

**SUMMARY PLAN DESCRIPTION
OF THE
LOCAL UNION NO. 306 I.B.E.W.
PENSION ANNUITY PLAN
FOR THE LOCAL UNION 306
INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS**



EFFECTIVE JULY 1, 2005

TO ALL PARTICIPANTS AND THEIR BENEFICIARIES:

On November 1, 1971, the Local Union 306, I.B.E.W. Pension Annuity Plan was established. It was designed to provide you with retirement benefits which would make the years after you stop working more comfortable and secure.

Everyone likes to look forward to a retirement that is as free from financial worry as possible. We hope that the benefits from this plan, together with your IBEW Local 306 401 (k) Wage Reduction Plan and your National N.E.B.F. Pension Plan, Social Security Benefits and personal savings will help provide this retirement security.

Various changes have been made to the Internal Revenue Code and Regulations issued there under which have resulted in changes to your Plan since the publication and distribution of the last Summary Plan Description. Therefore, in order to conform to these changes, the Plan has been amended and restated.

This Summary Plan Description is furnished to you and reflects all amendments made to the Plan in order to conform the Plan to recent legislation. This booklet is a summary of the Pension-Annuity Plan. If there is any discrepancy between the provisions of the Summary and the Plan itself, the Plan will control.

Because it is important that you understand the changes made to our Plan, we hope you will read this Summary Plan Description very carefully. In this booklet you will also find out how to obtain additional information about the Plan if you should need it. We suggest that you keep this booklet in a safe place for future reference.

Sincerely,

**Board of Trustees Local
Union #306, IBEW Pension
Annuity Plan**

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I. DEFINITIONS

- 1.1 **Beneficiary** shall mean a person, other than the Participant, who is receiving or entitled to receive benefits from the Plan because of designation of such benefits by a Participant and because of the provisions of the Plan. The word beneficiary shall not mean an alternate payee under a qualified domestic (I) relations order.
- 1.2 **Collective Bargaining Agreement** shall mean the successive collective bargaining agreements existing between the Employer and the Union which provides for contributions into the Trust Fund as well as any extension or extensions, renewal or renewals of any such collective bargaining agreement or any new collective bargaining agreement which provides for contributions into this Trust Fund. Collective Bargaining Agreement shall also include Letters of Assent between Employers and the Union and Assent of Participation between the Union, the Akron Area Electrical Joint Apprenticeship Committee and the Trust Fund.
- 1.3 **Contributions** shall mean payments to the Trust Fund by an Employer as required under the Collective Bargaining Agreements or other separate Agreements approved by the Board of Trustees.
- 1.4 **Covered Employment** shall mean employment under the jurisdiction of the Union for which an Employer is obligated by the Collective Bargaining Agreement or other separate agreement approved by the Board of Trustees, to contribute to the Trust Fund.
- 1.5 **Disability Retirement Date** shall mean with respect to any Participant, the first day of the month following determination by the Trustees of Participant's eligibility to receive Disability Benefits. A Participant shall be declared eligible to receive Disability Benefits if (a) he/she has been disabled by illness or injuries so as to be incapable of employment in the type of work covered under the Collective Bargaining Agreement or under a Participation Agreement.
- 1.6 **Early Retirement Date** shall mean with respect to any Participant who elects to retire prior to his/her Normal Retirement Age, the first day of the month after he/she attains age fifty-five (55) on which the Participant elects to retire.
- 1.7 **Employee** shall mean:
- (1) All Employees represented for the purpose of collective bargaining by the Union. These Employees are referred to as collectively bargaining employees.
 - (2) Employees who are formerly collectively bargained employees who are employed by an Employer who has a Collective Bargaining Agreement with the Union or who are employed by the Union and for whom contributions are paid pursuant to Participation Agreements with the Trust Fund. These Employees are also considered collectively bargained employees and shall also be referred to as bargaining unit alumni. Their participation in the Plan is permitted only under certain conditions.

- (3) All other Employees of the Union who are not represented for the purpose of collective bargaining by the Union who are employed by the Union and who participate through contributions under Participation Agreements with the Trust Fund on a non-discriminatory basis. These Employees shall be called non-collectively bargained employees.
- (4) All other Employees of the Akron Area Electrical Joint Apprenticeship Committee who are not represented for the purpose of collective bargaining by the Akron Area Electrical Joint Apprenticeship Committee who are employed by the Akron Area Electrical Joint Apprenticeship Committee and who participate through contributions under Participation Agreements with the Trust Fund on a non-discriminatory basis. These Employees shall be called non-collectively bargained employees.
- (5) The term "Employee" does not include partners or self-employed persons no matter how they are designated, nor shall it include, with the exception of the employees of the Union and the Akron Area Electrical Joint Apprenticeship Committee, employees who are not covered under collective bargaining agreements with the Employer.

1.8 **Employer** shall mean:

- (1) The Akron Division, North Central Ohio Chapter, N.E.C.A. (the "Association"),
- (2) An Employer who is affiliated with the Association and as a result is a party to a collective bargaining agreement with the Union,
- (3) Any individual, firm, association, partnership or corporation performing work in the electrical trade who is bound by a collective bargaining agreement with the Union and / or agrees to participate in the Plan, or
- (4) The Union and the Akron Area Electrical Joint Apprenticeship Committee or the Trustees, if the Trustees have passed a resolution providing such coverage and an Agreement exists with the Fund for the payment of contributions.

1.9 **Individual Account** shall mean the account established for each Participant pursuant to this Plan.

1.10 **Investment Funds** shall mean both Participant Directed Investments and Trustee Directed Investments ("Default Fund").

1.11 **Investment Manager** shall mean any fiduciary who has been designated by the Trustees to manage, acquire or dispose of any assets of the Fund; and who (1) is registered as an investment advisor under the Investment Advisors Act of 1940; (2) is a bank as defined in that Act; or (3) is an insurance company qualified to perform services under the laws of more than one state; and who has acknowledged in writing that it is a fiduciary with respect to the Fund.

