SUMMARY PLAN DESCRIPTION

UNITE HERE
Local 25 and Hotel Association of Washington, D.C.

PENSION PLAN

November 2018

You and Your Pension Plan

UNITE HERE Local 25 & Hotel Association of
Washington, DC Pension Plan

November 2018

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THE PLAN IN BRIEF – INTRODUCTION

One of the most important benefits your job can provide you is the promise of pension benefits when you retire. Even if you collect Social Security at retirement, your retirement years will be much more secure if you also receive pension benefits.

Under a collective bargaining agreement with UNITE HERE Local 25, your employer and others have agreed to make contributions to a pension plan to provide pension benefits to you and other employees working under that contract. The Plan is called the Hotel and Restaurant Employees Local 25 and Hotel Association of Washington, D.C. Pension Plan. However, just because the Plan has been set up to which your employer contributes does not guarantee that you will receive a pension. The Plan has rules about how you become a Participant, how you earn a right to a pension, how much you might receive and when you can start getting payments, what happens to your pension if you die before or after retirement, and many other issues.

It is important for your retirement planning that you know what benefits the Plan provides and what the rules of the Plan are. For that reason, we urge you to study this booklet carefully.

The rules and benefit levels described in this booklet are those which are in effect on January 1, 2018. If you retired prior to January 1, 2018, your benefit level or credited service may be different. Contact the Fund office if you have a question about how your pension benefit is determined.

Summary Plan Description ("SPD")

A federal law called the Employee Retirement Income Security Act ("ERISA") requires the Plan to give you a document called a "Summary Plan Description," or "SPD" - a summary of the rules of your pension Plan. This booklet is the SPD for your Plan. This booklet is a written description of the benefits which are available to you and your dependents, and of the rules whereby you receive those benefits.

Remember that this booklet is a *summary* of the Plan document. In the event of a conflict between this summary and the Plan document, the terms of the Plan document will govern. If you want a fuller description of Plan provisions and how they affect your benefits, you may examine the complete Plan document at the Fund office. If you have any questions concerning your benefits or the rules described in this booklet, please call the Fund office at (410) 683-6500 or (800) 648-2972.

Este libro contiene un resumen en ingles de sus derechos y beneficios en este Plan bajo el UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Plan. Si tiene dificultad en entender cualquier parte de este libro, puede escribir a Associated Administrators, el Administrador del Plan. Tambien puede llamar a la oficina del Administrador al (410) 683-6500 o (800) 648-2972 para ayuda entre las horas de las 8:30 de la manana hasta las 4:30 de la tarde, lunes a viernes.

Administrador
UNITE HERE Local 25 and Hotel Association of Washington, DC
Pension Plan
911 Ridgebrook Road
Sparks, Maryland 21152

To give you an idea of how the Plan works, the next section describes the main points of the Plan. But we urge you to read the whole booklet because it covers--in detail--the many different situations that may arise during your working years, such as:

- What happens to your pension benefit if you leave your job for a period of time and then return to work;

- How you can be sure that your husband or wife will receive a share of your pension if you die first; and

- What you can do if you think the Plan has made a mistake about your right to a pension or how much you should receive.

The booklet also includes a list of words or terms that you will want to understand because they have *specific and important* meanings in pension plans. These terms are shown in the definitions section.

If you don't understand something about the Plan, contact the Fund office at (410) 683-6500 and ask a Participant Services representative to explain.

DEFINITIONS

To help you better understand your pension benefits, it is important for you to know the meaning of the terms defined here. Please note that the definitions below are intended to give you a basic understanding of what these important terms generally mean. For more detailed definitions, please refer to the official rules and regulations of the Plan.

BENEFICIARY. The person (usually a Spouse, if you are married) entitled to receive all or part of your pension benefits at your death. (See pages 18-25.)

BREAK IN SERVICE. A period of time after you have left your job that may cause you to lose the credit towards vesting and benefits you had earned under the pension Plan. (See page 10.)

BREAK YEAR. Any calendar year in which you worked under the Plan for fewer than 375 hours. (See page 10.)

COLLECTIVE BARGAINING AGREEMENT. An agreement between the Union and your employer (or between the Union and the Plan) that requires your employer to make contributions to the Plan. Copies of Collective Bargaining Agreements are available for examination by Participants and Beneficiaries at the Fund office, or a copy will be made available upon written request to the Fund office.

COVERED EMPLOYMENT. Employment for which a Participating Employer is required to contribute to the Plan. (See page 4.)

CREDITED BENEFIT SERVICE. The years of Covered Employment that count in determining the amount of your monthly benefit at retirement or whether you are eligible for a disability pension. (See pages 7 - 8.)

CREDITED VESTING SERVICE. The Years of Service that count in determining your right to receive pension benefits. (See page 7.)

HOURS OF SERVICE. Hours that you work within a calendar year (or for which you are paid, such as vacation time) that are added together to determine whether you have a year of service. (See page 5.)

JOINT AND SURVIVOR ANNUITY. A reduced benefit which is paid to you monthly at retirement for your lifetime with your Spouse receiving a portion of that amount should you die before him/her. (See page 18.)

PARTICIPANT. A member of the Plan. You become a Participant when you have worked in your job for a certain number of hours. (See page 5.)

PARTICIPATING EMPLOYER. An employer who is required by a Collective Bargaining Agreement with the Union to make contributions to the Plan. Upon written request to the Plan Administrator, you may receive information as to whether a particular employer participates in the Plan and, if so, the employer's address.

PLAN. UNITE HERE Local 25 & Hotel Association of Washington, DC Pension Plan.

PRE-RETIREMENT SURVIVOR'S BENEFITS. Payments to your Spouse if you die before you start to collect your pension. (See page 24.)

QUALIFIED DOMESTIC RELATIONS ORDER. An order issued by a court that may require your pension benefits to be paid to a divorced or separated Spouse or to a child. (See page 23.)

