HOTEL EMPLOYEES
RESTAURANT EMPLOYEES

Pension Plan

HERE
H E R E

UNITE
HERE!

Effective June 1, 2005

UNITE HERE
NORTHWEST TRUST FUNDS
2323 EASTLAKE AVE E. • SEATTLE, WA • 98102
LOCAL (206) 753-1097 OR TOLL FREE (844) 411-0786

September 2018

IMPORTANT NOTICE: PLEASE KEEP WITH PLAN MATERIALS

TO: Participants and Beneficiaries of the UNITE HERE Northwest Pension Trust Fund

FROM: Board of Trustees

RE: **ADMINISTRATIVE OFFICE CHANGE EFFECTIVE OCTOBER 1, 2018**

We have a very important announcement to make regarding a change in administration of the UNITE HERE Northwest Pension Trust Fund **effective October 1, 2018**.

What this change means to you:

- ✓ **NEW Customer Service Telephone Numbers**
  The Funds' toll free customer service telephone numbers will change effective October 1, 2018.
  - Phone: **(206) 753-1097 or toll-free at (844) 411-0786**
- ✓ **NEW Fund Administrative Office and Address - Northwest Administrators (NWA)**
  NWA has offices in Seattle, Washington and Portland, Oregon.

Seattle	Portland
2323 Eastlake Avenue E	700 NE Multnomah Street, Suite 350
Seattle, WA 98102-3305	Portland, OR 97232-4197

This change does not affect your pension benefits. All other contact information is staying the same.

Following careful consideration, the Board of Trustees has decided to change the Fund administration from Welfare & Pension Administration Service, Inc. (WPAS) to Northwest Administrators, Inc. (NWA). This change was made to provide you with improved administrative services at a better cost. As of October 1, 2018, NWA will take over all administrative functions currently provided by WPAS, including the payment of health and welfare claims, maintaining Participant eligibility for all benefits provided by the Funds, processing pension applications, and issuing pension benefits.

NWA is headquartered in Seattle, Washington and has offices throughout the West, including in Portland, Oregon. NWA has been providing employee benefit plan administration and benefit claim processing services since 1958. NWA's integrated eligibility and claims system is highly secure and accessible throughout a network of regional offices, ensuring that dedicated customer service staff is always available to serve UNITE HERE Participants at the highest levels. Additionally, multilingual support is available both via phone and in-person at the Seattle and Portland offices.

WPAS and NWA staffs are working closely with the Trustees to make the transition as smooth as possible in order to avoid any inconvenience to Fund Participants. We ask for your patience during the transition process as we work toward this long term improvement for participants in the Fund. Thank you.

DE/ea

cc: Board of Trustees
Trust Counsel
Trust Consultant
Participating Employers
Fund Administrative Office Staff

Hotel Employees Restaurant Employees Trust Funds

2815 2nd Avenue, Suite 300 • P. O. Box 34203 • Seattle, Washington 98124
Phone (206) 441-7574 or (800) 732-1121 • Fax (206) 505-9727 • Website www.heretrust.com

Administered by
Welfare & Pension Administration Service, Inc.

April 26, 2013

TO: All Participants, Beneficiaries, and Alternate Payees in the Hotel Employees Restaurant Employees Pension Plan, Contributing Employers and Local Unions

FROM: Board of Trustees of the Hotel Employees Restaurant Employees Pension Plan

RE: Pension Protection Act - Summary of Rehabilitation Plan Benefit Adjustments and Employer Contribution Rate Increases

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Background

As communicated in the Notice of Critical Status that was sent to all Participants in a letter dated September 28, 2012, the actuary for the Hotel Employees Restaurant Employees Pension Plan (the "Plan") declared the Plan to be in Critical Status as defined by the Pension Protection Act of 2006 (PPA), for the Plan Year beginning June 1, 2012. As outlined in that Notice of Critical Status, the Board of Trustees is required to adopt a Rehabilitation Plan to improve the funding of the Plan.

This notice is to advise you that the Board of Trustees has adopted a Rehabilitation Plan as required by the PPA, and to provide you with details of the Rehabilitation Plan and how it may affect your benefits. The Rehabilitation Plan consists of a Preferred Schedule and a Default Schedule. Details of these schedules, and the adoption process, are provided below. Each schedule is designed so that the Plan is projected to emerge from Critical Status by the end of the Rehabilitation Period. The Rehabilitation Period for the Plan is the 10-year period beginning June 1, 2015 and ending May 31, 2025.

The Preferred Schedule and the Default Schedule include benefit adjustments as well as employer contribution rate increases. The benefit adjustments include reductions in "adjustable benefits," as defined by the PPA. You are receiving this notice at this time because the law requires that the Plan provide you with 30 days advance notice before the Plan can implement any reduction in benefits, including reductions in adjustable benefits.

Participants Not Affected by Benefit Changes in the Rehabilitation Plan

Participants who are retired on or before June 1, 2013 will not be subject to the benefit reductions of the Rehabilitation Plan.

Participants who properly file an application for benefits by May 31, 2013 and commence their benefit no later than November 1, 2013 will not be subject to the benefit reductions of the Rehabilitation Plan.

Summary of Benefit Changes

Please see Page 5 of this notice for details regarding the benefit changes in the Rehabilitation Plan.

If you do not fall into the group of participants described above, your benefit will be subject to the following changes as part of the Rehabilitation Plan:

- Elimination of the 36-month payment guarantee on the modified life annuity. The normal form of payment will be a life annuity only.
- Elimination of the non-spouse pre-retirement death benefit.
- Elimination of the disability benefit after age 55 and reduction of the disability benefit before age 55.

Further, if you have not worked at least 400 Covered Hours in any one of the Plan Years ending May 31, 2011, May 31, 2012 or May 31, 2013, your benefit will be subject to an additional change as part of the Rehabilitation Plan:

- Change to early retirement reduction factors

Note that this change does not affect active participants. For this purpose, a participant will be considered active if they have worked at least 400 Covered Hours in any one of the Plan years ending May 31, 2011, May 31, 2012 or May 31, 2013.

Summary of Rehabilitation Plan Schedules

The Rehabilitation Plan consists of a Preferred Schedule and a Default Schedule. The Trustees designed the schedules to balance benefit reductions and contribution increases so as to return the Plan to actuarial balance. Under the PPA, these schedules will be reviewed annually and revised if necessary to try to ensure the Plan emerges from Critical Status by the end of the Rehabilitation Period.

The Trustees believe the Preferred Schedule is the better option and recommend its adoption by the bargaining parties. The Preferred Schedule contribution increases will be phased in over up to 10 years depending on the year bargaining parties adopt the schedule. This will minimize the initial impact to contribution increases and will allow employers to plan for future increases. The Preferred Schedule includes reductions in "adjustable benefits" as defined by the PPA. Absent these benefit reductions, the required contributions would be even higher.

The Default Schedule has a one-time contribution increase which depends on the year the Schedule is adopted by (or imposed on) bargaining parties. The initial contribution increase is much larger in the Default Schedule than the Preferred Schedule. The Default Schedule includes the same reductions in "adjustable benefits" as the Preferred Schedule. As noted above, absent these benefit reductions, the required contributions would be even higher.

The details of the Preferred Schedule and the Default Schedule are listed below in separate exhibits.

Adoption of a Rehabilitation Plan Schedule

Collective bargaining parties must adopt a Rehabilitation Plan schedule upon the expiration of the Collective Bargaining Agreement (CBA) in effect on April 26, 2013. If the collective bargaining parties do not adopt a schedule within 180 days of the expiration of the CBA in effect on April 26, 2013, the Default Schedule under the Rehabilitation Plan will be imposed, as required by the PPA.

For collective bargaining parties with a CBA that has expired and has not been renewed as of April 26, 2013, the CBA will be considered to expire on April 26, 2013, for purposes of the deadlines noted in the paragraph above.

For employers contributing to the Plan under a special agreement that is not part of a CBA, the deadlines outlined in the paragraphs above will be applied as if the employer contributed under a CBA expiring on May 31, 2013, as required by the PPA.

For employers that contribute with respect to both employees covered under a CBA and employees who are not covered under a CBA, the adoption date for employees not covered under a CBA shall be determined as if those employees were covered under the first of the employer's CBAs to expire after April 26, 2013.

Assignment of Participants to a Rehabilitation Plan Schedule

Assignment of Retired, Inactive, Terminated Vested or Terminated Nonvested Participants

Retired, inactive, terminated vested or terminated nonvested participants with less than 400 Covered Hours under the Plan in the year ended May 31, 2012 will be considered inactive participants for this purpose. ***The Trustees have the authority to adopt a Rehabilitation Plan schedule for these participants and have adopted the Preferred Schedule for these participants effective April 26, 2013.***

Assignment of Active Participants to a CBA

Active participants will receive Plan benefits under either the Preferred Schedule or the Default Schedule, depending on which schedule is adopted by the CBA they are covered under.

Participants with 400 or more Covered Hours under the Plan in the year ended May 31, 2012 will be considered active for this purpose. These participants will be subject to benefits based on the schedule adopted by their CBA. For this purpose, their CBA will be determined by their applicable CBA in April 2013. If they work under more than one CBA in April 2013, their CBA will be determined based on the CBA under which they had the most Covered Hours in that month.

Participants with 400 or more Covered Hours under the Plan in the year ended May 31, 2012 who do not have Covered Hours in April 2013 will be assigned to the CBA under which they had the most Covered Hours in the last month they had Covered Hours.

Assignment of Active Participants Not Covered by a CBA

Employers who participate in the Fund under only a non-bargaining unit participation agreement may elect either the Preferred Schedule or the Default Schedule. They will need to make this election and contribute to the Plan in accordance with such election effective June 1, 2013.

Rights and Remedies

Statement of ERISA Rights

Participants and beneficiaries in the Hotel Employees Restaurant Employees Pension Plan are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

- Receive Information about Your Plan and Benefits
- Examine, without charge, at the Plan Administrator's Office and at other locations (worksites or union offices), all Plan documents, including insurance contracts, collective bargaining agreements and a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor and available at the public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements and a copy of the latest annual report (Form 5500 series) and an updated Summary Plan Description. The Administrator may impose a reasonable charge for the copies.
- Receive an annual pension funding notice by September 28 of each year.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in state or federal court subject to the exhaustion of the Plan's Benefit Claim and Appeal Procedures.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have questions about your Plan, you should contact Welfare & Pension Administration Service, Inc. at:

Mailing address:	P.O. Box 34203 Seattle, WA 98124
Location:	2815 2nd Avenue, Suite 300 Seattle, WA 98121
Telephone:	(206) 441-7574 or toll free 1 (800) 732-1121
Website:	www.heretrust.com

Welfare & Pension Administration Service, Inc. serves as the administrative agent for the Board of Trustees. The Board of Trustee is the Plan Administrator. If you have any questions about this notice, this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the EBSA at 1-866-444-3272. You can also obtain certain information on the EBSA website at www.askebsa.dol.gov.

* *This notice contains a summary of the Rehabilitation Plan. If you wish to obtain a complete version, you may request a copy of the Rehabilitation Plan in writing at P.O. Box 34203, Seattle, WA 98124. This notice is intended to comply with Sections 204(h) and 305(e)(8)(C) of the Employee Retirement Income Security Act and Section 432(e)(8)(C) of the Internal Revenue Code, as amended by the Pension Protection Act of 2006, and the corresponding regulations issued there under.*

Rehabilitation Plan – Preferred Schedule

Plan Benefit Changes

The following changes will be effective for participants subject to the Preferred Schedule of the Rehabilitation Plan.

Retirement Payment Guarantee Feature (Modified Life Annuity)

The 36-month guarantee feature (modified life annuity) included with the single life annuity will no longer be included as part of the normal benefit option. Previously, retirement payments under the normal payment option were guaranteed for at least 36 months, so that lifetime payments that would otherwise end due to death in the initial 36 months of retirement would continue to a beneficiary for the remainder of the 36-month period. Now, the normal benefit option will be a life annuity only.

This change affects the calculation of other payment options. Other options will be calculated to be actuarial equivalent to the normal option. The value of this option will be slightly lower with the elimination of the 36-month guarantee feature. This change in value will result in a slightly lower benefit for other payment options.

This change will be effective for participants whose retirement applications are received by the administration office after May 31, 2013.

Change in Non-Spouse Pre-Retirement Death Benefits

The pre-retirement death benefit of 36 times the participant's accrued benefit for unmarried participants will be eliminated.

For married participants who die before retirement with a vested benefit in the Plan, the benefit payable to the surviving spouse is based on the 50% joint-and-survivor payment option and in no case will 36 times the participant's accrued benefit be a payment option.

This change will be effective for participants whose death occurs after May 31, 2013.

Disability Benefit Eliminated After Age 55, and Disability Benefit Reduced Before Age 55

For retirements after May 31, 2013, disability will be eliminated for retirements at ages 55 and older. In addition, disability benefits before age 55 will be reduced to the actuarial equivalent of the age 55 early retirement benefit.

This change will be effective for participants whose date of disability is after May 31, 2013.

Examples of the impact of change in the disability benefit

For a participant with a normal retirement benefit of $500, his or her benefit at different retirement ages is outlined below:

Example 1 – retirement at age 60:

	Prior Disability Benefit	***New*** Benefit (Early Retirement Benefit)
Normal Retirement Benefit at age 65 before reduction for early retirement	$ 500	$ 500
Early retirement reduction factors	70%	70%
Disability Subsidy	120%	N/A
Benefit amount after reduction factor and disability subsidy	$ 420	$ 350

Example 2 – disability retirement at age 45:

	Prior Disability Benefit	***New*** Disability Benefit
Normal Retirement Benefit at age 65 before reduction for early retirement	$ 500	$ 500
Early retirement/actuarial equivalent reduction factor	40%	40%
Disability Subsidy / Actuarial Equivalent of Age 55 Benefit	120%	44%
Benefit amount after reduction factor and disability subsidy	$ 240	$ 88

<u>*Change to Early Retirement Reduction Factors for Certain Terminated Participants*</u>

There will be no early retirement factor changes for active participants, only for certain terminated participants. *For the purpose of the Rehabilitation Plan, a participant will be considered active if they have worked at least 400 Covered Hours in any one of the Plan years ending May 31, 2011, May 31, 2012 or May 31, 2013.*

Early retirement benefits will reflect the following change in reduction factors for certain terminated participants. The new factors are intended to be "actuarially equivalent," meaning that the reduction is at a level that the values of benefits for early retirement and normal retirement are similar, taking into account longer periods of payment for early retirement, expected lifetimes and the time value of money.

The new factors only apply to participants who have not worked at least 400 Covered Hours in any one of the plan years ending May 31, 2011, May 31, 2012 or May 31, 2013. If such a participant who has not forfeited their benefit through a permanent break in service returns to work and earns a year of covered service the prior early retirement factors will be reinstated.

This change will be effective for participants whose retirement applications are received by the administration office <u>after</u> May 31, 2013.

There will be no early retirement factor changes for active* participants, only for certain terminated participants.			
Retirement Age	***Prior*** Factors	***Prior*** Factors (Vested Local 9 Plan Benefits)	***New*** Factors
65	100%	100%	100%
64	94%	100%	92%
63	88%	100%	84%
62	82%	100%	76%
61	76%	95%	68%
60	70%	90%	60%
59	64%	85%	55%
58	58%	80%	50%
57	52%	75%	45%
56	46%	70%	40%
55	40%	65%	35%

Factors will be interpolated by age in months at retirement.

