Industry Pension Fund (Chicago)	Contact the Trust Office at (206) 282-4500 or (800) 225-7620 option 2 then option 3 for this plan's local Unions.
Desert States Pension Plan	99 and 1564

PENSION EFFECTIVE DATES

Your pension benefit is generally payable beginning the first day of the month in which the Trust Office receives a completed pension application, provided you are eligible to receive a pension and you have retired.

- If you are under age 62, to be retired, you must have a separation from service of at least thirty (30) days (that includes the date your payments begin) from employment in the industry, in the same trade or craft in which you were employed while a participant in the Plan, and in the same geographic area covered by the Plan.
- If you are age 62 or older, to be retired, you must not work more than fifty-eight (58) hours per month in the industry, in the same trade or craft in which you were employed while a participant in the Plan, and in the same geographic area covered by the Plan. For example, if you want to receive your first pension payment on November 1 at age 62 or later, you must not be working more than fifty-eight (58) hours per month and the application must be received by the Trust Office on or before November 30. See **page 38** for more information on trade or craft.

However, whether or not you retire, your pension must begin by April 1 following the calendar year you reach age 70½ (see **page 22**).

BENEFIT PAYMENT AMOUNTS CONTINUE TO ADJUST AFTER PENSION PAYMENTS BEGIN

After you retire and begin receiving pension payments, or if your surviving Spouse continues to receive pension payments, the monthly pension amount will be adjusted at the end of each Plan Year by the Annual Annuity Adjustment Factor based on the VAP's investment returns earned during the immediately prior Plan Year. As a result, a pensioner's benefits can go up or down each year.

If investment returns (on average) exceed the Hurdle Rate of 5.5% over time, your pension benefit payments would increase during retirement. If investment returns (on average) are less than Hurdle Rate of 5.5% over time, your pension benefit payments would decrease during retirement. However, the VAP also provides a level of protection against benefit decreases for pensioners through a "Stabilization Reserve."

- Stabilization Reserve. The Stabilization Reserve is funded with Employer contributions and also by the VAP's investment returns that exceed the Ceiling Rate of 8.5%. The Stabilization Reserve is intended to help offset some of the potential decreases to your benefit payments in certain years when the VAP's investment returns are down.
- Important Note. The use of the Stabilization Reserve is not guaranteed. Use of the Stabilization Reserve will depend on the assets available, the VAP's overall financial health and funding and the policies set by the Trustees.

IF YOU DELAY RECEIVING YOUR REGULAR PENSION BENEFIT

If you are eligible for a Regular Pension, retire, but delay filing a pension application with the Trust Office, you may not receive retroactive benefits. In other words, your pension will

be effective only for months after your file your pension application. However, you will receive an actuarial increase to reflect any benefit commencement delay past your Normal Retirement Age.

WHEN BENEFITS MUST BEGIN

The Plan requires that you commence payment of pension benefits no later than the April 1 following the calendar year in which you reach age 70½, which is your "mandatory commencement date" under the VAP.

You must apply for your pension in a timely manner. If you are age 70 and have not yet begun receiving pension benefits, you should contact the Trust Office for information concerning your mandatory commencement date.

If you fail to file an application and elect a benefit form in a timely manner, the Trust Office will automatically begin payment of your pension in the form of a 50% Spouse Annuity, even if you are not actually married. Also, if the VAP does not have your Spouse's date of birth on record, it will assume that your Spouse is the same age as you. If you contact the Trust Office, you may apply for a different form of payment, including switching to a Single Life Annuity if you are not actually married, but payments already made will be deducted from your benefit. However, if the total present value if your pension benefit is $5,000 or less, your pension will be paid as a single lump sum and no other payment option will be available to you.

If you continue to work in Covered Employment after you reach age 70½ and accrue additional benefits, your pension amount will be recalculated each year.

FORMS OF PAYMENT

When you retire, you will be able to receive your pension benefit in one of several forms of payment. You may not change your selected form after you begin receiving your monthly payments.

The VAP's forms of payment are described in the following sections. If you are single when you retire, you will receive your pension benefit as a Single Life Annuity. If you are married when you retire, you will receive your pension benefit as a 50% Spouse Annuity, unless you elect otherwise and your Spouse consents to that election.

When you apply for retirement benefits, you will be given additional information concerning each of the following payment options. You (and your Spouse, if you are married) can make the decision and change it as often as you wish before benefits commence. However, no changes can be made after benefit payments have commenced.

If the total present value of your pension benefit is $5,000 or less, your pension will be paid as a single lump sum and no other payment option will be available to you.

SINGLE LIFE ANNUITY

If you are single, the VAP's normal form of payment is a Single Life Annuity for your lifetime. Under this form of payment, you receive a monthly payment for your lifetime equal to your Regular, Early, Late, Deferred Vested or Disability Retirement Pension.

50% SPOUSE ANNUITY

If you are legally married, the VAP's normal form of payment is the 50% Spouse Annuity. Under this form of payment, you receive a reduced monthly payment for your lifetime. If you die before your Spouse after benefits commence, they will receive 50% of your monthly payment for the remainder of his or her lifetime.

