

**CONNECTICUT CARPENTERS
ANNUITY FUND**

SUMMARY PLAN DESCRIPTION

2015 Edition

To All Participants and Beneficiaries:

The purpose of the Connecticut Carpenters Annuity Plan (the "Annuity Plan") is to supplement the monthly retirement benefit to which you are entitled from Social Security and from the Connecticut Carpenters Pension Fund. The Annuity Plan also provides benefits upon death, disability, specified hardships, or termination of employment from the industry.

Since the last edition of this booklet several important changes have been made to the Annuity Plan, including (1) creating a new definition of the term "Spouse" and changing the name of the Husband-and-Wife Annuity to "Joint and Survivor Annuity" to comply with new federal law, and (2) the addition of new rules about Hardship Withdrawals. Please review this 2015 Edition of the Summary Plan Description carefully so you can understand how the Annuity Plan can help you plan for a financially secure retirement.

The Annuity Plan is an individual account plan to which employers make contributions for each hour that a participant works in covered employment. A participant pays no tax at the times these amounts are contributed, but is taxed when he/she receives a distribution from the Annuity Plan. The Annuity Plan also permits participants to make voluntary contributions with after-tax dollars.

Annuity Plan assets are invested in accordance with the Fund's Investment Policy, calling for diversification among asset classes and permitting reasonable levels of risk. Investment decisions are made by investment managers hired and monitored by the Trustees with the help of the Fund's independent investment consultant.

Benefit plans can change from time to time. The descriptions in this booklet generally apply to the year 2015 and later. Different rules may apply before 2015. If there are changes made in the future, you will be notified of these changes in writing. You should keep all notifications with this booklet so you have the most current information available.

Personal or family situations also change from time to time. When they do, you should refer back to this booklet to make sure your beneficiary designation reflects your current wishes. You should also notify the Fund Office of changes in your address or marital status.

The information in this booklet is based on the terms and conditions set forth in the Connecticut Carpenters Annuity Plan (as amended through April of 2015). If there are any differences or conflicts between information in this booklet and the Annuity Plan document referenced above, the terms and condition contained in that plan document will govern. The Board of Trustees has discretion to interpret the terms and conditions contained in the Annuity Plan. You should not rely on any individual or unofficial opinion about your eligibility for participation in the Annuity Plan or any Annuity Plan benefits that you may feel are due to you.

If you have any questions or require any additional information regarding the Annuity Plan, you are encouraged to call or write the Fund Office for an explanation. The Board of Trustees will provide such an explanation in writing. You may also obtain general information and Annuity Fund applications and forms, or specific information about contributions to or values of your accounts, on our website <http://www.ctcarpentersfunds.org> or you may contact us to ask questions by email at membersservices@ctcarpentersfunds.org.

THE BOARD OF TRUSTEES, CONNECTICUT
CARPENTERS ANNUITY FUND
July 2015

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PARTICIPATION

You will become eligible to participate in the Annuity Plan, according to the following schedule:

If you:	You will become a participant on:
Work as a carpenter or woodworker for a contributing employer	The first day you begin work in covered employment
Are eligible under a participation agreement and work as a Connecticut employee for: <ul style="list-style-type: none"> ▪ the Fund Office of the Connecticut Carpenters Pension Fund, ▪ the New England Regional Council of Carpenters, or ▪ a Participating Local Union ▪ the Connecticut Carpenters Apprentice and Training Fund ▪ the Eastern Millwright Regional Council or Local 1121 	The first day you begin work in covered employment, as long as you earn 960 hours of service* in your first year of work. Otherwise, you will become a participant on the first day of the plan year in which you earn 960 hours of service.*
* Hours of service are all of the hours of work for which you are paid, directly or indirectly, by a contributing employer and certain military service.	

If you work in Connecticut but you are a member of a local union outside Connecticut, then you will become a participant on the 90th day after you first work in CT. The reason for the 90-day waiting period is to give you time to sign and submit a Reciprocity Authorization form directing the Annuity Fund to send back to your home local’s annuity fund all contributions received on your CT work. If the Annuity Fund does not already have a Reciprocal Agreement in effect with your home local’s annuity fund, then the Annuity Fund’s standard Reciprocal Agreement must be signed before any contributions can be transferred. **If you don’t submit a signed form authorizing reciprocity within 90 days after you start work in CT, then the Annuity Fund will only reciprocate contributions paid after your signed form is received.**

You will stop being a participant when the total value of your Account has been distributed.

