International Painters and Allied Trades **Industry Pension Fund**

OFFICE OF FUND ADMINISTRATOR
7234 PARKWAY DRIVE • HANOVER, MD 21076

PHONE 410 | 564 | 5500
FAX 866 | 656 | 4160

TOLL FREE 800 | 554 | 2479
pension@iupat.org

April 30, 2019

Dear Participant,

Please find enclosed the Annual Funding Notice and Notice of Seriously Endangered Status for the International Painters and Allied Trades Industry Pension Plan (the "Plan"). The Fund is required by law to send these notices to Plan participants, beneficiaries and participating employers and unions. Our retirees and beneficiaries will continue to receive their checks on time and without reduction. The notices are followed by a Frequently Asked Questions sheet that will help answer any questions you may have about the notices.

In addition, please find enclosed the Summary of Material Modifications. This is a summary of recent changes affecting your benefit under the Plan and serves as a modification to the Summary Plan Description for the Plan.

If you have any questions about the information presented in the enclosed notices, please do not hesitate to contact our office toll free at (800) 554-2479 or pension@iupat.org.

Sincerely,

Tim D. Maitland
Fund Administrator

Enclosures

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Notice of Seriously Endangered Status
International Painters & Allied Trades Industry Pension Plan
EIN: 52-6073909 / PN: 001
April 2019

Under the requirements of the Pension Protection Act ("PPA") of 2006, this is to inform you that, on March 29, 2019, the Plan actuary certified to the U.S. Department of the Treasury, and also to the Plan sponsor, that the International Painters & Allied Trades Industry Pension Plan (the "Plan") falls in the category of "seriously endangered status" for the Plan Year beginning January 1, 2019. Federal law requires that you receive this notice.

Seriously Endangered Status. The Plan is considered to be in "seriously endangered status" under the PPA because the Plan's actuary has determined that the Plan's funded percentage for 2019 is less than 80% and is projected to have an accumulated funding deficiency within 7 years.

Funding Improvement Plan. In accordance with Federal law, the Trustees have adopted a funding improvement plan ("FIP") aimed at improving the funded status of the plan so that the Plan may meet the applicable benchmarks established by PPA. The FIP went into effect on January 1, 2012 and was updated in 2017. A summary of the 2012 FIP is on the Plan's website and the update is available from the Fund Office. The Trustees of the Plan, with the assistance of its attorneys and actuaries, will monitor the progress of the Plan's funding each year to determine whether the requirements of the PPA are met.

Contribution Limitations. After a certification that the Plan is in endangered or seriously endangered status, the Plan could not accept a collective bargaining or related agreement that provides for a reduction in future contribution rates, a suspension of contributions, or exclusion of new hires. The rejection of an agreement may cause a withdrawal and the imposition of withdrawal liability. After the adoption of the FIP, the Plan cannot accept contributions that are inconsistent with the FIP and can impose the default schedule or withdrawal liability in the absence of timely compliance with the FIP. If an employer does not pay contributions to the plan in accordance with the FIP, an employer may also be liable for an excise tax equal to the amount of the shortfall in contributions.

Benefit Limitations. After a certification that the Plan is in endangered or seriously endangered status, the Plan also could not, directly or indirectly, increase benefits by improving benefits, changes in the accrual of benefits, or any change in the rate at which benefits become vested. Once the FIP took effect in 2012, the plan can only be amended to increase benefits if the Plan actuary certifies that the benefit increases are consistent with the FIP and can be paid for out of contributions not required by the FIP.

Where to Get More Information. For more information about this Notice, you may contact the Fund Administrator, Tim Maitland at 410-564-5500, pension@iupat.org or 7234 Parkway Drive, Hanover, MD 21076. You have a right to receive a copy of the FIP from the Plan.