If you are legally married and select a payment option other than the 50% Spouse Annuity, your Spouse must consent to that selection. This spousal consent must be witnessed by a notary public. Written spousal consent is not required if you demonstrate that you are legally separated or are unable to locate your Spouse or if spousal consent is not required by law.

Monthly payments under the 50% Spouse Annuity will be made according to several rules:

- You and your Spouse must have been legally married to each other at the time your benefit commences.
- If your Spouse dies before you, no further pension benefits will be paid from the Plan following your death. However, during your lifetime, your monthly payments will be increased to the amount that you would have received if you had retired and elected a Single Life Annuity.
- Payments to your surviving Spouse are for the Spouse's lifetime. They do not stop if your surviving Spouse remarries. Once your surviving Spouse dies, no further pension benefits will be paid from the Plan.
- Once you begin receiving payments under the 50% Spouse Annuity, your form of payment cannot be changed—even if you and your Spouse later divorce.

REDUCED PAYMENT AMOUNT

Because the 50% Spouse Annuity guarantees pension benefits for two (2) lifetimes (yours and your Spouse's), the amount you receive each month will be reduced to cover the longer payment period. The amount of this reduction depends on the age difference (in years and months) between you and your Spouse, as shown in the following example:

If your Spouse is...	The factor applied to your pension payment will be...
10 years younger than you	88%
Your same age	92%
5 years older than you	94%
The reductions shown are based on the Spouse's age. When you retire, the percentage reduction applied to your benefit will be determined based on the actual age difference between you and your Spouse. In general, your adjustments start with a base percentage of 92%, which is then adjusted as follows: • 0.4% higher for each year your Spouse is older than you, or • 0.4% lower for each year your Spouse is younger than you.	

If you retire with a Disability Pension, different Spouse reductions will apply to your monthly payments and modified payments may be made to your Spouse depending on your age at death. Contact the Trust Office at (206) 282-4500 or (800) 225-7620 option 2 then option 3 for details.

CONTINGENT ANNUITANT BENEFIT OPTION FOR MARRIED PARTICIPANTS

If you are married, you and your Spouse may elect a contingent annuitant benefit option from the Plan instead of the 50% Spouse Annuity. The contingent annuitant benefit option works much like the 50% Spouse Annuity, except that it permits you to provide 75% or 100% (whichever you choose) of your monthly payment to your Spouse following your death. This option is not available if you are receiving a Disability Pension before age 65. You may change the form of your Disability Pension to a contingent annuity benefit option once you reach age 65, unless you are already receiving your Disability Pension as a 50% Spouse Annuity. You must choose this option before your first pension payment is issued. The option can only be revoked if notice is given to the Trustees before your pension starts. If your Spouse dies before you, however, your monthly payments will be increased to the amount that would have received if you had retired and elected a Single Life Annuity.

The base factor used for your contingent annuitant benefit option depends on the annuity form you select and the age difference between you and your Spouse, as shown in the following table:

If you select the following contingent annuity option...	Your base factor will be...	Plus, this percentage for each year your Spouse is older than you...	Or minus this percentage for each year your Spouse is younger than you...
75% annuity	88%	+0.5%	–0.5%
100% annuity	84%	+0.6%	–0.6%

LUMP SUM PAYMENT

If the actuarial value of your pension benefit is $5,000 or less when you apply to receive a benefit, the Plan will automatically pay this amount in a single lump sum payment and no other payment option will be available to you. Such payment is full payment of benefits under the Plan.

Example: Forms of Payment

Joan and her Spouse are both 60, and Joan retires from the Plan with an Early Retirement Pension benefit equal to $1,500 per month, payable as a Single Life Annuity. Because Joan's age is equal to her Spouse's age, the optional form factors are 92% (50% Spouse Annuity), 88% (75% contingent annuity option) and 84% (100% contingent annuity option) and the annuity payments under each option would be:

If Joan and her Spouse select the...	Joan's adjusted monthly payment during her lifetime will be...	And after Joan's death, her Spouse will receive monthly...
Single Life Annuity	$1,500.00	$0.00
50% Spouse Annuity option	$1,380.00	$690.00
75% contingent annuity option	$1,320.00	$990.00
100% contingent annuity option	$1,260.00	$1,260.00

These amounts are adjusted annually by the Annual Annuity Adjustment Factor based on the VAP's investment return.

Because the actuarial value of Joan's benefit is greater than $5,000, she would not be eligible to receive a lump sum payment. If she were eligible, however, she would receive the actuarial value of her pension benefit in a single lump sum payment, and her Spouse would not be eligible for any additional payments following her death.

DIRECT ROLLOVERS

Under federal law, you, your surviving Spouse, your former Spouse who is an alternate payee under a qualified domestic relations order ("QDRO"), or your beneficiary may be entitled to directly transfer or "roll over" all or part of a lump sum payment directly to your individual retirement account (including a Roth IRA) or annuity, an annuity plan, or other qualified employer (or trust-sponsored) retirement plan, including a 403(b) or 457(b) plan. Unless a direct rollover is made, the Trust Office must withhold 20% of the payment for federal income taxes. You will be notified upon your retirement if the benefit distribution you receive from the VAP will be an eligible rollover distribution.