Examples of the impact of change in early retirement factors for certain terminated participant

For a terminated participant meeting the requirements outlined above with a normal retirement benefit of $500, his or her benefit at different retirement ages is outlined below:

Example 1 – retirement at age 60:

Retirement at Age 60 for ***Terminated Participant***	Benefit with ***Prior*** Factors	Benefit with ***Prior*** Factors (Vested Local 9 Plan Benefits)	Benefit with ***New*** Factors
Age 65 Normal Retirement Benefit before reduction for early retirement	$ 500	$ 500	$ 500
Age 60 Early retirement reduction factors	70%	90%	60%
Age 60 Benefit amount after early retirement reduction	$ 350	$ 450	$ 300

A vested participant with a $500 normal retirement benefit who retires at age 60 would have previously received a benefit of $350 and will now receive a benefit of $300. If the benefit was earned under the former Local 9 plan, the age 60 benefit would have been $450 and will now be $300.

Example 2 – retirement at age 55:

Retirement at Age 55 for ***Terminated Participant***	Benefit with ***Prior*** Factors	Benefit with ***Prior*** Factors (Vested Local 9 Plan Benefits)	Benefit with ***New*** Factors
Age 65 Normal Retirement Benefit before reduction for early retirement	$ 500	$ 500	$ 500
Age 55 Early retirement reduction factors	40%	65%	35%
Age 55 Benefit amount after early retirement reduction	$ 200	$ 325	$ 175

A vested participant with a $500 normal retirement benefit who retires at age 55 would have previously received a benefit of $200 and will now receive a benefit of $175. If the benefit was earned under the former Local 9 plan, the age 55 benefit would have been $325 and will now be $175.

Example of early retirement factors for active participant*

For a participant who has worked at least 400 Covered Hours in any one of the plan years ending May 31, 2011, May 31, 2012 or May 31, 2013 there will be no change to his or her early retirement benefit.

Suppose such a participant has a normal retirement benefit of $500.

Example 3 – retirement at age 60:

Retirement at Age 60 for ***Active* Participant***	Benefit Both ***Before*** and ***After*** Rehabilitation Plan	Benefit Both ***Before*** and ***After*** Rehabilitation Plan (Vested Local 9 Plan Benefits)
Age 65 Normal Retirement Benefit before reduction for early retirement	$ 500	$ 500
Age 60 Early retirement reduction factors	70%	90%
Age 60 Benefit amount after early retirement reduction	$ 350	$ 450

A participant who has been active* within the last three plan years who has a $500 normal retirement benefit who retires at age 60 would receive a benefit of $350 both before and after implementation of the Rehabilitation Plan. If the benefit was earned under the former Local 9 plan, the age 60 benefit would be $450 both before and after the implementation of the Rehabilitation Plan.

Example 4 – retirement at age 55:

Retirement at Age 55 for ***Active* Participant***	Benefit Both ***Before*** and ***After*** Rehabilitation Plan	Benefit Both ***Before*** and ***After*** Rehabilitation Plan (Vested Local 9 Plan Benefits)
Age 65 Normal Retirement Benefit before reduction for early retirement	$ 500	$ 500
Age 55 Early retirement reduction factors	40%	65%
Age 55 Benefit amount after early retirement reduction	$ 200	$ 325

A participant who has been active* within the last three plan years who has a $500 normal retirement benefit who retires at age 55 would receive a benefit of $200 both before and after implementation of the Rehabilitation Plan. If the benefit was earned under the former Local 9 plan, the age 55 benefit would be $325 both before and after the implementation of the Rehabilitation Plan.

**For this purpose, a participant will be considered active if they have worked at least 400 Covered Hours in any one of the Plan years ending May 31, 2011, May 31, 2012 or May 31, 2013.*

Employer Contribution Increases—Preferred Schedule

Upon adoption of the Preferred Schedule, additional contributions will be required. Employer contributions will increase according to the schedule below, beginning with the 1st of the month following ratification of the CBA that reflects the Preferred Schedule of the Rehabilitation Plan. Once the Rehabilitation Plan is adopted, each increment of the schedule is paid for one year, increasing to the new increment on the anniversary of the 1st of the month following initial ratification of the Rehabilitation Plan. Note that in all cases the Annual Increment is paid in addition to the surcharge level being paid at the time the bargaining parties adopted the Rehabilitation Schedule. The schedule shown reflects this.

The Rehabilitation Plan contribution increases will be based on a percent of the contribution rates in effect on August 29, 2012. For example, if an employer had a contribution increase in December of 2012, then that increase would not be included when the employer's rehabilitation contribution increase was calculated. If an entirely new employer enters the Plan and is not party to a bargaining agreement with a prior history, the employer would have had a contribution rate of $0.00 on August 29, 2012 and, therefore, will not have a rehabilitation contribution. If the employer is party to a bargaining agreement with a prior history, the history of that agreement will determine its rehabilitation contribution.

Note that beginning in the plan year ending May 31, 2026 all of the schedules move to the same percentage rehabilitation increase. The Rehabilitation Plan contributions were designed to be equitable to employers over the Rehabilitation Period. If Rehabilitation Plan contributions are required beyond that point, to maintain equity all employers will pay the same percentage rehabilitation increase.

Example – CBA expiring July 31, 2015

- The bargaining parties are to adopt the Rehabilitation Plan effective August 1, 2015.
- Employer contributions are $0.60 per hour on August 29, 2012. These contributions accrue benefits for employees and cannot be reduced while the plan is in critical status.
- This employer follows the contributions in the "Adoption In Year Ending 5/31/2016" column of the table below.

Funding only employer contributions paid are as follows:

From 11/1/2012 to 5/31/2013: 5.0% or $0.03 per hour (surcharge).

From 6/1/2013 to 5/31/2014: 10.0% or $0.06 per hour (surcharge).

From 6/1/2014 to 5/31/2015: 10.0% or $0.06 per hour (surcharge).

From 6/1/2015 to 7/31/2015: 10.0% or $0.06 per hour (surcharge).

From 8/1/2015 to 7/31/2016: 21.9% or $0.13 per hour (rehabilitation plan contribution).

From 8/1/2016 to 7/31/2017: 33.8% or $0.20 per hour (rehabilitation plan contribution).

From 8/1/2017 to 7/31/2018: 45.7% or $0.27 per hour (rehabilitation plan contribution).

From 8/1/2018 to 7/31/2019: 57.6% or $0.35 per hour (rehabilitation plan contribution).

From 8/1/2019 to 7/31/2020: 69.5% or $0.42 per hour (rehabilitation plan contribution).

This pattern continues as described in the table below until the Plan emerges from critical status.

The additional contributions due to the rehabilitation increases are intended to improve the Plan's funding status. No future benefits will accrue on the additional contributions.

The additional contributions are expected to continue through the Rehabilitation Period, and possibly for a period of years after the Rehabilitation Period, so that the Plan is able to emerge from critical status. If Plan experience is favorable, the additional contributions may end at an earlier date. However, the Trustees intend that all employers pay the additional contributions on an equitable basis and expect to adjust the contribution requirements to meet this goal.

Rehabilitation Increases – Based on August 29, 2012 Contribution Rates						
Employer Contribution Increase in Year Ending	**Adoption In Year Ending**					
	5/31/2013	**5/31/2014**	**5/31/2015**	**5/31/2016**	**5/31/2017**	**5/31/2018**
5/31/2013	8.8%	5.0%	5.0%	5.0%	5.0%	5.0%
5/31/2014	17.6%	14.2%	10.0%	10.0%	10.0%	10.0%
5/31/2015	26.4%	23.4%	19.8%	10.0%	10.0%	10.0%
5/31/2016	35.2%	32.6%	29.6%	21.9%	10.0%	10.0%
5/31/2017	44.0%	41.8%	39.4%	33.8%	24.9%	10.0%
5/31/2018	52.8%	51.0%	49.2%	45.7%	39.8%	29.2%
5/31/2019	61.6%	60.2%	59.0%	57.6%	54.7%	48.4%
5/31/2020	70.4%	69.4%	68.8%	69.5%	69.6%	67.6%
5/31/2021	79.2%	78.6%	78.6%	81.4%	84.5%	86.8%
5/31/2022	88.0%	87.8%	88.4%	93.3%	99.4%	106.0%
5/31/2023	88.0%	97.0%	98.2%	105.2%	114.3%	125.2%
5/31/2024	88.0%	97.0%	108.0%	117.1%	129.2%	144.4%
5/31/2025	88.0%	97.0%	108.0%	129.0%	144.1%	163.6%
5/31/2026	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%
5/31/2027	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%
5/31/2028	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%
5/31/2029 and beyond	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%

Rehabilitation Plan – Default Schedule

Plan Benefit Changes

The Default Schedule includes the same benefit changes as the Preferred Schedule (see details above).

Employer Contribution Increases—Default Schedule

Upon adoption of the Default Schedule (or its imposition 180 days after the expiration of the CBA in effect on April 26, 2013), additional contributions will be required. Employer contributions will increase according to the schedule below, beginning with the 1st of the month following ratification of the CBA that reflects the Default Schedule of the Rehabilitation Plan (or imposition of the Default Schedule). Once the Rehabilitation Plan is adopted (or imposed), each increment of the schedule is paid for one year, increasing to the new increment on the anniversary of the 1st of the month following initial ratification of the Rehabilitation Plan. Note that in all cases the Annual Increment is paid in addition to the surcharge level being paid at the time the bargaining parties adopted the Rehabilitation Schedule (or it is imposed). The schedule shown reflects this.

The rehabilitation increases will be based on a percent of the contribution rates in effect on August 29, 2012. For example, if an employer had a contribution increase in December of 2012, then that increase would not be included when the employer's rehabilitation contribution increase was calculated. If an entirely new employer enters the Plan and is not party to a bargaining agreement with a prior history, the employer would have had a contribution rate of $0.00 on August 29, 2012 and therefore, will not have a rehabilitation contribution. If the employer is party to a bargaining agreement with a prior history, the history of that agreement will determine its rehabilitation contribution.

Note that beginning in the plan year ending May 31, 2026 all of the schedules move to the same percentage rehabilitation increase. The Rehabilitation Plan contributions were designed to be equitable to employers over the Rehabilitation Period. If Rehabilitation Plan contributions are required beyond that point, to maintain equity, all employers will pay the same percentage rehabilitation increase.

Example – CBA expiring July 31, 2015

- The bargaining parties are to adopt the Rehabilitation Plan effective August 1, 2015.
- Employer contributions are $0.60 per hour on August 29, 2012. These contributions accrue benefits for employees and cannot be reduced while the plan is in critical status.
- This employer follows the contributions in the "Adoption In Year Ending 5/31/2016" column of the table below.

Funding only employer contributions paid are as follows:

From 11/1/2012 to 5/31/2013: 5.0% or $0.03 per hour (surcharge).

From 6/1/2013 to 5/31/2014: 10.0% or $0.06 per hour (surcharge).

From 6/1/2014 to 5/31/2015: 10.0% or $0.06 per hour (surcharge).

From 6/1/2015 to 7/31/2015: 10.0% or $0.06 per hour (surcharge).

From 8/1/2015 to 7/31/2025: 70.6% or $0.42 per hour (Rehabilitation Plan contribution).

8/1/2025 and beyond: 88.0% or $0.53 per hour (Rehabilitation Plan contribution).

This pattern continues as described in the table below until the plan emerges from critical status.

The additional contributions due to the rehabilitation increases are intended to improve the Plan's funding status. No future benefits will accrue on the additional contributions.

The additional contributions are expected to continue through the Rehabilitation Period, and possibly for a period of years after the Rehabilitation Period, so that the Plan is able to emerge from critical status. If Plan experience is favorable, the additional contribution may end at an earlier date. However, the Trustees intend that all employers pay the additional contributions on an equitable basis and expect to adjust the contribution requirements to meet this goal.

Rehabilitation Increases – Based on August 29, 2012 Contribution Rates						
Employer Contribution Increase in Year Ending	Adoption In Year Ending					
	5/31/2013	5/31/2014	5/31/2015	5/31/2016	5/31/2017	5/31/2018
5/31/2013	56.3%	5.0%	5.0%	5.0%	5.0%	5.0%
5/31/2014	56.3%	58.1%	10.0%	10.0%	10.0%	10.0%
5/31/2015	56.3%	58.1%	63.4%	10.0%	10.0%	10.0%
5/31/2016	56.3%	58.1%	63.4%	70.6%	10.0%	10.0%
5/31/2017	56.3%	58.1%	63.4%	70.6%	81.3%	10.0%
5/31/2018	56.3%	58.1%	63.4%	70.6%	81.3%	92.0%
5/31/2019	56.3%	58.1%	63.4%	70.6%	81.3%	92.0%
5/31/2020	56.3%	58.1%	63.4%	70.6%	81.3%	92.0%
5/31/2021	56.3%	58.1%	63.4%	70.6%	81.3%	92.0%
5/31/2022	56.3%	58.1%	63.4%	70.6%	81.3%	92.0%
5/31/2023	56.3%	58.1%	63.4%	70.6%	81.3%	92.0%
5/31/2024	56.3%	58.1%	63.4%	70.6%	81.3%	92.0%
5/31/2025	56.3%	58.1%	63.4%	70.6%	81.3%	92.0%
5/31/2026	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%
5/31/2027	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%
5/31/2028	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%
5/31/2029 and beyond	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%

Hotel Employees Restaurant Employees

Hotel Employees Restaurant Employees Trust Funds

2815 SECOND AVENUE • SUITE 300 • P.O. BOX 34203 • SEATTLE, WASHINGTON 98124
TELEPHONE (206) 441-7574 • TOLL-FREE 1-800-732-1121 • FAX (206) 505-WPAS (9727)

Administered by
Welfare & Pension Administration Service, Inc.

May 14, 2010

TO: All Participants
Hotel Employees Restaurant Employees Pension Trust

RE: Notification of Plan Changes

This letter is to inform you of a change that was recently made to the Pension Plan.

The recovery experienced by the financial markets in 2009 was not large enough to offset the severe decline of 2008. After careful review of the Plan's financial situation, the Trustees have concluded that additional benefit modifications are necessary to strengthen the future financial stability of your Plan.

The Trustees are changing the rate at which future benefits are being earned. The monthly benefit accrual for employer contributions on hours accumulated after June 1, 2010 will be reduced from 2.5% of contributions to 1% of contributions.

Please note that benefits earned through May 31, 2010 will not be reduced. This benefit change only applies to benefit accrual based on contributions paid to the Plan on your behalf on and after June 1, 2010.

Please refer to the following examples:

- For service during the period June 1, 2009 through May 31, 2010, you would accrue $25 of monthly benefit starting at age 65 for every $1,000 of contributions;

- For service on and after June 1, 2010, you will accrue $10 of monthly benefit starting at age 65 for every $1,000 of contributions.

The Trustees are committed to delivering the best possible benefits that can be provided for the contributions made on your behalf, but they must take into consideration the reality that investment earnings pay for part of your benefits. When investment earnings decline, there are fewer dollars available to support benefit payments. The relationship between future benefits commitments and Trust resources will continue to be monitored closely, and the Trust's investments will be managed carefully to assure the optimum investment returns. We will keep you informed of the situation, and appreciate your understanding that difficult decisions must be made in difficult times.

This notice is a Summary of Material Modifications to the 2005 edition of the Summary Plan Description booklet. Please keep this notice with your booklet.

If you have any questions, please contact Krissi Pearson with the Administration Office at (206) 441-7574, ext 3205.

Board of Trustees
Hotel Employees Restaurant Employees Pension Trust

Hotel Employees Restaurant Employees Trust Funds

2815 2nd Avenue, Suite 300 • P. O. Box 34203 • Seattle, Washington 98124
Phone (206) 441-7574 or (800) 732-1121 • Fax (206) 505-9727

Administered by
Welfare & Pension Administration Service, Inc.