If the total value of your Account has been distributed and you later return to work that is covered by a collective bargaining agreement, you will become a participant again as soon as you return to work.

CONTRIBUTIONS TO THE PLAN

Employer Contributions

Contributing employers make contributions to the Annuity Plan's Trust Fund on a weekly or monthly basis, as required by the collective bargaining agreement governing the participant's work.

The amount of the contribution is determined by multiplying the hours of covered employment worked by each participant times whatever amount is agreed to under the collective bargaining agreement. When contributions are made on company owners, they must be paid on at least 160 hours per month.

For all hours worked on or after April 1, 1998, the amount allocated to a participant's Regular Account will be the amount of contributions actually received from employers on behalf of the participant. This means that if an employer does not make contributions for your hours worked on or after April 1, 1998, the Fund cannot credit your Regular Account – even if the contributions are uncollectible due to bankruptcy or any other reason.

Example

- Assume:
1. You work 1,000 hours in covered employment in a plan year.
 2. The collective bargaining agreement calls for contributions of \$5.50 per hour of covered employment.
 3. Your employer pays the contributions.

$$1,000 \text{ hours} \times \$5.50 = \$5,500$$

This amount would be allocated to your Regular Account.

You will always be 100% vested in the value of your Account, after adjustment for investment earnings or losses, administration fees and expenses. You cannot forfeit your vested interest.

For years prior to April 1, 1991, no amount was allocated to the account of a participant or employee who worked fewer than 400 hours – or 240 hours, prior to April 1, 1986 – in covered employment in a plan year.

Voluntary Contributions

If you are working as a carpenter under a collective bargaining agreement, or are not "highly-compensated" as defined by the Internal Revenue Service (IRS), you may make additional, voluntary contributions to the Annuity Plan if you wish to do so and only under procedures established by the Annuity Plan's Trustees. These contributions will be credited to your voluntary account.

Voluntary contributions are made with after-tax dollars. However, once they are paid into the Trust Fund, any investment earnings will accumulate tax-free until distributed. Voluntary

contributions cannot exceed 10% of your total compensation for covered employment for the plan year. The Fund Office may request verification of your income from covered employment.

You are not required to make any voluntary contributions and they will have no effect on the amount of employer contributions to which you are entitled. Voluntary contributions, after adjustment for investment earnings or losses, administration fees and expenses, are fully vested and nonforfeitable.

You can withdraw your voluntary contributions to the plan at any time before retirement or termination of employment. Any earnings on your voluntary contributions will remain in the plan until the amounts in your Regular Account are payable, unless the Trustees decide it is impractical to hold those earnings. Voluntary contributions and earnings will be distributed in accordance with the rules explained in the section of this booklet about Distributions, including the requirement of spousal consent to a lump sum distribution.

Fees and Expenses

Fund expenses include all investment management, administrative, accounting, actuarial, consulting, legal, investment performance and custodial fees and all other expenses reasonably incurred in the operation of the Annuity Plan and the Trust Fund. Fund expenses will be deducted from the Trust Fund's gross investment return as of each Valuation Date.

Investment of Fund Assets

The Trustees of the Annuity Plan hire a bank custodian to hold contributed amounts in the Trust Fund. They also hire an independent investment consultant for professional advice on adopting an Investment Policy and hiring investment managers to invest those amounts. The Investment Policy specifies that Fund investments be diversified among various asset classes, such as fixed income, equities, real estate, and alternatives, and permits a level of risk that is reasonable for a long-term perspective. The investments result in earnings or losses.

The earnings or losses arise from income on investments and any increases or decreases in the market value of the securities that may be held in the Trust Fund. Net earnings and losses on these investments, after payment of or allowance for expenses of the Trust Fund, are allocated proportionately to each participant's Account as of each Valuation Date.