- 1.12 **Participant** shall mean any person who meets the eligibility requirements set forth in Section Three.
- 1.13 **Plan** shall mean Local 306, I.B.E.W. Pension-Annuity Plan and all amendments and revisions.
- 1.14 **Retirement or Retire** shall mean, with respect to any Participant or former Participant, any period subsequent to his/her application for retirement benefits hereof, during which such Participant is not working for an Employer or in the industry in his/her trade or craft within the geographic area covered by the Plan (as such terms are defined by Department of Labor Regulations Section 2530.203-3(c).
- 1.15 **Trust Agreement** shall mean the Agreement and Declaration of Trust dated as of November 1, 1971, signed by the Trustees, and all amendments and revisions.
- 1.16 **Termination of Employment** shall mean the absence of contributions by the Employer on behalf of a Participant for a period of at least three (3) consecutive months.
- 1.17 **Trust Fund** shall mean the self-administered trust known as the Local 306, I.B.E.W. Pension-Annuity Fund established under the Trust Agreement and includes all of the assets of the Plan and Trust.
- 1.18 **Union** shall mean Local 306, International Brotherhood of Electrical Workers.

II. PLAN ADMINISTRATION

2.1 **Plan Name and Address**

Local Union #306 I.B.E.W. Pension Annuity Plan
33 Fitch Boulevard Austintown, Ohio 44515
(800)435-2388

2.2 **Plan Sponsor**

Board of Trustees Local Union #306
IBEW Pension Annuity Plan 33 Fitch
Boulevard Austintown, Ohio 44515
(800) 435-2388

2.3 **Administrative Manager**

Compensation Programs of Ohio, Inc.

33 Fitch Boulevard Austintown, Ohio
44515 (800)435-2388

2.4 Plan Identification Numbers

The Employer Identification Number (EIN) assigned to the Board of Trustees is 34-66889590. The Plan is further identified as Plan Number 001.

2.5 Type of Plan

Money purchase plan with individual participant accounts.

2.6 Investment Manager

Putnam Investments
1 Post Office Square
Boston, MA 02109

2.7 Record Keeper

Mercer HR Outsourcing
Investors Way Norwood,
Mass. 02062

2.8 Agent for Service of Legal Process

William B. Gore, Attorney at Law Macala,
Baasten, McKinley & Gore LLC 4150
Belden Village Street, Suite 604 Canton,
Ohio 44718

Service of legal process may be made upon the Trustees or any individual Trustee.

2.9 Board of Trustees

N.E.C.A. Management Trustees

Roland Sequin Thompson
Electrical, Inc. 49 North Moreland
Avenue Monroe Falls, Ohio 44262-
1717

Gregg Hughes Hughes
Electric, Inc. 2249
Ridgewood Road Medina,
Ohio 44256

Andrew Montecalvo
Montecalvo Electric, Inc.
1942 Newton Street
Akron, Ohio 44305

George V. Mroz
Hirsch Electric, Inc.
1245 S. Cleveland-Massillon Road
Suite 14
Akron, Ohio 44321-1657

I.B.E.W. Union Trustees

Timothy Moore
625 E. Britain
Creston, OH 44217

James Betz
4546 Ridgewood Road
Copley, OH 44321

Earl Krebs 4665
Estes Drive Kent,
Ohio 44240

Michael Kammer 52
Bermont Avenue Monroe
Falls, Ohio 44262

2.10 Collective Bargaining Agreements

This Plan is maintained pursuant to a collective bargaining agreement between Local Union #306, International Brotherhood of Electrical Workers (IBEW) and the Akron Division, National Electrical Contractors Association (NECA). You may obtain a copy of the collective bargaining agreement by writing to the Local Union, or the Administrative Manager, or may examine the collective bargaining agreement at the office of the Local Union.

2.11 Sources of Contributions

This Plan is funded through contributions by the employers on the behalf of their employees under the terms of a collective bargaining agreement.

2.12 Plan Year and Financial Reports

The Plan maintains its financial records on a calendar year basis, commencing each January 1 and ending on December 31 referred to as the Plan Year. All governmental filings of a financial nature are reported on a Plan Year basis.

2.13 Plan Effective Dates

The Plan was originally effective November 1, 1971. The most recent restatement of the Plan was effective January 1, 2002 which is referred to as the Restatement Date.

Plan Administration

The Plan is administered by a Board of Trustees made up of an equal number of Union and Employer representatives in accordance with an Agreement and Declaration of Trust. The Board will assume the major responsibilities for the day-to-day operation and interpretation of the Plan and will be responsible for the reporting and disclosure requirements of law. The Board has the authority to delegate some of its duties for the day-to-day administration and in this regard, has appointed an Administrative Manager to represent it in certain situations. The Board, however, is the "Administrator" as that term is defined under the relevant laws. The assets of the Plan are held, administered, and invested by the Custodian and the Investment Manager at the direction of the Trustees and Plan participants.

III. PARTICIPATION & ELIGIBILITY

How does the Plan work?

Our Plan is a "defined contribution plan" which means that your Employer makes contributions to the Plan pursuant to a collective bargaining agreement on your behalf according to a predetermined formula. These contributions are accumulated in your individual account. You may elect to have all or any portion of your account invested in investment accounts which are established by the Trustees through the Investment Manager. Then, when you are eligible to have your accounts distributed to you, you will receive a benefit based on the value of your account at that time.

Who is Eligible to participate in the Plan?

If you are represented by the Union and perform work under the Collective Bargaining Agreement you are eligible to participate as a collectively bargained employee. This eligibility is based upon the terms of the Collective Bargaining Agreement which was in effect when your contributions to the Plan are first received. You are also eligible to participate if you are a former collectively bargained employee who is working for the Union and contributions are being made pursuant to a Participation Agreement. Under these circumstances, you are referred to as a bargaining unit alumni. Additionally, if you are employed by the Union or the Akron Area Electrical Joint Apprenticeship Committee and not otherwise represented by the Union, you are eligible to participate under a Participation Agreement.

When does my participation in the Plan cease?

If you have failed to be employed by any Employer and your failure to be employed has lasted for a period of at least three (3) consecutive months and the Plan has not received contributions for work performed during that period, your participation in the Plan will cease and you will be considered a Former or Terminated Participant

What happens if I start working for an Employer after my Participation ceases?

If you cease to be eligible to participate in the Plan and you are subsequently rehired as an Employee of an Employer who is covered under a Collective Bargaining Agreement, you will be eligible to participate in the Plan on the first date on which the first contribution is paid to the Trust Fund on your behalf.

IV. CONTRIBUTIONS & ALLOCATIONS

Who contributes to the Plan?

The full cost of the Plan is paid by your Employer. You pay nothing. Your Employer's contributions are paid in accordance with the Collective Bargaining Agreement or other agreement with the Union or the Trustees.