July 1, 2009

To: All Participants
Hotel Employees Restaurant Employees Retirement Trust

Re: Important Retirement Plan Changes Effective June 1, 2009

The Board of Trustees of the Hotel Employees Restaurant Employees Retirement Trust has taken action to make certain changes to the Pension Plan. If you are currently an active and/or vested participant in the Plan, this notice is intended to describe those changes and how they may affect your pension benefits.

New Payment Option—75% Survivor Option

A married participant may choose a Survivor Option annuity form of payment that provides a reduced benefit amount for the life of the participant, but guarantees a lifetime income for the participant's spouse if the participant dies first.

In accordance with the Pension Protection Act of 2000, the Plan was amended to add a 75% joint and survivor annuity payment option ("75% survivor option") for participants who **retire on or after June 1, 2009.**

If you elect the 75% survivor option, you receive actuarially reduced monthly payments for your lifetime. Following your death, 75% of the amount of your monthly payment continues to your designated beneficiary for his/her lifetime. At retirement, you may designate any individual as your beneficiary, provided that if you are married, your spouse must consent to the designation.

The "66-2/3% survivor option" will no longer be offered for participants who retire on or after June 1, 2009. If you retired before June 1, 2009 and elected a 66-2/3% survivor option, your form of payment will not change.

Current Retirees

If you have already retired, the payment option you elected at retirement will not be changed.

Summary of Material Modifications

This notice is intended to satisfy the requirements of ERISA regarding the summary of material modifications. Please keep this important notice with your summary plan description booklet for future reference. If you have any questions concerning the benefits described in this notice, or Plan benefits in general, call Krissi at the Administration Office at (206) 441-7574 or (800) 732-1121, ext 3205. For additional Trust Fund related materials, visit our website at: www.heretrust.com.

Administration Office
Hotel Employees Restaurant Employees Retirement Trust

Hotel Employees Restaurant Employees Trust Funds

2815 2nd Avenue, Suite 300 • P. O. Box 34203 • Seattle, Washington 98124
Phone (206) 441-7574 or (800) 732-1121 • Fax (206) 505-9727

Administered by
Welfare & Pension Administration Service, Inc.

May 15, 2009

Notice to Participants

As you are aware, the global investment markets have experienced substantial losses in recent months. During this time, the Board of Trustees has closely monitored the investments of the Hotel Employees Restaurant Employees Pension Trust. Nevertheless, the Trust has not been immune to the decline in the investment markets.
The Board of Trustees, working with the Trust's actuaries and consultants, is taking steps to strengthen the future financial stability of the Trust - so that sufficient funds are available to pay your retirement benefits as they come due.

- The Trust's investments continue to be reviewed carefully to assure they are deployed to earn the optimum investment returns.

- The relationship between future benefit commitments and Trust resources is being monitored to determine how to achieve a sustainable balance.

The Trustees are changing the rate at which future benefits are being earned as one tool to help achieve the needed balance. **Benefits earned through May 31, 2009 will not be reduced**. However, the rate at which additional benefits are earned based on future contributions, needs to be adjusted in response to these difficult economic times.

Specifically, the monthly benefit accrued for employer contributions on hours accumulated after May 31, 2009 will be reduced from 3.3% of contributions to 2.5% of contributions. As an example, before May 31, 2009, you would accrue $33 of monthly benefit starting at age 65 for every $1,000 of contributions. After May 31, 2009, you will accrue $25 of monthly benefit (or $300 per year) starting at age 65 for every $1,000 of contributions.

The Trustees are committed to delivering the best possible benefits that can be provided for your contributions, but they must take into consideration the reality that investment earnings pay for part of your benefits. When investment earnings decline, there are fewer dollars available to support benefit payments. As Trustees, we intend to make certain that assets will be available not just to pay today's retirees, but to support the benefits being earned by currently working plan participants.

We will continue to keep you informed of the situation, and appreciate your understanding that difficult decisions need to be made in difficult times.

This notice is a Summary of Material Modifications to the 2005 Edition of the Summary Plan Description booklet. Please keep this notice with your booklet.

If you have any questions, you may contact Krissi Pearson with the Administration Office at (206) 441-7574, extension 3205.

Board of Trustees
Hotel Employees Restaurant Employees Pension Trust

HERE

H E R E

HOTEL EMPLOYEES RESTAURANT EMPLOYEES PENSION PLAN

To all participants:

We are pleased to provide you with this booklet that describes the benefits of the Hotel Employees Restaurant Employees Pension Plan. This booklet includes all the changes made in the plan through January 1, 2005. It applies to everyone participating in the plan on or after January 1, 2005. If you terminated or retired before January 1, 2005, you should ask the administration office what terms of the plan were in effect at the time of your employment termination or retirement.

This booklet summarizes the plan, which is fully described in the plan document. Although this booklet describes the main provisions of the plan, including how benefits are earned and paid, this summary does not cover all the details. Only the official plan document contains details. If there is any difference between this plan summary and the official plan document, the plan document will govern.

Over the years, several union locals have merged to create Local 8. Different Locals had different pension benefits and some had separate pension plans that merged with this plan. Today, all participants are covered by the same plan rules and benefit formula, but past differences may still affect you. Because of this, benefits earned after June 1, 1991 are described in the main body of the document. If you became a plan participant before June 1, 1991, the benefits you earned before then will be described in the Appendix. (See page 59.)

We urge you to read this summary carefully and to keep this booklet with your other important papers so you may refer to it when you have questions, change jobs or retire.

If you have any questions about your participation, eligibility for benefits, or plan administration, you should contact the administration office at the following address:

Hotel Employees Restaurant Employees Pension Plan
Welfare and Pension Administration Service, Inc.
2815 Second Avenue, Suite 300
P.O. Box 34203
Seattle, WA 98124-1203
Phone: 206-441-7574
Toll Free: 800-732-1121

www.heretrust.com

Only the administration office is authorized by the Board of Trustees to give information about benefit amounts, eligibility, and other provisions of the plan. No representative of any union (including union officers and business agents) or any employer is authorized to provide information or interpret the plan. The plan is not bound by anything said by anyone not authorized by the Trustees. Only the Trustees may interpret the provisions of the plan.

Board of Trustees,
Hotel Employees Restaurant Employees Pension Plan

PENSION PLAN BASICS

If you're new to the HERE Pension Plan, here is a simple summary of how it works.

The purpose of the HERE Pension Plan is to provide you with a source of regular monthly income when you retire. The plan sends retirees a monthly check (called a pension) starting at retirement, typically age 65, and lasting until death.

How Your Pension Grows

Your hourly contribution rate is negotiated between your Local union and your employer. You can find your contribution rate in your collective bargaining agreement.

- Each month your employer contributes to the Pension Trust Fund on your behalf. The amount of the contribution is based on the number of hours you worked multiplied by your hourly contribution rate.
- At the end of the accounting year (May 31), the plan determines the number of hours you worked during the last 12 months. If you work 400 or more hours during the year, you will receive an increase to your monthly pension amount for that year; if you work less than 400 hours, your pension will not grow that year.
- To calculate how much your pension will grow for the year, the plan uses the following formula:

The total amount your your employer has contributed during that year for you	x	Accrual Rate	=	The Monthly pension amount you earn for the year

On top of that, the Trustees occasionally have given benefit increases on the monthly pension benefits already earned

As an example, the accrual rate on January 1, 2005 is 3.3%. This means you will earn \$3.30 of monthly pension (\$39.60 per year) for every \$100 that is contributed on your behalf.

You Must Be Vested to Get A Monthly Pension When You Retire

To receive ANY benefit from the plan, you must be vested. In most cases, to become vested you must earn five years of service. If you work 1,000 or more hours per plan year (June 1 – May 31), you will earn one year of service each year. If you work less than 1,000 hours per year, you may earn partial years of service and it may take more than five years to become vested.

Other Features of the Pension Plan

- **If you are married,** you will receive slightly smaller monthly pension payments so that if you die before your spouse, your spouse will receive your monthly pension (or a portion of your monthly pension) for the rest of his/her life. You can choose whether the payments that would continue to your spouse will be 50%, 66-2/3%, or 100% of the payment you receive.
- **If you have 10 years of service**, you can retire early and start getting your monthly pension between the ages of 55 and 64. However, if you do, the monthly pension amount you receive will be smaller than if you retire at age 65 because your pension must be stretched out over a longer period of time.
- **If you die after you become vested**, but before you begin receiving your monthly pension, the plan will pay a death benefit to your beneficiary.
- **If you become disabled and cannot work** while you are a plan participant but after you become vested, you might qualify for a disability pension from the plan.

Your Plan at a Glance

This chart is a brief summary of the benefits you earn under the HERE Pension Plan. To find out the full details, read this plan summary.

	Age Requirements	Length of Service Requirements	Plan Benefits	Payment Options	Conditions That May Result in Loss of Some or All Benefits
Normal Retirement	Age 65	• Five or more years of service, or • Fifth anniversary of participation and not currently terminated or on leave	Monthly pension payment. Each year you work 400 or more hours, your monthly pension payment grows. The amount is based on the current accrual rates *times* contributions made by your employer on your behalf.	Plan pays a pension income benefit each month from the first of the month after you retire until you die. **Payment Options:** • **Modified Life Annuity** – pays 100% of the monthly pension you earned for your lifetime only. • **50% Spouse Option*** – pays a reduced monthly pension for your lifetime and if your spouse outlives you, it pays your spouse 50% of the amount you received for the rest of his/her lifetime. • **66-2/3rds Spouse Option*** • **100% Spouse Option*** All payment options ensure the monthly pension will be paid for at least 3 years, even if both you and your spouse die within 3 years of retirement.	• Return to work after retirement and before age 65. • Stop participating before becoming vested
Late Retirement	Any age after you meet the **normal retirement** age and service requirements	Same as **normal retirement**	Monthly pension payment. The amount of your pension will grow each year you work 400 or more hours.		
Early Retirement	Between ages 55 and 64	Ten or more years of service, including at least five years of credited future service	Monthly pension payment you have earned up to your early retirement date, reduced by 1/2 of 1% for each month that your early retirement precedes your 65th birthday.		

	Age Requirements	Length of Service Requirements	Plan Benefits	Payment Options	Conditions That May Result in Loss of Some or All Benefits
Disability Retirement	None	Ten or more years of service, including at least one year of credited future service.	Monthly benefit earned to your early retirement, reduced by 1/2 of 1% for each month that your early retirement precedes your 65th birthday Plus 20% —but not more than your accrued benefit or less than 48% of your accrued benefit.	Same as Normal Retirement	Return to covered or noncovered employment after employment
Death Benefit – Unmarried	Any age before retirement	You must be vested	Payment to your beneficiary	Single sum payment equal to 36 times your monthly benefit	
Death Benefits Paid to Your Surviving Spouse	Any age before retirement	You must be vested	Monthly pension or one time payment to your surviving spouse	• 50% Spouse Option* effective at participant's earliest retirement date, or • Single sum payment that is at least 36 times the monthly pension amount	• No surviving spouse (or marriage not long enough) • Stop participating before becoming vested
Vested		• Five or more years of service, including one year of credited future service • Age 65 and fifth anniversary of participation and not currently terminated or on leave	An unconditional right to monthly pension earned to your termination date.		Stop participating before becoming vested

**To be eligible for a spouse option you must be married for one year prior to your retirement.*

BECOMING A PLAN PARTICIPANT

You automatically participate in this plan if your employer is required to contribute to it on your behalf according to a collective bargaining agreement with Hotel Employees & Restaurant Employees Union, Local 8, or any other collective bargaining agreement that requires your employer to contribute to this plan.

You also participate in this plan if your employer is required to contribute to it on your behalf according to a special agreement with the Trustees.

Sole proprietors and partners are not eligible to participate in this plan.

To find out if your employer contributes to this plan on your behalf, write to the administration office:

Hotel Employees Restaurant Employees Trust Funds
Welfare and Pension Administration Service, Inc.
2815 Second Avenue, Suite 300
PO Box 34203
Seattle, WA 98124-1203

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EARNING AND MEASURING SERVICE

Service means the length of time you work under the plan. You must earn a certain amount of service to receive a monthly pension or other benefits from the plan. Each plan year (June 1 through May 31), the hours you work in ***covered employment*** *are measured to determine if you will earn service. The plan uses the following schedule for counting service:*

Service (including Credited Future Service)	
Hours of Covered Employment During Each Plan Year	**Years of Service Earned**
1,000 or more	1 year
850 – 999	4/5 year
700 – 849	3/5 year
550 – 699	2/5 year
400 – 549	1/5 year
Fewer than 400	0 year

You cannot earn more than one year of service in any one plan year (June 1 to May 31).

Becoming Vested

Many of the Locals that participate in this plan participated in previous pension plans that were merged into this plan. If you participated in this plan before June 1, 1991 or in another plan that merged into this plan before June 1, 1991, you must read the Appendix beginning on page 59 to find out how service was measured before 1991.

Becoming vested means earning the right to a monthly pension when you retire or to any other benefit the plan has (like disability benefits). Even though your employer may contribute to the plan on your behalf once you become a participant, and even if you earn a monthly pension under the plan, you must be vested to actually receive a benefit from the plan when you retire.

You must be vested to receive a monthly pension or any other benefit from this plan.

Vesting Definition

You will become vested after you:

- Have **five years of service** including one year of credited future service; OR
- You may also become vested if you qualify for retirement when you reach "normal retirement age" — age 65 — if you have reached the 5th anniversary of plan participation and you have at least 400 hours of service during the current plan year.

Example of Earning and Measuring Service

Adam, age 30, works the following hours over the last five years:

Plan Year	Hours Worked	Worked 400 Hours Per Year	Years of Service Earned
June 1, 2003 – May 31, 2004	1200	Yes	1
June 1, 2002 – May 31, 2003	1000	Yes	1
June 1, 2001 – May 31, 2002	800	Yes	3/5 year
June 1, 2000 – May 31, 2001	500	Yes	1/5 year
June 1, 1999 – May 31, 2000	300	No	0
Total Service			2-4/5

Adam has 2-4/5ths years of service. Adam must earn an additional 2-1/5th years of service to have a total of 5 years of service to become vested and receive a monthly pension when he retires. If Adam stops working under the plan before earning the 5 years of service to become vested, and he does not return to covered employment, Adam will not receive a monthly pension from this plan.

Service Definitions

Hours of Covered Employment - are hours you work during the plan year for which your employer is required to contribute to the plan on your behalf. They include hours for which you are paid or required to be paid for the performance or nonperformance of duties for your employer.

Hours of Service - determine whether you have earned a year of service in any plan year beginning on or after June 1, l976. Your hours of service include hours of covered, and certain non-covered, employment.

- **Covered Hours** - Hours of covered employment are the hours for which your employer is required to contribute to the plan on your behalf.
- **Non-Covered Hours** - You earn hours of service for non-covered employment when you switch from a position for which your employer is required to contribute to the plan to a position for which your employer is not required to contribute.

  You also earn hours of service for non-covered employment with an employer before you switch to a position for which your employer is required to contribute to the plan. Your employment must be continuous (without a quit or discharge) with the same employer.

  If you do not work at least 400 hours of service in a plan year, you will have a break in service and might lose your credited service. (See "Return to Participation.")

Breaks in Service - Plan years in which you do not work the required minimum of 400 hours will be counted as a break in service. (See "Return to Participation" to find out how a break in service can affect getting a pension from the plan.)