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Annual Funding Notice

International Painters & Allied Trades Industry Pension Plan

April 2019

Introduction

This notice includes important information about the funding status of your multiemployer pension plan, the International Painters & Allied Trades Industry Pension Plan (the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning 1/1/2018 and ending 12/31/2018 ("Plan Year")

How Well Funded Is Your Plan

The law requires the administrator of the Plan to disclose how well the Plan is funded by using a measure called the "funded percentage." The Plan divides the plan's assets by its liabilities on the Valuation Date for the plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

Funded Percentage			
Plan Year (Jan 1-Dec. 31)	**2018 Plan Year**	**2017 Plan Year**	**2016 Plan Year**
Valuation Date	January 1, 2018	January 1, 2017	January 1, 2016
Funded Percentage	61.9%	62.2%	63.7%
Value of Assets	$3,326,181,666	$3,269,554,532	$3,261,440,053
Value of Liabilities	$5,377,511,693	$5,254,701,262	$5,120,010,317

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are "actuarial values." Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time.

The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan's assets for each of the three preceding plan years.

	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Fair Market Value of Assets	$3,196,000,000*	$3,378,001,336	$3,063,064,630	$2,965,025,426

***Estimated. Final audited information was not available.**

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

The Plan was in seriously endangered status in the Plan Year ending December 31, 2018 because the Plan's funded percentage for 2018 was less than 80% and was projected to have a funding deficiency within 6 years.

In an effort to improve the Plan's funding situation, the trustees adopted a funding improvement plan (FIP) on April 2, 2009 which is effective from January 1, 2012 through December 31, 2026 or until the Plan is no longer in seriously endangered or endangered status.

The 2012 FIP provided two options. Under Option 1, the bargaining parties could increase their contribution rate by 35% of the rate in effect at March 1, 2009 and participants would continue to accrue benefits. Option 2 was the default option if the bargaining parties did not agree within 180 days of the expiration of a collective bargaining agreement in effect on January 1, 2009. Under the default schedule, an employer still had to increase the contribution rate by 15% of the rate in effect at March 1, 2009, but retirement benefits were frozen at their level on December 31, 2011 and were not increased for work with an employer contributing under Option 2 after 2011.

The Trustees also adjusted benefit accrual rates in conjunction with the FIP. After 2011, new pension benefits only accrue if an employer is "FIP Compliant" by contributing 135% or more of its March 2009 rate under Option 1. For employees of "FIP Compliant" employers, benefits accrue at one-half percent (0.5%) up to the contribution rate at January 1, 2006 and one percent (1%) on amounts over the 2006 rate up to the March 2009 rate (and any contribution over 135% of the March 2009 rate). After 2011, the supplemental 35% contribution does not provide any additional benefit for any participant, as it is earmarked to improve the Plan's funding. Beginning January 1, 2013, contributions over the 135% benchmark will accrue benefits at 2% of the amount contributed over the 135% FIP Compliant Rate.

The FIP was updated in 2017 to require employers to increase their FIP Compliant Rate by 50% on or before December 31, 2021. In other words, the rate as of December 31, 2021 must be equal to or greater than 150% x 135% x March 1, 2009 rate. For example, if the March 1, 2009 rate was $1.00 per hour, the rate in 2012 became $1.35 per hour and must reach $2.03 per hour by 2022. The 50% increase is capped at $4.00 per hour.

You may get a copy of the Plan's funding improvement plan, any update to such plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Fund Administrator at the address at the end of this notice. If the Plan is in endangered, critical or critical and declining status for the plan year ending December 31, 2019, separate notification of that status has or will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 84,550. Of this number, 36,758 were current employees, 29,794 were retired and receiving benefits, and 17,998 were no longer working for the employers and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to set benefits based on expected contributions made pursuant to collective bargaining agreements in effect and to modify required contributions when necessary to maintain or improve the plan's funding level.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is that the investments are to be managed with the primary focus being preservation of capital. Emphasis will be placed on participation with the fixed income, equity and alternatives in line with broad market averages during times of rising markets and preservation of capital during periods of market contraction. Additionally, it is the Plan's desire to earn total returns (income plus capital gains) in excess of major indices of each asset class over a typical market cycle by utilizing the services of investment managers.