Benefit Statements

After earnings and losses for the plan year are determined and audited, the Board of Trustees will notify you of the amount of the annual contributions allocated to your Account, the amount of net earnings or losses credited to or charged against your Account, and the total value of your Account as of the last day of the plan year. You may determine your contributions, investment returns, and Account values as of the latest Valuation Date by logging on to the Fund's website at the address shown in the letter printed at the front of this booklet.

VALUATION OF ACCOUNTS

When you apply for any kind of distribution (retirement, break in service, disability, hardship, death) from the Annuity Plan, your Account value will be determined as of the end of the month before the distribution is approved or, if later, the end of the month before the month in which the effective date falls. No supplemental distribution of earnings or losses will be made later, except if employer contributions are received on your work after your distribution is made. This rule was adopted in November 2008 because of the volatile investment market conditions then, but it applies whether the Annuity Fund has positive or negative earnings.

For example, if you incur a break in service in July 2015, file a completed application for benefits in early September 2015 and it is approved by the Trustees at their meeting on September 24, 2015, your distribution will be based on your Account value as of August 31, 2015. If your application timing is the same but your retirement date is December 1, 2015, your distribution will be based on your Account value as of October 31, 2015.

Working with the Annuity Fund's custodian bank and investment professionals, the Fund Office obtains reliable estimates of current values of Fund assets as of the end of each month. Those monthly valuations are reduced by estimated administrative and investment expenses. The net value of your Account as of the end of each month, determined based on the reasonable estimates available to the Fund Office, will be available on our website and will be the basis for any distribution. The March 31 values may be adjusted slightly when the formal valuation is done annually.

A formal valuation of the Annuity Fund investments is performed and audited once a year as of March 31st. It is often July before the final formal valuation is complete. When the valuation is done, undistributed earnings and losses for the plan year ended March 31st will be allocated to all Accounts that exist on that March 31st and on the date the formal valuation is completed. While the formal valuation is in process, we will continue to pay distributions in April, May, and June, using the methodology described in the previous paragraph.

DISTRIBUTION OF BENEFITS UPON RETIREMENT, TERMINATION OF EMPLOYMENT, OR DEATH

You will be entitled to a distribution of the total value of your Account after you either:

1. Reach age 65,
2. Become permanently and totally disabled with a Social Security Disability Award,
3. Incur a break in service, or
4. Retire from covered employment and are receiving retirement benefits from the Connecticut Carpenters Pension Fund.

The forms of distribution that are available to you upon retirement are explained in the following paragraphs.

If the total value of your Account exceeds \$5,000, payments must be paid over a period that does not exceed your expected lifetime or the joint life expectancy of you and your beneficiary or spouse. Except as noted below, an Application for Benefits must be filed before any benefits can be paid out from the Annuity Plan.

Regardless of whether you apply for benefits, the Fund will begin making payments to you by the April 1st immediately following the calendar year in which you attain age 70-1/2. Under complex rules of the Internal Revenue Service, this is your “Required Beginning Date” to receive benefit payments from the Fund. The amount of the benefits paid must be at least equal to what the IRS defines as your Required Minimum Distribution (RMD), which changes each year based on your Account value and life expectancy tables, unless the IRS waives the RMD requirement for a year. If you fail to file a completed Application for Benefits on a timely basis, the Fund will establish your Required Beginning Date as the date your payments are to begin and commence making the payments. Once benefits have begun, you may not change the form of the payment, even if your circumstances change.

Keep in mind that there may be federal income tax penalties if you take a distribution before you reach age 59 ½. If you apply for your benefits later than the first date on which you are eligible, your account will remain invested in the asset classes chosen by the Trustees and applicable to all Annuity Fund assets.

➔ **Important Note:** While the Annuity Plan is structured around a Normal Retirement Age and the expectation that benefits will commence at that age, you nevertheless have the right to defer receipt of your Annuity Fund benefits until you must take your RMD.

Break in Service

One of the ways to qualify for an Annuity Fund distribution is to incur a break in service. You have a break in service if contributions have not been made or owed on you to the Annuity Fund (either directly or reciprocated from another fund) for 12 months and throughout the process of applying for a distribution, and as long as you have not served during that period in any capacity for a non-union company that employs carpenters or subcontracts carpentry work.