WHEN YOU CAN START RECEIVING A MONTHLY PENSION

The age at which you retire affects the amount of your monthly pension benefit. This plan is designed to start paying you a monthly pension payment (which we call a pension) starting at "normal retirement"—generally age 65— and continuing each month for the rest of your life.

However, the plan is flexible and you can retire between the ages of 55 and 64 if you meet the early retirement requirements. Retiring early will affect the size of your monthly pension in the following two ways:

- Because you stop earning benefits earlier, your monthly pension will be smaller.
- Because the plan is designed to start paying you your monthly pension at "normal retirement" the monthly pension will be reduced because it will be paid out over a longer period of time.

You may also continue working and retire after age 65. You will continue earning more benefits as long as you are still working in employment covered by this plan and work at least 400 hours in a plan year (June 1 to May 31).

Normal Retirement – Typically Age 65

Your normal retirement date is the first day of the month that coincides with or immediately follows your 65^{th} birthday. To be eligible for normal retirement at that time, you must be vested.

Plan Participation Definition

Vested – You must be vested to receive a monthly pension from the plan when you retire. To become vested you must have completed at least five years of service including at least one year of credited future service or, at age 65 have reached your fifth anniversary of plan participation, earning at least 400 hours of service during the current plan year.

Plan Participation – Your plan participation date is the first day of the month in which your employer makes or owes contributions to the plan on your behalf, with the following exception:

- If your participation ends but you later return to participation, your participation date is the date when employer contributions on your behalf resume, unless your credited service for your prior period of participation is reinstated as described under "Return to Participation." If it is reinstated, your participation date is the same as before your employment ended.

Credited Future Service – means hours you have earned under the plan after June 1, 1991 or when your Local joined this plan. See *Measuring Service to Earn Benefits from the Plan* for more information.

Early Retirement – Retiring between ages 55 and 64

Eligibility Requirements for Early Retirement

You may retire as early as the first day of any month after your 55th birthday if you have:

- At least 10 years of credited service, including at least 5 years of credited future service.

And

- You must completely stop working in the industry for at least one month (the month in which your retire). "Work in the industry" is defined in "Suspension of Payments Upon Reemployment After Retirement."

Late Retirement – Retiring after Age 65 or Normal Retirement

Each year (June 1 to May 31) that you work 400 or more hours, your monthly pension will continue to grow—no matter how old you are (even over age 65).

If you retire after age 65/normal retirement, your monthly pension might be increased to make up for payments you would have received if not for your choice to delay benefits. This is called "an actuarial adjustment." The plan will compare the benefit you have earned as of the date you actually retire to the "actuarial value" of the benefit you earned at age 65/normal retirement – and you will receive whichever monthly pension amount is larger.

You do not have to stop working to retire on a late retirement date. The reemployment rules are explained under "Suspension of Payments Upon Reemployment After Retirement."

Mandatory Pension Start Date

You must start receiving your monthly pension the April 1st following the year you reach age 70-1/2 — if you are not working in covered employment.

If you continue working in covered employment after age 70-1/2, you can delay starting pension payments until you stop working in covered employment.

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DO YOU NEED TO USE THE APPENDIX?

Many different Locals joined the HERE plan over the years. Before the Locals joined this plan, their benefits were calculated using a different method than they are now.

If you became covered under the plan before June 1, 1991, you must go to the Appendix to find out how your benefit was calculated before June 1, 1991. You will also find a description of any benefit increases.

Local	Appendix Section	Page
Seattle – Local 8	1	60
Renton – Local 596	2	65
Seattle Hotel Association – Local 77 PBX Operators Pension Trust	3	68
Pierce County Plan – Tacoma – Former Local 20	4	72
Pierce County Plan - Bremerton – Former Local 730	4	72
Bellingham – Former Local 529 and	5	76
Everett – Form Local 451	5	76

CALCULATING YOUR BENEFIT

This section describes how your benefit is calculated at the present time (anytime since June 1, 1991). If you participated in this plan before June 1, 1991, you must go to the Appendix on page 59 to find out how your benefit was calculated and about benefit increases before June 1, 1991.

How Your Monthly Pension is Calculated

Step 1

Each month that you work in covered employment, your employer makes a contribution to the Pension Trust Fund on your behalf. The amount of the contribution is based on the number of hours you worked *multiplied by* your hourly contribution rate.

Step 2

At the end of the year, the plan determines the number of hours you worked. For each year you work 400 or more hours, you receive an increase to your monthly pension.

Step 3

To calculate the monthly pension benefit you earn for the year, the plan takes:

> The amount your employer has contributed during the year for you
>
> *multiplied by*
>
> the accrual rate (described later in this section)

Step 4

The monthly pension amount you earn each year is added together to come up with the total monthly pension you receive when you retire.

Step 5

On top of that, the Trustees have given occasional benefit increases to the monthly pension benefits already earned.

Accrual Rate

To calculate the monthly pension you earn each year, the contributions made by your employer for the plan year is multiplied by the accrual rate.

From time to time, the Trustees change the accrual rate. The following table shows the accrual rates for different periods.

Period	Future Accrual Rate
June 1, 1971 – May 31, 1998	3.5%
June 1, 1998 – May 31, 1999	3.7%
June 1, 1999 – May 31, 2004	4.1%
June 1, 2004 and after	3.3%

Example of a Monthly Retirement Benefit Calculation

Brandon started working under the plan June 1, 1995. Each month, Brandon's employer(s) made a contribution based on the number of hours worked. For simplicity, we're assuming the employer contribution for Year 1 was $150 and increases $10 each year. Between June 1, 1995 and May 31, 2004, Brandon earned the following monthly retirement benefit:

	Annual Employer Contributions	X	Accrual Rate	=	Monthly Pension Earned That Year	Monthly Pension Earned to Date
June 1, 1995 – May 31, 1996	$150	X	3.5%	=	$5.25	$5.25
June 1, 1996 – May 31, 1997	$160	X	3.5%	=	$5.60	$10.85
June 1, 1997 – May 31 1998	$170	X	3.5%	=	$5.95	$16.80
June 1, 1998 – May 31, 1999	$180	X	3.7%	=	$6.66	$23.46
June 1, 1999 – May 31, 2000	$190	X	4.1%	=	$7.79	$31.25
June 1, 2000 – May 31, 2001	$200	X	4.1%	=	$8.20	$39.45
June 1, 2001 – May 31, 2002	$210	X	4.1%	=	$8.61	$48.06
June 1, 2002 – May 31, 2003	$220	X	4.1%	=	$9.02	$57.08
June 1, 2003 – May 31, 2004	$230	X	4.1%	=	$9.43	$66.51
Monthly Pension Benefit					**$66.51**	

Benefit Increases

Over the years, the Trustees have granted benefit increases to those who worked at least 400 hours during the previous plan year (that is, the previous June 1 to May 31). The following table lists the benefit increases the Trustees have made to the plan since 1992. The benefit increases are added to any monthly pension earned.

Date	Benefit Increase Earned
June 1, 1992	4% increase in the monthly pension earned to date
June 1, 1993	12.5% increase in the monthly pension earned to date
June 1, 1994	5% increase in the monthly pension earned to date
June 1, 1995	23% increase in the monthly pension earned to date
June 1, 1996	15.5 % increase in the monthly pension earned to date
June 1, 1997	10.5% increase in the monthly pension earned to date
June 1, 1998	16% increase in the monthly pension earned to date
June 1, 1999	15% increase in the monthly pension earned to date
June 1, 2000	15% increase in the monthly pension earned to date

Example of Benefit Increases

Building on the previous example, this example shows you how Brandon earned the monthly pension benefit and how, with the benefit increases, his monthly pension grows. This example assumes Brandon worked more than 400 hours every year between 1995 and 2004 and that his employer contributes for every hour worked based upon his hourly contribution rate.

Date/Period	Annual Contribution x Accrual Rate	Benefit Increase Percentage for Period x Monthly Pension Earned to Date = Benefit Increase Amount	Monthly Retirement Benefit Earned to Date
June 1, 1995 – May 31, 1996	$150 x 3.5% = $5.25		$5.25
June 1, 1996		15.5% x 5.25 = $0.81	6.06
June 1, 1996 – May 31, 1997	$160 x 3.5% = $5.60		11.66
June 1, 1997		10.5% x 11.66 = $1.22	12.88
June 1, 1997 – May 31, 1998	$170 x 3.5% = $5.95		18.83
June 1, 1998		16% x 18.83 = $3.01	21.84
June 1, 1998 – May 31, 1999	$180 x 3.5% = $6.30		28.14
June 1, 1999		15% x 28.14 = $4.22	32.36
June 1, 1999 – May 31, 2000	$190 x 4.1% = $7.79		40.15
June 1, 2000		15% x 40.15 = $6.02	46.17
June 1, 2000 – May 31, 2001	$200 x 4.1% = $ 8.20		54.37
June 1, 2001 – May 31, 2002	$210 x 4.1% = $8.61		62.98
June 1, 2002 – May 31, 2003	$220 x 4.1% = $9.02		72.00
June 1, 2003 – May 31, 2004	$230 x 4.1% = $9.43		81.43
Total monthly benefit earned to date			**$81.43**

As of May 31, 2004, Brandon has earned a retirement benefit of $81.43 per month – paid from his 65th birthday throughout the rest of his life.

Minimum Benefit

Your monthly pension at normal retirement will be at least $40.00 if:

- You have at least 5 years of service and are fully vested, and
- You did not participate in the Seattle Hotel Association Local Union 77 PBX Operators Pension Fund, the Pierce County Hotel Employees and Restaurant Employees Pension Plan, or the Culinary Workers of North Puget Sound Pension Trust, and
- You were not a member of a collective bargaining unit represented by, former Local 596 (Renton) as of July 1, 1976.

Early Retirement Benefits Calculation

Generally, the first step in calculating a retirement benefit is calculating it using the "normal—typically age 65—benefit" formula. The second step is multiplying that amount by an Early Retirement Percentage that reflects your age when you retire.

If your benefit is the $40 minimum monthly pension because you belong to a collective bargaining unit covered by the Minimum Benefit provision, $40, not your benefit, is reduced as shown.

If you retire early—that is, sometime between your 55th birthday and your 65th birthday/normal retirement date—the monthly pension you earned as of your early retirement date would be reduced by 1/2 of 1% for each month between your actual retirement date and your normal retirement date/65th birthday. You receive a smaller monthly benefit because your monthly pension is being stretched out over a longer period of time. The following table shows the percentage of your normal retirement benefit you would receive if you retire early:

Early Retirement Age	Percentage of Normal Retirement Benefit You Receive
55	40%
56	46%
57	52%
58	58%
59	64%
60	70%
61	76%
62	82%
63	88%
64	94%

Example of Calculating an Early Retirement Benefit

Our example employee Chloe, has earned a Normal Retirement Benefit of $123.57 per month. Chloe decides to retire on her 55th birthday. Her monthly early retirement income would be 40% of her monthly Normal Retirement Benefit.

To calculate the amount:

Early Retirement Benefit	X	Early Retirement Percentage Reductions	=	Monthly Pension at Age 55
$123.57	X	40%	=	$49.43

Chloe's monthly pension from the plan would be $49.43 per month.

This example assumes Chloe's benefit is paid as a Modified Life Annuity Option. If she chose one of the Spouse Options that will pay her spouse a continuing pension after her death, her monthly pension payment would be reduced further.

Late Retirement Benefit Calculation

If you choose to delay your benefit starting date beyond age 65/normal retirement, you will continue to earn monthly pension benefits each plan year (from June 1 to May 31) you work 400 or more hours. On top of that, your monthly pension might also be increased to make up for payments you would have received if not for your choice to delay benefits. This is called "an actuarial adjustment." The plan will compare the monthly pension amount you have earned as of your late retirement date to the actuarial value of the monthly pension amount you earned at age 65/normal retirement – and you will receive whichever monthly pension amount is larger.

DISABILITY RETIREMENT

If you become disabled and cannot work and you meet the eligibility requirements described below, you may be eligible to receive a monthly pension from the plan while you are disabled.

Eligibility for Disability Benefits

You will be eligible for disability retirement if you meet the following requirements:

- You became totally and permanently disabled in a plan year during which you are an active employee.
- Your disability has continued for 6 consecutive months or your Social Security disability payments have begun,
- You have 10 years of service, including at least 1 year of credited future service, and
- You are not retired or eligible for normal retirement.

Disability Definitions

Totally and permanently disabled - means disabled by bodily injury or disease that permanently prevents you from regularly working in a gainful or suitable occupation. If you are receiving Social Security disability benefits, you are automatically treated as totally and permanently disabled. From time to time, but not more often than every 12 months, you will be required to submit proof of continued total and permanent disability until you turn age 65.

Disability retirement date - Your disability retirement income will begin on the effective date of your Social Security disability payments. If you are eligible for disability retirement but not for Social Security disability payments, your disability retirement income will begin the first day of the month after the Trustees receive your application or the end of the six-month waiting period – whichever is later.

Amount of Disability Benefit

Step 1

Your monthly disability retirement income will be calculated using the formulas shown in "Calculating Your Benefits – Normal Retirement." You will receive the monthly pension you have earned as of your disability retirement date.

Step 2

The benefit will be reduced by 1/2 of 1% for each month that your retirement precedes age 65 and then increased by 20% of the reduced amount.

Your disability benefit will never be less than 48% of the monthly pension earned as of your disability date and it may never be more than your normal retirement benefit. You may elect any of the payment options described in "Monthly Pension Payment Methods."

Cancellation of Disability Retirement Benefits

Your disability monthly pension will end if you return to work in covered employment or can no longer prove continued disability. When you return to work, you may earn additional monthly pension benefits for each plan year you work 400 hours or more. And when you meet the plan requirements and retire, you can choose normal, early or late retirement. The amount of your retirement income will not be reduced by your disability retirement income.

Covered Employment — hours for which your employer is required to contribute to the plan on your behalf.

DEATH BENEFITS

The plan provides benefits for your surviving spouse when you die, if you meet certain conditions. The form of benefit depends on whether your death occurs before or after retirement.

Death Benefits Before Retirement

50% Spouse Option – one of the pension payment options is that you receive a monthly pension from the plan and, if you die before your spouse, your spouse will receive a monthly pension from the plan equal to 50% of the monthly pension amount you received.

Actuarial equivalent – is a single sum of money that would be equal, at the time of payment to a series of monthy payments that are expected to last a lifetime. Actuaries calculate the equivalent amount using interest rates and mortality tables prescribed by the IRS. These tables and rates change on an annual basis.

Surviving Spouse's Benefit

Your surviving spouse will be entitled to either a monthly pension for his or her lifetime or a one-time payment from the plan, if:

- You are vested, and die before your retirement benefit payments begin, AND
- You have been married to your surviving spouse during the 12 months before your death.

The lifetime monthly survivor pension will be equal to the amount your spouse would have received if you had lived to your earliest retirement date, retired, and chosen a 50% Spouse Option payment method on the day before you died.

Payments to your spouse will begin on the first of the month after the day you die or the first date you would have been eligible to retire — whichever is later.

Your spouse has the option to receive a one-time payment rather than a monthly pension. The amount of the payment will equal 36 *times* your monthly benefit (described in "Retirement Benefits Calculating Your Benefit") or the actuarial equivalent of the 50% Spouse Option — whichever is greater.

If the amount of your surviving spouse's monthly pension would be $20 or less, your spouse will automatically receive the one-time lump sum payment rather than monthly payments. The amount will be the actuarial value of the 50% Spouse Option.

Your surviving spouse has the right to roll over the lump sum payment to an IRA, as long as the payment is at least $200.

