

**IBEW LOCAL UNION NO. 573
PROFIT SHARING PLAN AND TRUST**

SUMMARY PLAN DESCRIPTION

January 1, 1997

IBEW LOCAL UNION NO. 573 PROFIT SHARING PLAN AND TRUST

The purpose of this summary is to provide a simplified explanation of the Plan, and for this reason certain portions of the Plan have been left out and others re-worded. The full text of the Plan document is the only source of information on which any employee may rely.

Purpose of Plan

The main purpose of the Profit Sharing Plan is to provide members retirement income in addition to any pension benefits and Social Security benefits. The Plan allows members to accumulate funds on a tax-deferred basis; the funds are professionally invested in a diversified portfolio.

The Internal Revenue Service views the Profit Sharing Plan as a qualified retirement plan. As such, special tax treatment is provided to both employers and employees. Employers are allowed tax deductions for contributions to the Plan while employees can defer taxes on both the contributions and earnings until those amounts are actually received.

Because of the special tax treatment given to the Plan, the IRS has placed several restrictions on the availability of funds, and discourages the distribution of any funds prior to retirement through penalties and excise taxes.

Effective Date

The effective date of the Plan is January 1, 1997, and a Plan Year is the calendar year, January 1 through December 31.

Participation

Any employee who is in a collective bargaining unit represented by Local Union No. 573, International Brotherhood of Electrical Workers, on whose behalf contributions are made to the Plan as required by a collective bargaining agreement, becomes a participant of the Plan on the first day of employment by an eligible employer.

Vesting

Once you have completed 30 days of service OR have accumulated at least \$50 in the Plan, your benefit is considered vested and is not subject to forfeiture. A member could accumulate \$50 in the Plan by working approximately 20 hours. Therefore, most new members become "vested" in the Plan after working approximately three full days. If you do not meet one of the conditions above, you will also become fully vested when you reach age 62, when you become totally and permanently disabled, or upon your death.

Naming a Beneficiary

At the time participation begins, you must complete a Beneficiary Designation Form indicating the individual(s) who are to receive benefits from the Plan in the event of your death. You may change your beneficiary at any time by completing a new form. However, if you are married and you wish to choose someone other than, or in addition to, your spouse as beneficiary, written, notarized consent from your spouse must be obtained.

Contributions to the Plan

Under the terms of the Collective Bargaining Agreement, employers contribute a fixed percentage amount of the total gross wage for each hour worked.

This amount is "profit" under the terms of the Collective Bargaining Agreement. All contributions are sent directly to a Trust Fund for investment. An employer cannot withdraw contributions made on behalf of an employee unless it was made in error. Employees are not permitted to contribute their own funds to the Plan.

Reciprocity

This plan participates in the Electrical Industry Pension Reciprocal Agreement with other qualified pension and profit sharing plans. When members work in other jurisdictions covered by this agreement, contributions are transferred from the other Local's plan into the Local 573 Plan. When working in other jurisdictions, ask about any forms which you need to sign in order to have your contributions transfer automatically. You may need to specify that Local 573 is your "home Local" and that all profit sharing contributions are to be transferred directly here. If you are a member of another Local that is covered by this agreement and you are working under the jurisdiction of Local 573, you can obtain forms from the Administrator to have contributions sent back to your home Local.

Individual Account Balances and Earnings Credit

When you become a member in the Plan, an account is established for you in the records of the Administrator. These records show all contributions made on your behalf, along with all interest credited to your account. The Administrator also tracks distributions, withdrawals, and Plan expenses.

The trust funds are held and invested by an investment manager who, along with the Board of Trustees

oversees the investment of assets of the fund, and must abide by IRS and Department of Labor rules to ensure that the assets are prudently invested. Although the trust is permitted to invest in many different types of securities, the assets are generally invested conservatively, such as in publicly traded stocks, government bonds, high quality corporate bonds and bank certificates of deposit. Any Plan expenses are paid out of the fund earnings prior to allocation of earnings to members' accounts.

Earnings on each member's account are determined at least once per year. Earnings are defined as earned and accrued income received for the year.

An independent Auditor reviews both the records of the Administrator and the assets held for investment. The results of this annual audit are presented to the Trustees.

When Funds are Available

In general, benefits are payable to you when you stop working, that is, when you retire, terminate employment or become disabled. In addition, benefits are payable to your beneficiary upon your death. Benefits payable upon each of these events is discussed in greater detail below.