QUESTIONS AND ANSWERS

Can my pension benefits be assigned to another person?	No, unless legally required under a QDRO. See **page 45**. Federal law and the Plan prohibit the assignment of your pension benefits to a different party, except as required for compliance with an IRS levy, a QDRO resulting from divorce proceedings, or child support enforcement. For details, see "Ineligibility, Loss or Suspension of Benefits," on **page 44**.

DEATH BENEFITS

If you die, the Plan provides benefits to your surviving Spouse if you have met certain conditions. Survivor benefits depend on whether your death occurs before or after retirement.

IF YOU DIE BEFORE RETIREMENT

If You Are Married

If you are legally married and vested in your pension benefit when you die, your surviving Spouse's pre-retirement death benefit is determined as if you had retired the day before your death and elected the 50% Spouse Annuity.

Payments will begin on the first of the month on or immediately after receipt of your Spouse's pre-retirement death benefit application, unless you died before you were eligible for an Early Retirement Pension. In that case, your Spouse's survivor benefit will be calculated as if you had lived until you became eligible for an Early Retirement Pension and died the next day. Payments to your surviving Spouse may not begin until the date you would have been eligible to retire. For example, if you have fifteen (15) years of Credited Service and die at age 45, payment of a 50% Spouse Annuity may not begin until after the first of the month following the date you would have reached age 55.

However, if the total actuarial value of your pension benefit is $5,000 or less when you die before retirement and you are married, the Plan will automatically pay this amount in a single lump sum payment to your Spouse. This payment is full payment of your benefits under the Plan.

If You Are Not Married

If you are not legally married when you die, there is no benefit payable after your death, unless a QDRO requires a pre-retirement death benefit to be paid your former Spouse. Your surviving family members will not receive a death benefit.

IF YOU DIE AFTER RETIREMENT

If you die after you retire, the form of payment you elected when you retired will govern the death benefit that is payable after your death.

HOW TO APPLY FOR BENEFITS

APPLICATION FOR A RETIREMENT PENSION

When you retire, you must complete a pension application, available from the local Union or from the Trust Office. You should complete, sign and send your application (along with proof of birth) to the Trust Office no later than the month you want your pension to start.

When you apply, you will receive a written explanation of the payment options available to you, the amount of monthly benefit payable under each option and an explanation of what happens if you defer receiving your benefit. Based on this information, you and your Spouse (if you are legally married) may take at least thirty (30) days to decide on the payment options for which you are eligible. You also may waive the 30-day waiting period (with your Spouse's written consent) by returning your completed pension application early — but payment(s) will not be made until at least eight (8) days after the application is sent to you and the normal processing time still applies. You may change your payment selection at any time before benefits commence. However, no changes can be made after benefit payments have commenced.

- If you are legally married and reject the 50% Spouse Annuity and elect a Single Life Annuity, you must also submit your Spouse's written consent to that election. This consent must be in writing and witnessed by a notary public and must be submitted to the Trust Office within the 180-day period ending on the date your payments are scheduled to begin.
- If you elect the 50% Spouse Annuity or the contingent annuitant benefit option, you will need to provide proof of your marriage and of your Spouse's birth date.
- If you are applying for a Disability Pension, you will need to submit proof of your Total and Permanent Disability.

The Trustees have the right to recover any benefits paid on the basis of a false or fraudulent application or before a required notification is received.

Before the Trust Office can make pension payments, it must verify the amount of retirement benefit you had earned. Because of this verification process, it may take the Trust Office 120 days or longer to process your application and you should take that into account when deciding when to submit your application for retirement.

Your form of payment cannot change once you begin receiving monthly payments (unless you qualify for a Disability Pension before age 65, as described on **page 19**).

APPLICATION FOR PRE-RETIREMENT DEATH BENEFITS

If you die before retiring and your surviving Spouse is entitled to a pre-retirement death benefit, they must file a pension application with the Trust Office. This application can be obtained from the Trust Office or the local Union office at any time after your death.

Before the Trust Office can make pre-retirement death payments, it must verify the amount of retirement benefit you had earned. Because of this verification process, it may take the Trust Office 120 days or longer to process an application.

QUESTIONS AND ANSWERS

If my (or my Spouse's) pension application is denied, can that decision be appealed?	Yes. You (or your Spouse) can appeal a denied pension benefit to the Appeals Committee. The deadline for your appeal, and other rules concerning filing an appeal with the Appeals Committee, are described on **page 34**. Generally, only the Trustees have discretionary and final authority to interpret the VAP and decide pension benefit claims.

CLAIM AND APPEAL PROCEDURES

To claim your pension benefit under the Plan, you must complete a pension application (available from your local Union or the Trust Office). Submit this application in accordance with the instructions provided on **page 32** of this SPD.

If your claim for benefits is denied, the Board of Trustees has adopted the following procedures to appeal such a denial. The Board of Trustees has the sole power and discretion to interpret, apply, construe, and amend the provisions of the Plan and make factual determinations regarding its construction, interpretation and application, and any decision made by the Board of Trustees in good faith is binding upon Employers, Employees, a Union, participants, beneficiaries, and all other persons who may be involved or affected by the Plan. The Trustees have the discretionary and final authority to decide pension benefit claims, subject only to the appeal rights described in this section.