Distributions if you work after receiving a Distribution

If you take a distribution and later return to covered employment, additional contributions will be made to your account. You must begin to receive your RMD as of the April 1st following the calendar year in which you reach age 70 ½. Your rights to a subsequent distribution earlier than that are:

1. If your first distribution began before you reached age 65, then you may apply for a subsequent distribution, in any form the plan offers, when you incur a break in service or when you reach age 65.
2. If your first distribution began when or after you reached age 65, then you may apply for a subsequent distribution whenever you stop working in covered employment.

Benefits of \$5,000 or Less

If the balance in your Account is \$5,000 or less – and has never exceeded that amount – you will be paid your benefit in the form of a lump sum and you may not elect any other distribution form. The consent of the participant's spouse, if any, shall not be required.

Joint and Survivor Annuity

If you are married, the law requires that all plan benefits with a total value of more than \$5,000 be paid in the form of a Joint and Survivor Annuity, unless you elect an alternate form of payment and your spouse consents to that election, in writing.

A Joint and Survivor Annuity uses the total value of your Account to provide you with a monthly benefit for your life and after you die, a monthly benefit equal to 50%, 75% or 100% of your monthly benefit – depending upon your election, consented to by your spouse, if applicable – will continue to your spouse. Under the Joint and Survivor Annuity, no further amounts are payable after you and your spouse have died. The Joint and Survivor Annuity is payable only to the spouse to whom you were lawfully married when payments began. The Annuity Plan looks to applicable Connecticut law governing marriage in determining if you are lawfully married.

If you are married, the Fund Office will provide you with an explanation of the Joint and Survivor Annuity – including the dollars and cents effect of an election of the 50%, 75% or 100% form of Joint and Survivor Annuity benefit – before payment of benefits commence. The explanation will also provide a description of the alternative methods of distribution.

After receiving the explanation you will have 180 days to complete and return the election form indicating your choice as to how you wish to receive your annuity benefit. If you are married and elect one of the alternative methods of distribution, your spouse must consent, in writing, to that election and to any beneficiary chosen, and your spouse's signature must be notarized.

Alternative Forms of Payment

You may elect to receive your benefit in one of the following forms of payment if you:

1. Are not married, or
2. Are married but waive the Joint and Survivor Annuity with the written consent of your spouse.

Lump Sum

The total value of your Account will be paid to you in a lump sum. You may direct the Annuity Fund to pay part or all of any lump sum payment directly to an Individual Retirement Account or Annuity (IRA), or to another qualified plan, in a direct rollover.

Installments

Your benefit will be paid in equal monthly installments of at least \$100 (the minimum is higher if your IRS Required Minimum Distribution amount is more) until your Account is exhausted, with any earnings or losses credited to the unpaid balance on each Valuation Date. You may not receive more than 12 checks in a calendar year or a plan year (April 1-March 31). Usually, the Fund Office mails checks a few days before the month in which they are due. **The checks for April and January are sent early in the month instead of before the month begins.**

If the installments will extend for less than 10 years, you may direct that part or all of those installments be rolled over to an IRA or other qualified plan.

Once your monthly installment amount is established, you may not stop or decrease that amount, however you may make a written election once each plan year to increase the amount of the equal monthly payments to be paid in the future. If you die before the entire balance of your Account has been paid to you, the remaining monthly payments will be paid to your beneficiary in installments or, if the beneficiary consents, in a lump sum.

Ten Years Certain and Life Annuity

If you are not married, the plan requires that all plan benefits with a total value of more than \$5,000 be paid to you in the form of a Ten Years Certain and Life Annuity, unless you reject this form of payment

A Ten Years Certain and Life Annuity provides monthly payments for your life but if you die before receiving 120 monthly payments, the remainder of the 120 monthly payments will be paid to your beneficiary.

Combination

You may elect a combination of an initial partial lump sum and the balance in Ten Years Certain and Life Annuity, Installments or Joint and Survivor Annuity.

Rollover

You may direct the Annuity Fund to pay part or all of any lump sum payment directly to an Individual Retirement Account or Annuity (IRA), or to another qualified plan, in a direct rollover. If you elect installment payments to be paid for fewer than 10 years, you may direct that part or all of those installments be paid to an IRA or other qualified plan, in a direct rollover.