If you are still working, benefits are available to you under very limited circumstances, called Hardship Withdrawals, described on page 9. Because of the tax-deferred treatment of qualified plans such as this plan, the IRS generally discourages active employees from gaining access to retirement plan funds.

Retirement. You are eligible for Early Retirement at age 57 with at least two years of service or for Normal Retirement at age 62 regardless of service.

You have a number of payment options upon retirement:

- You may elect a single lump sum payment.
- You may elect a series of equal installment payments. The duration of these payments cannot be for more than your life expectancy (or the combined expectancy of you and your beneficiary). At any time you can also request to take additional single payments up to the total value of your account.
- You may elect to receive a sizable first payment, with smaller installment payments thereafter.
- You may defer your benefits. However, you must begin to take your benefits upon attaining age 70-1/2 or actual retirement, whichever is later. In the meantime, however, your account balance would continue to grow tax-deferred until you elected to receive payments.

Disability. If you are permanently and totally disabled, regardless of age or service, you will be eligible to receive your benefits. (In order to be considered totally and permanently disabled, the Plan requires that you receive disability benefits from Social Security.) You will have the same payout options as those listed above under Retirement. Normally, benefit payments made to employees under age 55 are subject to a 10% excise tax; however, the 10% excise tax does not apply in the case of total and permanent disability.

Termination of Employment. If you have not worked within the Local 573 jurisdiction for 90

days, your employment will be considered terminated for purposes of administering the Profit Sharing Plan. If you are classified as having terminated, the following distribution options are available to you:

- **Lump Sum Payment.** You may request a total payout of your account. You may not return any portion of this payment to the Plan if you are re-employed. If you are subsequently re-employed, a new account will be established for you in the Plan with a \$0 account balance.

If your account balance is less than \$5,000 at your termination of employment, it will automatically be paid to you as a lump sum. If your account balance exceeds \$5,000 and you are married, your spouse must consent to this form of payment.

- **Deferral of Payments.** You may leave your entire account balance in the Plan. Upon attaining retirement age (57 or older), you may elect any of the options described above under Retirement, including the payment of equal periodic installment payments.

Death. If you should die at any time (before or after retirement), any funds remaining in your account will immediately be paid to your beneficiary. This payment can be made in the form of a single lump sum, or can be made in equal installments of at least \$1,200 per year until the account is exhausted.

If your account includes funds that were transferred from another plan which provides for automatic joint and survivor annuity options, this portion of your account will be converted to a joint

and survivor annuity if you are married at the time of your death.

Hardship Withdrawals

The Plan permits employees who are still actively working to withdraw funds upon meeting certain conditions. This type of withdrawal is called a Hardship Withdrawal and is permitted only to pay for the following expenses:

- Medical expenses for a participant or spouse, children or other dependents, to the extent those expense are not paid from the Health and Welfare Fund or any other medical insurance;
- Purchase of a principal residence;
- Payment of tuition and fees for post-secondary education for children or other dependents; or
- Other extraordinary financial hardship.

Withdrawals must be for a minimum of \$1,000 and no more than your account balance at the time of the withdrawal. There is no limit on the number of withdrawals a member can receive.

A participant must submit a completed application for a hardship withdrawal to the Board together with proof of financial hardship. If the application is approved, the participant's account balance is reduced by the amount of the withdrawal. Employees may not deposit withdrawals back into the Plan.

Taxes

Plan participants do not pay taxes on contributions to the Trust Fund nor on any investment earnings which remain in the Plan. At the time of payout, distribution, or withdrawal by a participant or beneficiary, income taxes will be due in that tax year.

Some payments may qualify for favorable tax treatment, such as income averaging. Income averaging allows a participant to assume that a lump sum payment was received over a period of years (rather than one year) for tax purposes. Another favorable tax treatment is a rollover to a special traditional Individual Retirement Account (IRA) or to a qualified plan of another employer. Rollovers must be deposited within 60 days after receiving a distribution. Taxes will then be deferred until the money is received from the IRA or other plan.

You may elect a direct rollover of any lump sum distribution or any portion of a lump sum distribution. If you choose a direct rollover, your lump sum distribution will be deposited directly into an IRA or to another employer plan that accepts your rollover. Eligible rollover distributions include all Plan payments except:

Payments Spread Over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for

- your lifetime (or your life expectancy), or
- your lifetime and your beneficiary's lifetime (or life expectancies), or
- a period of ten years or more.