Contributions may also be received by the Plan in accordance with reciprocity agreements between this Plan and another Plan for work performed by you outside of the jurisdiction of Local Union 306. If you have any questions about this, please ask the Plan Administrative Manager.

Are there circumstances when I am entitled to contributions even though I am not working for an employer?

Yes. Employees shall be given full credit for contributions, Hours of Service, participation, vesting, years of credited services and years of vesting service for the time period, not to exceed five (5) years, in which he/she is absent from work due to military service. The term "Military Service" shall mean any absence from work by reason of active duty in the Armed Forces of the United States.

- (A) The five (5) year limitation indicated above shall not include any service:
- (1) that is required beyond five (5) years to complete an initial period of obligated service;
 - (2) During which the individual was unable to obtain orders releasing him/her from service in the Uniformed Services before expiration of the five (5) year period, and such inability was through no fault of the individual;
 - (3) Performed as required pursuant to 10 U.S.C. 10147, under 32 U.S.C. 502(a) or 503, or to fulfill additional training requirements determined and certified in writing by the Secretary of the Military Department concerned to be necessary for professional development or for completion of skill training or retraining;

- (4) Performed by a member of a Uniformed Service who is:**
- (a) Ordered to or retained on active duty under sections 12301(a), 12301(g), 12302, 12304, 12305, or 688 of Title 10, United States Code, or under 14 U.S.C; 331, 332, 359, 360, 367, or 712;**
 - (b) Ordered to or retained on active duty (other than for training) under any provision of law during a war or during a national emergency declared by the President or the Congress;**
 - (c) Ordered to active duty (other than for training) in support, as determined by the Secretary of the Military Department concerned, of an operational mission for which personnel have been ordered to active duty under 10 U.S.C. 12304;**
 - (d) Ordered to active duty in support, as determined by the Secretary of the Military Department concerned, of a critical mission or requirement of the uniformed services; or**
 - (e) Called into Federal service as a member of the National Guard under Chapter 15 or under Section 12406 of Title 10, United States Code.**

Contributions for the above leave of absence is the responsibility of the last Employer prior to you entering military service in accordance with 38 U.S.C. 4318. The basis for determining the contributions is the average hours worked by the Employee in the twelve (12) months prior to entering Qualified Military Service.

In order for an Employee to receive continuing benefits as outlined above, upon the completion of a period of service in the Uniformed Services, said Employee shall notify the respective Employer and the Union with advance written or verbal notice of such service. An Employee, upon the completion period of service in the uniformed services, shall notify the Employer and the Union of the Employee's intent to return to a position of employment with such Employer as follows:

- (1) In the case of a person whose period of service in the Uniformed Services was less than thirty one (31) days, by reporting to the Employer and Union:**
- (a) not later than the beginning of the first full regularly scheduled work period on the first full calendar day following the completion of the period of service and the expiration of eight (8) hours after a period allowing for the**

safe transportation of the Employee from the place of that service to the Employee's residence; or

(b) as soon as possible after the expiration of the eight (8) hour period referred to in clause (a), if reporting within the period referred to in such clause is impossible or unreasonable through no fault of the person.

- (2) In the case of an Employee who is absent from a position of employment for a period of any length for the purposes of an examination to determine the Employee's fitness to perform service in the Uniformed Services, by reporting in the manner and time referred to in subparagraph (1).
 - (3) In the case of an Employee whose period of service in the Uniformed Services was for more than thirty (30) days but less than one hundred eighty one (181) days, by submitting an application for reemployment with the Employer and Union not later than fourteen (14) days after the completion of the period of service or if submitting such application within such period is impossible or unreasonable through no fault of the Employee, the next first full calendar day when submission of such application becomes possible.
 - (4) In the case of an Employee whose period of service in the Uniformed Services was for more than one hundred eighty days (180) days, by submitting an application for reemployment with the Employer or Union not later than ninety (90) days after the completion of the period of service.
- (D) Furthermore, in order to restore the above pension rights, the Employee must notify the Fund Office in writing, within sixty (60) days of his/her discharge, of his/her intent to return to work.
- (E) Upon an Employee's honorable discharge from military service the Employee's eligibility status under the Plan will be restored to the status that existed when he/she entered military service, provided the Employee fulfills the notice and documentation requirements outlined above. In addition to said notices, the Employee shall also supply the Fund Office with copies of his/her discharge papers showing the date of his/her induction or enlistment in military service and the date of his/her discharge. Failure on the part of the Employee to file such notice and documentation with the Fund Office may be deemed an indication that the Employee does not wish to restore his/her eligibility status under the Plan.
- (F) A person who is hospitalized for, or convalescing from, an illness or injury incurred in, or aggravated during, the performance of service in the Uniformed Services shall, at the end of the period that is necessary for

the person to recover from such illness or injury, report to the person's Employer and Union (in the case of a person described in subparagraph (1) or (2) of paragraph (C) or submit an application for reemployment with such Employer and Union (in the case of a person described in paragraph (C) or (D) of such paragraph). Except as provided in paragraph (G) below such period of recovery may not exceed two (2) years.

(G) Such two (2) year period shall be extended by the minimum time period to accommodate the circumstances beyond such person's control which make reporting within the period specified in subparagraph (C)(1)(a) impossible or unreasonable.

What happens to these Contributions?

The contributions to the Plan are deposited directly with the Akron Electrical Fringe Benefit Fund and then forwarded to the Investment Manager, who maintains your individual accounts within the Fund. The money contributed to such Trust Fund is held by the Investment Manager for the exclusive benefit of the Local #306 Pension Annuity Fund Participants, former Participants and Beneficiaries.

What is vesting?

You will always have a non-forfeitable right to all the contributions made on your behalf by your Employer. This is often referred to as having a vested right in your accounts.

How are these Contributions invested?

Your Plan provides for Participant Directed Investments which means that you have the right to elect how the money contributed to your account is invested.

How do I make my Investment selections?

You may elect to have the contributions made to the Fund on your behalf invested in various Investment Funds established by the Board of Trustees with the Investment Manager. You may direct the investments of your accounts into one or more of the Investment Funds in one percent (1%) increments. All money in the Plan for your benefit, along with all current contributions, will be invested according to your direction. You may change your investment direction daily. Changes in the investment of your account balances can be made in dollar amounts, percentage and/or shares and will be implemented after the Investment Manager is notified of your changed investment direction. In order to make these investment changes, you may access account information and make changes to your election through the Plan's web site, www.ibenefitcenter.com, or by calling the Plan's toll free number, 1-877-Union-44, 24 hours a day, 7 days a week.