SPOUSE. A person to whom you are considered married under applicable law and to whom you have been married for at least a year as of the date your pension begins or your death, if earlier (or a former spouse to the extent provided in a Qualified Domestic Relations Order). The terms "married" and "unmarried" in this booklet refer to whether you are married (or not) to a Spouse.

UNION. UNITE HERE Local 25.

VESTED. Being "vested" means you have accumulated enough Years of Service to earn a right to a pension benefit at retirement, even if you leave your job before that time. (See page 7.)

YEARS OF SERVICE. The amount of time used to determine whether you are vested in your pension benefits and to determine the amount of your monthly benefit.

ELIGIBILITY TO PARTICIPATE IN THE PLAN

The first step in understanding the Plan is to learn about the conditions you must meet to become a Participant of the Plan.

First, you must be working for one of the **Participating Employers.** Second, you must be in **"Covered Employment"** under a Collective Bargaining Agreement of the Union which requires your employer to contribute to the Plan on your behalf.

Next, you must work 400 **"Hours of Service"** in Covered Employment within a calendar year to qualify as a Participant. An "hour of service" is each hour for which you are paid or entitled to payment for your work (not including overtime). You become a Participant on January 1 of the first year in which you earn 400 Hours of Service in Covered Employment.

You also count as an hour of service each hour for which you are entitled to be paid even though you were not working. These are hours taken for vacation, holiday, illness, incapacity (including paid disability), layoff, jury duty, military duty, or leave of absence as long your employer is required to make contributions to the Plan for those hours. You may also get credit for certain hours for which your employer has agreed to pay you back pay.

Example
Suppose that you begin working in October 2017, and by December 31, 2017, you have earned 350 Hours of Service. You would NOT become a Participant in the Plan for 2017. You continue working and you earn more than 400 Hours of Service in Covered Employment in 2018. You would become a Participant in the Plan effective January 1, 2018.

<u>Staying in the Plan</u>

Once you become a Participant, you continue to be a Participant as long as you keep working under the Plan and are credited with at least 400 Hours of Service each year.

But if you leave your job without having earned a right to pension benefits, you are no longer a Participant in the Plan as of the day you stop working. (Earning a right to benefits is called **"vesting"** and is explained on page 7 of this summary).

You would also stop being a Participant if one of these two situations applies to you. *First,* you would stop being a Participant, even if you have earned a right to benefits, if you receive payment of your entire pension benefit (that is, in one lump sum instead of as a monthly payment). *Second,* you would stop being a Participant, even if you have earned a right to benefits, if you work fewer than 375 Hours of Service in a calendar year.

What if You Leave Your Job and Come Back?

If you are no longer a Participant, but come back to work, you would again become a Participant at a later date if you meet the Plan's eligibility rules. But you could become a Participant *immediately* if you return before you have a Break Year as defined on page 10.

EARNING CREDITED SERVICE

Once you have become a Participant, you must work a certain number of years to earn a right to receive pension benefits if you leave your job prior to retirement. This is called **"vesting"** in your benefits. As you work, you earn **"Credited Vesting Service."**

The number of years you work also counts in determining how much money you will receive each month when you are retired. This is called **"Credited Benefit Service."**

Credited Vesting Service--Earning a Right to Your Benefits

You earn one year of Credited Vesting Service for each calendar year you earn at least 750 Hours of Service in Covered Employment. But different rules apply in calculating Credited Vesting Service before 1976:

Before December 31 1975
You earned one year of vesting service for every calendar year after October 1, 1960 that your employer made at least 1,000 hours of contributions on your behalf. (October 1, 1960 through December 31, 1961 is counted as one calendar year.) Different rules apply to crediting service before October 1, 1960. If you have questions about service before 1960, contact the Fund office at (410) 683-6500 or (800) 648-2972.

Moving between Jobs
If you move between a job for which your employer must make contributions to the Plan and a job with the same employer that isn't covered under the Collective Bargaining Agreement, you will earn credit toward vesting for the period in the uncovered job.

Prior Plan
If you were a participant in the Hotel Association of Washington, DC Pension Plan, you will also receive vesting credit for the time you worked under that Plan.

Credited Benefit Service — Determining the Amount of Your Benefit

Credited benefit service is used for calculating your monthly pension benefits or to determine if you are eligible for a disability retirement benefit. Unlike vesting service, you *only* get credit for benefit service for Hours of Service worked in Covered Employment.

Beginning in 1993, you get credit for a full year of Credited Benefit Service for each year in which you earn at least 1,000 hours in Covered Employment, and credit for a partial year of service for each year in which you earn at least 400 hours in Covered Employment, according to the following schedule:

Hours of Service in Covered Employment	**Credit in Years**
1000 or more	1
400 to 999	1/2
0 to 399	0

But different rules apply in calculating Credited Benefit Service before 1993:

1973 - 1992
For 1973 through 1992, you get credit for a full year of service for each year in which you earned at least 1,600 hours in Covered Employment, and credit for a partial year of service for each year in which you earned at least 400 hours in Covered Employment, according to the following schedule:

Hours of Service in Covered Employment	**Credit in Years**
1600 or more	1
1400 to 1599	7/8
1200 to 1399	3/4
1000 to 1199	5/8
800 to 999	1/2
600 to 799	3/8
400 to 599	1/4
0 to 399	0

> **Note:** Between 1973 and 1976, you will receive benefit credit for Hours of Service only if your employer actually made contributions to the Plan for those hours.

Before 1972
Between October 1, 1960 and December 31, 1972, years of benefit service are determined by dividing total Hours of Service during the

period by 1,800 hours, with any remaining hours (under 1,800) credited under the schedule immediately above. Different rules apply to crediting service before October 1, 1960. If you have questions about service before 1960, contact the Fund office.