The forms of distribution that are available at your death, either before or after you retire, are explained in the following paragraphs.

Pre-Retirement Death Benefits

If you die before receiving any payment from your Account, the balance in your Account will be paid as a death benefit. The forms of distribution for pre-retirement death benefits depend on your marital status, as follows.

Unmarried Participants

If you are not married and you die before receiving any payments under the plan, the total value of your Account will be paid to your beneficiary in a lump sum.

Married Participants

If you are married and you die before receiving any payments under the plan, the total value of your Account will be paid in one of the forms described below. Remember, the Annuity Plan relies on Connecticut law, not federal law, to define “marriage.”

Lump Sum

If the value of your Account is \$5,000 or less, your spouse will receive the value of your Account in a lump sum.

If you wish to elect a lump sum death benefit payable to someone other than your spouse, you must be at least age 35 and your spouse must consent, in writing, to any other beneficiary you name.

In some cases, your surviving spouse may direct the Annuity Fund to make a direct rollover of part or all of her or his death benefits to an IRA or other qualified plan. See the Special Tax Notice printed at the back of this booklet for details.

Pre-Retirement Joint and Survivor Annuity

If the total value of your Account is more than \$5,000, your spouse will receive a Joint and Survivor Pre-Retirement Survivor Annuity.

Under a Joint and Survivor Pre-Retirement Survivor Annuity, the total value of your Account will be used to purchase an annuity contract from an insurance company which will provide your spouse with a monthly benefit for her or his life with no further involvement from the Fund (See “Purchase of Annuity Contracts” on Page 14). A Joint and Survivor Pre-Retirement Survivor Annuity will be the automatic form of payment unless you elect before your death to have the value of your Account paid in a lump sum and your spouse consents to that election, in writing. Or, after your death your spouse may elect a lump sum payment of a pre-retirement death benefit due to her or him.

If you waive the Joint and Survivor Pre-Retirement Survivor Annuity, you should be aware that the consent of your spouse applies only with respect to the elections currently being made. In other words, if you want to name another beneficiary of a lump sum benefit at a later date, you must complete another form and obtain your spouse's written consent again.

Post-Retirement Death Benefits

If you die while receiving payments under a Joint and Survivor Annuity, your surviving spouse will continue to receive 50%, 75% or 100% of the monthly benefit for her or his life – depending upon the form of annuity you elected.

If you are not survived by the spouse to whom you were married when the Joint and Survivor Annuity began, no further monthly payments will be made.

If you die while receiving installment payments from your Account, your beneficiary will continue to receive the installments until the Account is exhausted. If the beneficiary chooses, the amount remaining in the Account may be paid in a lump sum.

If you die while receiving payments under a Ten Years Certain and Life Annuity, but had not yet received 120 monthly payments, the monthly payments will continue to your beneficiary until a total of 120 payments have been made. If you die after receiving 120 monthly payments, no further payments will be made.

NAMING A BENEFICIARY

If you are married under Connecticut law, your spouse is automatically considered your beneficiary. You may name another person as a beneficiary if your spouse consents, in writing, to the waiver of the Joint and Survivor form of benefit and to the specific beneficiary being named.

If you are not married, you may name any person or persons as beneficiary to receive payments due upon your death, as provided for in the plan.

If you name a minor child as your beneficiary, the Annuity Fund will distribute payments to an account in the name of an adult, for the benefit of the minor, and subject to the jurisdiction of Connecticut courts or to the Connecticut Uniform Transfers to Minors Act.

Changing Your Beneficiary Designation

You can change your designation of beneficiary at any time provided that if you are married, you obtain the written consent of your spouse.

It is very important that you keep your beneficiary cards updated with any changes. Each designation must be made in writing on a form, which may be obtained from the Fund Office. In order for a beneficiary designation form to be effective, it must be filed with the Fund Office prior to your death. If a designation of beneficiary form is not on file with the Fund Office at the time of your death or if such designation is defective and you are married, then your spouse will receive the death benefit payment. If you do not have a spouse, your estate will receive payment of the benefit.

