

October 16, 2009

Dear Plan Participant:

In order to provide you with the information required to choose the form of benefit that will best suit your needs, please complete and return the enclosed *pre-retirement questionnaire*. This profile will then be sent to our actuaries for calculation purposes. These calculations are based upon your date of retirement and the dates of birth for you (and your spouse, if applicable). **If you have ever been divorced, be sure to include a copy of the complete divorce decree. Failure to do so may result in delay of processing your application.**

It is very important that you choose your retirement date (must be the first day of a month) **before** submitting the questionnaire. When we receive the actuarial worksheet showing the benefit amounts for each form of benefit, we will send it to you with the retirement application. To comply with current IRS regulations, the signatures (you and your spouse's) on the retirement application must be within 90 days of your first payment. Again, note that a retirement date is always the first day of the month.

All retirements must be approved by the Board of Trustees during one of their quarterly meetings. Should you have any questions, please contact the Fund Office at (916) 457-0821.

Sincerely,

U.A. Local 447 Pipe Trades Benefit Plans

U. A. LOCAL 447 PENSION PLAN
PRERETIREMENT QUESTIONNAIRE

PARTICIPANT INFORMATION:

Name _____ SS# _____

Street _____ City _____

State/ZIP _____ Phone () _____

Date of birth _____ Last day of work _____

Date of retirement _____ If disability retirement, date of award _____
(must be the first day of the month)

Were you ever divorced? ___ No ___ Yes. **If yes, please provide a copy of the Divorce Decree.**

SPOUSE INFORMATION:

Name _____ SS# _____

Date of birth _____

BENEFICIARY INFORMATION:

Name _____ SS# _____

Date of birth _____

PENSION ENHANCEMENT OPTION:

If you would like to see some examples how different Defined Contribution amounts can increase your monthly pension benefit, please write in your amounts below. The minimum amount that can be used for this purpose is \$10,000.

\$ _____ \$ _____ \$ _____

Participant's signature

Date

Dear Participant:

The Pension Enhancement Option allows you to use all or part of your U. A. Local No. 447 Defined Contribution Plan distribution to increase the amount of your pension.

You may voluntarily transfer all or a portion of your money from the Define Contribution Plan into the Pension Plan at the time of your retirement in order to increase the amount of your monthly pension benefit. The minimum amount that can be used for this purpose is \$10,000; the maximum amount is limited by your balance.

For example, Sam is ready to retire and has earned a pension benefit of \$1,500 per month. Sam also has \$80,000 in the Defined Contribution Plan. Sam decides to use \$60,000 of his distribution to increase his monthly pension. The amount of the increase depends on his age and the pension option he chooses. In this example, Sam is 60 and chooses a life annuity.

Given these facts, Sam's pension enhancement would amount to \$440 per month. Therefore, instead of getting \$1,500 per month for the rest of his life, Sam would receive \$1,940 per month. In addition, if Sam should die before the principal (\$60,000) is used up; Sam's beneficiary would receive the remainder of the \$60,000.

Most of us are not ready for retirement yet, but it is never too soon to start planning. File this letter away with your other important papers and when you get ready to plan your retirement, call the Trust Fund Office for an estimate of what this pension enhancement can do for you.

PENSION PLAN ENHANCEMENT OPTION

Use All or Part of Your U.A. Local 447 Defined Contribution Plan Distribution to Increase the Amount of Your Pension

The advantages of this option are:

- It's voluntary.
- It provides a way to spread taxed on the Defined Contribution distribution over time, thereby deferring taxes upon retirement.
- It provides you the security of receiving a benefit for life.
- It avoids the fees and commissions you would have to spend on insurance or annuity products.
- It allows you to benefit from the higher interest rate generated by professionally managed funds without taking the risks inherent in getting those higher rates.
- It provides that any balance left from the amount originally transferred is paid to a named beneficiary.

The main points to remember are:

- You must be eligible for a pension; the pension amount does not matter.
- If you wish to increase your pension amount, you must transfer at least \$10,000 from your Defined Contribution Plan account into the Pension Plan. The more you put in, the greater the benefit.
- The amount of the increase will depend on your age and the pension option you choose.
- You may designate a beneficiary to receive any unpaid portion of the principal amount you transfer.