Example of Payment to a Survivor and a Beneficiary

Hakim is a participant who was 100% vested but had not retired. He died the day after his 60th birthday, leaving a surviving spouse (Irena, age 62) who had been married to him during the entire 12 months before he died.

The pension Hakim had earned as of the day before he died was $170.00 per month. If he had retired the day he died, he would have received a monthly benefit of $119.00 (70% (early retirement percentage for age 60) times $170.00), payable as a modified life annuity. The monthly pension paid to a surviving spouse is paid as though he had chosen payment in the form of a 50% Spouse Option, and the $119.00 is further reduced based on the ages of Hakim and Irena. Since Irena is 62, it's reduced to $112.76.

Irena could choose a lifetime monthly survivor pension of $56.38 ($112.76 x 50%), or she could choose a single lump-sum payment of $6,120 (36 months times $170.00).

Single Participants – Payments to Beneficiaries

If you are single (or have not been married for 12 months) and you are vested and die before you retire, your beneficiary will receive one single lump-sum payment of 36 *times* your monthly benefit.

Example of Payment to a Beneficiary for a Single Participant

Building on the previous example, if Hakim and Irena had married only 10 months before Hakim's death, or if he had not married at all, his beneficiary would receive the $6,120 lump sum payment calculated above.

Death Benefit after Retirement

After you retire, death benefits are determined by the benefit payment method you chose at retirement. (See "Monthly Pension Payment Methods.")

Beneficiary Designation

You may designate a beneficiary by filing the appropriate form with the administration office. See page 81.

Married Employees – Spouse's Legal Right to Death Benefits

Your spouse has a legal right to be the beneficiary of any death benefit paid by this pension plan.

If you have been married at least 12 months before your death, the plan will pay a death benefit to your spouse as described on the previous page. No benefit will be paid to any other beneficiary — even if you named a person other than your spouse as beneficiary.

Nevertheless, if married, you should designate a beneficiary just in case your spouse does not survive you.

If you do not designate a beneficiary, your death benefits will be paid in the following order of priority:

- Spouse,
- Children in equal shares,
- Parents in equal shares,
- Brothers and sisters in equal shares,
- Your estate.

MONTHLY PENSION PAYMENT METHODS

When you retire, you must choose what form of monthly pension payment you wish to receive, within the limits described in this section.

Married Employees

Your spouse has a legal right to a continuing monthly pension after your death worth at least 50% of the monthly pension payment you receive. The plan has three payment options that provide a survivor pension to your spouse: a 50%, 66-2/3%, or 100% Spouse Option. These payment options are described later in this section.

If you have been married for the 12-month period before your retirement, you must choose one of the spouse payment options — unless your spouse consents in writing to your choice of a Modified Life Annuity Option (which would pay a pension to only you). Your spouse's waiver of his or her benefit must be given during the 90-day period before your benefit payment begins. Your spouse's consent must be witnessed by a plan representative or a notary public.

Single Employees

Single employees and employees who have been married less than 12 months before retirement will have their pensions paid as a Modified Life Annuity (described later in this section).

General Rules about Payment Choices

- If you decide on a form of payment but die before payments begin, your decision will be canceled and death benefits will be paid instead. Benefits to your beneficiary will be based on the Death Benefits Before Retirement provisions described in "Death Benefits."
- If you participated in the Pierce County Hotel Employees Restaurant Employees Pension Plan, the Appendix lists additional payment methods available to you. (See page 72.)

Modified Life Annuity Option

The Modified Life Annuity Option works like this:

- **Monthly pension payment for your lifetime**. Under the Modified Life Annuity Option, you will receive a monthly pension payment beginning the first day of the month following your retirement and continuing each month until your death.
- **If you die before 36 monthly payments have been made**, your beneficiary will receive the same monthly benefit you received until a total of 36 monthly payments have been made to you and your beneficiary. Once a total of 36 monthly payments have been made, payments to your beneficiary stop.
- **If you die after receiving at least 36 monthly payments**, the payments will stop; no payments are made to a beneficiary.

50%, 66-2/3%, and 100% Spouse Options

How Spouse Options Are Paid

Under the Spouse Options, you receive a monthly pension payment starting when you retire and continuing until your death. If you die before your spouse, your spouse will continue to receive 50%, 66-2/3% or 100% of the amount you received (depending on which Spouse Option you choose when you retired).

This continuing pension would be paid only if you are survived by the same spouse you had at the time you retired.

Spouse Option For Legally Married Employees Only

To choose one of the Spouse Options, you and your spouse must have been legally married the entire 12 months before your retirement.

Smaller Monthly Payments When Choosing a Spouse Option

Because the Spouse Options of payment guarantee a pension to two people, the amount of the pension you receive each month is less than you would receive had you chosen the Modified Life Annuity Option. The difference depends on the percentage you want your spouse to receive (50%, 66-2/3% or 100%), your age, and your spouse's age when the pension payments start.

Death after the Monthly Pension Starts

- If your spouse dies before you, your future monthly pension payments will be increased to the amount you would have received if you had chosen a Modified Life Annuity option form of payment.
- If you and your spouse die before 36 monthly payments have been made, your designated beneficiary will continue to receive monthly payments until the total number of payments equal 36.

Example of 36-Month Payment Minimum

For example, Dalia retires and selects a 100% Spouse Option that pays $75.00 per month. She dies after only 10 payments are made. Her husband, Enrique, begins to receive the monthly payments. But Enrique dies after only 20 payments were made to him (30 made to Dalia and Enrique combined). Dalia's designated beneficiary will receive the remaining 6 monthly payments.

Example Comparing Payment Options

Frank retires on his "normal retirement" date at age 65, having earned a monthly pension of $100.00. His spouse, Genny, is also age 65. The following table shows how much Frank would receive under the various payment methods and the amount Genny would receive after Frank dies.

<table>
<tr><th>Payment Method</th><th>Frank's Monthly Pension</th><th>Genny's Monthly Pension (after the death of Frank</th><th>If Frank dies within 36 months of the start of retirement, will benefits to be paid to Genny?</th></tr>
<tr><td>Modified Life Annuity</td><td>$100.00</td><td>$0.00</td><td>Yes – benefits continue until a total of 36 payments have been made
36 (number of months of retirement) x Monthly Pension Amount</td></tr>
<tr><td>50% Spouse Option</td><td>$92.95</td><td>$46.48</td><td rowspan="3">Yes. Monthly pension payments would continue for her lifetime. Exception: A lump sum would be paid only if both Frank and Genny die or if payments are less than $20 per month.</td></tr>
<tr><td>66-2/3% Spouse Option</td><td>$90.65</td><td>$60.43</td></tr>
<tr><td>100% Spouse Option</td><td>$86.38</td><td>$86.38</td></tr>
</table>

Small Benefit Cash Out

If you die and your spouse's monthly survivor pension payment is less than $20 per month, your spouse will receive a single lump-sum payment equal to the "**actuarial equivalent**" of the monthly pension. (Generally, that means the value of all the monthly pensions payments after death added up to one payment.)

In this situation, your surviving spouse may request to have the lump sum payment rolled over to an IRA. This will defer income taxes until your spouse takes the money from the IRA.

Taxation of Direct Payments

If your spouse decides to have the lump sum paid directly to himself or herself rather than rolling over the payment, the administration office must withhold 20% of the payment for federal income taxes.

He or she will owe ordinary income taxes on the single lump sum pension payment, and if under the age of 59-1/2, he or she may owe an additional 10% penalty tax on top of the income tax. If receiving a lump sum payment, your spouse will also receive a SPECIAL TAX NOTICE. It is important that he or she read that notice carefully to know the tax implications of lump-sum payments.

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APPLYING FOR PENSION PAYMENTS

How to Apply

To apply for your pension, you must request an application from your Local union office or from the administration office.

When to Apply

In most cases, it takes two months to process an application. If you want your pension to start on a specific date, you must return the application and any other documents needed (such as proof of age and marriage) to the administration office between 60 to 90 days before that date. Pension payments are made as of the first day of each month.

Date Pension is to Start	When to Apply
January 1	October 1-31
February 1	November 1-30
March 1	December 1-31
April 1	January 1 – 31
May 1	February 1- 28
June 1	March 1-31

Date Pension is to Start	When to Apply
July 1	April 1 – 30
August 1	May 1-31
September 1	June 1-30
October 1	July 1-31
November 1	August 1-31
December 1	September 1-30

Choosing a Payment Method

If you are eligible to receive a monthly pension, you will receive an explanation of the payment options and the monthly payment under each option. You should choose the option that suits you. (If you have been married one year or longer, you will need your spouse's consent to choose an option that does not pay your spouse a continuing benefit if you die first; see "Monthly Pension Payment Methods"). If you choose a payment option that provides lifetime benefits to your spouse after you die, the administration office will require proof of your spouse's age and of your marriage.

Grace Period for Choosing or Changing Your Mind

You may decide or change your decision about which payment option you want within 90 days before your pension payments begin. However, once payments begin, you cannot change your payment option.

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DENIAL OF BENEFITS AND APPEAL PROCEDURES

Definitions used in the Denial of Benefits and Appeal Procedures Section

You - includes any plan participant or beneficiary who files a claim or is treated as having filed a claim under this procedure, or who is adversely affected by an adverse benefit determination.

Disability Benefit - means a benefit that is available to a Claimant only upon a showing of disability. A benefit is not a Disability Benefit, however, if the finding of disability is made by a party other than the administration office or the Trustees for purposes other than making a benefit determination under the plan (for example, if the plan provides that pension benefits will be paid to a person who has been determined to be disabled by the Social Security Administration).

Adverse benefit determination - means any of the following:

- A denial, reduction, termination of, or failure to provide or make payment of (in whole or in part) a benefit, or
- A denial, reduction, termination, or failure to provide or make payment that is based on a decision about your (or your beneficiary's) eligibility to participate in the plan.

No Claim Necessary When You Have Filed an Application

If you have applied for benefits by submitting an application, it is considered a claim for benefits under this procedure. If payment on your application was denied and you wish to have that decision reconsidered, please skip to the Appeal Procedures, found later in this section.

Denial of Benefits and Appeal Procedures

If you or your beneficiary believes you have met the requirements to receive benefits but have received an **"Adverse Benefit Determination,"** you should follow the procedures for filing a claim. You (or your beneficiary) may file a claim for benefits with the administration office as follows:

- The claim must be in writing.
- The claim must contain the name of this plan (Hotel Employees Restaurant Employees Pension Plan), your name, your address, telephone number and fax number (if available) and a description of the benefit claimed; that is, the benefit you think you are due and why you believe you should receive the benefit.

- The claim must be addressed to the administration office at the address in this section, which must appear on the claim itself and on any envelope that contains the claim.
- You may authorize a representative to act on your behalf in pursuing a benefit claim or requesting a review of the adverse benefits determination.

Procedures for Authorizing a Representative

To authorize a representative, you must file a written authorization with the administration office at the address below:

Administration Office
Hotel Employees Restaurant Employees Pension Plan
Welfare & Pension Administration Service, Inc.
2815 Second Avenue, Suite 300
P.O. Box 34203
Seattle, WA 98124-1203
Attention: Retirement Representative

The written authorization must contain the:

- Plan name (Hotel Employees Restaurant Employees Pension Plan)
- Claimant's name, address and telephone number
- Authorized representative's name, address, telephone number and fax number (if available).

You (the claimant) and the authorized representative must sign and date the written authorization. The authorization may include the following text:

"I, <Claimant name>, authorize the person named below to represent me in pursuing my claim for benefits under the Hotel Employees Restaurant Employees Pension Plan, including any appeal of an adverse benefits determination. I authorize the plan's administration office and the Board of Trustees to provide my representative, upon request, all information and documents that I am entitled to request."

Decision on Your Application for Pension or Claim

If the administration office wholly or partially denies your claim, it will notify you and the notice will include the Adverse Benefit Determination Notice information (see the box) within a reasonable period of time, but not more than 90 days (45 days for disability benefits) after the administration office receives your application/claim.

However, if the administration office determines that it needs more time to process your application/claim, then the administration office will notify you in writing about the need for an extension before the 90-day (or 45 day) deadline expires. The extension notice will describe the special circumstances requiring more time and the date by which the administration office expects to make a decision. It will decide as soon as possible, but it will be not more than 180 days after the administration office received your application/claim in the first place.

Time Limits for Decisions on a Claim for a Disability Benefit and Extensions

If the administration office wholly or partially denies a claim for a disability benefit, the administration office will notify you and the notice will include the Adverse Benefit Determination Notice information (see the box on the previous page) within a reasonable period of time, but not more than 45 days after the administration office receives your application/claim.

However, if the administration office decides that special circumstances require an extension of time for processing the claim, the administration office will send you a written notice of the extension before the first 45-day period expires. The extension may not exceed a period of 30 days from the end of the first 45-day period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the administration office expects to render its decision on the claim.

If, before the end of the first 30-day extension period, the administration office determines that because of matters beyond the control of the administration office, they cannot make a decision within extension period, the administration office may extend the period for making the determination for up to an additional 30 days, provided that the administration office notifies you before the first 30-day extension period expires.

Contents of the Extension Notice for a Disability Claim

The administration office's notice of extension will contain:

- The circumstances requiring the extension,
- The date by which the administration office expects to decide,

- A specific explanation of the standards on which entitlement to a disability benefit is based,
- The unresolved issues that prevent a decision on the claim,
- The additional information needed to resolve those issues,
- The date by which you must provide additional information.

You will be given at least 45 days from your receipt of the extension notice to provide the specified information. If the period is extended because you fail to submit information necessary to decide a claim, the period for deciding the claim will be suspended from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

Notice of Adverse Benefit Determination

The administration office will provide you with written notice of any adverse benefit determination. The notice will:

- Tell you the specific reason or reasons for the adverse benefit determination,
- Tell you the specific plan provision or provisions on which the adverse determination is based,
- Describe any additional material or information necessary for you to complete the claim and an explain why the material or information is necessary,
- Describe the plan's review procedures and the time limits for the review, including a statement of your right to bring a civil action under ERISA section 502(a) following an adverse determination after you have appealed the decision to the Trustees and the Trustees have made a decision on your appeal, and
- Whether the adverse benefit determination relates to a disability benefit.

If the adverse benefit determination relates to a disability, the notice will also tell you:

- If an internal rule, guideline, protocol, or other similar criteria was relied upon in denying the disability claim, either the specific rule, guideline, protocol, or other similar criteria; or a statement that such a rule, guideline, protocol, or other similar criteria was relied upon in making the determination and that a copy of such rule, guideline, protocol, or other criteria will be provided free of charge to you upon request, and
- If the adverse determination on a disability benefit was based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the plan to your medical circumstances, or a statement that such explanation will be provided free of charge upon request.

Appeal Procedures

You have the right to appeal an adverse benefit determination/denial of benefit payment to the Board of Trustees. An appeal must:

- Be in writing,
- Be addressed to the Board of Trustees at the address below, which must appear on the appeal itself and on any envelope that contains the appeal.

  Board of Trustees of the Hotel Employees Restaurant Employees Pension Trust
  c/o Welfare & Pension Administration Service, Inc.
  P.O. Box 34203
  Seattle, WA 98124-1203
  Attention: Appeal of Adverse Benefit Determination

Time Limits for Submitting Appeal

- You must submit an appeal of an adverse benefit determination within 60 days (180 days in the case of a claim for a disability benefit) after you receive notification of the adverse benefit determination (the "appeal period").
- The Board of Trustees has no obligation to review any appeal, unless the appeal is submitted within the appeal period.
- If the appeal is not submitted within the appeal period, you lose your right to appeal (and may lose the right to file suit in court to challenge the adverse benefit denial).