How do I share in income from the investments?

At the end of each business day, the Investment Manager will value each Investment Fund held by the Trust. You will receive your pro rata share of earnings (or loss) for each Investment Fund in which you participate.

On each Valuation Date, the Investment Manager is required to make a determination of the value of the Plan's Funds. Your share of this value depends upon the percentage of the investment fund which was attributable to your account as of the preceding Valuation Date.

What is a Valuation Date?

The term "Valuation Date" shall mean the date on which the assets of the Trust shall be valued, as provided for herein, with earnings or losses since the previous Valuation Date being credited, as appropriate to Participant accounts. Notwithstanding anything to the contrary in the Plan, the Valuation date shall be each business day that the Investment Manager and the New York Stock Exchange are each open for business, provided however, that the Investment Manager shall not be obligated to value the Trust in the event, through circumstances beyond its control, appropriate prices may not be obtained for the assets held in investment funds.

How will my funds be invested?

The Investment Manager invests your Plan money in one or more of the Investment Funds pursuant to your direction. You will indicate on your Enrollment Form your allocation of your current and future contributions into the investment options identified in Exhibit A. Thereafter you may change your allocations in accordance with Section 4.6. You will periodically receive information from the Investment Manager about Participant Directed investments, including educational material. The Board of Trustees has selected the Invested Funds listed and described on Exhibit A attached.

What happens if I do not direct the investment of my accounts under this Program?

All accounts which are not directed by you according to the procedures and on the form provided by the Trustees, will be directed by the Trustees. A **Trustee Directed Investment**, known as a "default fund" will be a fixed income type investment which at the time of the printing of this Summary Plan Description is the Putnam Stable Value Fund described in Section 4.9 above.

Is there a limit on the amount of contributions which may be allocated to my account?

The Internal Revenue Code provides that the "Annual Additions" allocated to your accounts, under the Plan and any other defined contribution plans maintained by your Employer for any calendar year cannot exceed the lesser of:

- (A) \$40,000 (this figure may be adjusted from time to time to reflect increases in the cost of living), or

(B) 100% of your compensation.

"Annual Additions" are the Employer Contributions made to the Plan.

The application of this limitation may result in a reduced Employer Contribution to your account in any given Plan Year.

4.12 Are there expenses which are charged to my account?

No. Administrative expenses of the Fund are paid by an Administrative Reserve Account to which contributions are paid to the Fund. Therefore, any contributions that are paid on your behalf to the Fund by the Employer shall not be affected by administrative expenses unless for some reason the Administrative Reserve Account is unable to pay for the expenses of the Fund. In such an event, you will be notified.

4.13 Can I make "Rollover Contributions" into the Plan?

The Plan does not allow for the rollover of contributions into your account from any other qualified pension or profit sharing plan.

V. RETIREMENT PATES AND BENEFITS

5.1 When can I receive my benefits under the Plan?

You can begin receiving your benefits at the time of your normal retirement date, early retirement date, postponed retirement date, disability retirement date or upon your termination as a participant in the Plan.

5.2 What is my Normal Retirement Date?

Your Normal Retirement Date is the first day of the month coinciding with or next following your 65th birthday which is your Normal Retirement Age.

5.3 What is my Early Retirement Date?

If you elect to retire at any time after you reach age 55, you may elect to receive the full value of your accounts.

5.4 What is my Postponed Retirement Date?

You may work after age 65 if you wish. Contributions will continue until you actually retire. You must begin to receive benefits on the April 1st of the year after you reach 70 vs. years of age unless you continue to work in covered employment. In such event, your benefits must commence no later than the April 1st after you cease to work in Covered Employment.

What is a Disability Retirement Date?

You will be eligible to receive a disability benefit if you have been disabled by an illness or injuries so as to be incapable of employment in the type of work covered under the collective bargaining agreement or under a Participation Agreement.

What does Disability mean?

A Participant is declared eligible to receive disability benefits if he has been disabled by illness or injuries so as to be incapable of employment in the type of work covered under the Collective Bargaining Agreement or under a Participation Agreement.

What happens if I begin working in Covered Employment again after receiving my Benefits?

If you have retired and received a retirement benefit and subsequently resume employment with the employer, you will be considered a new participant. As a new participant, all the provisions of the Plan will apply to your coverage during re-employment, but such resumption of employment will have no effect on the benefits you have received or on any annuity payment still payable with respect to your prior coverage.

What happens if I cease my participation in the Plan prior to retirement?

If you cease working for all Participating Employers and no contributions are received into your account for at least three (3) consecutive months, you will be considered a Terminated Participant and will be entitled to, if you so elect, the full value of your account.

Am I entitled to a distribution of my account as a result of becoming a terminated participant?

Yes.

- (A) A single Participant whose employment with the Employer is terminated prior to his/her death, Normal, Early, Postponed or Disability Retirement Date and the total of his/her account or accounts does not exceed One Thousand Dollars (\$1,000.00), may, at the discretion of the Trustees, receive a single lump sum payment representing the total amount of his/her account or accounts. Any such payment shall be distributed no earlier than ninety (90) days after the Participant has terminated his/her employment.
- (B) A married Participant whose employment with the Employer is terminated prior to his/her death, Normal, Early, Postponed or Disability Retirement Date and who has accumulated more than One Thousand Dollars (\$1,000.00) in his/her account or accounts, may elect to receive at the discretion of the Trustees, the total value of his/her account or accounts in a lump sum provided his/her spouse has executed the waiver in accordance which Section 6.3 at any time following ninety (90) days after the termination of his/her employment.

VI. PAYMENT OF BENEFITS

When are my Retirement Benefits paid to me?

Normally, the Administrative Manager will commence making benefit payments to you within a reasonable time after you notify him of your intent to retire and have completed the retirement election forms.

Upon notifying the Administrative Manager of your intent to retire, you will receive an explanation of the benefit options available to you and an application to be completed which allows you and your spouse to elect and/or waive the form of your benefit payments.

How are my benefits paid to me?

