



SHEET METAL WORKERS' NATIONAL PENSION FUND

SUMMARY OF MATERIAL MODIFICATIONS

This Summary of Material Modifications (Summary) contains important information concerning your National Pension Fund. It should be read and retained for future reference. For additional information about your benefit, go to the Fund's website at www.smwnpf.org.

JULY 2016

This Summary notifies you of modifications that were made to the National Pension Fund's Plan Document and **Funding Improvement Plan (FIP) (including the FIP Schedule)** between July 1, 2015 and June 30, 2016. This Summary also contains other information about the NPF that you may find helpful, including changes to other information found in the Summary Plan Description (SPD). You may have been notified already about some of the modifications or changes described in this Summary.

This Summary is intended to be consistent with the terms of the Plan Document and the FIP (including the FIP Schedule). However, if there is any conflict or inconsistency between the terms of those documents and the terms of this Summary, **the terms of the Plan Document and the FIP (including the FIP Schedule) will always control.** For a copy of the Plan Document, the FIP (including the FIP Schedule, which contains the Default and Alternative Options), the SPD, or a prior year's Summary of Material Modifications, a Participant or Beneficiary should write to the Fund Office at the address below or go to www.smwnpf.org. Additionally, Participants and Beneficiaries may inspect the Plan Document and other pertinent documents, including Collective Bargaining Agreements, at the Fund Office during normal business hours.

Not all of the information summarized below affects every Participant and Beneficiary. Whether a modification or change affects an individual Participant or Beneficiary will depend upon the individual's

particular circumstances. If you have any questions about how the information summarized below may affect you, please write to the Fund Office at the address below or go to www.smwnpf.org and click on "Contact Us" located at the top of the Fund's homepage.

ANCILLARY RETIREE HEALTH BENEFIT

The Fund currently provides a monthly benefit of \$31 towards the cost of Medicare supplemental insurance coverage or Medicare health plan coverage with a multiemployer health plan that has been approved as an Eligible Provider. In addition to other requirements, the Plan was modified to require the following:

- Effective November 1, 2016¹, whenever feasible, a Pensioner must elect to have the Fund deduct Union dues from each monthly benefit payment; and
- Within five years of his/her retirement, the Pensioner must have worked a minimum of 3500 hours in a job classification under a Collective Bargaining Agreement or other agreement that provides an hourly Contribution Rate on behalf of his/her classification of at least:

Effective Date	Construction Work	Non-Construction Work
September 1, 2016	\$2.10	\$1.20
September 1, 2017	\$2.15	\$1.25
September 1, 2018	\$2.30	\$1.40
September 1, 2019	\$2.45	\$1.55
September 1, 2020	\$2.60	\$1.70

¹ This date reflects a recent change from July 1, 2016.

September 1, 2021	\$2.75	\$1.85
September 1, 2022	\$2.90	\$2.00

Additionally, if the Pensioner's former bargaining unit does not meet the minimum Contribution Rate as described above, the Pensioner and his/her spouse will lose entitlement to this benefit effective January 1 of the following year. For example, suppose September 1, 2020 the hourly NPF Contribution Rate in your former unit is lower than \$2.60 (Construction Work) or \$1.70 (Non-Construction Work); all Pensioners and their spouses from that bargaining unit will lose the \$31 supplemental insurance subsidy effective January 1, 2021. Please keep in mind that this retiree health benefit is not a vested benefit, and may be modified or terminated at any time.

FREE LOOK EXCEPTION

The Fund's Trustees approved the continuance of the Free Look Exception for the 2016 Plan Year. This exception is only available to Employers that never had an obligation to contribute to the Fund before 2015 and that meet certain conditions. If eligible, the Free Look Exception gives the new Employer an opportunity to become a Contributing Employer for up to 48-months without incurring withdrawal liability, or if applicable, an Exit Contribution provided certain conditions are met. The Free Look Exception was summarized in more detail in the July 2015 Summary of Material Modifications.