If you miss the deadline for submitting an appeal, you lose your right to file an appeal and you may lose your right to file a suit in court.

Procedures for Submitting an Appeal

You may submit to the Board of Trustees written comments, documents, records, and other information relating to your claim for benefits.

Upon written request, you will be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.

The Trustees' review will take into account all comments, documents, records, and other information you (or your representative) submit relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

Appealing Disability Benefits Decisions

If the appeal is for a disability benefit, the Board of Trustees review will **not** give preference to the initial adverse benefit determination. The Trustees will review the claim as though they are seeing it for the first time. No individual who made the adverse benefit determination being appealed, nor a subordinate of that person, will conduct the review.

In deciding an appeal that is based in whole or in part on a medical judgment, the Trustees will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. This health care professional will be an individual who was neither consulted in connection with the prior decision being appealed, nor will it be his or her subordinate. The Trustees will identify medical or vocational experts whose advice was obtained on behalf of the plan in connection with the original decision, without regard to whether the advice was relied upon in making the determination.

Time Limits By Which the Trustees Must Review Adverse Benefit Determinations Appeals and Extensions

The Board of Trustees will notify you of its determination on review within a reasonable period of time, not more than 60 days after receiving your request for review. However, if the Trustees determine that special circumstances require more time to processing the appeal, the Trustees will send you a written notice of the extension before the initial 60-day period expires. The extension will not be longer than 60 days from the end of the first 60-day period (120 days total). The extension notice will tell you why the Trustees need the extension and the date by which the Trustees expect to decide.

If the claim is for a disability benefit the Trustees must notify you of the extension within 45 days, rather than 60 days.

The Board of Trustees' Decision on the Appeal

The Board of Trustees will notify you of its decision in writing. In the case of an adverse benefit determination on your appeal, the notice will contain:

- The specific reason reasons for the Trustees' decision,
- Reference to the specific plan provisions on which the benefit determination is based,
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits,
- A statement of your right to bring an action under ERISA section 502(a);

In addition to the items above, if the adverse benefit determination relates to a Disability Benefit, the notice will tell you:

- If an internal rule, guideline, protocol, or other similar criteria was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criteria; or a statement that such rule, guideline, protocol, or other similar criteria was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criteria will be provided free of charge to you upon request, and
- If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the plan to your medical circumstances, or a statement that an explanation will be provided free of charge upon request.

- The notice will also state "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your state insurance regulatory agency."

Furnishing Documents

When an adverse benefit determination is being reviewed, the Board of Trustees will give you access to, and copies of, documents records and other information described in above as is appropriate.

Hearings

If the Board of Trustees decides it necessary or desirable, it may hold a hearing(s). The Trustees will decide the terms and conditions of any hearings and whether or not to receive evidence or invite you to attend.

SUSPENSION OF PAYMENTS UPON REEMPLOYMENT AFTER RETIREMENT

If you return to work in the industry after you retire, but before age 65, your pension payments might be suspended. Read this section to find out more.

Returning to Work Before Age 62

If you are under age 62 your monthly pension payments will not be paid for any month in which you perform 40 or more hours of **work in the industry**.

Contact the administration office if you have any questions about whether a certain type of employment would cause your payments to stop.

Returning to Work Between the Ages of 62 and 65

If you are between age 62 and 65 and you perform more than 1,000 hours of work in the industry in a plan year, your monthly pension payments will not be paid for any month in which you perform 40 or more hours of work in the industry.

Definition

Work in the industry means work that meets all three of the following tests:

- You work in the geographic area covered by this plan when your benefit payments began,
- You work in a trade or craft in which you worked at any time when your work then was covered by the plan (that is, your employer was required to pay a contribution to the plan on your behalf for such work) even if your work now is not covered by the plan, and
- You work in a business activity of the type engaged in by any employer who contributed to the plan when your benefit payments began.

Returning to Work at 65 or Older

Monthly pension payments will not be suspended if you work in the industry after you reach age 65.

Certification of Not Working in the Industry

If you are retired and under age 65, the administration office may require you to certify that you are unemployed (or not employed at "work in the industry" more than permitted under the suspension of payment rules). The administration office may also require you to prove that your employment is not "work in the industry."

Your Notification Requirements

If you are retired, under age 65, and go back to work, you must notify the administration office during the first month of work. You must report work with any employer - even if it is not work in the industry.

If you do not notify the administration office that you have returned to work and you work in the industry, the Trustees will stop your pension payments as soon as they learn of your re-employment. The administration office will assume you have worked more than permitted under these rules. This assumption will be subject to change if you can submit proof that the assumption is incorrect.

When you retire again later, you must notify the administration office. They will start paying your monthly pension payment again.

Recovery of Mistakenly Paid Benefits

If you receive benefits for any months when you were not entitled to them, the administration office will recover those benefits from your future checks.

How Benefits Will Be Paid When You Return to Retirement

During your reemployment with a contributing employer, you will earn additional monthly pension benefits for any plan year during which you work at least 400 hours. (Plan years run from June 1 to the following May 31.)

When you return to retirement, any new pension benefits you earned will be added to your previous pension. Your monthly pension will be paid using the same payment option you chose the first time you retired.

Appealing Suspension of Payments

If you disagree with the Board of Trustees' decision to suspend payments, you may use the plan's appeal procedures to request that the Trustees reconsider the decision. See the "Denial of Benefits and Appeal Procedures" Section for the steps to follow.

H E R E

TERMINATION OF PARTICIPATION

Generally, your participation in the plan ends if you do not work at least 400 hours in a plan year. The effect on your years of service and monthly pension depends on whether or not you are vested when your participation ends.

If You Are Vested When Your Participation Ends

If you are vested when your participation ends and you never return to participation, you may start receiving a monthly pension when reach age 65.

You may also retire and start receiving a monthly pension between the ages of 55 and 65 if you meet the eligibility requirements for Early Retirement (see Early Retirement under "When You Can Start Receiving a Monthly Pension"). In either case, you may select any of the payment options described in "Monthly Pension Payment Methods."

If you are vested when your participation ends and you later return to participation, you may be able to earn additional benefits. (See "Return to Participation – Vested Participants.")

If You Are Not Vested When Your Participation Ends

If you are not vested when your participation ends, you could have a break in service and lose the years of service and monthly pension benefits that you earned. If you never return to participation, you will not be entitled to any benefits from this plan.

Generally, if you return to participation within five years, your years of service and benefits may be reinstated. See "Return to Participation – Nonvested Participants."

Postponement of Termination

Your termination of participation may be postponed if you are absent from work for one of the following reasons:

- **Service in the U.S. Armed Forces** for the period you retain reemployment rights under federal law, as long as you are available for covered employment within 90 days after release from active duty or within 90 days after recovery from disability continuing after release form active duty.
- **Disability** by bodily injury or disease that prevents you from regularly performing any work in a gainful or suitable occupation. This type of a postponement of termination may not exceed three consecutive years.
- **Family and Medical Leave Act Leave or Maternity/paternity** leave that prevents a break in service (See "Return to Participation - Break in Service.")

A postponement of termination only prevents you from ending your participation. Normally, you will not earn service or benefits during a postponed termination. Military service and maternity/paternity leave may count for earning service and benefits if the requirements of federal law are met. Check with the administration office if you have questions about the impact of the leave on your benefits.

RETURN TO PARTICIPATION

If you are vested when your participation ends, you may earn additional service and benefits if you return to covered employment. See "Vested Participants" below.

If you are not vested when your participation ends, your years of service and benefits may be reinstated if you return to covered employment. See "Nonvested Participants" below.

Vested Participants

If you are vested when your covered employment ends, and you later return to covered employment, you will return to participation. Your monthly pension benefit for service before your termination of participation will be added to the benefit you earn after you return to covered employment.

Non-vested Participants

If your covered employment ended before becoming vested, and you have a break in service (as described in the next paragraph) each year for the next five consecutive plan years, you lose all benefits previously earned.

Plan Year – The plan runs from June 1 through the following May 31.

Breaks in Service

In general, you incur a break in service when you don't work at least 400 hours of service in any plan year.

However, if you work fewer than 400 hours in a year for a reason that postpones termination of participation (see "Termination of Participation - Postponement of Termination"), you will not incur a break in service.

In addition, the rules vary if you are absent from work due to:

- **Service in the U.S. Armed Forces**. Under the Uniform Services Employment and Reemployment Rights Act (USERRA) you retain reemployment rights as long as you are available for covered employment within 90 days after release from active duty or within 90 days after recovery from disability continuing after release form active duty.
- **Disability**. If bodily injury or disease prevents you from regularly performing any work in a gainful or suitable occupation, termination of participation is postponed. Postponement of termination will not exceed three consecutive plan years.
- **Family and Medical Leave Act Leave** or maternity/ paternity leave that prevents a break in service

Under these circumstances the hours of service you otherwise would have worked apply to prevent a break in service either in the plan year in which the absence begins or in the following plan year.

Example of Break in Service

Kioko began participating in this plan on June 1, 2000. She earned 4 years of service in the plan years between June 1, 2000 and May 31, 2004. During the next plan year (which began June 1, 2004) she earned only 200 hours of service, then quit to move to Nebraska. Her participation terminated and she incurred a break in service for that plan year. She loses years of service, and benefits earned between June 1, 2000, and May 31, 2004.

However, if Kioko returns to participation and earns another 400 hours service in one plan year before she has 5 consecutive breaks in service (before May 31, 2009), her years of service and benefits will be reinstated; if not, all pension benefits she earned are forfeited.

Example of a Postponement in Service with no Break in Service

Jason began participating in this plan on June 1, 1998. He earned four years of service in the plan years between June 1, 1998 and May 31, 2002. During the next plan year (which began June 1, 2002), he earned only 100 hours of service because his Guard unit was called to active duty. He remained in active duty for two years and then returned to covered employment in 2004. Jason did not incur a break in service in 2002 or 2003 because termination of Jason's participation was postponed for military duty.

SITUATIONS THAT MAY AFFECT YOUR BENEFIT

This section describes circumstances under which your pension may be affected or changed.

Service with Related Plans

If you have at least one year of service in this plan (not including the predecessor plans that joined this plan) and you have credited service with a related plan, your related service might be counted in this plan.

Related Plans

- The BOMA - Local 6 Pension Trust plan is a related plan.
- The Trustees may agree to recognize any other pension plan as a related plan. The administration office will be able to tell you if a plan you've come from or a plan you go to after being in this plan is a related plan.

Service Carries Over from Related Plans, but Not Benefits

If you have at least one year of service under this plan (not including service with predecessor plans), the service you earn while a participant of a related plan will be counted with your years of service under this plan to determine your eligibility for normal, early, late, or disability retirement or for the pre-retirement death benefits from this plan. No more than one year of service will be counted, from either this or a related plan in any one plan year.

The monthly benefits you receive from this plan will be based only on the employer contributions to this plan and on your service under this plan.

The benefits provided by a related plan will be based on your service and employer contributions under that plan.

Your Notification Requirements

When you retire, you should notify the administration office if you worked under a related plan so that all of your applicable service is considered when your eligibility for a benefit is determined.

Loss or Denial of Benefits

Under certain circumstances, your claim or your designated beneficiary's claim for benefits can be denied or partially denied. Generally, denial or loss of benefits can occur in whole or in part if:

- You do not meet general participation requirements (see "Becoming a Plan Participant" on page 7).
- You are not vested when you leave the plan (see "Earning and Measuring Service – Vesting " on page 8).
- You have a break in service or return to work after a break in service and do not meet the requirements for reinstatement of service (see "Return to Participation" on page 45).
- You return to work after retirement (see "Suspension of Payments Upon Reemployment After Retirement" on page 40).
- The assets of the plan are inadequate to fund benefits. (If this occurs, some of your benefits might be insured by the Pension Benefit Guaranty Corporation, see the next page.)
- The limitation and taxes on benefits imposed on benefits by the Internal Revenue Service.
- Your benefits are subject to a qualified domestic relations order (see "Domestic Relations Orders" on page 51).

Right to Amend the Plan

The plan is intended to be permanent. However, the Board of Trustees reserves the right to change the terms of the plan at any time for any reason.

Right to Terminate the Plan

The Board of Trustees has authority to terminate the plan at any time. The plan will also terminate when all collective bargaining agreements and special agreements requiring contributions to the plan expire and negotiations for extension thereof cease. (For this purpose, a collective bargaining agreement or special agreement covering employees involved in a strike or lockout is not deemed to expire until the strike or lockout lasts for more than six months.) In certain circumstances, the Pension Benefits Guaranty Corporation (PBGC) may also terminate the plan.

If the plan terminates before your participation ends, the monthly pension you have earned as of the termination date becomes fully vested to the extent there are sufficient funds in the plan to pay benefits. However, you will earn no new benefits.

Upon plan termination, the Trustees will allocate the assets of the Trust according to Title IV of ERISA (a federal law) to eligible participants and their beneficiaries. The Trustees will allocate any remaining assets of the Trust equitably among eligible participants and their beneficiaries in the Trustees' sole discretion, as appropriate, and in keeping with the law.

Benefits Insured by the PBGC

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due. The maximum benefit that the PBGC guarantees is set by law.

Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by:

- 100% of the first \$11 of the monthly benefit accrual rate and
- 75% of the next \$33.

The PBGC's maximum guarantee limit is \$35.75 per month times a participant's years of service. For example, the maximum guarantee for a retiree with 30 years of service would be \$12,870 (\$1,072.50 per month).

The PBGC guarantee generally covers:

- Normal and early retirement benefits,
- Disability benefits if you become disabled before the plan becomes insolvent, and
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law,
- Benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of:
    - The date the plan terminates, or
    - The time the plan becomes insolvent.
- Benefits that are not vested because you have not worked long enough,
- Benefits for which you have not met all of the requirements at the time the plan becomes insolvent, and
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator, the administration office, or contact the:

PBGC's Technical Assistance Division
1200 K Street, N.W., Suite 930
Washington, D.C. 20005-4026

Or call 202-326-4000 (not a toll-free number)

TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000.

Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

Assignment of Benefits

Generally, pension benefits cannot be assigned to another. They cannot be sold, used as collateral for a loan and in most cases your creditors cannot attach, garnish or otherwise interfere with your benefits under the plan.

However, the plan may be legally required to recognize obligations you are liable for as a result of a qualified Domestic Relations Order.

Domestic Relations Orders

A domestic relations order is a legal document that can direct all or part of your benefit to be paid to another person, called an "alternate payee." The order is usually issued in a divorce. The alternate payee can be your spouse, former spouse, child, or other dependent. A domestic relations order is a judgment, decree or order (including approval of a property settlement agreement), which provides child support, alimony payments, or marital property rights to an alternate payee.

A domestic relations order must be sent to the administration office, which will determine if it is "qualified" and payable. The plan will follow a domestic relations order only when the Trustees find it to be qualified according to the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code. You can contact the administration office for a copy of the procedures the plan will follow in administering a qualified domestic relations order.

Military Leave

A federal law called Uniform Services Employment and Reemployment Act (USERRA) gives you certain rights if you leave covered employment for any of the United States uniformed services, for active duty or training. To qualify for these rights, you must give your employer advance written or verbal notice of your upcoming leave for military service and you must report back to work within a specified period of time following the end of your military service, depending upon the length of your military service.

If you satisfy the requirements of USERRA, when you return to covered employment you might qualify for pension accruals for the period you were gone. Contact the administration office for more information about USERRA.

LEGAL INFORMATION

Official Plan Name

The official name of this plan is the Hotel Employees Restaurant Employees Pension Plan. Throughout this plan summary it is called "the plan."