Required Minimum Payments. Beginning in the year you reach age 70-1/2, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

If you do not elect a direct rollover of your distribution to an IRA or other qualified plan, a 20% federal with-

holding tax will be applied to your distribution. This withholding requirement applies to all lump sum distributions paid to you (including Hardship Withdrawals). The 20% withholding will be sent to the IRS and credited against any taxes you may owe. If you do not elect a direct rollover, you will receive only 80% of the amount of the distribution. If you want to roll over 100% of the payment to an IRA or an employer plan, you must find other money to replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

Because this Plan was designed for benefits at retirement, government regulations generally require a 10% penalty tax in addition to ordinary income taxes on distributions of Plan money before retirement. However, the 10% penalty tax will not apply in the following situations:

- Termination of employment or retirement after age 55;
- Total disability or death during active employment;
- Deposit into a rollover account; or
- Payments made under a Qualified Domestic Relations Order.

Tax laws are quite complex and change often. Participants should consult with a qualified and knowledgeable tax advisor about tax consequences before receiving any payment or withdrawal from this Plan.

Claims and Review Procedures

Application for Benefits. Participants entitled to Plan benefits must file an application with the

Administrator. Application forms and other information will be made available through the Plan Administrator's office.

Denial of Claim. In the event a claim is wholly or partially denied, the claimant will be notified of the denial in writing within 90 days. The denial of the claim will explain, in as simple language as possible, the reason and basis for the denial. In the event any additional material or information is necessary from the claimant to perfect the claim, the claimant will be notified and will be allowed at least 60 days to furnish the information or to perfect the claim. In addition to the specific reason or reasons for the denial, the denial will make specific reference to the pertinent Plan provisions on which the denial is based and the right of the claimant to bring a civil action under Section 502(a) of ERISA. Every denial or partial denial of a claim will be accompanied by a notice of the right to appeal and review.

Appeal of Claim Denial. A claimant whose claim is denied will have 60 days in which to appeal the denial of the claim for benefits to the Administrator. A form obtained from the Administrator along with a written statement why the claimant believes the claim should be allowed should be filed with the Plan Administrator.

Review of Claim Denial. Upon appeal for a full and fair review by a claimant whose claim for benefits from the Plan has been denied in whole or in part, the claimant will be given an opportunity within 60 days of receiving the appeal by the Plan Administrator, to review the claim before the Administrator and to present evidence, writ-

ten or oral, to support the claim. The claimant, or his duly authorized representative, shall have the right to review, free of charge, all documents, records, or other information relevant to the claim and may submit any written comments, documents, or records relative to the claim to the Trustees.

Final Decision. No later than 60 days after receiving the appeal (unless there has been an extension of 60 days due to special circumstances, provided the delay and the special circumstances are communicated to the claimant within the 60-day period), a decision will be made, submitted in writing, and will include specific reasons for the decision in as simple language possible with specific references to the pertinent Plan provisions on which the decision is based. Following an adverse determination on appeal, you have the right to bring a civil action under ERISA Section 502(a).

Qualified Domestic Relations Orders

This Plan has been designed to provide benefits exclusively for eligible employees and their survivors. Assets held by the Plan cannot be used for any other purpose while the Plan continues. This applies both to the employer and to employees. Employees cannot assign, transfer or pledge benefits nor use them as collateral for any loans outside the Plan.

However, the Plan must obey a "Qualified Domestic Relations Order" (such as a divorce decree), issued by a court of law, that requires a percentage of an employee's benefits to be paid to the employee's spouse, former spouse, child or dependent. Specific standards must be met for the court order to be "qualified."

The Plan Administrator will notify any employee immediately if it receives what may be a Qualified Domestic Relations Order affecting an account balance. The Plan Administrator must obey the order of the court.

Administration of the Plan

The Plan has been established pursuant to an Agreement between the Union and the participating employers. The Board of Trustees may amend or modify the Plan at any time except that no amendment will allow the use of the funds held in the Fund other than for the exclusive benefit of the eligible covered employees. No amendment to the Plan can eliminate or reduce "protected benefits", as described under Internal Revenue Code Section 411(d)(6), including benefits that have accrued prior to the amendment, any early retirement subsidies, or any optional forms of benefit.