IMPACT OF FUTURE CHANGES TO OPTIONS (I.E., INCREASES DUE UNDER THE FIRST OR SECOND ALTERNATIVE OPTIONS)

Under the FIP Schedule both the First Alternative Option and the Second Alternative Option currently have scheduled annual Contribution Rate increases through 2017. Late last year, the FIP Schedule was amended to provide that in the event the bargaining parties negotiate or otherwise agree to a Collective Bargaining Agreement that expires after November 30, 2018, they will be deemed to have agreed to any additional Contribution Rate increases and/or future benefit reductions that apply to such Option. The FIP also was amended in late 2015 to provide that if a Collective Bargaining Agreement that became effective after the Fund entered into Endangered Status expires, and the bargaining parties fail to adopt an updated FIP

Schedule Option within 180 days after the date on which it expired, the Trustees will implement the FIP Schedule Option that was applicable under the expired Collective Bargaining Agreement, as updated and in effect on the date the Collective Bargaining Agreement expired (i.e., the bargaining parties will be deemed to have adopted that updated FIP Schedule Option).

CHANGE IN TRUSTEES

It is with profound regret and sadness that we announce the untimely death of Trustee Phil Meyers. Mr. Meyers served as a Management Trustee with the Fund since 2001. He leaves behind a legacy of dedication and commitment to the Fund and the unionized sheet metal industry. A successor Management Trustee has not been appointed as of the time this Summary went to press.

In 2015, Trustees Bruce Word and John Boske retired, and Patrick Landgraf and Michael Coleman were appointed to succeed Messrs. Word and Boske as Labor Trustees.

WORK FOR WITHDRAWN EMPLOYERS

Please keep in mind that in order to earn additional pension benefits with the Fund, you must be working in Covered Employment for an NPF Contributing Employer. If you work for a business that is no longer obligated to contribute to the Fund (i.e., has withdrawn from the Fund), you will not earn additional pension benefits for any employment with that employer. Working for a withdrawn employer instead of a Contributing Employer can also have other adverse consequences, such as delaying the start of Early Retirement Pension benefits or losing eligibility for a 55/30 Pension (if applicable). With that in mind, the Fund's current records show that the following employer's withdrew from the Fund in 2015 or later:

Local	Employer	Date
018	Polar Refrigeration & Heating	6/1/15
018	Pro Serv Plumbing & Heating	5/1/15
028	Direct Aire	2/1/15
028	Jordan Panel Systems	9/1/15
036	Dale Crampton Company	1/1/16
036	Fairchild Industries	1/1/15
038	First Class Sheet Metal	5/1/15
044	Summit Sheet Metal	5/1/16

049	Tecta America CS LLC	6/1/16
066	E J Bartells Co.	11/24/15
066	4 Seasons Mechanical	3/1/15
068	Airco Plumbing & Sheet Metal	2/20/15
085	Southeastern Environmental	10/9/15
100	Liberty Installers	9/1/15
103	Mountain Air Mechanical	7/1/15
104	Trayer Engineering	7/17/15
104	Climatech	2/1/15
105	Air Demand Services	5/1/16
105	Elljay Acoustics Inc.	6/1/15
137	Suburban Sign Co. Inc.	3/1/15
170	Lane & Roderick	6/1/15
177	Daniels Heating & Air	3/1/15
265	Houston Roof Curbs & Sheet Metal	5/31/15

If you are employed by any of these companies on or after the date specified above, you will not earn any additional benefits from the Fund for any work you perform for those businesses, and you will not be credited with any type of service under the Fund for that work, including, but not limited to Future Service Credit and Hours of Work in Covered Employment (relevant to Vested Status, Breaks in Service and other eligibility requirements).

For more information contact the Fund Office at the address below or at info@smwnpf.org.

NOTICE OF NPF BENEFIT STATEMENT AVAILABILITY

Enclosed with this Summary please find an annual notice regarding the availability of a pension benefit statement to our active and inactive Participants. The enclosed notice explains how you can request an estimate of your accrued benefit and your vested status from the Fund Office.