Single Participants: If you are not legally married on the date you are entitled to commence benefit payments, you will automatically receive a full cash refund life annuity unless you elect an optional form of benefit. If you do not elect the optional form of benefit, the Board of Trustees can exercise the option of purchasing this annuity from an insurance company which will then be responsible for paying that benefit to you.

Married Participants: If you have a spouse at the date of your entitlement to distribution of your individual account the benefits will be payable in the form of a Qualified Joint and Survivor Annuity unless both you and your spouse elect to receive an optional form of benefit.

What is the Qualified Joint and Survivor Annuity?

The Qualified Joint and Survivor Annuity provides a reduced monthly income that is the Actuarial Equivalent of the early or normal retirement Benefit to which you are otherwise entitled. The factors needed to determine the reduced amount of monthly income will be obtained from a Table of Factors is based on the age of the Participant and his spouse. The amount of monthly payment will be calculated by multiplying the appropriate factor from the Table of Factors by the Monthly amount of your Benefit. You and your spouse will be provided with the appropriate amount for your consideration in electing this form of payment.

Your Qualified Joint and Survivor Annuity will continue for your lifetime with the last payment to be made on the first day of the month preceding your death. Then at that time the balance of your account will be distributed to your spouse which will be an amount that is fifty percent (50%) of your monthly benefit and it will continue to be paid to your spouse for the remainder of her life.

If you elect the Qualified Joint and Survivor benefit option then the Board of Trustees have the option to purchase an annuity from an insurance company which will then be responsible for paying this benefit to you and your spouse.

What are the optional forms of benefits?

In lieu of the Full Cash Refund Life Annuity or the Qualified Joint and Survivor Annuity, you or you and your spouse may elect to receive your benefit in the following manner

- (A) In a lump sum, or
- (B) In nearly equal installments payable over a specific period of years or if you shall die prior to the completion of said installments, to your beneficiary; or
- (C) In non-periodic installments payable so long as such distribution is compliant with the minimum distribution and incidental benefit requirements of the Internal Revenue Code; or
- (D) On a life, a period certain and life, or a full cash refund life annuity basis under an annuity contract issued on the life of such Participant, former Participant or beneficiary.

The election to receive one of the four (4) benefits above may be made at any time during a period of ninety (90) days prior to the commencement of your benefit but no earlier than thirty (30) days prior to your distribution date unless you and your spouse elect to waive the thirty (30) day notice requirement and elect to commence the benefits under this Plan no less than seven (7) days after the Explanation of Benefits provided to you and your spouse.

How do my spouse and I waive the Qualified Joint and Survivor Annuity Benefit?

Any election to waive the Qualified Joint and Survivor Annuity Benefit shall not take effect unless one of the following conditions is satisfied:

- (A) Your spouse consents in writing to such election, and your spouse's consent acknowledges the effect of such election and is witnessed by a Plan representative or a notary public; or
- (B) It is established to the satisfaction of a Plan representative that the consent required under A above cannot be obtained because you have no spouse, because your spouse cannot be located, or because of such other circumstances as the Secretary or Treasurer may by regulations prescribe.

Any election you have previously made may be revoked at any time during the ninety (90) day period after you are notified of the effect of the Qualified Joint and Survivor Annuity. Once benefits commence, however, no changes in election may be made.

What is the amount of my Annuity Benefit?

The amount (value) of the annuity benefit for each employee is the amount in his Individual Account at the time he qualifies for payment of the annuity. Generally, it is

the sum of all the contributions made over the years to the employee's Individual Account plus or minus earnings or losses on that Account.

How do I know the amount of my Individual Account?

A comprehensive account statement will be mailed to you approximately ten (10) business days after the close of each calendar quarter. The most recent quarterly statement will also be available in the "My Account" section on the website identified on page 10. The quarterly statement will show.

- (A) The amount in your Individual Account as of the beginning of the calendar quarter.
- (B) The employer contributions received during the calendar quarter.
- (C) The earnings or losses to your account during the calendar quarter.
- (D) The amount in your Individual Account as of the end of the calendar quarter.

How are my benefit payments taxable to me?

If your benefit payments are made in a series of installments to be paid over more than one (1) year, the taxable portion of your distribution will be taxed to you each year as ordinary income. However, if you receive a total distribution of your benefit, you may reduce, or defer entirely, the tax due on the taxable portion of your distribution through use of one of the following methods:

- (A) The direct rollover of all or a portion of the distribution of at least five hundred dollars (\$500) to an IRA or another eligible retirement plan. This will result in no tax being due until you begin withdrawing funds from the IRA or eligible retirement plan. If you do not have a direct rollover into an eligible retirement plan, you may still be eligible for rollover treatment if you complete the rollover into the eligible retirement plan within the strict time frames (normally sixty (60) days after you receive the distribution). Further, under certain circumstances, all or a portion of the distribution may not qualify for this rollover treatment.
- (B) Subjecting the distribution to favorable income tax treatment available under current Federal tax laws.

When you receive a distribution, the Administrative Manager will provide you with a more detailed explanation of these options. However, you should consult a qualified tax advisor before making a choice.

What happens if I only have a small amount of money in my account?

If the total amount of your individual account held on your behalf has never exceeded \$1,000, the Trustees may distribute your account in a single lump sum payment

without your consent or the consent of your spouse or beneficiary. However, if your account has ever exceeded \$1,000, the account cannot be distributed as a lump sum payment without the consent of you and your spouse or Beneficiary.

Must I commence my benefits at any time?

Yes. Your benefits must commence no later than April 1st of the calendar year after you have reached 70 vs. years of age unless at that time you are continuing to work in covered employment. In such event, your benefits must commence no later than the April 1st after the date you cease to work in covered employment.

VII. DEATH BENEFITS

What Death Benefits are payable if I should die prior to commencing my benefit payments?

If you die prior to the commencement of your retirement benefit, your designated beneficiary will receive the distribution of your individual account. This distribution will be made as soon as reasonably possible after the death unless deferred by the designated beneficiary and will be in the amount equal to the amount credited, to your Individual Account.

What Death Benefits are payable if I should die after commencing my benefit payment?

If you and your spouse have elected to receive a payment of your benefits in installments or a combination of lump sum and installments, and the full amount of your Individual Account has not been completely distributed to you at the time of your death, any remaining balance in your Individual Account will be paid to your designated beneficiary. If you and your spouse are receiving the Qualified Joint and Survivor Annuity, fifty percent (50%) of the monthly benefit payable to you will continue to be paid to your spouse for the remainder of her life and any remaining amounts will be paid to the designated Beneficiary.