INITIAL DENIAL INVOLVING DISCRETIONARY DETERMINATION OF DISABILITY BY THE VAP

In the case of a denial of your claim for disability benefits that is based on a determination by the VAP that you are not totally and permanently disabled under the Plan rules, you will receive a written notice that includes the following:

- A discussion of the decision, including an explanation of the Trust's basis for disagreeing with or not following:
  - The views you presented to the VAP of health care professionals treating you and vocational professionals who evaluated you (if any);
  - The views of any medical or vocational experts whose advice was obtained on behalf of the VAP in connection with the denial of your claim, even if the advice was not relied upon in making the determination; and
  - A disability determination made by the Social Security Administration, if you provided it to the VAP;
- A copy of the specific internal rules, guidelines, protocols, standards, or other similar criteria of the Plan relied upon in making the adverse benefit determination or, alternatively, a statement that such rules, guidelines, protocols, standards, or other similar criteria of the Plan do not exist;
- A statement that you are entitled to receive, upon request, and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits; and
- A statement of your right to bring an action under Section 502(a) of ERISA after you exhaust the Plan's appeal procedures, including a description of any contractual limitations period that applies to your right to bring an arbitration, including the calendar date on which this limitations period expires for the claim.
- The written notice of denial will be provided in a culturally and linguistically appropriate manner clearly indicating how to access the language services provided by the Plan, if this applies to your claim.

REVIEW BY APPEALS COMMITTEE

If you (or your Spouse) apply for benefits, and that pension application is denied, in whole or in part, you have the right to request the Appeals Committee of the Board of Trustees to conduct a review of the matter. You must send a written request for a review of the benefit denial to the Trust Office no later than sixty (60) days after the date you receive the notice of denial (no later than 180 days for a disability application). The appeal must set forth the specific element of the claim which is being appealed and the reason why you believe the denial is wrong. You may appoint an authorized representative to act on your behalf in writing by providing the Trust Office with the representative's name, address, and telephone number.

The Appeals Committee will review all documents related to your claim, plus any additional information that you (or your Spouse) have submitted regarding the benefit. A decision will be issued by the first regular appeals meeting (or the second regular meeting if more time is needed) following the date your appeal was received, unless you (or your Spouse) agree to a different schedule. You (or your Spouse) will be notified of the Appeals Committee's decision within five (5) days of the date a decision is made. If the Appeals Committee upholds the denial, the VAP will send you a written notice which contains the following:

- The specific reasons for the Trustees' decision;
- References to the Plan provisions on which the denial is based;
- A description of any additional material or information necessary for you to perfect your application and an explanation why such material or information is necessary;
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your application;
- In the case of an application for disability benefits, a copy of any internal rule, guideline, protocol or other similar criterion relied upon in making the appeal determination or a statement that such rule, guideline, protocol or other criterion was relied upon in making the appeal determination; and
- A description of the procedures for an appeal to the Hearing Committee and for arbitration and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of ERISA if you exhaust your administrative remedies under the Plan.

DECISION ON APPEAL INVOLVING DISCRETIONARY DETERMINATION OF DISABILITY BY THE APPEALS COMMITTEE

Prior to issuing a denial of an appeal of a claim for a disability benefit that is based on a determination by the Appeals Committee that you are not disabled under the Plan rules, the Trust Office will provide you, free of charge, with any new or additional evidence considered, relied upon, or generated by the VAP in connection with the claim, and/or with any new or additional rationale for denying the claim, as soon as possible and sufficiently in advance of the date the appeal is to be considered to give you a reasonable opportunity to respond prior to the date the appeal will be considered.

In the case of a denial of your appeal to the Appeals Committee involving a claim for a disability benefit that is based on a determination by the Appeals Committee that you are not disabled under the Plan rules, you will receive a written notice of denial that includes all of the information provided in the "Initial Denial Involving Discretionary Determination of Disability by the VAP" section (explained on **page 34**).

APPEAL TO HEARINGS COMMITTEE

If you (or your Spouse) are dissatisfied with the decision of the Appeals Committee, you may request a hearing before the Hearings Committee, designated by the Trustees. This request must be made in writing and must be received by the VAP within thirty (30) days following the date you receive notice of the Appeals Committee's decision.

The Hearings Committee will conduct a hearing within thirty (30) days of the receipt of the appeal unless more time is needed, or unless you (or your Spouse) agree to a different schedule. If more time is needed, you (or your Spouse) will be notified. At the hearing, you (or your Spouse) will be entitled to present your position and any evidence. You (or your Spouse) may be represented before the Hearings Committee by an attorney or by any other representative of your choosing.