The Trustees shall have sole and complete authority to construe, apply, and interpret the terms of the Plan, to determine factual questions arising in the course of administering the Plan, and to make all determinations necessary for the proper administration of the Plan.

Amendment and Termination of the Plan

The Plan is intended to be a permanent part of each employee's benefit program. However, circumstances may change over the years and modification may, from time to time, become necessary or advisable. Therefore, the Board of Trustees reserves the right, at any time and from time to time, to amend the Plan. The Union has the right to terminate the Plan. If the Plan is terminated, all participants will become 100% vested in the value of their account balances.

If the Plan is ever terminated, each account balance will be paid, generally in cash, as soon as the law permits.

Benefits under this Plan are not insured by the Pension Benefit Guaranty Corporation (a government agency which insures certain benefits provided by certain types of retirement plans) because the law does not extend plan termination insurance to this type of Plan.

Terms of the Plan Shall Govern

This summary is intended only to outline some of the more important features of the Plan. The Profit Sharing Plan shall control in all instances in determining any rights or benefits under the Plan, and a copy of the Plan is available for review from the Administrator.

Every covered employee is entitled to examine the Plan Annual Report (Form 5500) as soon as it is filed with the Secretary of Labor. This document is also available for review from the Administrator. If a copy of this document is desired, a written request must be sent to the Administrator. There will be a small charge for copying (25¢ per page).

Every covered employee will receive a summary of the annual report of the Plan once each year at no charge. As modifications to the Plan are made, each employee will also be notified.

Additional Information

- (1) Name of Plan:
IBEW Local Union No. 573 Profit Sharing Plan
and Trust

- 2) **Name and Address of the Board of Trustees:**
Board of Trustees
IBEW Local Union No. 573 Profit Sharing Plan and Trust
2430 Parkman Road NW
Warren, Ohio 44485
- (3) **Names and Address of the present Trustees:**
 (Union) Mark Catello
 (Union) Mark Davis
 (Union) Jeffrey Brown
 (Employer) Rex Ferry
 (Employer) Brian Keeling
 (Employer) Joseph Korff
2430 Parkman Road NW
Warren, Ohio 44485
- (4) **Name and Address of the Plan Administrator:**
Compensation Programs of Ohio, Inc.
P.O. Box 230
Niles, Ohio 44446
- (5) **Name and Address of the person designated as the legal agent for receiving service of Legal Process for the Plan:**
Dennis Haines, Esquire
Green Haines Sgambati Co., L.P.A.
P.O. Box 849
Suite 400
National City Bank Building
Youngstown, Ohio 44501-0849
- (6) **Type of Plan:**
 This Plan constitutes a profit sharing plan for purposes of Section 401 and other provisions of the Internal Revenue Code.
- (7) **Type of Administration:**
 The Plan is administered by a joint Board of

Trustees.

- (8) **Collective Bargaining Agreement:**
 The Plan is maintained pursuant to collective bargaining agreements between the Union and contributing employers. A copy of each such agreement is available for examination from the Administrator during regular working hours, and a copy of any such agreement may be obtained from the Trustees if requested in writing.
- (9) **Funding Entity:**
 Assets are accumulated for purposes of paying benefits under this Plan in the IBEW Local Union No. 573 Profit Sharing Plan and Trust as provided by the Trust Agreement with the Trustees.
- (10) **Contributing Employers:**
 Any participant or beneficiary under this Plan may write to the Plan Administrator to determine whether a particular employer is a contributing employer under this Plan and, if so, that employer's address.
- (11) **Plan Year:**
 The Plan maintains its records on a calendar-year basis.
- (12) **IRS Identification and Plan Number:**
 Employer Identification Number: 34-6570323
 Plan Number: 002

Rights under the Employee Retirement Income Security Act of 1974

As a participant in the IBEW Local Union No. 573 Profit Sharing Plan and Trust you 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 specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and 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 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 copies of the latest annual report (Form 5500 Series) and updated summary plan description. 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 benefit at normal retirement age (age 62) and if so, what your benefits would be at normal retirement age if you stopped working under the Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

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 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 benefit or exercising your rights under ERISA.

Enforce Your Rights

If a claim for a benefit is denied or ignored 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.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report 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 control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's deci-

sion or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in 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, 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 if, for example, it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about 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 office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.