How Do I Designate a Beneficiary?

You should call or write for a Beneficiary Form which you should complete and return to the Fund Office, if you have not already done so or if you wish to change a previous designation. It is important that you complete this form.

Single Participants: If you are single you need to complete the Beneficiary Form provided by the Fund Office in order to designate a Beneficiary.

Married Participants: Upon becoming a Participant, an Employee shall designate, in writing, on a form provided by the Administrator, the beneficiary or beneficiaries and/or contingent beneficiary or beneficiaries to receive, in the event of his/her death, any amounts distributable pursuant to this Article VII. No designation of a beneficiary or

beneficiaries by a married participant of someone other than his/her spouse shall be valid unless there is a Qualified Election of the Qualified Pre-Retirement Survivor Benefit. The term Qualified Election shall mean the waiver of the Qualified Pre-Retirement Survivor Benefit and shall only be valid if:

- (A) it is made in writing and the Participant's spouse has signed a document, witnessed by the Plan Representative or a Notary Public, consenting to such designation and acknowledging the affect of any such designation; or
- (B) it is established to the satisfaction of the Administrator and the Trustees that the signature of such spouse cannot be obtained because such spouse cannot be located or because of such other circumstances as the Secretary of Treasury may prescribe by lawful regulations; or
- (C) it is established to the satisfaction of the Plan Representative and the Trustees that no surviving spouse exists.

Any consent given by a spouse pursuant to subparagraph (A) above shall be effective only with respect to the spouse who signs the consent, or in the event, of a deemed Qualified Election, the designated spouse. Additionally, a prior revocation of a prior waiver may be made by a Participant without the consent of the spouse at any time before the commencement of benefits and the number of times that a Qualified Election and revocation can be made shall not be limited. Any new waiver or change or beneficiary will require a new spousal consent.

In addition, any designations shall be deemed to be automatically revoked in the event a Participant marries or remarries. The Election Period to waive a Qualified Pre-Retirement Survivor Benefit begins on the first day of the Plan Year in which the Participant attains age thirty five (35) and ends on the date of the Participant's death. If a Participant separates from service prior to the first day of the Plan Year in which age thirty five (35) is attained, with respect to benefits accrued prior to separation, the Election Period shall begin on the date of separation.

Because your spouse participates in the election and has certain rights in the death benefits, you should immediately notify the Administrative Manager of any change in your marital status.

7.4 What happens if I have not designated a beneficiary at the time of my death?

if you have not executed a Beneficiary Form, the money in your Individual Account will be paid as follows:

- (A) Your spouse;
- (B) If no surviving spouse, to your estate. If you have not designated a Beneficiary and are not survived by a legal spouse, the remaining amounts then held for you will be distributed to your estate; and your estate shall be considered your Beneficiary for purposes of this Plan.

To the extent provided in a Qualified Domestic Relations Order, your former spouse will be treated as your spouse.

VIII. CLAIMS PROCEDURES

General Rules.

- (A) This Plan has established a reasonable procedure for processing all claims for benefits.
- (B) This Plan will not administer this benefit in any way which restricts or otherwise hinders your ability to file a claim for benefits.
- (C) This Plan does not require any fees or payment as a condition to filing a claim for benefits.
- (D) These rules are designed to treat all Participants filing claims for benefits fairly and consistently.
- (E) You may have a representative file a claim for benefits or appeal of an adverse decision on your behalf at any time.

How to file a claim for benefits.

If you believe that you are eligible to receive any type of benefit from this Plan, you should first contact the Fund Office. You must file a claim for benefits on the form approved by the Board of Trustees. The Fund Office will provide you with an application for benefits which must be completed. This application must be filed with the Fund Office.

How to file a claim specifically for Retirement Benefits.

- (A) A written application for Retirement Benefits must be filed at least thirty (30) days prior to the date you wish to retire. You must provide all of the requested documentation along with the completed and signed application before your claim for benefits will be considered.
- (B) In some cases, the Administrative Manager may need additional information in order to make a determination on your claim for benefits. If you are asked to provide more information, you will have to respond to the request in order to be considered for Retirement Benefits.
- (C) You will receive a decision on your application for Retirement Benefits within ninety (90) days from the date the Fund receives your completed application.

How to file a claim specifically for Termination Benefits.

- (A) A written application for Termination Benefits may be filed upon meeting the conditions of Section 3.3 of this Summary Plan Description.

How to file a claim specifically for Disability Benefits.

- (A) A written application for Disability Benefits must be filed as soon as you meet the eligibility requirements and wish to commence Disability Benefits. You must provide all of the requested documentation along with the completed and signed application before your claim for benefits will be considered.
- (B) In some cases, the Administrative Manager may request that you submit to an independent medical review to determine whether you are eligible for a Disability Retirement Benefit. You must submit to this medical review, if requested. The cost of this review will be paid by the Fund.
- (C) You will generally receive a decision regarding your claim for Disability Benefits within forty five (45) days of the date you file your completed application. If you have not received your Social Security Disability Award at the time your application is filed with the Plan, the Plan may delay making a decision for two (2) additional thirty (30) day periods provided notice is given to you of such extension(s) before the expiration of the prior decision date.

How to file a claim specifically for Death Benefits.

- (A) A written application for a Death Benefit must be filed by the Beneficiary prior to the date he/she wishes to receive the distribution. He/She must provide all of the requested documentation including a certified copy of the death certificate along with the completed and signed application before the claim for benefits will be considered.
- (B) in some cases, the Administrative Manager may need additional information in order to make a determination on the claim for benefits. If your Beneficiary is asked to provide more information, he/she will have to respond to the request in order to be considered for the Death Benefit.
- (C) Your Beneficiary will receive a decision on his/her application for the Death Benefit within ninety (90) days from the date the Fund receives the completed application.

Notice of an adverse benefit decision on claim for benefits.

. Should the Administrative Manager find that you are not entitled to the requested benefit, you will be provided with a written notice of the denial. This notice will include the following important information:

- (A) The specific reason for the denial;

- (B) The sections in the Plan and/or Summary Plan Description upon which the denial was based;
- (C) A description of additional information which you may be able to provide that is necessary for your claim for benefits and why it is necessary;
- (D) A copy of these procedures which describe the Plan's appeals procedures;
- (E) The notice of any internal guideline or protocol used in making the decision, if applicable, and your right to receive a copy; and
- (F) A notice of your right to a written explanation of any exclusion which affects your claim, if applicable.
- (G) A notice of your right to appeal to the Board of Trustees.