Military Leave

Generally, if you leave Covered Employment to serve in the U.S. Armed Forces, the Uniformed Services Employment and Reemployment Act of 1994 (USERRA) entitles you to prompt reinstatement in your job following completion of military service, with the same seniority, pay and benefits you would have had if you had not entered military service, provided you meet all the conditions for reinstatement.

If you are entitled to these rights under USERRA, upon return to Covered Employment you may receive credit for the service you would have earned while you were away for certain purposes, as described on page 11.

In addition, if you die while performing certain military service, your Beneficiary may receive benefits (including Credited Vesting Service but not Credited Benefit Service) for the period of military service, as if you had resumed Covered Employment with the Participating Employer for whom you worked immediately before such military service, and continued such Covered Employment until your date of death.

BREAK IN SERVICE

If you quit your job and then you later return to work for one of the Participating Employers, you may have what is called a **"Break in Service."** It is important to understand this term, because if you leave before you were vested in your benefits, you could lose credit for the time you had earned. You might have to start over again to become a Participant in the Plan and to vest and accumulate benefits. To determine whether you have a Break in Service, the Plan looks to see how many **"Break Years"** you had. Under current rules, a Break Year is any calendar year in which you worked under the Plan for fewer than 375 hours.

Here are the conditions under which you will lose credit for your prior vesting *and* benefit service as a result of a Break in Service, if you leave your job before you are vested:

- If you had less than five years of Credited Vesting Service when you left, and you have at least five consecutive Break Years, or

- If you had five or more years of Credited Vesting Service when you left, and you have more consecutive Break Years than years of Credited Vesting Service, or

- If you get a lump sum benefit.

Even if you have only one Break Year, you will also lose your prior service credit. However, your credit will be restored if you earn at least 400 Hours of Service in Covered Employment in a year following your return, unless one of the above situations applies.

Before 1984, different rules were in place for determining if you had a Break in Service. To determine if you had a Break in Service in the past, the rules in effect at the time your break began will apply. The Fund office can tell you the pre-1984 rules which applied at the time of your Break in Service.

Protection from Break-in-Service
If you are absent from Covered Employment for one of the reasons described below, you will be treated as if you had earned up to 375 Hours of Service solely for the purpose of preventing you from having a Break in Service, provided that you establish that the absence is for one of the reasons specified and the number of days for which such absence occurred.

- You missed work because of your pregnancy, the birth of a child, the placement of a child for adoption, or caring for a child immediately following birth or placement for adoption.

- You were on a leave of absence that your employer was legally required to give you under the Federal Family and Medical Leave Act (commonly known as FMLA); in this case, Hours of Service will be credited to you only to the extent required by the FMLA.

- If you leave employment temporarily in order to go into military service covered by USERRA, you will not be treated as having a Break in Service under the Plan for any purpose. You must return to work within the time period provided under USERRA for this to apply.

TYPES OF BENEFITS

Under this Plan, there are four different kinds of pension benefits you might receive under different conditions:

Normal Retirement Pension

If you work up to age 65 with at least five years of participation in the Plan.

Early Retirement Pension

If you work up to age 62 with at least 10 years (5 years in the case of a Participant who is an employee of the Union) of Credited Vesting Service.

Disability Retirement Pension

If you become totally and permanently disabled and meet certain other conditions in terms of how long you have worked under the Plan.

Deferred Vested Pension

If you leave your job or the job ends before you are old enough for an early or normal retirement pension, but you have earned enough service to vest in your pension.

Each of these types of pensions is explained below.

A. Normal Retirement Pension

A "normal" retirement pension is the pension you get if you continue working for a Participating Employer until you reach age 65. You have to have been a Participant in the Plan for at least five years.

To receive a normal retirement pension, you must stop working--or you can continue to work but elect to take your pension benefit immediately. You are allowed to take your pension while continuing to work, although any credit for service you earned during that time will be offset by the value of the benefit payments you receive while in service.

You do not have to begin payment of your benefit when you stop working, but you may not delay beginning your benefit beyond the

April 1 of the year following the later of (a) the year during which you retire or (b) the year during which you reach age 70 1/2.

How Much Will Your Normal Retirement Benefit Be?
If you were in Covered Employment on January 1, 2017 and start your pension on or after January 1, 2017, you will receive a monthly benefit equal to $41.00 times your number of years of Credited Benefit Service. This $41.00 amount is referred to as the "benefit multiplier" because that number is multiplied by years of Credited Benefit Service to determine your normal retirement pension.

> **Example #1.**
> You are 65 at retirement on September 1, 2017 and you have 30 years of work that counts toward your pension. Your monthly pension would be $1,230.00.
>
> $ 41.00 x 30 = $ 1,230.00.
>
> **Example #2.**
> You are 65 at retirement on September 1, 2017 and you have 10 years of work that counts toward your pension. Your monthly pension would be $ 410.00
>
> $ 41.00 x 10 = $ 410.00.

How Is The Benefit Multiplier Determined?
The benefit multiplier is determined based on the earlier of when you leave covered employment or when your benefit payments begin. Participants who left Covered Employment (or started their pension) before January 1, 2017 will have their benefit amounts determined by multiplying a lower dollar amount times their years of Credited Benefit Service. The exact number depends upon when you left Covered Employment (or when you commencedreceiving benefits under the Plan, if earlier). If you were a retiree in pay status on or before January 1, 2017, your benefits were increased by 15% effective as of January 1, 2017.

