



SHEET METAL WORKERS' NATIONAL PENSION FUND
8403 ARLINGTON BLVD., SUITE 300
FAIRFAX, VA 22031

THIS SUMMARY IS INTENDED TO PROVIDE INFORMATION AS TO HOW NORMAL RETIREMENT PENSION BENEFITS ACCRUE ON CONTRIBUTION HOURS WORKED ON OR AFTER JANUARY 1, 2016 THRU DECEMBER 31, 2016.

November 6, 2015

(via electronic mail and www.smwnpf.org)

Dear Plan Participants:

As you are aware, the Sheet Metal Workers' National Pension Fund ("NPF" or "Fund") implemented the Variable Benefit Accrual Rate or "VBAR" benefit formula for Contribution Hours worked on or after January 1, 2014. Under VBAR, the Applicable Percentage may vary from year to year because it is based upon an historical 3-year average market value investment return percentage. This notice explains how Plan Participants will earn Normal Retirement Pension benefits for hours worked in **2016** under the VBAR.

The following table illustrates how the VBAR works. Each year, the Fund's actuary issues an Actuarial Valuation, which, among other things, reports the average market value investment return for the three preceding years. The average market value investment return will fall between ranges shown in the table. Depending upon the range the average falls in, the Applicable Percentage is shown in the table below.

Average Market Value Investment Return	Applicable Percentage for Normal Retirement Pension Benefit
10.0% or higher	1.25%*
8.5% but less than 10%	1.0%*
6.5% but less than 8.5%	0.75%*
more than 0% but less than 6.5%	0.50%*
0% or less	0%*

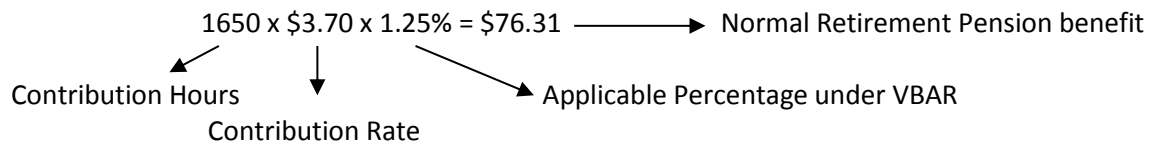
*If a 55/30 Rate applies, the rate of accrual will be 70% of the amounts listed above. You can find the VBAR Normal Retirement Pension formula under Section 5.04 (g) of the Plan Document, which can be viewed from the NPF's website at www.smwnpf.org (under "About the Plan").

The 2015 Valuation shows the market value investment return percentages for 2012, 2013 and 2014 as follows:

2012 11.98% 2013 20.56% 2014 6.12%

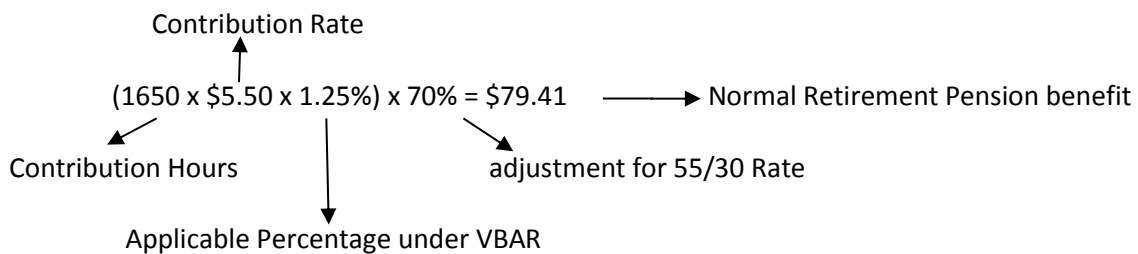
The average market value investment return percentage for these three (3) years is **12.89%**. Because that percentage is over 10%, the VBAR Applicable Percentage **will be 1.25%** of Contribution Hours worked in 2016. For 55/30 Contribution Rates the accrual is 70% of this amount. Below is an example of how Normal Retirement Pension benefits will accrue for Contribution Hours worked in 2016.

EXAMPLE 1: Suppose Kevin works a total of 1650 hours in 2016 with an NPF Contribution rate of \$3.70. In this example, Kevin’s Normal Retirement Pension benefit would be determined as follows:



In this example, Kevin has increased his Normal Retirement Pension benefit by \$76.31.

EXAMPLE 2: Suppose Susan works a total of 1650 hours in 2016 with an NPF Contribution Rate of \$5.50 which is a 55/30 Contribution Rate. Since the hours Susan worked were under a 55/30 Rate, her benefit is 70% of the amounts listed. In this example, Susan’s Normal Retirement Pension benefit would be determined as follows:



In this example, Susan has increased her Normal Retirement Pension benefit by \$79.41.

Since the VBAR is based on an historical 3-year average market value investment return percentage, which can vary from year to year, the NPF will issue this annual notice advising Participants and Union Leaders of the Applicable Percentage on the NPF’s website at www.smwnpf.org/announcements/.

If you have any questions please contact the Fund Office at info@smwnpf.org or at the address above.

Your attention is appreciated.

cc: Local Union Leaders
 NPF Contributing Employers
 SMACNA/Contractors’ Associations