

*Pipe Fitters' Local 597*  
**WELFARE & RETIREMENT FUNDS**

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Dear Participants:

The Trustees of the Pipe Fitters' Retirement Fund, Local 597 are pleased to announce the following revision to the plan of benefits effective January 1, 2012. Please keep this notice with your Summary Plan Description (SPD) booklet for future reference. If you have any questions, please call the Fund Office.

**The Plan Adds a Ten-Year Certain and Life Option.**

**For Participants with an Annuity Starting Date on or after January 1, 2012**, the Plan will offer a Ten-Year Certain and Life Option. A Participant electing this option is guaranteed at least 120 monthly payments. The Ten-Year Certain amount is determined based on age-related conversion tables. Different factors apply to disability and non-disability pensions.

Currently, a Participant electing the standard form of payment receives his accrued monthly benefit for life and if he is married for at least one year at time of death, his spouse receives a lifetime benefit of 50% of the Participant's monthly amount.

Under this new option, a Participant electing the standard form of payment with the Ten-Year Certain Option receives a reduced monthly benefit for life and if he dies before receiving 120 monthly payments, the remaining months are guaranteed. If he is married for at least one year at time of death, the guaranteed amount is payable to his spouse. Otherwise, the guaranteed amount is payable to his beneficiary.

The following examples illustrate how the Ten-Year Certain and Life Option will work for you depending on your marital status.

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***Example of Participant Who Is Married:***

Adam is age 60 and has an accrued benefit of \$1,000 per month. He is married to Alice and elects the standard form of payment with the Ten-Year Certain Option. The conversion factor for a non-disability pension at age 60 is 0.9645. Based on the conversion factor at age 60, his monthly benefit is \$964.50 per month ( $\$1,000 \times 0.9645$ ).

Adam dies after receiving 20 monthly payments and has been married for at least one year at time of death. His spouse Alice will receive \$964.50 per month for 100 months, the balance of the guarantee. After the guarantee has expired, Alice receives a lifetime survivor benefit of \$482.25 per month based on the standard 50% Joint and Survivor Annuity ( $\$964.50 \times 50\%$ ). Alternatively, if Adam died after receiving 120 monthly payments, no guarantee would apply and Alice would receive \$482.25 per month for her life.

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***Example of Participant Who Is Not Married:***

Bob is age 60 and has an accrued benefit of \$1,000 per month. He is not married and elects the standard form of payment with the Ten-Year Certain Option. The conversion factor for a non-disability pension at age 60 is 0.9645. Based on the conversion factor at age 60, his monthly benefit is \$964.50 per month ( $\$1,000 \times 0.9645$ ).

Bob dies after receiving 20 monthly payments. His beneficiary will receive \$964.50 per month for 100 months, the balance of the guarantee. Payments end after the guarantee expires.

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***Example of Participant Who Marries After Retirement:***

Charlie is age 60 and has an accrued benefit of \$1,000 per month. He is not married and elects the standard form of payment with the Ten-Year Certain Option. The conversion factor for a non-disability pension at age 60 is 0.9645. Based on the conversion factor at age 60, his monthly benefit is \$964.50 per month ( $\$1,000 \times 0.9645$ ).

After retirement, he marries Cathy and is married for one year when he dies after receiving 20 monthly payments. Because he and Cathy have been married for at least one year, she is considered Charlie's "Qualified Spouse" and regardless of who Charlie previously designated as beneficiary, Cathy will receive \$964.50 per month for 100 months, the balance of the guarantee. After the guarantee has expired, Cathy receives a lifetime survivor benefit of \$482.25 per month based on the standard 50% Joint and Survivor Annuity ( $\$964.50 \times 50\%$ ). Alternatively, if Charlie died after receiving 120 monthly payments, no guarantee would apply and Cathy would receive \$482.25 per month for her life.

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If you have any questions about the Ten-Year Certain and Life Option, please do not hesitate to contact the Fund Office.

Sincerely,

Board of Trustees