If a death benefit – payable in the event of your death or the death of a surviving spouse or other beneficiary – is payable to an estate and an Application for Benefits has not been filed within three months after death, the Trustees may decide to pay the death benefit to the deceased person's surviving relatives: widow, widower, child or children, mother or father, brother(s) or sister(s).

HARDSHIP WITHDRAWALS

You may withdraw up to 50% of your Profit Sharing Plan account balance to cover expenses incurred by you due to a financial hardship. Your Profit Sharing account balance is your account balance at any time, reduced by your account balance on March 31, 1998. Any and all hardship withdrawals may be paid in a joint check.

You must represent that you cannot relieve the hardship from other sources that are reasonably available to you. The minimum withdrawal amount is **\$1,000** and effective as of January 1, 2015 you may not receive more than **\$70,000** in hardship withdrawals during your lifetime, including amounts withheld for taxes. Some hardship withdrawals are limited to once in a lifetime. If you are married, your spouse must consent, in writing, to any hardship withdrawal.

Example

Assume:

1. Your Regular Account is valued at \$20,000 as of 3/31/1998.
2. Your Regular Account is valued at \$80,000 as of 3/31/2009.

That means your Profit Sharing balance as of 3/31/2015 is \$60,000 (\$80,000 - \$20,000).

You may take a hardship withdrawal of up to \$30,000 – 50% of your Profit Sharing account balance.

Requests for hardship withdrawals must be approved by the Trustees or their Co-Chairs and are subject to uniform rules adopted by the Trustees. Your complete Application for a hardship withdrawal must be received by the deadline (usually one week prior to the date of the meeting where approvals are recommended) in order to be considered in that month. You must have proper backup and verification to support your claimed hardship. If the Trustees were to accept incomplete or inaccurate information in order to grant your request the Plan could risk losing its qualified status. If you submit an incomplete Application or we need additional verification from you, we will “pend” consideration of your Application until it is complete. The policies may require:

- Payment of the hardship amount in a joint check - for example, to you and your landlord or lender, or to you and the educational institution, or to you and your medical provider or to you and the IRS.
- Specific documentation - for example, eviction notice from a housing court, foreclosure notice from your lender, invoices from colleges, signed contract to purchase a home.

If you submit a hardship withdrawal application that is materially incorrect in any way, you will be immediately ineligible to take any future hardship withdrawals in your lifetime. In addition you will not be eligible for a hardship withdrawal if you or any of your family has any ownership interest in an employer that has or ever had any unresolved

delinquency contributions, interest, or costs owed to the Fund or related benefits funds, even if that delinquency was deemed uncollectible.

You may take a hardship withdrawal for any one of the following purposes:

- (A) **MEDICAL EXPENSES** – payment of medical expenses incurred by the participant, spouse or dependent not covered by another party such as an insurance plan, employee health plan or governmental plan. **The evidence which must be submitted includes itemized statements for medical services or one or more Explanation of Benefit forms showing unpaid amounts.**

If your hardship application is for medical bills, you must complete an Authorization Form to Disclose Protected Health Information and submit it with your application.

- (B) **TUITION AND ROOM & BOARD EXPENSES** up to the next twelve months– for the participant, spouse or dependent for attendance at an accredited educational institution beyond high school. **The evidence which must be submitted is a bill or receipt from the school which indicates the amount required for tuition and/or room & board.**
- (C) **EXPENSES OF PURCHASING A HOME** (other than mortgage payments) which will be the participant's primary residence. **The evidence which must be submitted is a copy of the mortgage commitment and a sales contract signed by both the buyer and seller, including a statement showing deposits made and amounts due at closing.**
- (D) **AVOIDANCE** of a mortgage foreclosure on a primary residence of the participant or avoidance of eviction of the participant from a rental property which is his or her primary residence. **The evidence which must be submitted consists of documents actually filed with a court showing the existence of a foreclosure or eviction action against the participant.**

Hardship withdrawal to prevent eviction is limited to once in a lifetime.

Hardship withdrawal to prevent foreclosure is limited to twice in a lifetime.