Earlier of when you left Covered Employment or started your pension:	Your benefit multiplier is:
On or after 1/1/87 and before 1/1/89	$8.50
On or after 1/1/89 and before 9/1/90	$9.00
On or after 9/1/90 and before 9/1/91	$10.00
On or after 9/1/91 and before 1/1/94	$11.00
On or after 1/1/94 and before 1/1/95	$12.25
On or after 1/1/95 and before 1/1/2000	$13.50
On or after 1/1/2000 and before 8/1/2006	$17.00
On or after 8/1/2006 and before 1/1/2013	$21.25
On and after 1/1/2013 and before 1/1/2017	$30.00
On and after 1/1/2017	$41.00

If you left Covered Employment before 2017 but return to Covered Employment on or after January 1, 2017, you will be eligible for the current benefit multiplier to apply to the Credited Benefit Service you earned prior to your return to Covered Employment only if you both (i) return to Covered Employment before your pension payments begin and before you have a Break in Service, and (ii) earn at least 1,000 Hours of Service in a Plan Year after your reemployment in a covered job classification and before you have a Break in Service.

B. Early Retirement Pension

To retire early and collect your pension benefit, you must continue working for one or more of the Participating Employers until you are at least 62 years old but have not yet reached 65. In addition, you must have at least 10 years (5 years if you are an employee of the Union) of Credited Vesting Service.

To collect an early retirement pension, you must stop working for any Participating Employer and meet all the requirements for applying for the pension. You can start receiving your early retirement pension the first day of any month after you stop working but you cannot delay any later than the first day of the month following your 65th birthday.

How Much Will Your Early Retirement Pension Benefit Be?
Your monthly early retirement pension will be the same as your normal retirement pension, MINUS ½% of your monthly benefit for each month that you retire and commence receiving benefits before age 65.

Example:
You are age 62 at retirement on September 1, 2017 and you have 30 years of Credited Benefit Service that count toward your pension. Your monthly pension, payable immediately, would be $1,008.60. See below.

> $ 41.00 x 30 = $ 1,230.00, reduced ½% for each of the 36 months before you reach age 65.
>
> 36 months x ½% = 18%
>
> $ 1,230.00 x 18% = $ 221.40
>
> $ 1,230.00 – 221.40 = **$ 1,008.60**
>
> ***Note:*** No reduction would apply if you waited until age 65 to commence benefit payments.

C. Disability Retirement Pension

You must meet three conditions to collect a disability retirement pension:

- The Social Security Administration must have ruled that you are totally and permanently disabled; and

- You must have at least 10 years of Credited Benefit Service after 1960; and

- You must have received Credited Vesting Service either:

  (i) in both of the calendar quarters immediately before you became disabled (for example, if you become disabled in November 2010, you must have received Credited Vesting Service in both the April-June quarter and the July-September quarter of 2010); or

  (ii) in each of the four or fewer calendar quarters immediately before you became disabled, but only if you earned less than 30% of your normal quarterly wages (your last reported hourly rate times 2,000 during each of those quarters.

Disability retirement pensions are paid as long as you live, unless you recover from the disability before age 65. If you do recover and lose your Social Security disability pension, your disability pension from this Plan will also stop (however, you may still become eligible for a normal, early, or vested deferred pension).

The Fund office may request evidence that you continue to be totally and permanently disabled until you are age 65. If you do not supply such proof of disability, your pension may be stopped.

How Much Will Your Disability Pension Be?
The amount you would receive if you become disabled on or after January 1, 2017 is $41.00 a month times your years of Credited Benefit Service. You get this amount no matter what your age is — there is no reduction if you are under age 65. You will receive your disability benefit as soon as you meet the requirements that were described above, and you have properly applied for the benefit.

> ***Note:*** Under a Disability Pension, you have the same options as to the form in which you collect your benefit as if you were collecting an Early or Normal Pension.

D. Deferred Vested Pension

If you leave your job or your job ends before you are old enough for a normal or an early retirement pension, you may still have worked enough years to **"vest"** in a pension benefit. To qualify for a deferred vested pension, you must have five years of Credited Vesting Service (TEN years for Participants who terminated employment before January 1, 1999).

Even though you cannot lose your pension once you have earned a right to it through vesting, you cannot start receiving benefits until you are at least age 62.

How Much Will Your Deferred Vested Pension Benefit Be?
At age 65, your monthly pension amount will equal the number of years of Credited Benefit Service you have times the benefit rate in effect when you leave your job. If you choose to receive your pension after you turn 62 but before age 65, your monthly benefit amount will be determined as if you were receiving an early retirement pension.

Example:
Assume you were 20 when you became a Participant. You worked until you were 30 and had earned 10 years of credit towards your pension. You left your job on September 1, 2007. The rate in effect

at that time was \$21.25. When you become 65, you apply for a deferred vested pension.

Your monthly benefit at age 65 will be \$212.50 per month (10 years x \$21.25).

If you began to receive your pension at age 62, your monthly benefit would be \$174.25 (10 years x \$21.25 less ½% for each of the 36 months that your pension begins before age 65, or 18%).

FORMS OF BENEFIT PAYMENT

You have five different choices about how you receive your pension payments. These forms of benefit are described below. However, if your benefit is worth a total of $5,000 or less ($3,500 or less before 1998), it will automatically be paid to you in a single lump sum. You can never change the *form* of the pension payment once payments have begun.

<u>Joint and Survivor Benefit</u>

A joint and survivor benefit is a pension benefit that is reduced from the amount that you would otherwise receive as over you lifetime, but if you die before your Beneficiary, benefits will continue to be paid to your Beneficiary for the rest of his or her lifetime. The Plan offers three different types of joint and survivor annuity benefits: Option A (100% Survivor Benefit); Option B (50% Survivor Benefit); and Option C (75% Survivor Benefit).

If you are married when you retire, federal law requires the Plan to provide you with a Joint and Survivor benefit with your Spouse as Beneficiary, UNLESS you and your Spouse agree in writing to give up this protection. To do this, you and your Spouse have to do the following:

- You have to choose one of the other options within the 180-day period before you start receiving payments.