You (or your Spouse) will be notified of the Hearings Committee's decision within five (5) days of the date a decision is made. The Hearing Committee's decision is the final and binding decision of the Board of Trustees and no further appeal is available under the Plan. If the Hearings Committee upholds the denial, the VAP will send you a written notice which contains the following:

- The specific reasons for the Trustees' decision;
- References to the Plan provisions on which the denial is based;
- A description of any additional material or information necessary for you to perfect your application and an explanation why such material or information is necessary;
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your application;
- In the case of an application for disability benefits, a copy of any internal rule, guideline, protocol or other similar criterion relied upon in making the appeal determination or a statement that such rule, guideline, protocol or other criterion was relied upon in making the appeal determination; and
- A description of the procedures for an appeal to arbitration and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of ERISA.

DECISION ON APPEAL INVOLVING DISCRETIONARY DETERMINATION OF DISABILITY BY THE HEARINGS COMMITTEE

Prior to issuing a denial of an appeal of a claim for a disability benefit that is based on a determination by the Hearings Committee, that you are not disabled under the Plan rules,

the Trust Office will provide you, free of charge, with any new or additional evidence considered, relied upon, or generated by the VAP in connection with the claim, and/or with any new or additional rationale for denying the claim, as soon as possible and sufficiently in advance of the date the appeal is to be considered to give you a reasonable opportunity to respond prior to the date the appeal will be considered.

In the case of a denial of your appeal to the Hearings Committee involving this type of disability benefits, you will receive a written notice of denial that includes all of the information provided in the "Initial Denial Involving Discretionary Determination of Disability by the VAP" (explained on **page 34**).

APPEAL TO ARBITRATION

If you (or your Spouse) are dissatisfied with the decision of the Hearings Committee, you have the right to appeal the matter to arbitration in accordance with the labor arbitration rules of the American Arbitration Association unless the decision involves an application for disability benefits, in which case you may file suit in a state or Federal court pursuant to Section 502(a) of ERISA. To appeal to arbitration, you must submit a request to the VAP, in writing, within sixty (60) days of receipt of the Hearings Committee's decision. If an appeal to arbitration is requested, the Trustees will submit to the arbitrator a certified copy of the record upon which the Trustees' decision was made.

The questions for the arbitrator shall be whether:

- The Trustees were in error upon an issue of law;
- The Trustees acted arbitrarily or capriciously in the exercise of their discretion; or
- The Trustees' findings of fact were supported by substantial evidence.

In general, the decision of the arbitrator shall be final and binding upon the Trustees, upon the appealing party, and upon all other parties whose interests are affected. In very limited circumstances, however, the arbitrator's decision may be overturned by a court of law.

The expenses of arbitration will be covered equally by the appealing party and by the VAP, unless otherwise ordered by the arbitrator.

QUESTIONS AND ANSWERS

Does arbitration apply to appeals on disability benefits?	No. Regulations of the U.S. Department of Labor prohibit the use of binding arbitration on claims for Disability Pensions. If the Trustees deny your (or your Spouse's) Disability Pension application, your only recourse will be to file suit in state or Federal court.

REEMPLOYMENT AFTER RETIREMENT

If you retire, start your pension and later return to work, under certain circumstances your monthly benefit payments may be suspended.

If you have not reached your mandatory commencement date (see **page 27**), contact the Trust Office at (206) 282-4500 or (800) 225-7620 option 2 then option 3 immediately if you return to work. Generally, your monthly benefit payments will be suspended during any month you:

- Perform more than fifty-eight (58) hours of work;
- Work in the same geographic area covered by the Plan;
- Work in the same trade or craft in which you were employed at any time while a Plan participant; and
- Your employment is in the type of business activity engaged in by Contributing Employers.

This type of employment is "suspendible employment." For purposes of this section, trade or craft means the skill or skills achieved through training or practice which you acquired while working under the Plan, including work as a supervisor, sole proprietor, partner or corporate owner.

If you return to work on or after your mandatory commencement date (see **page 27**), your monthly benefit payments will not be suspended.

RESUMING YOUR PENSION BENEFIT

When you again retire or work less than fifty-eight (58) hours in a subsequent month (if you are age 62 or older), you must notify the Trust Office so your monthly benefit payments can resume. If you earned one (1) or more years of Credited Service during your return to Covered Employment, you will receive additional pension benefits. Your monthly benefit payments generally will be in the same form you previously received, and will reflect additional pension benefits earned, if any.

IF YOU RETURN TO WORK FROM A DISABILITY RETIREMENT

If you return to work in any type of employment while receiving a disability benefit from the VAP, and you are under age 65, you will be deemed to have recovered from your disability and your monthly benefit payments will be suspended. If you are a disability pensioner on a trial work period, your pension payments will not be suspended as described in "Disability Pension," beginning on **page 19**.

NOTIFYING THE PLAN OF WORK AFTER RETIREMENT

It is your responsibility to notify the Trust Office, in writing, of any work you do after retirement that could result in your benefit being suspended, regardless of the number of hours you work in a month. You can obtain an advance determination from the Trust Office of whether the particular type of employment will cause your benefit to be suspended. If you disagree with a determination, you have the right to request a review. The request for review will be processed in the same way as an appeal of a pension denial (see **page 34**).

SUSPENSION OF BENEFITS DURING PROHIBITED EMPLOYMENT

If the Board of Trustees becomes aware that you are working and you have not provided sufficient information for a determination of whether pension payments should be suspended, the Board of Trustees will assume that you are working in suspendible employment and your pension payments will be withheld until such time that you show that the work was not suspendible.