Under the plan's investment policy, assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Cash (Interest bearing and non-interest bearing)	3.6%
2. U.S. Government securities	1.1%
3. Corporate debt instruments (other than employer securities):	
Preferred	0.0%
All other	1.6%
4. Corporate stocks (other than employer securities):	
Preferred	0.0%
Common	6.1%
5. Partnership/joint venture interests	36.2%
6. Real estate (other than employer real property)	5.0%
7. Loans (other than to participants)	0.0%
8. Participant loans	0.0%
9. Value of interest in common/collective trusts	21.6%
10. Value of interest in pooled separate accounts	0.9%
11. Value of interest in 103-12 investment entities	6.7%
12. Value of interest in master trust investment accounts	0.0%
13. Value of interest in registered investment companies (e.g., mutual funds)	5.4%
14. Value of funds held in insurance co. general account (unallocated contracts)	0.5%
15. Employer-related investments:	
Employer Securities	0.0%
Employer real property	0.0%
16. Buildings and other property used in plan operation	0.0%
17. Other	11.3%

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N1513, Washington, DC 20210, or by calling 202.693.8673. You may obtain a copy of the Plan's annual report by making a written request to the Fund Administrator or obtain the basic Form 5500 and certain schedules from the Plan's website at https://iupat.org/wp-content/uploads/Form-5500.pdf Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under "Where To Get More Information."

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($600/10), which equals $60. The guaranteed amount for a $60 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at https://www.pbgc.gov/about/factsheets/page/multi-facts Please contact the Fund Administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information About Your Plan," below.

Where to Get More Information

For more information about this notice, you may contact Tim Maitland, Fund Administrator, at 7234 Parkway Drive, Hanover, MD 21076, 410-564-5500, pension@iupat.org. For identification purposes, the official plan number is 001 and the plan sponsor's name and employer identification number or "EIN" is 52-6073909.

Issued: April 2019

ANNUAL FUNDING NOTICE FAQ

Why am I getting this information?

The Fund is required by law to send these notices to all Plan participants, beneficiaries and participating employers regardless of the Fund status. You will receive this notice every year with updated information regarding the funding status of the Plan.

How will this affect my benefit (as a participant)?

The plan's funding level has no effect on your accrued benefits. The Pension Plan is a defined benefit plan that pays benefits based on a benefit formula, rather than an individual account. Pension Plans are generally funded over periods up to 15 years on a rolling basis. The funding percentage looks at the expected benefit costs over decades into the future against current assets. It is a guidepost for the Trustees in setting contributions so that the plan will continue to have assets to pay benefits in the future.

How will this affect my benefit (as a pensioner)?

Same as above.

Why is our funding percentage decreasing?

The funded percentage reported on the notice is the ratio of the Plan's actuarial value of assets to liabilities. It is decreasing, in large part, because the full impact of the 2008 investment loss will take 10 years to be reflected in the actuarial assets. We expect the funded percentage to start increasing after 2018, when all of the 2008 loss will be removed from the actuarial asset value.

What does it mean by having a decreasing funding percentage?

A decreasing funded percentage, if not addressed, would be cause for concern. That is why the Trustees developed the Funding Improvement Plan and made adjustments to the plan of benefits. With these changes, our actuaries project that the Plan's funded percentage will rise steadily after 2018 to 100% by 2038.

Where are our assets held?

By law, pension plan assets must be held in a separate trust account. The majority of plan assets are held at Northern Trust Company. They are invested with the advice of a well-known professional investment consultant, NEPC, LLC. All assets are managed by professional asset managers.

What types of assets are categorized as "other"?

Assets categorized as "other" include accrued income and collective investment funds that are not publicly traded. This category includes funds limited to qualified pension funds as well as other private placement funds, such as hedge funds.

NOTICE OF SERIOUSLY ENDANGERED STATUS FAQ

Why am I getting this?

The government requires an annual notice to all participants until the plan's funding percentage goes back above 80%.

What does this mean?