- Your spouse must consent to that different choice by signing a paper witnessed by a notary public that states that the spouse understands the meaning of the decision. The form is available from the Fund office.

If you are unmarried, you may elect any of the five benefit options offered under the Plan.

<u>Joint and Survivor Benefit - Option A (100% Survivor Benefit)</u>

If you choose Option A, you will receive 85.9% of your retirement benefit for as long as you live. This percentage is lower or higher, however, depending on your Beneficiary's age. This percentage is reduced if your Beneficiary is younger than you but is increased if your Beneficiary is older than you. The exact amount by which the percentage is higher or lower is determined under tables used by the Plan's actuary. You can contact the Fund office to find out the exact amount that would apply for you and your Beneficiary.

After you die, your Beneficiary will receive the SAME AMOUNT for as long as he or she lives.

Example
You are 65 when you retire on a normal retirement pension with a monthly benefit of $205.00. Your Spouse is also 65. Your benefit would be $176.10.

85.9% x $205.00 = $176.10

Survivor's Benefit = $176.10 per month

Joint and Survivor Benefit - Option B (50% Survivor Benefit)

If you are married when you start your pension, federal law says that your pension plan MUST provide the Joint and Survivor Benefit Option B with your Spouse as Beneficiary, unless you choose Option A above or Option C below with your Spouse as Beneficiary, or unless you elect otherwise with your Spouse's consent, as described above.

Under Option B, you will receive 92.6% of your retirement benefit for as long as you live. As with Option A, this percentage is lower or higher, depending on your Beneficiary's age. The exact amount by which the percentage is higher or lower is determined under tables used by the Plan's actuary. You can contact the Fund office to find out the exact amount that would apply for you and your Beneficiary.

After you die, your Beneficiary will receive ONE HALF the amount of your pension for as long as she/he lives.

Example
You retire at age 65 on a normal retirement pension and your monthly benefit is $205.00. Your Spouse is also 65. You will receive $189.83.

92.6% x $205.00 = $189.83

After you die, your Spouse will receive $94.92 per month ($189.83 x 50%) for the rest of her or his life.

<u>Joint and Survivor Benefit - Option C (75% Survivor Benefit)</u>

If you choose Option C, you will receive 89.3% of your retirement benefit for as long as you live. As with Options A and B, this percentage is lower or higher, however, depending on your Beneficiary's age. The exact amount by which the percentage is higher or lower is determined under tables used by the Plan's actuary. You can contact the Fund office to find out the exact amount that would apply for you and your Beneficiary.

After you die, your Beneficiary will receive the <u>75%</u> of the amount of your pension for as long as he or she lives.

Example
You are 65 when you retire on a normal retirement pension with a monthly benefit of $205.00. Your Spouse is also 65. Your benefit would be $183.07.

89.3% x $205.00 = $183.07

After you die, your Spouse will receive $137.30 per month ($183.07 x 75%) for the rest of her or his life.

Here are some other things you should know about the Joint and Survivor Options:

- If your benefit is reduced for commencement before age 65, that reduction applies before the adjustment described above.

- If your Spouse or other designated Beneficiary dies before you do, but after you have started receiving benefits, you may not change your Beneficiary, and no adjustment will be made to your benefit. No death benefit will be payable.

- If your Beneficiary is not your Spouse and is more than 10 years younger than you, Federal law may limit the death benefit the Plan is allowed to pay. You should ask for more information if this rule could apply to you.

<u>Single Life Annuity</u>

This is the normal form of benefit payment to a Participant who is not married when benefit payments commence. If you choose this option, you will receive your normal or early retirement benefit for as long as you live. However, after you die, your Beneficiary will receive nothing. (He or she might be eligible, however, for payments under the lump sum death benefit, explained below.).

> ***Note:*** If you are married, your Spouse must also agree to make this choice instead of a Joint and Survivor Option, as described above.

Example:
You retire at 65 on a normal retirement pension on September 1, 2017. You chose a single life annuity. If you had 25 years of Credited Benefit Service, your monthly benefit will be $1,025.00.

25 x $41.00 = $1,025.00

This amount would be reduced if payment commences before age 65.

<u>Lump Sum Death Benefit</u>

If you choose to receive your pension benefits in the form of a single life annuity, and you die after your begin to receive your pension but before receiving 36 monthly payments, your Beneficiary will receive the remaining payments in a lump sum death benefit (a **"lump sum"** is a single one-time payment) (with a minimum of $2,000). This death benefit does not apply if you are receiving a Deferred Vested Pension.

Example:
You retire and begin receiving monthly pension payments of $205.00. You die after receiving eight monthly payments. Your Beneficiary would receive $5,740.00, calculated as follows:

36 x $205.00 = $7,380.00

8 payments x $205= $1,640.00 (payments received)

$7,380.00 - $1,640.00 = $5,740.00

<u>Ten Year Certain Benefit</u>

To receive your payments under this choice, you must start collecting benefits on or after you reach at least age 65 while actively participating in the Plan (or, if later, have been a Participant for 5 years) and, if you are married, you must obtain the appropriate consent from your Spouse. Your benefit will be 96.1% of your normal retirement benefit (adjusted if you start your pension after age 65). You will receive this amount for as long as you live. After you die, your Beneficiary will receive nothing unless you die before receiving 120 monthly pension payments, in which case, your Beneficiary will receive the SAME MONTHLY AMOUNT for the remainder of the 120 months.

Example:
You retire on a normal retirement pension on September 1, 2017 at age 65, with 25 years of Credited Benefit Service. Your normal retirement benefit would be $1,025.00 a month (25 x $41.00 = $1,025.00). With the Ten Year Certain Benefit, you would get 96.1% of that amount, or $985.03. You die after receiving 36 monthly payments. Your Beneficiary will receive the remaining 84 monthly payments.