REPAYING BENEFITS PAID DURING PROHIBITED EMPLOYMENT

It is important for you to understand that if you work in suspendible employment and receive pension benefits, you are obligated to repay the pension amount received for any month in which you worked in suspendible employment. The VAP has the right to recover pension payments that were improperly paid, including the right to offset against future benefit payments. This means subsequent monthly pension payments will be reduced until the improper payments are collected by the VAP.

QUESTIONS AND ANSWERS

Am I working in employment that will result in suspension of my benefit?	Please contact the Trust Office at (206) 282-4500 or (800) 225-7620 option 2 then option 3 if you have questions about whether a certain type of employment might result in suspension of your monthly benefit payments.
If I return to work in the industry after retirement but I'm employed outside the state of Washington, will my pension benefit be suspended?	Not currently. The geographical area of the Plan is limited to the State of Washington and any included Standard Metropolitan Statistical Area. If that does not change and you are later employed in the industry outside Washington State, your pension benefit would not be suspended. However, if the Plan's geographical area expands in the future, benefits earned after such an expansion could be suspended.

DEFINITIONS

The following are general definitions of terms used in explaining the Plan. The full Plan document includes these and other definitions in greater detail.

50% Spouse Annuity

The VAP's normal form of payment if you are married at retirement. Under this form of payment, you receive a reduced monthly payment for your lifetime. If you die before your Spouse after benefits commence, they will receive 50% of your monthly payment for the remainder of his or her lifetime.

Annual Annuity Adjustment Factor

The factor used annually to increase or decrease your pension benefit based on the VAP's investment performance from the prior Plan Year.

Ceiling Rate

The maximum rate of investment return of 8.5% used in determining the Annual Annuity Adjustment Factor each Plan Year to increase your pension benefit.

Collective Bargaining Agreement

The written agreement between an Employer or an employer-association and a Union under which the Employer is obligated to make contributions to the VAP.

Continuous Non-Covered Employment

Continuous employment with a Contributing Employer in a job that is not Covered Employment under this Plan immediately before or after Covered Employment with the same employer.

A period of non-Covered Employment is considered "continuous" with Covered Employment only if there is no quit, discharge, or other termination of employment between periods of Covered Employment and non-Covered Employment.

Contributing Employer or Employer

Any individual proprietor, partnership, corporation, employer-association, or Union, which is party to a Collective Bargaining Agreement, or to a Participation Agreement or Special Agreement obligating it to make contributions to the VAP on behalf of its Employees.

Covered Employment

Employment with an Employer for which contributions are made or required to be made to this Plan on your behalf.

Credited Service

Your hours of work in Covered Employment and Continuous Non-Covered Employment that are recognized by the VAP in determining your pension benefit.

Deferred Vested Pension

A type of pension you may be eligible to receive if you have five (5) or more years of Vesting Service and reach the minimum age based on your service.

Disability Pension

A type of pension you may be eligible to receive if you suffer a Total and Permanent Disability.

Early Retirement Pension

A type of pension you may be eligible to receive if you are least age 55 and not yet age 65.

Effective Date of Coverage

Your Employer's Effective Date of Coverage is the later of the date your Employer is first required to contribute to the VAP or July 1, 2021.

Employee

Any person employed by a Contributing Employer and for whom the Employer is obligated to make contributions to the VAP.

Hour of Service

An hour of work for which you are paid or entitled to payment by an Employer, including certain hours of back pay.

Late Retirement Pension

A type of pension you may be eligible to receive if you defer the start of your pension past age 65.

Nominal Accrual Rate or Base Rate

Your Pensionable Contributions multiplied by 2.3%.

Normal Retirement Age

Age 65, or if later, the first day of the 60th month following the date on which you became a participant, unless you subsequently had a Permanent Break in Service.

One-Year Break in Service

You incur a One-Year Break in Service when you fail to work more than 500 hours in a Plan Year.

Participation Agreement or Special Agreement

Written agreement between an Employer and the Board of Trustees (including any supplement, amendment, continuation or renewal) which obligates the Employer to make contributions to the VAP for the purpose of providing benefits to certain Employees.

Pensionable Contributions

Employer contributions made on your behalf based on either a percentage of your pay or cents per Hour of Service you perform, depending on the Collective Bargaining Agreement.

Permanent Break in Service

If you are not vested, you incur a Permanent Break in Service if you have five (5) or more consecutive One-Year Breaks in Service. Once you incur a Permanent Break in Service, all your Credited Service and Vesting Service are canceled.

Plan Year

The calendar year, from January 1 through December 31st. Plan Year is used for determining vesting and benefit accruals.

Regular Pension

A type of pension you may be eligible to receive if you are at least age 65 and retired.

Related Plan

Another pension plan in the retail food industry that is recognized by the Board of Trustees as a Related Plan under a reciprocity or other agreement. You can earn credited service while working under a Related Plan according to the rules of that plan and used towards determining your benefit eligibility and vesting under the VAP. See **page 5**.

Single Life Annuity

The VAP's normal form of payment if you are not married at retirement. Under this form of payment, you receive a monthly payment for your lifetime. If you die, no further benefits will be paid.