The "Seriously Endangered" category means that the Plan is less than 80% funded and has an expected shortfall in the government's annual funding guidelines within 7 years. The general funding guidelines are long-term (up to 30 years) but aim to keep reasonably level contributions over many years. If the Plan hits a bump in the road, the guidelines tell the plan to look at adjusting contributions or other factors in order to stay on course over the long-term. These course corrections do not mean the plan has any current problem paying benefits or insolvable funding problems.

What happens if we go into "red" status?

If the Plan goes into the "red" zone, a rehabilitation plan will be developed. The current expectation is that such a plan would have substantially the same contributions and benefits as the revised FIP.

FUNDING IMPROVEMENT PLAN (REVISED) FAQ

Why do we have a new FIP?
This is not a new FIP. The Trustees are required to review the FIP annually to see if scheduled progress is being made. Due to low investment return in the markets in 2014 and 2015 the Trustees had to make a course correction to keep the FIP on track in 2017.

What does my employer have to do to be compliant with the revised FIP?
Generally, employers have to increase contributions to 150% of the rate in 2012 by 2021.

Is there anything I can do if my employer does not comply to protect myself?
Your Union will negotiate with your employer. The Fund is seeing compliant changes in contracts currently in negotiations and hopes that will continue.

Will there be any changes to the retirement rules?
As in the original FIP, "new" money above the 2012 rate earns benefits at the rate of 2% of the contribution amount.

There were no changes to the eligibility rules for retirement. The Trustees have adopted a small increase in the hours required for unreduced early retirement, but it will only apply to benefits earned after 2017. These changes were communicated separately.

How will this affect my pension?
The FIP has no current impact on your benefits with a compliant employer. As with the original FIP, there are benefit changes if an employer only pays the default rate. These are described in the original FIP notice (and the Plan's SPD) which are on the Fund website.

What if this FIP does not work?
First, there is no such expectation. This modified FIP is expected to work. If the investment markets do not perform well again, the law has a number of options to address those issues. There are too many options to speculate on what might happen and how the Plan and Trustees would address any new problems.

SUMMARY OF MATERIAL MODIFICATIONS

To the International Painters and Allied Trades Industry Pension Plan

From the IUPAT Industry Pension Fund Board of Trustees

2018 Plan Changes

Distribution List

Plan Participants

Participating District Councils and Local Unions

Participating Employers

This is a summary of recent changes affecting your benefits under the International Painters & Allied Trades Industry Pension Plan (the “IUPAT Industry Pension Plan” or “Plan”). It is a “Summary of Material Modifications” to the 2015 Summary Plan Description (“SPD”) for the Plan and is distributed in compliance with the Employee Retirement Income Security Act (ERISA). You should keep this information with your SPD as it reflects changes in the information in the SPD.

PRE-RETIREMENT DEATH BENEFITS

The Plan has simplified and clarified its rules on pre-retirement death benefits relating to options for a surviving spouse and non-spouse death benefits. The following new sections for the SPD replace the sections titled **Pre-Retirement Surviving Spouse Benefit Options on Death Before Earliest Retirement Age** and **Pre-Retirement Lump Sum Death Benefit** and explain the updated rules.

Pre-Retirement Surviving Spouse Benefit Options on Death Before Retirement

If you die before you are eligible to retire and your spouse is eligible for a Pre-Retirement Surviving Spouse Benefit (worth more than $1,000 over his or her lifetime), your Spouse will have additional options in full or partial replacement of the normal Pre-Retirement Surviving Spouse Benefit. **These options are only available if you satisfy the requirements for a Pre-Retirement Lump Sum Death Benefit and your Spouse files an application for them by December 31 of the year after the year of your death.**

Benefit	Benefit Payable	When is the Benefit Payable?
Option A: Contribution Refund – Lump Sum	A lump sum equal to 50% of the Employer Contributions which are used in calculating your Accrued Benefit.	Immediately after a timely application
Option B: Contribution Refund – Monthly Benefits	Monthly benefits for the life of your Spouse equal in actuarial value to the Lump Sum Contribution Refund.	The month after a timely application

A payment of the Pre-retirement Lump Sum Death Benefit (as a single payment or in monthly payments) will reduce the Pre-Retirement Surviving Spouse Benefit by the actuarial value of the optional form of benefit (using the special factors in Section 417(e) of the Internal Revenue Code).