> ***Note:*** If your Beneficiary dies first and you have not yet received 10 years of benefit payments, you may name another Beneficiary for the rest of the 10-year period. If you both die before ten years of benefit payments have been made, the remaining benefit total will be paid to the estate of whoever dies later.

Small Pensions

If the total lump sum value of your vested pension is $5,000 or less, that amount will be paid out in one lump sum to you or to your surviving Spouse if you have died. The various options described above would not apply in that case. If you are married and the lump sum value is more than $1,000, your Spouse must consent to a lump sum distribution if you want to receive it before you are age 65.

If you are eligible to receive a lump sum distribution, you may elect to have the amount rolled over to an individual retirement account or another employer's qualified retirement plan. The advantage of this is that you will not pay federal income tax on your distribution at the time it is rolled over. Contact the Fund office for more information about this option.

Please note that the Plan's ability to make lump sum payments may be limited if the Plan's funding levels fall below certain amounts. The Fund office will inform you if this is the case.

Divorce or Child Support

Under certain circumstances your pension benefits might be paid to a divorced or separated Spouse or to a child. The terms of such payments are determined by what is called a **"Qualified Domestic Relations Order,"** sometimes issued by courts in cases of child support or divorces. These orders must meet certain conditions. If such an order applies to your benefits, you should check with the Fund office for further information. You may obtain, without charge, a copy of the Plan's procedures governing Qualified Domestic Relations Orders from the Fund office.

PRE-RETIREMENT SURVIVOR'S BENEFITS

The Plan will make certain payments to your Beneficiary (your Spouse or someone else you have named) if you die before you start to collect your pension. These are called **"Pre-retirement Survivor's Benefits."** The kind of benefit your survivor receives depends on whether you have been married for at least one year or not.

Normal Death Benefit

If you are not married or have been married for less than one year at the time of your death, the person you have named as your Beneficiary receives a "normal death benefit" if:

- You are at least 62 years old and eligible for an early or normal retirement pension at the time of your death, *and*
- You die before starting to receive your pension.

> ***Note:*** You may name anyone you wish as your Beneficiary if you are not married or have been married for less than one year. To name a Beneficiary, you must complete an enrollment card and return it to the Fund office during your lifetime.

You may change your Beneficiary at any time before your pension begins, but to do so you must complete a new enrollment card and file it with the Fund office. **The Fund office will assume the Beneficiary named on your most current enrollment card is correct.**

If you don't name anyone as your Beneficiary or your Beneficiary dies before you and you do not name another, the normal death benefit will be paid to your estate.

The amount of the normal death benefit is one payment (a lump-sum amount) equal to 36 monthly payments of the retirement benefit you had earned at the time of your death. The Plan's ability to pay lump sum benefits may be limited if the Plan's funding levels fall below certain amounts. The Fund office will inform you if this is the case.

Example:
You die in service when you are 63 years old with 25 years of Credited Benefit Service. You are eligible for an early retirement pension, but you continue working. If you die in September of 2017, the monthly benefit is $41.00 times your Years of Service.

Your "normal" retirement benefit would be 25 years x $41.00, or $1,025.00.

Since you were two years (24 months) from normal retirement age, your benefit would be reduced ½% for each month or 24 x ½% = 12%.

$1,025.00 times 12% = $123.00

$1,025.00 - $123.00 = $902.00.

Your Beneficiary would receive $902.00 x 36 months for a total lump sum benefit of $32,472.00.

Surviving Spouse Annuity

If you have been married for at least one year at the time of your death, your Spouse is automatically eligible for the Surviving Spouse Annuity if:

- You have met the requirements for an early retirement pension or a normal retirement pension, or you have earned enough years of Credited Vesting Service to be eligible for a deferred vested benefits when you reach age 62 or 65; and

- You die before receiving any pension benefits.

The Amount Your Spouse Will Receive
Your Spouse will receive the benefits amount that he or she would have received if you had retired, elected to receive benefits under the Joint and Survivor Benefit Option B (50% survivor annuity), and then died. The Plan will begin making those payments to your Spouse at the earliest time when you would have been eligible to receive a pension.

Example:
Assume you are 63 years old with 25 years of earned benefits when you die in September of 2017. The monthly amount of normal retirement benefit for which you would have been eligible at age 65 was $1025.00 (25 years x $41.00).

However, two reductions are made to that amount: a reduction for the two years you were under age 65 ($1,025.00 x 12% = $123.00 reduction) and a reduction for the Joint and Survivor Benefit Option B (which pays you 92.6% of the monthly benefit amount if your Spouse is the same age as you ($902.00 x 92.6% = $835.25). The amount you would have received is $835.25.

Your Spouse would receive 50% of $835.25, or **$417.63**, for the remainder of his/her lifetime.

> **Note:** Your surviving Spouse can elect to defer the receipt of annuity death benefits until the date you would have reached age 65, in which case no reduction for early commencement would apply.

If your Spouse dies before he or she has received at least the amount which would have been received from a normal death benefit (36 months of payments, but not less than $2,000), the Plan will pay the Spouse's estate the difference between what he or she had received and what would have been paid under the normal death benefit.

Example:
To continue from the previous example, suppose that your Spouse died after receiving a total of $12,528.90 (30 months x $417.63. The normal death benefit would have been $32,472.00 (36 months x $902.00). Since your Spouse received less than what would have been paid as the normal death benefit, the Plan will pay the difference of $19,943.10 to her estate ($32,472.00 - $12,528.90 = $19,943.10).

The Plan permits a cash out of the present value of the Spouse's benefit, if the present value does not exceed $25,000. This lump sum benefit is at the Spouse's election. Amounts under $5,000 are always paid in a lump sum. However, the Plan's ability to pay lump sum benefits may be limited if the Plan's funding levels fall below certain amounts. The Fund office will inform you if this is the case.