Spouse

The person to whom you are legally married. The term "Spouse" includes a person of the same sex if you and that person are considered legally married under the law of the state where the marriage was performed, and, to the extent provided in a Qualified Domestic Relations Order, a person to whom you were formerly married.

Stabilization Reserve

A notional reserve established under the VAP that is funded with specific Employer contributions and by the VAP's investment returns that exceed the Ceiling Rate of 8.5%. The Stabilization Reserve shall be used in accordance with policies adopted by the Board of Trustees.

Terminated Vested Participant

A participant who terminates Covered Employment and fails to earn 750 or more Hours of Service in a Plan Year not taking into account the Plan Year in which payment of benefits commences. A participant is a Terminated Vested Participant in the Plan Year in which payment of benefits commences unless the participant earned 750 or more Hours of Service during that Plan Year or the prior Plan Year.

Trust Office

Zenith American Solutions, a contract administrative organization that the Board of Trustees have hired to operate the Plan day-to-day.

Trustees, Board or Board of Trustees

The Board of Trustees who administers this Plan and trust in accordance with the provisions of the VAP document and trust agreement.

Union

Any lawful organization which represents Employees in collective bargaining with Contributing Employers that requires contributions to be made to the VAP.

Vesting Service

Each Plan Year in which you work 750 or more hours in Covered Employment or Continuous Non-Covered Employment.

ADMINISTRATIVE FACTS

Name of Plan	Sound Variable Annuity Pension Trust
Plan Number	001
Employer Identification Number	86-3278029
Name of Trust	Sound Variable Annuity Pension Trust (see "VAP," beginning on **page 1**, for additional details).
Plan Sponsor	The Plan is sponsored and administered by a joint labor-management Board of Trustees. The Board of Trustees may be reached at: Board of Trustees of the Sound Variable Annuity Pension Trust c/o Zenith American Solutions. 11724 NE 195th Street, Suite 300 Bothell, Washington 98011-3145 Telephone number: (206) 282-4500 (800) 225-7620 option 2 then option 3 A complete list of the Employers and Unions sponsoring the Plan may be obtained upon written request to the Trustees or may be examined at the Trust Office.
Type of Plan	Defined benefit variable annuity pension plan.
Plan Year	January 1 to December 31.
Plan Contributions	The Plan is funded through Employer contributions, determined through Collective Bargaining Agreements between Contributing Employers and Unions and Participation Agreements or Special Agreements with the VAP.
Plan Administration	The Plan is administered by the Board of Trustees, who have hired Zenith American Solutions, a contract administrative organization to operate the Plan day-to-day (the "Trust Office"). The Plan Administrator can be reached at: Board of Trustees of the Sound Variable Annuity Pension Trust c/o Zenith American Solutions 11724 NE 195th Street, Suite 300 Bothell, Washington 98011-3145 **www.soundvaptrust.com** Telephone number: (206) 282-4500 (800) 225-7620 option 2 then option 3
Agent for Service of Legal Process	Each member of the Board of Trustees is an agent for purpose of accepting service of legal process on behalf of the VAP. In addition, service of legal process may be made upon the Plan Administrator.
Collective Bargaining Agreements	The Plan is maintained pursuant to many Collective Bargaining Agreements. Copies of these agreements may be obtained upon written request to the Trustees, or by contacting the Trust Office. A reasonable charge may be imposed to cover the cost of furnishing the agreements. You (or your beneficiaries) may inquire as to the amount of the charges before requesting copies.

Trustees	Employee Trustees	Union Trustees
	Scott Klitzke Powers, Chair Allied Employers, Inc. 811 Kirkland Avenue, Suite 100 Kirkland, WA 98033	Joe Mizrahi, Secretary UFCW Local 3000 23040 Pacific Hwy S Des Moines, WA 98198
	Frank Jorgensen Safeway, Inc. P.O. Box 85001 Bellevue, WA 98005	Faye Guenther UFCW Local 3000 23040 Pacific Hwy S Des Moines, WA 98198
	Sean Hammond Fred Meyer Stores 3800 SE 22nd Ave. Portland, OR 97202	David Blitzstein UFCW Local 3000 23040 Pacific Hwy S Des Moines, WA 98198
	Brent Bohn Albertsons, Inc. 1421 S. Manhattan Ave. Fullerton, CA 92831	Sarah Cherin UFCW Local 3000 23040 Pacific Hwy S Des Moines, WA 98198
	Yvonne Peters Allied Employers, Inc. 811 Kirkland Avenue, Suite 100 Kirkland, WA 98033	Sean Embly UFCW Local 3000 23040 Pacific Hwy S Des Moines, WA 98198
	Sharon Carroll Fred Meyer Stores 3800 SE 22nd Ave. Portland, OR 97202	Eric Renner UFCW Local 3000 1719 N. Atlantic, Spokane, WA 99205

INELIGIBILITY, LOSS OR SUSPENSION OF BENEFITS

In certain circumstances your application (or your surviving Spouse's application) for Plan benefits may be denied or partially denied, including:

- You do not meet the eligibility and participation requirements, as described on **page 4**;
- You are not vested when you leave the Plan, as described on **page 5**;
- You have a Permanent Break in Service or return to work after a One-Year Break in Service, but do not meet the requirements for reinstatement of service and accrued benefits, as described on **page 5**;
- You return to work after retirement, as described on **page 38**;
- The Plan's assets are inadequate to fund benefits following the Plan's termination, on **page 45**;
- Limitations and/or taxes must be applied to your pension benefits, as described in the Internal Revenue Code;
- Your benefits are subject to a QDRO, as described in the following section;
- The Plan becomes insolvent and benefits are replaced with termination insurance, as described on **page 45**;
- You die before retiring and have no surviving Spouse, as described on **page 31**; or
- Your application for benefits is not timely, as described on **page 32**.

