

Date: _____

ABC-NABET RETIREMENT TRUST PLAN

OPTIONAL FORMS OF BENEFIT PAYMENT NOTICE

To: _____

You have an important decision to make about your pension benefits*. This notice provides information about:

- The election procedures,
- Spousal consent requirements for married participants,
- Comparing the value of different forms of payment available to you,
- Factors you may wish to consider when making your decision, and
- The timeframe in which to file your election to begin receiving your benefit.

If You Are Married

If you are married, the normal form of benefit payment is a Qualified Joint and Survivor Annuity (QJSA), and your spouse must give his or her consent if you want to receive your pension benefit other than as a QJSA. In order for this election to be valid, your spouse's consent must be:

- In writing,
- Witnessed by a notary public or plan representative, and
- Filed with the Plan Administrator along with your election forms.

If You Are Not Married

If you are not married, the normal form of benefit payment is a Single Life Annuity. You may, however, elect to receive your pension benefit in any of the optional forms of payment* described below, other than the Qualified Joint and Survivor Annuity.

Optional Forms of Benefit Payments

Following is an explanation of the forms of benefit payment available under the Plan.

QUALIFIED JOINT AND SURVIVOR ANNUITY

Under this form of payment you will receive a lifetime monthly benefit, and a survivor annuity is provided to your spouse (to whom you were married when your benefits began) after your death. The amount of the monthly benefit is reduced during your lifetime from what it would be if the pension were paid in the single life annuity form. The amount of the reduction is based on your age and your spouse's age. If you were working in covered bargaining unit employment on or after December 1, 1999, the lifetime monthly benefit payable to your spouse upon your death will be equal to 75% of the amount you were paid during your lifetime. If you did not work in covered bargaining unit employment on or after December 1, 1999, the lifetime monthly benefit payable to your spouse will be equal to 50% of the amount you were paid during your lifetime. The amount of your benefit payable as a Qualified Joint and Survivor Annuity is provided later in this notice.

Note that if your spouse dies before you do, your monthly payment will be adjusted to the amount you would have received under a single life annuity. This is called a "Pop-Up" Benefit. The Pop-UP Benefit commences on the first day of the first month after your spouse dies, provided you have given a certified copy of the death certificate to the Fund Office. If you provide the Fund Office with the death certificate after such date, the Pop-Up Benefit will start in the next month and, depending on the date your spouse died; up to six months of retroactive Pop-Up Benefit payments will be made.

* This notice and the accompanying forms relate to Company-funded benefits from the Plan. A separate notice and election forms apply to benefits payable with respect to participant contributions to the Supplementary portion of the Plan, if any.

SINGLE LIFE ANNUITY

Under a Single Life Annuity form of payment, you will receive a lifetime monthly benefit. Upon your death, no additional benefits are payable.

ANNUITY WITH 120 MONTHLY PAYMENTS GUARANTEED

Under this form of payment, you will receive a monthly benefit for your lifetime, but if you die before receiving 120 payments your designated beneficiary will continue to receive the same monthly payment you had been receiving until the total number of monthly payments to you and your beneficiary equal 120. For example, if you elect this form of payment and die after receiving 100 monthly payments, your beneficiary will receive the same monthly payment you were receiving for 20 months.

If you elect this option, your monthly benefit will be reduced to take into account the 120-month guarantee feature.

JOINT AND SURVIVOR ANNUITY

Under the Joint and Survivor Annuity form of payment, you may elect to have your designated beneficiary receive a benefit after your death that is equal to 50%, 66- $\frac{2}{3}$ % or 100% of the monthly amount you were receiving for the remainder of the beneficiary's life. Your monthly benefit will be reduced based on your age and your beneficiary's age, and the percentage of the joint annuity that you elect. If your designated beneficiary dies before you, no additional benefits will be paid after your death.

If you were working in covered bargaining unit employment on or after December 1, 1999, are married and elect (with proper spousal consent) to receive a 50% or 66- $\frac{2}{3}$ % Joint and Survivor Annuity with your spouse as the contingent annuitant, benefit payments will automatically be enhanced to equal the payments that would have been payable under a Qualified Joint and Survivor Annuity.

SOCIAL SECURITY LEVEL PAYMENT OPTION

This option is available if you retire before age 62 or age 65 and before becoming eligible for Social Security benefits. Under this option, you may elect to receive an increased retirement payment from the Plan before you are eligible to receive Social Security retirement benefits (either age 62 or age 65, whichever you elect). When you attain age 62 or 65, the amount of the monthly benefit from the Plan will be actuarially reduced to take into account the increased payments you receive prior to that age. As a result, you can have an almost level retirement income for life, consisting of the combined payments from this Plan and from Social Security. Please note that there are no survivor benefits payable under this option.

Comparing Your Benefit Payment Options

The Plan must determine a "relative value" for each available form of payment to help you:

- compare the total value of all benefits expected to be paid under the different forms of payment available under the plan, and
- easily recognize value enhancements or subsidies (that may be inherent to some forms of payment but not others) without performing complex calculations.

In order to determine the relative value, each form of payment is converted and compared to a common baseline payment form, the Single Life Annuity. It is important to note that:

- These conversions use an interest rate of 7% and the GAR2002UH mortality table. Use of alternative assumptions may produce different relative value amounts.
- The comparisons are based on average life expectancies.
- The relative value of actual payments made to you will vary depending on how long you and your beneficiary live.

If you would like to learn the amount and /or relative value of each optional form based upon the date of birth or any other individual that you would like to designate as your beneficiary under the Plan (other than the individual previously named on your Application for Retirement Benefits), please contact the Fund Office.

Factors to Consider When Making Your Election

The form of payment best suited for you will depend on your retirement income needs and the benefits you may wish to provide to your spouse and/or designated beneficiary. You may also wish to seek the advice of family members and/or your personal financial advisor, as many factors may also be important in selecting your form of payment, such as your:

- health and your spouse's or beneficiary's health,
- other sources of income, and
- personal needs and the needs or desires of family members.

Form of Payment Election

You must choose the form of payment on the accompanying Benefit Election Form. If you have questions regarding the various payment options or want additional information, you may request it from the Fund Office. Requests for any specific detailed information should be made in writing.

To be valid, your election form must be properly completed and filed with the Plan Administrator no more than 180 days before your retirement payments actually start. If you request any additional benefit information, your filing deadline date will be extended, if applicable, to the date that is 180 days after the date you are finished this information. You are required by law to have at least 30 days after you receive your election package to consider the choice you are making. You may, however, return your election form to the Plan Administrator before the end of the 30-day period, provided you waive this 30-day waiting period by returning a signed Benefit Election Form. However, your benefits may not be paid any earlier than the 8th day after the date you received this election package.

If you do not file your benefit election form with the Fund Office before the date that your retirement benefits are scheduled to begin, you will not begin to receive your pension benefits payments until you complete and file the required forms with the Fund Office. If you do not indicate a specific payment option, you may be deemed to have elected payment under the normal form of payment in accordance with plan provisions and as described above.