APPLYING FOR YOUR PENSION BENEFIT

How To File A Claim For Benefits

To file an application for your pension, follow the steps below:

1. Call or write the Fund office to request an application.

   Associated Administrators, LLC
   911 Ridgebrook Road
   Sparks, Maryland 21152
   (410) 683-6500
   (800) 638-2972

2. Complete the application and return it to the Fund office. You must submit proof of age along with the completed application.

3. No benefits can be paid unless a completed application is received by the Fund office.

4. Your pension will become effective within 180 days of the date the Fund office receives your completed application. The effective date will be the first day of the month after the fulfillment of all the requirements for the type of pension you elect, including filing a completed application with the Fund office.

Late Commencement of Benefits

In some circumstances, you may elect to begin your benefits retroactive to a date before you have submitted your application for a benefit (a "retroactive annuity starting date"). Your retroactive annuity starting date must be after the date you would have been eligible for pension benefits. If you apply for a benefit prior to age 65, your retroactive annuity starting date cannot be more than 60 days prior to when you apply for your benefit. If you apply for a benefit after age 65, your retroactive annuity starting date cannot be before age 65, or more than 3 years prior to when you apply for your benefit. If you elect a retroactive annuity starting date, your first benefit payment will include your retroactive payments, with interest based on the annual interest rate on one-year Treasury bills. If you do not elect a retroactive annuity starting date and your benefit begins after you reach age 65 (but before the date described in the paragraph below), you will not receive any retroactive payments but your monthly benefit will be increased to account for the missed payments, but offset by the value of any payments you have received (or, if greater, the benefit calculated as of your termination of employment).

You must begin to receive your benefit by the April 1 of the year following the later of (a) the year during which you retire or (b) the year during which you reach age 70 1/2.

If Your Claim Is Denied

If your claim for benefits is denied, either in part or completely, you will be notified in writing within 90 days of the date your claim was received, unless special circumstances make it necessary to extend that time period. Should that occur, you will receive a written notice before the 90 days are up. The notice will tell you the reason for the delay and when the Fund office expects to make a final decision on your claim. At most, the Fund office can take only another 90 days after the first 90 days have passed.

If your claim is denied, you will be notified in writing. The notification will contain the following information:

- The specific reason for the denial
- A reference to the specific part of the Plan on which the denial was based
- A description of what additional information may be needed to improve the chances for your claim to be approved
- The steps you may take to appeal the decision, including the amount of time you have in which to do this.
- A statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

How To Appeal A Denied Claim

If you receive a written notice that your claim for benefits has been denied, you (or your Beneficiary) have 60 days (or 180 days, if your claim was a claim for disability benefits) in which to file a written request with the Board of Trustees asking the Board to review the denial. Your written request can be sent to the Board of Trustees at the following address:

The Board of Trustees of the UNITE HERE Local 25 and
Hotel Association of Washington, D.C. Pension Plan
c/o Associated Administrators, LLC
911 Ridgebrook Road
Sparks, MD 21152

You (or your legal representative) have the right to look over the documents which are relevant to your claim for benefits and to submit your comments in writing to the Board of Trustees.

The Board of Trustees will provide you or your representative with a written decision within 60 days after the date the Board received your written appeal. If the Board has to hold a hearing or other special circumstances require more time, the 60-day period can be extended to 120 days. If this occurs, you will be notified in writing. The Board will make its decision as quickly as possible within the extension period. The Board will give you a specific reason for the decision it reaches, including reference to any Plan provisions which apply to your situation. If your appeal is denied, you will also be provided with a statement regarding your entitlement to receive, upon request and free of charge, reasonable access to, and copies of documents, records and other information relevant to your claims for benefits, as well as a statement of your right to bring an action under Section 502(a) of ERISA.

YOUR RIGHTS UNDER ERISA

As a Participant in the Hotel & Restaurant Employees Local 25 and Hotel Association of Washington, D.C. Pension Plan, you have certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Fund office and at other specified locations, such as worksites where at least 50 plan participants work and union halls, all Plan documents including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Fund 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 documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and the latest annual report (Form 5500 Series) and updated summary plan description. The Fund office may make a reasonable charge for such copies.

- Obtain a yearly statement telling you whether you have a right to receive a pension at normal retirement age (65), and if so, what your benefits would be at age 65 if you stopped working under the Plan now. If you do not yet have a right to a pension, the statement will tell you how many more years you have to work in order to get a right to a pension. You must request this statement in writing, and is not required to be given more than once every twelve (12) months. The Plan must provide this statement free of charge.

- Obtain a copy of the Plan's annual financial report and certain actuarial, financial or funding information of the Plan. You will automatically receive an annual notice regarding the funding status of the Plan.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes certain duties on the people responsible for the operation of the Plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension 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:

- If you request a copy of the Plan documents or the latest annual report from the Fund and do not receive them within 30 days, you may file suit in a federal court. The court may require the Plan Administrator ("Fund office") to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

- If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.

- If you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in a federal court.

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

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Fund office. If you have any questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the Fund office, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or The Division of Technical Assistance and Inquiries, Employee Benefits

Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration or by visiting the Department of Labor's website: http://www.dol.gov.

PENSION BENEFIT GUARANTY CORPORATION (PBGC)

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively-bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that become 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 for the Plan 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 30 Years of Service would be $12,870.00.

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 further information about the PBGC and the benefits it guarantees, contact the Fund office or the PBGC's Technical Assistance Division,1200 K Street, NW, Suite 930, Washington, DC 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 on the Internet at http://www.pbgc.gov.

GENERAL INFORMATION

Authority To Interpret Or Amend The Plan

The Trustees have the authority to make the final decision about any questions or interpretations of the Plan and to decide all matters regarding how the Plan is managed. The Trustees may change the Plan at any time by amendment; however, any changes they make cannot reduce the amount of benefit you have accumulated except as permitted by law.