QUALIFIED DOMESTIC RELATIONS ORDERS

Generally, your Plan benefit may not be assigned and is not subject to garnishment, attachment, or other legal process. Federal law provides an exception with respect to benefits that become payable due to a QDRO. A QDRO is a judgment, decree, or order that relates to divorce decrees, property settlements, and child support orders in accordance with state domestic relations law.

A QDRO must meet certain requirements set forth in the Internal Revenue Code of 1986 and ERISA. A QDRO may require the Plan to pay a portion of your benefits to a former Spouse or child (known as an alternate payee). Furthermore, a QDRO may provide that a former Spouse be treated as the surviving Spouse for purposes of the survivor annuities payable from the VAP. A QDRO may not require the VAP to provide any type or form of benefit or any option not otherwise provided under the Plan. When the Trust Office receives a judgment, decree, or order (including court approval of a property settlement agreement) that would require the Plan to pay all or a portion of benefits to an alternate payee pursuant to state domestic relations law, the Trust Office will notify you and the prospective alternate payee of the procedures for determining whether the order is a QDRO. The Plan can only pay benefits to an alternate payee if the Plan Administrator determines that the court order meets all the requirements to be a QDRO.

If the Trust Office receives a QDRO that may affect your Plan benefit, a hold may be placed on distributions from the Plan for a period of time determined to be reasonable by the Trust Office. You will be notified if a hold is placed on your benefit. You will also have the opportunity to appeal any decisions to pay some or all of your benefit to someone else based on the terms of the order.

For more information regarding QDROs or for a copy of the Plan's QDRO procedures, please contact the Trust Office.

VAP

Employer contributions are received and held by the Board of Trustees of the VAP for the purpose of payment of benefits and administrative expenses. The Board of Trustees pays benefits directly from the VAP. The Trust Office handles the daily business of the VAP, including Employer contributions, administrative costs, and benefit payments. The investment consultant is Verus Investments.

Termination of the VAP

It is intended that the VAP will continue indefinitely. However, if necessary the Trustees have the authority to terminate (or to partially terminate) the Plan in accordance with prevailing law. The VAP may also terminate upon the expiration of all Collective Bargaining Agreements and Participation Agreements or Special Agreements requiring the payment of contributions to the VAP.

TERMINATION INSURANCE

Your pension benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. The Plan is considered a multiemployer

plan, which is a collectively bargained pension arrangement involving two (2) or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first $11 of the monthly benefit accrual rate and (2) 75% of the next $33. The PBGC's maximum guarantee limit is $35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with thirty (30) years of service would be $12,870.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of: (i) the date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent, and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask the Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877- 8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website at **www.pbgc.gov**.

STATEMENT OF ERISA RIGHTS

This statement is furnished to you pursuant to Department of Labor Regulations. As a participant in the VAP you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants will be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other locations, such as work sites and Union halls, all documents governing the Plan, including Collective Bargaining Agreements, and a copy of the latest annual report (Form 5500) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of all Plan documents and other Plan information, including copies of the latest annual report (Form 5500) and an updated SPD. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

- Obtain, upon written request to the Plan Administrator (but not more than once a year), a statement telling you whether you have a right to receive a retirement benefit at Normal Retirement Age (generally, age 65) 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 retirement benefit, the statement will tell you how many more years you have to work to get the right to a retirement benefit. This statement is provided free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties on the people who operate the Plan. The people responsible for exercising discretion in the administration or operation of the Plan are called fiduciaries. These individuals or entities have an obligation to administer the Plan prudently and to act in the interest of you and other plan participants and beneficiaries. No one, including your Employer, your Union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a retirement benefit from the Plan or exercising your rights under ERISA.

If your claim for a retirement benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within thirty (30) days, you may file suit in federal court. In such a case, the court may require the Plan to provide the materials and pay you up to $147 per day (but no greater than $1,472 per request) until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan.

If your claim for benefits is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If your claim for benefits is denied, however, you must appeal the decision and follow the claims procedure described in this document before you may file suit. If you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. Further, if you are dissatisfied with the Trustee's determination, you may appeal their decision to arbitration in accordance with the Labor Arbitration Rules of the American Arbitration Association.

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 Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about the Plan, contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, contact the nearest office of the Employee Benefits Security Administration, Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210. You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publication hotline of the Employee Benefits Security Administration at (866) 444-3272, or through the website at **www.dol.gov/ebsa**.

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