

FORMULA CALCULATION

The eligibility requirements for a pension apply to all eligible participants. However, the unit benefit, which is multiplied by the participant's Pension Credits to calculate the amount for each type of pension, is determined under the formula indicated below for all participants who fall into any of the following categories:

1. Participants whose contractual rate of pay within the specific Collective Bargaining Agreement immediately preceding retirement is less than the "A" rated journeyman's rate of pay, which is \$47 as of May 9, 2008.
2. Participants whose employer makes contributions to the Plan greater than 8.5% but less than 27.61%;
3. Participants for whom there is no contractual rate of pay within the specific Collective Bargaining Agreement and whose average hourly rate of pay is less than the "A" rated journeyman's rate of pay.

The formula to be used for these participants in the above categories is indicated below:

$$\frac{\text{Hourly Rate of Pay}}{\text{"A" Rate of Pay (but not more than \$47)}} = X \%$$

$$X \% \times \$71.50 = Y$$

$$Y \times \frac{\text{Negotiated Contribution Rate}}{\text{"A" Contribution Rate}} = Z$$

$$Z + \$8.50 = \text{Unit Benefit}$$

In the absence of a contractually required rate of pay for a participant, the hourly rate of pay for all classes of participants, other than "A" rated journeyman, which will be used in the calculation, shall be the average of the participant's straight time wages for the best 2 of the 5 years preceding the application for pension. The average hourly rate shall be arrived at by dividing the weekly straight time wages by 35 hours in all instances. In no event will the hourly rate of pay, used in the calculation, exceed the contractually required "A" journeyman rate of pay.

In all cases, a change in the "A" hourly rate of pay to the "A" contribution rate cannot cause a participant's unit benefit to decrease. In such an instance when the unit benefit would be less due to a change in the "A" hourly rate of pay or the "A" contribution rate, the participant will be entitled to the highest benefit in effect prior to the decrease.

(see page 2 for examples)

Examples of these calculations:

1. Assume a participant age 60 has 30 Pension Credits, earns \$28.00 per hour and works for an employer who contributes 27.61% to the Pension, Hospitalization and Benefit Plan. The participant elects a Standard Pension as of January 1, 2009.

$$\frac{\$28.00}{\$47.00} = .596\%$$

$$.596 \times \$71.50 = \$42.61$$

$$\$42.61 \times \frac{27.61\%}{27.61\%} = \$42.61$$

$$\$42.61 + \$8.50 = \$51.11 \text{ unit benefit}$$

$$\$51.11 \times 30 = \$1,533.30 \text{ per month}$$

2. Assume the same participant works for an employer who contributes 23.57% to the Plan. The participant elects a Standard Pension as of January 1, 2009.

$$\frac{\$28.00}{\$47.00} = .596\%$$

$$.596 \times \$71.50 = \$42.61$$

$$\$42.61 \times \frac{23.57}{27.61\%} = \$36.38$$

$$\$36.38 + \$8.50 = \$44.88 \text{ unit benefit}$$

$$\$44.88 \times 30 = \$1,346.40 \text{ per month}$$

Different reduction factors apply to an Early Retirement benefit commencing between ages 55 and 60 and to a Vested Retirement benefit commencing between ages 55 and 65.

In addition, the monthly pension benefit may be subject to adjustment for the Husband and Wife Pension if the participant is married.