- (E) **FUNERAL EXPENSES** – incurred by the participant due to the death of his or her spouse, child, brother, sister, parent, or spouse's parent. **The evidence which must be submitted is a bill or receipt indicating the amount required for the funeral expenses.**
- (F) **INCOME TAXES** – permitted once in a lifetime to cover overdue state or federal income taxes and related interest and penalties. **The evidence which must be submitted is a past-due bill from the Internal Revenue Service or State of Connecticut Department of Revenue Services.**

- (G) **MILITARY SERVICE OUTSIDE OF NORTH AMERICA** – withdrawals to cover outstanding debts and anticipated reasonable living expenses for immediate family remaining at home.

The Fund understands that in difficult economic times, you and your family may have very real and immediate financial needs, such as paying bills and expenses (electricity, oil, gas, food, etc.), buying needed items for your home (appliances, a furnace, a water heater, furniture, etc.) or paying off high interest credit cards, and auto loans. Unfortunately, unless your particular request can fall into at least one of the specific hardship conditions outlined above, the Fund cannot process it. The reason for this is that IRS rules only permit a qualified retirement plan like our Annuity Plan to make hardship withdrawals in very limited circumstances. In short, the IRS will not permit the Annuity Plan to serve as a “bank account” or emergency fund, since its primary purpose is to provide you with retirement benefits.

Any lump sum amount paid to you as a hardship withdrawal will be subject to 10% federal income tax withholding unless you elect to have a different percentage or amount withheld. Unless you notify the Fund Office in writing to do otherwise, the Annuity Fund will also withhold any mandatory state or local tax.

Ex-spouses who have rights under QDROs are not eligible to take hardship withdrawals from an Account set up for them.

APPLICATION FOR BENEFITS

Payments from the Annuity Plan begin as soon as practicable after an Application for Benefits has been filed and approved by the Trustees or their Co-Chairs. Your complete Application must be received by the deadline (usually one week prior to the date of the meeting where approvals are recommended) in order to be considered in that month. If you submit an incomplete Application or we need additional verification from you, we will “pend” consideration of your Application until it is complete. Annuity and installment payments are made as of the first day of the month after approval.

The first step in obtaining benefits is to request, in writing or by phone, an Application for Benefits from the Fund Office. You may also obtain an Application for Benefits by downloading it from the website address given on the cover letter at the front of this booklet. You should complete all questions on the Application and forward it to the Fund Office at least one month (30 days) before the expected month that you wish payments to start. You may be asked to send proof of your date of birth or any other fact related to your Application.

PURCHASE OF ANNUITY CONTRACTS

Since your Account is pooled with all the other participants' Accounts in the Trust Fund, a distribution of benefits in a form that is payable over your lifetime will require the purchase of an annuity contract, with the amount of the total value of your Account, from an insurance company.

If your benefits are payable in the form of a Joint and Survivor Annuity or a Ten Years Certain and Life Annuity, the total value of your Account will be applied to purchase a nontransferable annuity contract which will be distributed to you and you will receive monthly payments directly from the insurance company with no further involvement from the Fund.

WITHHOLDING AND OTHER TAX MATTERS

You may want to consult with your tax advisor or other financial professional regarding the tax treatment of distributions you may receive under the Annuity Fund. The Trustees and Fund Office cannot give tax advice. Keep in mind that it is smart to be prepared for your tax obligations and you may incur tax penalties if you do not have enough withheld from your distribution.

Income Tax Withholding

Generally, amounts distributed from the Annuity Fund are taxed as ordinary income, unless they represent a return of already-taxed voluntary contributions. You are responsible for your own financial planning and/or tax planning decisions and neither the Fund nor any of its employees, agents or Trustees are responsible, in whole or in part, for any tax withholding.

Under certain circumstances, you may defer payment of taxes by "rolling over" all or part of a lump sum payment or certain installment payments to an IRA or other qualified plan.

An IRS form 1099 will be issued for all distributions, even those that are rolled over.

All annuity payments and death benefits payable under the Annuity Plan in excess of minimum levels set by the IRS are subject to federal income tax withholding. In some cases – for example, lump sum payments to you or your spouse and certain installments to you or your spouse – withholding is mandatory at a level of 20% unless all or part of the distribution is directly rolled over to an IRA or other qualified plan. In other cases – for example, IRS required minimum distributions (RMDs) and hardship withdrawals – you may elect income tax withholding.