How to file an appeal with the Board of Trustees.

- (A) You must file a written notice that you wish to appeal the denial of your claim for benefits. This written notice must be received by the Fund Office within sixty (60) days from the date of the Notice of the Adverse Benefit Decision. If you are appealing an Adverse Benefit Decision based upon a request for Disability Benefits, you must provide notice to the Plan Office within one hundred eighty (180) days of the date of the Notice of the Adverse Benefit Decision. Your written notice of appeal must include your name, current address and the date of the decision you are appealing. You may also send any comments, documents or other information you feel will assist the Trustees in making a decision on appeal. You have the right to request copies of any documents relevant to your claim for benefits free of charge from the Plan.
- (B) Appeals should be addressed as follows:

Board of Trustees
I.B.E.W. Local 306 Pension-Annuity Fund
33 Fitch Boulevard
Austintown, Ohio 44515
- (C) Except in the case of a Disability Retirement Benefit claim, the Board of Trustees shall consider the Claimant's appeal of an adverse benefit determination no later than its regular quarterly meeting, which immediately follows the receipt of the notice of appeal, unless such notice was filed within thirty (30) days preceding the date of such meeting. If the notice of appeal was received within thirty (30) days prior to the next regular quarterly meeting, the Board of Trustees may consider the appeal at the second regular quarterly meeting following the receipt of the notice of appeal. In the case of a Disability Retirement Benefit claim, the Board of Trustees shall consider such an appeal within forty-five (45) days following receipt of the appeal.

(D) You will receive written notice of this decision by the Trustees, within five (5) days of the meeting. In the event that your appeal is denied, you will receive a Notice of the Adverse Benefit Decision on Appeal which includes the following important information:

- (1) The specific reason for the denial;**
- (2) The sections in the Plan and/or Summary Plan Description upon which the denial was based;**
- (3) A statement advising you any internal guideline or protocol used in making the decision, if applicable, and your right to receive a copy;**
- (4) A notice of your right to a written explanation of any exclusion which affects your claim, if applicable;**
- (5) A notice of your right to file suit under Section 502(a) of ERISA; and**
- (6) The following statement: "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 US Department of Labor Office and your State insurance regulatory agency."**

(D) This plan does not offer any voluntary arbitration provisions. The decision of the Board of Trustees under this procedure is final and binding upon the parties. You must exhaust this claim procedure prior to having the claim reviewed through any other means, including litigation.

The Plan's Claim Procedure is furnished automatically, without charge, as a separate document, upon the request of a Participant or Beneficiary.

IX. MISCELLANEOUS PROVISIONS

9.1 Can the Trustees change or terminate the Plan?

The Trustees have the legal right to modify, alter, amend or change the Plan, subject to any Collective Bargaining Agreement that applies to it, but no vested rights under the Plan can be modified except in order to establish or to continue the qualified status of this Plan under the terms of Internal Revenue Code Section 401.

The Trustees also have the right at any time to terminate the Plan. Upon such termination, contributions made on your behalf will cease. If the Plan is discontinued, you will remain fully vested and the full value of your accounts will be distributed to you, your beneficiary or your surviving spouse in the same manner as before the Plan terminated.

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.

(F) If you have any questions about your Plan, you should contact the Plan Administrative Manager or the Board of Trustees. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Trustees, you should contact the nearest area office of the U.S. Labor-Management Services Administration, Department of Labor or the Pension and Welfare Benefits Administration, whose offices are located at:

**1730 K Street
Suite 556
Washington, DC 2006
Tel: (202)254-7013**

Or

**1885 Dixie Highway
Suite 210
Ft. Wright, Kentucky 41011-2664
Tel: (606)578-4680**

Or

**Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor 200 Constitution
Avenue, N.W. Washington, D.C. 20210**

EXHIBIT A

(A) Growth Funds. Growth funds seek to maximize the value of your savings over time by investing in the stocks of companies that have a strong potential for providing above-average earnings growth.

(1) *Janus Twenty Fund (JAVLX)*. Seeks long-term growth of capital by investing primarily in a core group of 20-30 common stocks selected for their growth potential. This nondiversified fund may invest without limit in foreign equity and debt securities and less than 35% of its net assets in high-yield/high-risk bonds. This fund concentrates its assets in fewer stocks, which can affect your fund's performance. International investing involves certain risks, such as currency fluctuations, economic instability, and political developments.

(2) *Putnam Voyager Fund (PVOYX)*. Seeks capital appreciation by investing mainly in a combination of large and midsize companies expected to grow over time.

(B) Blend Funds. Blend funds seek to increase the value of your savings over time by investing in a combination of stocks of companies that have the potential for strong earnings growth and stocks of companies that are priced below their expected long-term worth.

(1) *Putnam International! Equity Fund (POVSX)*. Seeks capital appreciation by investing in a diversified portfolio composed mainly of stocks of companies located outside the United States. International investing involves certain risks, such as currency fluctuations, economic instability, and political developments. Additional risks may be associated with emerging-market securities, including illiquidity and volatility.

(2) *Putnam S&P 500 Index Fund*. Seeks a return, before the assessment of fees, that closely approximates the return of the S&P 500 Index, which is an indicator of U.S. stock market performance. The fund is a passively managed portfolio, investing in common-stock securities, that seeks to approximate the performance of the S&P 500 Index. "Standard & Poor's", "SAP", "S&P 500", "Standard & Poor's 500", and "500" are trademarks of the McGraw-Hill Companies Inc. and have been licensed for use by Putnam Investments. Putnam S&P 500 Index Fund is not sponsored, endorsed, or promoted by S&P, and S&P makes no representation regarding the advisability of investing in Putnam S&P 500 Index Fund.

(3) *Victory Diversified Stock Fund (SRVEX)*. Seeks long-term growth of capital by investing primarily in equity securities and securities convertible into common stocks traded on U.S. exchanges and issued by large, established companies.

(C) Value Funds. Value funds seek to increase the value of your savings over time by investing in undervalued, or attractively priced, stocks of well-established companies.

(1) *Putnam Equity Income Fund (PEYAX)*. Seeks capital growth and current income, by investing mainly in stocks that have the potential to consistently pay above-average dividends as well as the potential to grow in value over time.