If the value of the optional payment(s) is equal to or greater than the value of the Pre-Retirement Surviving Spouse Benefit, no Pre-Retirement Surviving Spouse Benefit will be paid. If the value of the optional payment(s) is less than the value of the Pre-Retirement Surviving Spouse Benefit, your Spouse will have a residual Pre-Retirement Surviving Spouse Benefit based on the excess value. The Fund Office will provide information to your Spouse on any residual surviving Spouse benefits before your Spouse makes an election to receive a contribution refund benefit.

Example 19. Death While Eligible to Retire

Suppose Daniel has 46,000 Benefit Hours and dies while he is an Active Participant at age 56. Ann, his surviving Spouse, is age 53. His Accrued Benefit for work before 1/1/2018 is $1,500.00 and his Accrued Benefit for work after 12/31/2017 is $100.00. Daniel's total Accrued Benefit is $1,600.00. His pension contributions are $60,000.00.

As Daniel was eligible for early retirement when he died, Ann has two options as a surviving spouse.

Ann can elect the **Pre-Retirement Surviving Spouse Benefit** payable immediately after Daniel's death.

or…

Ann can elect to receive a **Contribution Refund - Lump Sum (OPTION A).** There is a residual monthly benefit since the actuarial value of the Pre-Retirement Surviving Spouse Benefit is greater than the value of the Contribution Refund – Lump Sum. (The residual benefit calculation is not shown here).

1.	Accrued Benefit	$1,600.00
2.	Accrued Benefit reduced for early retirement	$1,176.00
3.	Accrued Benefit reduced for early retirement and 50% J&S	$1,107.79
4.	Pre-Retirement Surviving Spouse Benefit payable immediately = 50% x (3)	$553.90 (or $554.00)
5.	**OPTION A:** Lump sum payable immediately = 50% of pension contributions	$30,000.00
	plus Residual monthly benefit payable immediately after the participant's death	plus $415.46 (or $415.50)

Example 20. Death Prior to Retirement Eligibility

Suppose Michael has 46,000 Benefit Hours and dies while he is an Active Participant at age 45. Sue, his surviving Spouse, is age 44. His Accrued Benefit for work before 1/1/2018 is $1,500.00 and his Accrued Benefit for work after 12/31/2017 is $100.00. Michael's total Accrued Benefit is $1,600.00. The pension contributions used in calculating his Accrued Benefit total $60,000.00.

Since Michael died before he was eligible to retire, if Sue elects the **Pre-Retirement Surviving Spouse Benefit**, she must wait until Michael would have reached early retirement age (55) to receive payments.

Sue could however elect an earlier payment under the **Contribution Refund - Lump Sum (OPTION A) or** the monthly benefits under the **Contribution Refund – Monthly Benefits** (**OPTION B**). The benefits that would be payable under the Pre-Retirement Surviving Spouse Benefit, OPTION A and Option B are summarized below.

There is a residual monthly benefit under OPTION A and B since the actuarial value of Pre-Retirement Surviving Spouse Benefit is greater than the value of the Contribution Refund. (The residual benefit calculation is not shown here). The residual monthly benefit is only payable when Michael would have turned 55.

1.	Accrued Benefit	$1,600.00
2.	Accrued Benefit reduced for deferred vested retirement (for a participant age 55)	$640.00.
3.	Accrued Benefit reduced for 50% J&S form (for a participant age 55)	$593.284.
4.	Pre-Retirement Surviving Spouse Benefit payable starting at the participant's age 55 = 50% x (3)	$296.64 (or $297.00)
5.	**OPTION A:** Lump sum payable immediately = 50% of pension contributions	$30,000.00
	plus a residual monthly benefit payable starting at the participant's age 55	plus a deferred monthly benefit of $92.62 (or $93.00)
6.	**OPTION B:** Immediate monthly benefit equal to the value of the lump sum (OPTION 2A)	$115.31
	plus a residual monthly benefit payable starting at the participant's age 55	plus a deferred monthly benefit of $92.62 (or $93.00)