Effective Date

This plan summary is effective January 1, 2005. For active participants on and after January 1, 2005 the previous plan summaries are obsolete. If you retired or stopped working under the plan before January 1, 2005, this plan summary will not apply to you. Please contact the administration office for the terms of the plan in effect when you were a plan participant.

Type of Plan

The plan is a defined benefit plan. This type of plan pays a specific benefit, typically a monthly pension, based on your service and your employer's contributions.

Plan Identification Numbers

The Employer Identification Number (EIN) assigned to the plan by the Internal Revenue Service is 91-6145131. The Plan Number assigned to the plan in accordance with U.S. Department of Labor instructions is 001.

Board of Trustees – Plan Administrator

The plan is maintained and administered by a joint labor-management Board of Trustees. The Trustees serve as the plan administrator. To contact the plan, write or call:

Hotel Employees Restaurant Employees Pension Plan
Welfare and Pension Administration Service, Inc.
2815 Second Avenue, Suite 300
P.O. Box 34203
Seattle, WA 98124-1203

Phone: 206-441-7574
Toll Free: 800-732-1121

www.heretrust.com

The members of the Board of Trustees are:

Union Trustees

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Spokane, WA 99201
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FAX: 509-325-7324

Trustee's Authority

The Board of Trustees have the full and exclusive discretionary authority to interpret, construe and apply the terms and conditions of the plan, the trust agreement, and all policies, procedures, actions and resolutions adopted in the administration or operation of the trust or the plan. They determine the eligibility of any participant or beneficiary for benefits from the plan. They have the discretionary authority to remedy possible ambiguities, inconsistencies, or omissions and to answer all questions about the plan, its administration and this summary plan description (called a plan summary throughout this document). The Trustees' decisions are final and binding.

Cost of the Plan

Your employer, who contributes on your behalf, pays for the plan. The amount of the contribution is determined by your employer's collective bargaining agreement or by a special agreement with the Trustees. You are neither required nor permitted to contribute to the plan.

The collective bargaining agreement may be inspected at the administration office. You may obtain a copy of it by writing to the administration office.

Plan Administrator and Funding

The plan is administered by the Board of Trustees with the assistance of Welfare and Pension Administration Service, Inc., a contract administration organization. The employer contributions made to the trust fund are invested as directed by the Board of Trustees. The Board of Trustees has retained Wurts & Associates, a professional investment management firm, as investment manager. William Wurts also acts as custodian of the trust fund.

Plan Year and Plan Records

The plan year is June 1 through May 31. Fiscal records are kept on a plan year basis.

Legal Process

The agent for the purpose of serving legal process upon this plan is the Board of Trustees as follows:

Hotel Employees Restaurant Employees Pension Plan
Welfare and Pension Administration Service, Inc.
2815 Second Avenue, Suite 300
P.O. Box 34203
Seattle, WA 98124-1203

Phone: 206-441-7574
Toll free: 800-732-1121

Legal process may also be served on any Trustee at the Trustee's work address.

Official Plan Document

This plan summary describes the major provisions of the Hotel Employees Restaurant Employees Pension Plan. In the event of any inconsistency between this summary and the plan provisions in the official plan document, the official plan document will govern.

Collective Bargaining Agreement

The plan is maintained under collective bargaining agreements between contributing employers and Hotel Employees Seattle, Local 8 and I.B.E.W. Seattle, Local 77. If you wish to examine or obtain a copy of the collective bargaining agreements, contact the administration office.

Contributing Employers and Labor Organizations

You may examine a complete list of employers and labor organizations contributing to the plan at the administration office or, by written request, you may obtain a copy from the administration office. The administration office, upon written request by you or your beneficiary, will advise you whether or not a particular employer or labor organization is a contributing employer and, if so, will provide the address of the employer or labor organization.

Rights Under the Employee Retirement Income Security Act (ERISA)

As a participant in the Hotel Employees Restaurant Employees Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all participants will be entitled to:

- Examine without charge, at the administration office and at other specified locations, such as worksites and union halls, all plan documents, collective bargaining agreements and copies of all documents filed by the plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- Obtain copies of all plan documents and other plan information upon written request to the plan administrator. The administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a monthly benefit, at normal retirement age (usually age 65) and, if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a monthly benefit, this statement will tell you how many more years you have to work to become vested and eligible for a monthly benefit. This statement must be requested in writing and is not required to be given more than once a year. The plan must provide the statement free of charge.

In addition to creating rights for participants, ERISA imposes duties upon the persons who are responsible for the operation of the plan: The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other participants and beneficiaries.

- No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a monthly benefit or exercising your rights under ERISA.
- If your claim for a pension benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the plan review and reconsider your claim.
- Under ERISA, there are steps you can take to enforce the above rights, for instance, if you request materials from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor and you may file suit in a federal court. The court will decide who should pay court costs and legal fees.

If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Office of the Employee Benefits Security Administration, US. Department of Labor. The nearest office of the Employee Benefits Security Administration, U.S. Department of Labor is located at the following address:

Employee Benefits Security Administration
US Department of Labor
Seattle District Office
1111 Third Avenue, Suite 860
Seattle, WA 98101-3212

Phone: 206-553-4246

You may also obtain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 800-998-7542, or from their website: www.dol.gov/esba.

If you have any questions about your plan, you should contact the administration office.

APPENDIX

Several pension plans are merged into the HERE Pension Plan over the years. If you were covered by the HERE Plan, or one of the plans that merged into the HERE Plan before June 1, 1991, the benefits you earned before then are described in this Appendix.

Each group is identified by the name of the local union that represents (or represented) the group in collective bargaining. You should review each section below to see whether it describes additional rules that apply to you.

Local	Date Local Plan Merged into this HERE Pension Plan	Appendix Section	Page
Seattle – Local 8	June 1, 1963	1	60
Renton – Local 596	June 1, 1976	2	65
Seattle Hotel Association – IBEW Local 77 PBX Operators Pension Trust	June 1, 1978	3	68
Pierce County Plan Tacoma – Former Local 20	July 1, 1988	4	72
Pierce County Plan Bremerton – Former Local 730	July 1, 1988	4	72
Bellingham – Former Local 529	July 1, 1990	5	76
Everett – Former Local 451	July 1, 1990	5	76

Definitions of Service Used in the Appendix

Credited Past Service — Generally, your credited past service is the number of your completed years of continuous service or continuous health plan membership before your collective bargaining unit became covered by this plan or a plan that merged into this plan. The rules for calculating credited past service depend on which plan you participated in first.

Credited Future Service — Credited future service is based on your hours of covered employment in each plan year after you become a participant.

SECTION 1 - SEATTLE, LOCAL 8

This section pertains to benefits earned prior to June 1, 1991 for:

- People in a collective bargaining unit represented by Local 8 in Seattle or one of the units that merged as of' August 1, 1976, to create Local 8 in Seattle.
- Union employees who were covered by the Local 8 plan but who were not in collective bargaining units.

Benefits you earned before June 1, 1991 are described in this Appendix. They are combined with the benefits you earned from June 1, 1991 to the present (which are described in the main body of the booklet) to make up your entire monthly pension.

Earning a Monthly Pension Through Service

The plan is designed to start paying a monthly pension income benefit when you turn age 65 – which is called "normal" retirement. Your monthly pension amount grows through years of service and the corresponding monthly pension benefit you earn while participating in this plan.

The plan had two ways of counting service before June 1, 1991, called credited past service and credited future service.

Credited Future Service and Benefits Earned Between June 1, 1976 and June 1, 1991

For plan years starting on or after June 1, 1976, your credited future service and benefits were calculated using the same formulas that are used to calculate your pension today, as found in the main body of this booklet. (See the sections "Earning and Measuring Service" on page 8 and "Calculating Your Benefit" on page 15.)

Credited Future Service – Earned Between June 1, 1971 to May 31, 1976

Your credited future service is based on the number of hours of covered employment you earn during a plan year.

The years of credited future service you earned while you were a member of a local union that merged to create Local 8, or a unit represented by it, is calculated according to the following tables:

From June 1, 1971 through May 31, 1976	
Hours of Covered Employment During Each Plan Year	**Credited Future Service**
1,500 or more	1 year
1,225 – 1,499	4/5 year
950 – 1,224	3/5 year
675 – 949	2/5 year
400 – 675	1/5 year
Fewer than 400	0 year

Credited Future Benefits – Earned Between June 1, 1971 to May 31, 1976

For plan years between June 1, 1971 and May 31, 1976, your credited future benefits were calculated using the same formulas that are used to calculate your benefits today, as found in the main body of this booklet. (See the section "Calculating Your Benefit" on page 15.) The benefits are based on the Credited Future Service as calculated using the chart above.

Credited Future Service – Earned Between June 1, 1963 to May 31, 1971

For plan years from June 1, 1963, through May 31, 1971, your credited future service is determined according to the following table:

From June 1, 1963 through May 31, 1971	
Hours of Covered Employment During Each Plan Year	**Credited Future Service**
1,700 or more	1 year
1,400 – 1,699	4/5 year
1,100 – 1,399	3/5 year
800 – 1,099	2/5 year
500 – 799	1/5 year
Fewer than 500	0 year

You earn a future service benefit for each plan year during which you earn a full or partial year of credited future service.

Credited Future Service Benefits – Earned Between June 1, 1963 to May 31, 1971

For plan years from June 1, 1963, through May 31, 1971, your credited future service benefit is determined according to the following table:

Hours of Covered Employment During Each Plan Year	6/1/1963 to 5/31/1967	6/1/1967 to 5/31/1971
1,700 or more	$5.00	$7.50
1,400 – 1,699	$4.00	$6.00
1,100 – 1,399	$3.00	$4.50
800 – 1,099	$2.00	$3.00
500 – 799	$1.00	$1.50
Fewer than 500	$0	$0

Credited Past Service – Earned Before June 1, 1963

You are eligible for credited past service only if you were a member of a union or collective bargaining unit when it became covered by the plan on June 1, 1963. If you are eligible, your credited past service is your completed months of uninterrupted eligibility before June 1, 1963, for the health and welfare plan negotiated by Local 8 in Seattle. Eligibility for the health and welfare plan is interrupted when you are not eligible for the health and welfare plan for 12 or more consecutive months. Months of eligibility before an interruption do not count for credited past service. Your credited past service is limited to 120 months (10 years).

Credited Past Service Benefit – Earned Before June 1, 1963

Your past service benefit for each full year of credited past service is $5.00. Your past service benefit for any partial year is shown on the following table:

Credited Past Service	Credited Past Service Benefit
12 Months	$5.00
10 or 11 months	$4.00
8 or 9 months	$3.00
5, 6 or 7 months	$2.00
3 or 4 months	$1.00
Fewer than 3 months	$0

Benefit Increases

The Trustees of this plan authorized the following benefit increases for participants who were employees of, or members of a collective bargaining unit represented by, Local 8 in Seattle or one of the local unions that entered as of August 1, 1976 to create Local 8 in Seattle:

This section only shows the benefit increases earned before June 1, 1991. Benefit increases as of June 1, 1991 and afterward are in the body of this booklet. (See the section "Calculating Your Benefit.")

- If you earned hours of service in this plan at any time from June 1, 1981 through May 31, 1983, your benefit was increased effective June 1, 1984, to the amount it would have been if your employer had contributed $0.15 for each hour.

- If you earned hours of service in this plan at any time from June 1, 1984 through May 31, 1986, your benefit was increased effective June 1, 1986 to the amount it would have been if your employer had contributed $0.15 for each hour.

- If you earned at least 400 hours of covered employment in this plan in either the plan year ending on May 31, 1985 or the plan year ending May 31, 1986, your future service benefit as of May 31, 1986 was increased by 15%.

- If you earned at least 400 hours of covered employment in this plan in the plan year ending May 31, 1988 your future service benefit as of May 31, 1988 was increased by 15%.

- On January 1, 1989, future service benefits as of May 31, 1988 were increased again. If you earned at least 400 hours of covered employment in this plan in the plan year ending May 31, 1988, your future service benefit as of May 31, 1988 was increased by 12%. If you did not earn at least 400 hours but your benefit was vested, your future service benefit was increased by 2.3%.

- If you earned at least 400 hours of covered employment in this plan in the plan year ending May 31, 1989, both your future and past service benefits as of May 31, 1989 were increased by 10%.

- If you earned at least 400 hours of covered employment in this plan in the plan year ending May 31, 1991, both your future and past service benefits as of May 31, 1991 were increased by 20%.

- Benefit increases authorized after June 1, 1991 are described in the main body of the booklet in the "Calculating Your Benefit" section.

SECTION 2 - RENTON, LOCAL 596

Benefits you earned before June 1, 1991 (and described in this Appendix) are combined with the benefits you earned from June 1, 1991 to the present (which are described in the main body of the booklet) to make up your entire monthly pension.

This section pertains to benefits earned prior to June 1, 1991 for:

- People in a collective bargaining unit represented by former Local 596 of the Hotel, Motel, Restaurant Employees and Bartenders Union in Renton (Local 596).
- Union employees who were covered by the Local 596 plan but who were not in collective bargaining units.

Earning a Monthly Pension Through Service

The plan is designed to start paying a monthly pension income benefit when you turn age 65 – which is called "normal" retirement. Your monthly pension amount grows through years of service and the corresponding monthly pension benefit you earn while participating in this plan.

The plan had two ways of counting service before June 1, 1991, called credited future service and credited past service.

Credited Future Service and Benefits– Earned Between June 1, 1976 and June 1, 1991

For plan years on or after June 1, 1976, your pension is calculated using the same service and benefit formulas that are used to calculate your pension today, as found in the main body of this booklet. (See the sections "Earning and Measuring Service" on page 8 and "Calculating Your Benefits" on page 15.)

Credited Past Service –Earned Before June 1, 1976

You are eligible for credited past service if:

- Your collective bargaining unit represented by Local 596 first became covered by the plan on June 1, 1976,
- You were a member of the unit or the union on that date, and
- You were eligible for the union's health and welfare plan in September 1975.

If you are eligible, your credited past service is your completed months of uninterrupted eligibility before June 1, 1976, for the health and welfare plan negotiated by Local 596. Eligibility for the health and welfare plan is interrupted when you are not eligible for the health and welfare plan for 12 or more consecutive months. Months of eligibility before an interruption do not count for credited past service. You can have no more than 120 months (10 years of credited past service).

Credited Past Service Benefits – Earned before June 1, 1976

Your past service benefit for each full year of credited past service is $2.00. Your past service benefit for any partial year is shown on the following table:

Credited Past Service	Credited Past Service Benefit
1 Year	$2.00
4/5 Year	$1.60
3/5 Year	$1.20
2/5 Year	$0.80
1/5 Year	$0.40
0 Year	$0.00

Benefit Increases

The Trustees of this plan authorized the following benefit increases for participants who were employees of, or a member of a collective bargaining unit represented by, former Local 596 in Renton:

- If you earned hours of service in this plan at any time from June 1, 1981 through May 31, 1983, your benefit was increased effective June 1, 1984, to the amount it would have been if your employer had contributed $0.15 for each hour.
- If you earned hours of service in this plan at any time from June 1, 1984 through May 31, 1986, your benefit was increased effective June 1, 1986 to the amount it would have been if your employer had contributed $0.15 for each hour.
- If you earned at least 400 hours of covered employment in this plan in either the plan year ending on May 31, 1985 or the plan year ending May 31, 1986, your future service benefit as of May 31, 1986 was increased by 15%.
- If you earned at least 400 hours of covered employment in this plan in the plan year ending May 31, 1988 your future service benefit as of May 31, 1988 was increased by 15%.
- On January 1, 1989, future service benefits as of May 31, 1988 were increased again. If you earned at least 400 hours of covered employment in this plan in the plan year ending May 31, 1988, your future service benefit as of May 31, 1988 was increased by 12%. If you did not earn at least 400 hours but your benefit was vested, your future service benefit was increased by 2.3%.
- If you earned at least 400 hours of covered employment in the plan in the plan year ending May 31, 1989, both your future and past service benefits as of May 31, 1989 were increased by 10%.
- If you earned at least 400 hours of covered employment in this plan in the plan year ending May 31, 1991, both your future and past service benefits as of May 31, 1991 were increased by 20%.
- All benefit increases authorized after June 1, 1991 are described in the main body of this booklet under "Calculating Your Benefit."