- (3) All other Employees of the Union who are not represented for the purpose of collective bargaining by the Union who are employed by the Union and who participate through contributions under Participation Agreements with the Trust Fund on a non-discriminatory basis. These Employees shall be called non-collectively bargained employees.
- (4) All other Employees of the Akron Area Electrical Joint Apprenticeship Committee who are not represented for the purpose of collective bargaining by the Akron Area Electrical Joint Apprenticeship Committee who are employed by the Akron Area Electrical Joint Apprenticeship Committee and who participate through contributions under Participation Agreements with the Trust Fund on a non-discriminatory basis. These Employees shall be called non-collectively bargained employees.
- (5) The term "Employee" does not include partners or self-employed persons no matter how they are designated, nor shall it include, with the exception of the employees of the Union and the Akron Area Electrical Joint Apprenticeship Committee, employees who are not covered under collective bargaining agreements with the Employer.

1.8 Employer shall mean:

- (1) The Akron Division, North Central Ohio Chapter, N.E.CA (the "Association"),
- (2) An Employer who is affiliated with the Association and as a result is a party to a collective bargaining agreement with the Union,
- (3) Any individual, firm, association, partnership or corporation performing work in the electrical trade who is bound by a collective bargaining agreement with the Union and / or agrees to participate in the Plan, or
- (4) The Union and the Akron Area Electrical Joint Apprenticeship Committee or the Trustees, if the Trustees have passed a resolution providing such coverage and an Agreement exists with the Fund for the payment of contributions.

1.9 Individual Account shall mean the account established for each Participant pursuant to this Plan.

1.10 Investment Funds shall mean both Participant Directed Investments and Trustee Directed Investments ("Default Fund").

1.11 Investment Manager shall mean any fiduciary who has been designated by the Trustees to manage, acquire or dispose of any assets of the Fund; and who (1) is registered as an investment advisor under the Investment Advisors Act of 1940; (2) is a bank as defined in that Act; or (3) is an insurance company qualified to perform services under the laws of more than one state; and who has acknowledged in writing that it is a fiduciary with respect to the Fund.

These portfolios are designed to provide investors with a prediversified asset allocation strategy. As the portfolio approaches its target date, the portfolio mix gradually shifts from one with primarily equity funds, which offer the greatest growth potential over time but also carry the greatest near-term risk, to one with more fixed-income funds and capital preservation funds, with lower potential returns in exchange for less risk. Each of the portfolios invests in a strategic selection of Putnam mutual funds, diversified across asset classes in the United States and abroad. Investors should choose the portfolio whose date most closely matches the time they believe they will start withdrawing assets, typically their expected retirement date.

Diversification does not guarantee a profit; you can still lose money in a diversified portfolio. The funds can invest in international investments, which involve risks such as some or all of their assets in small and/or midsize companies. Such investments increase the risk of greater price fluctuations.

The funds can also have a significant portion of their assets in bonds. As interest rates rise, the prices of bonds fall. Long-term bonds have more exposure to interest rate risk than short-term bonds. Lower-rated bonds may offer higher yields in return for more risk.

The assets contributed to each RetirementReady portfolio are allocated among, and invested in, the following underlying funds:

(1) *Putnam International Equity Fund (Foreign Equity, class Y shares)*. Seeks capital appreciation by investing in a diversified portfolio composed mainly of stocks of companies located outside the United States. International investing involves certain risks, such as currency fluctuations, economic instability, and political developments. Additional risks may be associated with emerging-market securities, including illiquidity and volatility. The fund invests mainly in large and midsize companies, although it can invest in companies of any size. The fund may invest a portion of its assets in small and/or midsize companies. Such investments increase the risk of greater price fluctuations

(2) *Putnam Capital Opportunities Fund (Small and Mid Cap Core Equity, class Y shares)*. Seeks long-term growth of capital by investing in stocks of small or midsize companies believed to offer above-average growth potential across a wide range of industries. The fund invests some or all of its assets in small and/or midsize companies. Such investments increase the risk of greater price fluctuations.

(3) *Putnam Voyager Fund (Large Cap Growth Equity, class Y shares)*. Seeks capital appreciation by investing in a combination of large and midsize companies expected to grow over time. The fund invests mainly in large and midsize companies, although it can invest in companies of any size. The fund may invest a portion of its assets in small and/or midsize companies. Such investments increase the risk of greater price fluctuations

(4) *The Putnam Fund for Growth and Income (Large Cap Value Equity, class Y shares)*. Seeks capital growth and current income by investing mainly in attractively priced stocks of mature companies that offer long-term growth potential while also

providing income. The fund may invest a portion of its assets in small and/or midsize companies. Such investments increase the risk of greater price fluctuations.

(5) *Putnam Income Fund (Fixed Income, class Y shares)*. Seeks current income consistent with prudent risk through a flexible, diversified strategy that encompasses a range of fixed-income categories, including government bonds and investment-grade and high-yield corporate bonds. Lower-rated bonds may offer higher-yields in return for more risk. Mutual funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to pre-payment risk. Funds that invest in bonds are subject to certain risks including interest rate risk, credit risk, and inflation risk. As interest rates rise, the prices of bonds fall. Long-term bonds are more exposed to interest rate risk than short-term bonds. Unlike bonds, bond funds have ongoing fees and expenses.

(6) *Putnam Money Market Fund (Capital Preservation, class A shares)*. Seeks current income and safety of principal by investing in short-term, high-quality money market securities. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Although the fund seeks to preserve and investment at \$1.00 per share, it is possible to lose money by investing in the fund.

(G) Fees Assessed by Putnam. Putnam will impose a 2% short-term trading fee on any fund shares that are redeemed or exchanged within five days of purchase across most of its mutual fund line. All Putnam fund shares, with the exception of money market funds, closed-end funds, and Putnam Variable Trust, will be subject to this fee. The fee does not apply to collective trust funds (e.g., Putnam Stable Value Fund, Putnam S&P 500 Index Fund, Putnam Bond Index Fund, Putnam Retirement Manager Portfolios, Putnam Retirement Ready Portfolios) or to separately managed accounts.

Short-term trading fees are designed to discourage short-term flows of money into or out of funds, which can cause increased transaction expenses and interfere with the disciplined, long-term strategies of a fund's management team. Short-term trading fees are not paid to Putnam; they are paid directly to the funds to offset the transaction expenses of short-term traders.