Facts About the Plan

Name of Plan:
UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Plan

Plan Sponsor:
The Board of Trustees of the UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Plan

> c/o Associated Administrators, LLC
> 911 Ridgebrook Road
> Sparks, MD 21152

Plan Administrator:
The Board of Trustees of the UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Plan

> c/o Associated Administrators, LLC
> 911 Ridgebrook Road
> Sparks, MD 21152
> (410) 683-6500
> (800) 638-2972

The Board of Trustees consists of members appointed by the Hotel Association of Washington, D.C. and UNITE HERE Local 25. The names and addresses of the current Trustees are printed on page 38.

Employer Identification Number: 52-6051390

Plan Number: 001

Type of Plan: Defined Benefit Pension Plan

Type of Administrator:
The Board of Trustees has employed a firm specializing in the administrative management of multi-employer funds to maintain the necessary records, process pension applications, and answer questions you may have about the Plan. The name of the firm is:

Associated Administrators, LLC
911 Ridgebrook Road
Sparks, MD 21152
(410) 683-6500
(800) 638-2972

Agent for Service of Legal Process
Service of legal process can be made in the name of any individual Trustee at the address shown on page 40, or to Associated Administrators, LLC, 911 Ridgebrook Road, Sparks, MD 21152.

Contributions to the Plan
The Plan is financed by contributions of participating employers who are parties to collective bargaining agreements with UNITE HERE Local 25 that require such contributions. Upon written request to the Plan Administrator, you may receive information as to whether a particular employer participates in the Plan and, if so, the employer's address.

Fund Assets
The assets of the Fund are held in a Trust Fund administered by the Board of Trustees.

Plan Year
The Plan's fiscal year is the 12 month period beginning January 1 and ending December 31.

Plan Amendment or Termination
The Board of Trustees intends to continue the Plan indefinitely, but reserves the right to amend or terminate the Plan in its sole discretion. Upon termination of the Plan, benefits will be administered consistent with regulations of the PBGC. If the Plan is terminated, your benefits could be reduced to the level of benefits guaranteed by the PBGC. See PENSION BENEFIT GUARANTY CORPORATION (PBGC) section above at page 33 for a description of the benefits the PBGC guarantees.

QUESTIONS AND ANSWERS

1. <u>How do I become eligible for a pension</u>?

   You will generally earn the right to receive a pension once you satisfy <u>either</u> of the following conditions:

   - you complete 5 years of “Credited Vesting Service.” A year of “Credited Vesting Service” is a year in which you are credited with 1,000 or more Hours of Service with an employer participating in the Plan. You will earn one-half of a year of “Credited Vesting Service” in a year in which you are credited with at least 400 Hours of Service with an employer participating in the Plan.

   - you reach at least age 65 while actively participating in the Plan or, if later, have been a Participant for 5 years.

   Once you satisfy either of these conditions, your right to receive a pension benefit cannot be forfeited.

   If you are credited with <u>fewer than 375 Hours of Service</u> for five or more years in a row before you become vested, you will have a “Break in Service.” If you have a Break in Service, you will lose all of your Credited Vesting Service and you will have to start over again to become eligible for a pension.

2. <u>How much will my pension be</u>?

   You pension is a certain dollar amount (beginning January 1, 2017, the amount for active employees is $41.00) times your number of years of “Credited Benefit Service.” You generally earn one year of Credited Benefit Service for each year in which you have 1,000 or more Hours of Service in Covered Employment. You will also earn ½ year of Credited Benefit Service for each year in which you have fewer than 1,000, but more than 399, Hours of Service in Covered Employment.

   Your benefit amount is adjusted if payments begin before age 65 or a form of benefit other than a single life annuity applies.

If you have a Break in Service, you will lose all of your Credited Benefit Service and you will have to start over again to become eligible for a pension.

3. Will my Spouse receive any of my pension if I die?

If you die before your pension starts and you are vested, and you have been married for at least a year, your Spouse will receive a monthly benefit for the rest of his or her life. The amount of the survivor pension will be equal to one-half the monthly pension that you would have received if you had begun to receive your pension benefits on the earliest possible date in the form of a 50% joint and survivor annuity.

The Plan also provides a minimum death benefit to a Participant who is entitled to a vested benefit but is not married (or is married for less than one year) when he or she dies.

If you die after your pension begins, and you have been married for at least one year, your Spouse will receive a monthly benefit for the rest of his or her life, unless you have chosen a different pension option (with your Spouse's consent). The amount of the survivor pension will be equal to one-half of your monthly pension.

4. Do I have to pay any money to the pension plan to collect pension benefits?

No. Your employer contributes money to the Plan and that money is invested with the purpose of providing pension benefits to you and other employees of Participating Employers. Union dues are not collected by the Plan and no employee contributions are accepted.

5. What if I change jobs without a Break in Service, but am still a member of UNITE HERE Local 25?

This depends on whether both employers are parties to the collective bargaining agreements with UNITE HERE Local 25 which require contributions from the employers to fund your pension benefits. If both employers are parties to the collective bargaining agreements, you will not lose any Credited Vesting Service or Credited Benefit Service you may have already accumulated when you change jobs. If you move to an employer who does not contribute to the Plan, you may incur a Break in Service, even if you continue to be a member of the union.

6. <u>Can I receive pension benefits from this Plan and also receive Social Security benefits</u>?

   Yes, your pension benefit is in addition to any Social Security benefit for which you might qualify. Your pension benefit will not be reduced because of any Social Security benefits you receive.

7. <u>What happens if the Plan is terminated</u>?

   The Plan may be terminated by an agreement between the Union and the Hotel Association. In this event, all benefits that have been earned by affected Participants will immediately become vested to the extent the Plan is funded. However, Participants will cease to earn credit for service taking place after the termination.

BOARD OF TRUSTEES