SECTION 3 - SEATTLE, IBEW LOCAL 77

Benefits you earned before June 1, 1991 (and described in this Appendix) are combined with the benefits you earned from June 1, 1991 to the present (which are described in the main body of the booklet) to make up your entire monthly pension.

This section pertains to benefits earned prior to June 1, 1991 for:

- People in a collective bargaining unit represented by former Seattle Hotel Association – Local 77 PBX Operators Pension Trust (called the PBX Plan).
- Union employees who were covered by the IBEW Local 77 plan but who were not in collective bargaining units.

Earning a Monthly Pension Through Service

The plan is designed to start paying a monthly pension income benefit when you turn age 65 – which is called "normal" retirement. Your monthly pension amount grows through years of service and corresponding monthly pension benefit you earn while participating in this plan.

There were two types of service earned before June 1, 1991, called credited future service and credited past service.

Credited Future Service and Benefits – Earned Between June 1, 1978 and June 1, 1991

For plan years on or after June 1, 1978, your pension benefit is calculated using the same formulas that are used today, as found in the main body of this booklet. (See the sections "Earning and Measuring Service" on page 8 and "Calculating Your Benefits" on page 15.)

Credited Past Service – for Service Earned Between June 1, 1964 to May 31, 1978

To be eligible for credited past service for employment from June 1, 1964, through May 31, 1978, you must have been a member of the PBX Plan on January 1, 1978. If you are eligible, your credited past service during that period is calculated according to the following table:

Hours of Covered Employment During Each Plan Year	Credited Past Service
1,800 or more	1 year
1,500 – 1,799	3/4 year
1,200 – 1,499	1/2 year
800 – 1199	1/4 year
Fewer than 799	0 year

Credited Past Service – for Service Earned Before June 1, 1964

To be eligible for credited past service before June 1, 1964, you must have been a member of your union or your collective bargaining unit on June 1, 1964, when its members were first covered by the PBX Plan. Your credited past service before June 1, 1964, is the number of completed years of continuous service with your employer immediately preceding June 1, 1964. However, your credited past service in this period is limited to five years.

Credited Past Service Benefits Earned June 1, 1964 to May 31, 1978 and Before June 1, 1964

Your credited past service benefit for each full year of credited past service is $3.75. Your credited past service benefit for any partial year is determined according to the following table:

Credited Past Service	Credited Past Service Benefit
1 year	$3.75
3/4 year	$2.81
1/2 year	$1.88
1/4 year	$0.94
0 year	$0.00

Benefit Increases

The Trustees of the PBX Plan and this plan authorized the following benefit increases for participants in the PBX Plan:

- If you earned hours of service in this plan at any time from June 1, 1981 through May 31, 1983, your benefit was increased effective June 1, 1984, to the amount it would have been if your employer had contributed $0.15 for each hour.
- If you earned hours of service in this plan at any time from June 1, 1984 through May 31, 1986, your benefit was increased effective June 1, 1984 to the amount it would have been if your employer had contributed $0.15 for each hour.
- If you earned at least 400 hours of covered employment in this plan in either the plan year ending on May 31, 1985 or the plan year ending May 31, 1986, your future service benefit as of May 31, 1986 was increased by 15%.
- If you earned at least 400 hours of covered employment in this plan in the plan year ending May 31, 1988 your future service benefit as of May 31, 1988 was increased by 15%.

- On January 1, 1989, future service benefits as of May 31, 1988 were increased again. If you earned at least 400 hours of covered employment in this plan in the plan year ending May 31, 1988, your future service benefit as of May 31, 1988 was increased by 12%. If you did not earn at least 400 hours but your benefit was vested, your future service benefit was increased by 2.3%.
- If you earned at least 400 hours of covered employment in this plan in the plan year ending May 31, 1989, both your future and past services benefits as of May 31, 1989 were increased by 10%.
- If you earned at least 400 hours of covered employment in this plan in the plan year ending May 31, 1991, both your future and past service benefits as of May 31, 1991 were increased by 20%.
- Any benefit increases authorized after June 1, 1991 are described in the body of the booklet under "Calculating Your Benefit."

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SECTION 4- TACOMA FORMER LOCAL 20 AND BREMERTON FORMER LOCAL 730

Benefits you earned before June 1, 1991 (and described in this Appendix) are combined with the benefits you earned from June 1, 1991 to the present (which are described in the main body of the booklet) to make up your entire monthly pension.

This section pertains to benefits earned prior to June 1, 1991 for:

- People in a collective bargaining unit represented by former Pierce County Hotel Employees Restaurant Employees Pension Plan (called the "Pierce County Plan" although it includes the former Bremerton Local 703 from Kitsap County).
- Union employees who were covered by the Pierce County Plan but who were not in collective bargaining units.

Earning a Monthly Pension Through Service

The plan is designed to start paying a monthly pension income benefit when you turn age 65 — which is called "normal" retirement. Your monthly pension amount grows through years of service and corresponding monthly pension benefit you earn while participating in this plan.

There were two types of service earned before June 1, 1991, called credited future service and credited past service.

Credited Future Service and Benefits Earned Between June 1, 1988 and May 31, 1991

For plan years beginning on or after June 1, 1988, your credited future service and benefits were calculated using the same formulas that are used today, as found in the main body of this booklet. (See the sectioned "Earning and Measuring Service" on page 8 and "Calculating Your Benefit" on page 15.)

Credited Future Service – Earned from June 1, 1967 to May 31, 1988

Your credited future service is based on your hours of covered employment during a plan year. If you were a participant in the Pierce County Plan, years of credited service before the date it merged with this plan are shown on the following tables:

From June 1, 1983 through May 31, 1988	
Hours of Covered Employment During Each Plan Year	**Credited Future Service**
500 or more	1 year
Fewer than 500	0 year
From June 1, 1967 through May 31, 1983	
Hours of Covered Employment During Each Plan Year	**Credited Future Service**
350 or more	1 year
Fewer than 350	0 year

Credited Future Service Benefit Earned for the Periods June 1, 1983 to May 31, 1988 and June 1, 1967 to May 31, 1983

Your credited future service benefit is a percentage of employer contributions made to the Pierce County Plan on your behalf for each year you earned a year of credited future service in that plan. The applicable percentages are as follows:

Plan Years	Credited Future Service Benefit
6/1/1967 - 3/31/1973	3.12 %
4/1/1973 - 5/31/1988	3.6 %

Remember, you must have a year of credited future service in plan year to earn a benefit.

Credited Past Service Before the Effective Date

To be eligible for credited past service, you must have been working for an employer contributing to the Pierce County Plan, or a member of a collective bargaining unit represented by the Pierce County Plan on the effective date of the Pierce County Plan.

- **The effective date for former Local 20 in Tacoma is June 1, 1967**.
- **The effective date for former Local 730 in Bremerton is June 1, 1978**.

You must also have had 1,500 hours of contributions to the Pierce County Plan on your behalf in the first 24 months following the effective date that applies to you.

If you are eligible, your credited past service is your completed years of continuous service before your effective date in the hotel and restaurant industry and in the geographical jurisdiction of any union that represented employees who worked (in the hotel and restaurant industry) for employers contributing to the Pierce County Plan. You may prove this type of service by proving continuous membership in such a union. A single month's union membership in a year constitutes a completed year. Your credited past service is limited to 10 years.

Credited Past Service Benefit

- **If you were a member of former Local 20 (Tacoma)**, or a member of a collective bargaining unit represented by former Local 20 of the Hotel Employees Restaurant Employees in Tacoma, your past service benefit for each year of credited past service is $3.00.
- **If you were a member of Local 730 (Bremerton)**, or a member of a collective bargaining unit represented by, former Local 730 of the Hotel Employees Restaurant Employees in Bremerton, your past service benefit for each year of credited past service is $1.50.

Benefits Increases

The Trustees of the Pierce County Plan and this plan authorized the following benefit increases for participants in the Pierce County Plan:

- If you earned at least 500 hours of covered, employment in the plan year ending May 31, 1986, or the plan year ending May 31, 1987, your future and past service benefits were increased by 15%. If you did not earn at least 500 hours but your benefit was vested, your future and past service benefit was increased by 15%.
- If you earned at least 400 hours of covered employment in the Pierce County Plan in the plan year ending May 31, 1988, your future service benefit as of May 31, 1988, was increased by 12%. If you did not earn at least 400 hours by your benefit was vested, your future service benefit was increased by 2.3%.
- If you earned at least 400 of covered employment in this plan in the plan year ending May 31, 1989, both your future and past service benefits as of May 31, 1989 were increased by 10%.
- If you earned at least 400 hours of covered employment in this plan in the plan year ending May 31, 1991, **both** your future and past service benefits as of May 31, 1991, were increased by 20%.
- Benefit increases authorized after June 1, 1991 are described in the main body of the booklet under "Calculating Your Benefit."

Additional Benefit Payment Methods for Former Pierce County Plan Participants

If you participated in the Pierce County Plan, you may be able to choose one of the following payment methods, in addition to those described in the body of this booklet.

If you **are single** when you retire, you may choose to receive your benefit in the form of a 50%, 66-2/3%, or 100% Spouse Option, which will pay a continuing pension payment to the person you name as your "survivor."

SECTION 5 – BELLINGHAM, FORMER LOCAL 529 AND EVERETT, FORMER LOCAL 451

Benefits you earned before June 1, 1991 (and described in this Appendix) are combined with the benefits you earned from June 1, 1991 to the present (which are described in the main body of the booklet) to make up your entire monthly pension.

This section pertains to benefits earned prior to June 1, 1991 for:

- People in a collective bargaining unit represented by former Culinary Workers of North Puget Sound Pension Trust fund (Called the Culinary Workers Plan).
- Union Employees who were covered by the Culinary Workers Plan but who were not in collective bargaining units.

Earning a Monthly Pension Through Service

The plan is designed to start paying a monthly pension income benefit when you turn age 65 – which is called "normal" retirement. Your monthly pension amount grows through years of service and corresponding monthly pension benefit you earn while participating in this plan.

There were two types of service earned before June 1, 1991, called credited future service and credited past service.

Credited Future Service and Benefits Earned Between June 1, 1988 and July 1, 1991

For plan years beginning on or after June 1, 1988, your credited future service and benefits are calculated using the same formulas that are used today, as found in the main body of this booklet. (See "Earning and Measuring Service" on page 8 and "Calculating Your Benefit" on page 15.)

Credited Future Service Earned Before June 1, 1988

Your credited future service is based on your hours of covered employment during a plan year.

If you were a member of or represented by Local 451 in Everett, your years of credited future service before the date the Culinary Workers Plan merged with this plan are shown on the following table:

From June 1, 1972 through May 31, 1988	
Hours of Covered Employment During Each Plan Year	**Credited Future Service**
350 or more	1 year
Fewer than 350	0 year

If you were a member of or represented by Local 529 in Bellingham, your years of credited future service before the Culinary Workers Plan merged with this plan are shown on the following tables:

From June 1, 1981 through May 31, 1988	
Hours of Covered Employment During Each Plan Year	**Credited Future Service**
350 or more	1 year
Fewer than 350	0 year

From June 1, 1976 through May 31, 1981	
Hours of Covered Employment During Each Plan Year	**Credited Future Service**
750 or more	1 year
Fewer than 750	0 year

Credited Future Service Benefit Earned Before June 1, 1988

Your future service benefit is 4.25% of employer contributions made to the Culinary Workers Plan on your behalf for each year you earned a year of credited future service in that plan before June 1, 1988.

Credited Past Service Earned Before the Effective Date

To be eligible for credited past service, you must have been working for an employer contributing to the Culinary Workers Plan or been a member of the union on your collective bargaining unit's effective date.

- The effective date for Local 529 in Bellingham is June 1, 1976.
- The effective date for Local 451 in Everett is June 1, 1972.

You must also have 700 hours of contributions made to the Culinary Workers Plan on your behalf in the first 24 months prior to the effective date (above) that applies to you.

If you are eligible, your credited past service is your completed years of continuous service before your effective date in the hotel and restaurant industry and in the geographical jurisdiction of any union that represented employees who worked (in the hotel and restaurant industry) for employers contributing to the Culinary Workers Plan.

You may prove this type of service by proving continuous membership in a union representing employees in the hotel and restaurant industry who worked for employers contributing to the Culinary Workers Plan. A single month's union membership in a year constitutes a completed year. If you cannot prove continuous union membership, you must have 350 or more hours of service in each plan year as follows:

- In the hotel and restaurant industry, and
- In the geographical jurisdiction of any union that represented employees who worked (in the hotel and restaurant industry) for employer contributing to tile Culinary Workers Plan, and
- With an employer who had a collective bargaining agreement with the union.

Your service must have been continuous. Your credited past service is limited to 10 years.

Credited Past Service Benefits Earned Before the Effective Date

- If you were an employee of, or a member of a collective bargaining unit represented by, former Local 529 Bellingham, your past service benefit for each year of credited past service is $2.50.
- If you were an employee of, or a member of a collective bargaining unit represented by, former Local 451 in Everett, your past service benefit for each year of credited past service is $3.85.

Benefit Increases

The Trustees of the Culinary Workers Plan and this plan authorized the following benefit increase for participants who participated in the Culinary Workers Plan:

- If you earned at least 400 hours of covered employment in this plan in the plan year ending May 31, 1991, both your future and past service benefits as of May 31, 1991, were increased by 20%.
- Benefit increases authorized after June 1, 1991 are described in the main body of the booklet under "Calculating Your Benefit."

HOTEL EMPLOYEES RESTAURANT EMPLOYEES PENSION TRUST

Beneficiary Dessignation Form

Please complete this Beneficiary Designation Page, insert into an envelope and mail to:

H.E.R.E
Administration Office
PO Box 34203
Seattle, WA 98124-1203

HOTEL EMPLOYEES RESTAURANT EMPLOYEES PENSION TRUST

Beneficiary Designation Form

NAME OF MEMBER Last First MI	SOCIAL SECURITY NUMBER
ADDRESS OF MEMBER Street City State ZIP	
Sex ❑M ❑F Local Number	MEMBER DATE OF BIRTH
Marital Status ❑Single ❑Married	Month Day Year
SPOUSE NAME	SPOUSE SOCIAL SECURITY NUMBER

BENEFICIARY DESIGNATION

Pension Plan Death Benefit You may select anyone; however, if you are married on your date of death, your spouse will automatically receive the pre-retirement death benefits. If you select an ineligible beneficiary or do not designate a beneficiary, your death benefit(s) will be paid in the order of preference outlined in the applicable Plan booklet.

NAME OF BENEFICIARY Last First MI Relationship
ADDRESS OF BENEFICIARY Street City State ZIP
I hereby certify that the above information is true, correct and complete to the best of my knowledge and supersedes any beneficiary designation signed prior to the date shown below.
DATE OF SIGNATURE SIGNATURE

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