Example 21 – Delayed Pre-Retirement Surviving Spouse Benefit

Assume the same circumstances as in Example 20 above. If the surviving Spouse wishes to elect the Pre-Retirement Surviving Spouse Benefit, she must choose a date to start payments on or after Michael's earliest retirement date – age 55. Sue may receive a higher monthly benefit by delaying her commencement date. (The option to delay payments also applies to any residual monthly benefits under OPTIONS A and B.)

The table below shows the monthly benefit under the Pre-Retirement Surviving Spouse Benefit at two possible dates: (a) Michael's earliest retirement date (age 55) compared to (b) 10 years later when Michael would have turned 65 (Normal Retirement Age), when there is no reduction for early retirement.

<u>Spouse benefit payable at Participant Age 55:</u>

1.	Accrued Benefit	$1,600.00
2.	Accrued Benefit reduced for early retirement (participant age 55)	$640.00
3.	Accrued Benefit reduced for early retirement and 50% J&S (participant age 55)	$593.28
4.	Pre-Retirement Surviving Spouse Benefit payable at the participant's age 55 = 50% x (3)	$296.64 (or $297.00)

<u>Spouse benefit payable at Participant Age 65:</u>

5.	Accrued Benefit (unreduced at participant age 65)	$1,600.00
6.	Accrued Benefit reduced for 50% J&S (at participant age 65)	$1,411.20
7.	Pre-Retirement Surviving Spouse Benefit payable starting at the participant's age 65 = 50% x (6)	$705.60 (or $706.00)

Pre-Retirement Lump Sum Death Benefit

A Pre-Retirement Lump Sum Death Benefit is payable to a Beneficiary of a Participant who dies:

- with at least 9,000 Benefit Hours based on required contributions for work during the Contribution Period,
- while an Active Employee or after vesting,
- before retirement, and
- last worked after 2011 with a FIP Compliant Employer,
- when a Pre-retirement Surviving Spouse benefit is not payable.

This may happen because you are not married, you have not been married for 1 year, or your Spouse cannot be located.

The Lump Sum Death Benefit is equal to 50% of the Employer Contributions paid for your work and used in calculating your Accrued Benefit up to the date of your death.

Important: No death benefit will be paid if you have worked 1 or more hours in Noncovered Employment after January 1, 1990. Noncovered Employment is explained in the section titled **Service Credit.**

TRUSTEE CHANGES

Two Employer Trustees left the Plan in 2018 and two new trustees joined the Board of Trustees.

FORMER EMPLOYER TRUSTEES	NEW EMPLOYER TRUSTEES
Aristotle (Art) G. Aivaliotis Avalotis Corporation 400 Jones Street Verona, PA 15147	Clark Anderson Swanson & Youngdale, Inc. 6565 West 23rd Street Minneapolis, MN 55426
Joe Brescia Architectural Glass and Aluminum 6400 Brisa Street Livermore, CA 94550	Penny McDonald Tri-State Painting Co., Inc. 2217 Saint Joseph Industrial Park Drive Evansville, IN 47720

Jerome (Jerry) Haber has also replaced Mr. Aivaliotis as the Employer Co-Chair.

ORGANIZATIONS HOLDING PENSION PLAN ASSETS

The Pension Plan has added some collective investment funds and terminated other collective investment funds holding Plan assets. These changes may also be reflected on the 2018 Form 5500 for the Pension Plan. This form will be filed by October 15, 2019 and will be available at www.efast.dol.gov under the Plan's Employer Identification Number (52-6073909) and Plan number (001) after filing.

QUESTIONS

The Fund Office will be happy to answer your questions and the concerns that inevitably accompany a change in benefits. Please feel free to contact the Fund Office toll free at (800) 554-2479, at (410) 564-5500, or write to the Fund Administrator at pension@iupat.org or via the address on this letter.

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