Here are some general rules about income tax withholding that may apply to you:

1. 20% must be withheld from most lump sum distributions. You have no choice.
2. 10% will be withheld from hardship withdrawals unless you make a different election.
3. 10% will be withheld from Required Minimum Distributions unless you make a different election.
4. 20% must be withheld from installment payments if they will be made for fewer than 10 years.
5. 10% will be withheld from installment payments if they will be made for 10 or more years unless you make a different election.

If withholding is optional, you, your spouse or beneficiary may elect not to have taxes withheld from monthly benefits by filing an IRS Form W4-P and/or Connecticut Form CT W4-P or the Fund's withholding election form with the Fund Office. Your election will become effective as soon as possible after the Fund Office receives your form. You may revoke the election at any time by simply filing a new form with the Fund Office.

Printed at the end of this booklet is a Special Tax Notice published by the IRS that covers the details of the tax rules that may apply to your Annuity Fund distribution. You may want to share this with your tax advisor.

Penalties for Early Distribution

A distribution – including a hardship withdrawal – before you reach age 59 ½ may result in an extra tax equal to 10% of the amount of the distribution. This penalty is not imposed in certain circumstances, such as if:

- The early distribution is made on account of your death, or
- You work steadily through age 55, and retire with the CT Carpenters Pension Fund, and then receive a distribution, or
- You are totally and permanently disabled with a Social Security Disability Award, or
- The payment is to an alternate payee as required by a QDRO.

Payments under the Joint and Survivor Annuity will not incur the penalty. Other exemptions may apply to early retirement.

Again, you may want to consult with your tax advisor or other financial professional, and review the Special Tax Notice printed at the end of this booklet, before electing to receive any distribution from the Annuity Plan. As stated earlier, the Annuity Fund cannot give tax advice and any reference in this booklet or the Special Tax Notice is not intended to be construed as such. You should consult with an attorney, tax advisor, or other financial professional for tax advice.

Distributions of Voluntary Contributions and Earnings

When you are entitled to a distribution from your Account, you will be asked to make a separate election regarding your Voluntary Account.

If you do not make a specific Voluntary Account election, your general election will control payments from your Regular and Voluntary Accounts. Voluntary contributions will not be taxed when distributed – since they were made with after-tax dollars – but earnings on those voluntary contributions will be taxable. Voluntary contribution forms can be obtained by calling the Fund Office or by downloading one from the website address located on the cover letter at the front of this booklet.

The law requires the Fund to allocate a proportionate share of each benefit payment into taxable and nontaxable amounts, if applicable. This will be reported to you and the IRS as of the end of each calendar year on the appropriate government form.

APPEAL PROCESS

If your application for a benefit is denied by the Trustees you will be informed, in writing, of the reasons why you are not eligible and what, if anything, you can do to become eligible.

If you believe you have met the requirements of the plan to be eligible for a benefit, or you question the determination of the amount of the benefits you are awarded, you may appeal to the Trustees for a review of your claim. You also may review pertinent documents at the Fund Office and obtain copies if you pay a reasonable charge.

The appeal must be in writing and should state clearly all facts and reasons you know or should know why your benefit should not be denied. The appeal must be received by the Trustees within 90 days after the date you receive the notice denying your benefit. If the appeal is not filed within the required 90-day period, you will lose the right to a review of your claim. If your appeal does not raise facts that you know or should know, you cannot raise those facts later.

A decision will be made by the Trustees – or may be delegated to a subcommittee of the Trustees – at:

- Their next meeting after receipt of the appeal, or
- The second meeting after receipt if the appeal is received within 30 days before the next meeting.

If there are special circumstances that require an extension of time for processing, the decision will be rendered as soon as possible, but not later than the third Trustees' meeting after the appeal is received.

If your appeal of the Trustees' decision is denied you may make a written request within 90 days after you receive the denial to have a hearing before one arbitrator. The rules of the American Arbitration Association and reasonable procedures established by the Trustees will apply.

You must begin this arbitration procedure within the 90-day period, and follow it to its end, before you can file any lawsuit claiming benefits from the Annuity Fund. The arbitrator's decision will not be binding on the Trustees or on you in any later lawsuit involving your claim or any other claim.

In all appeal situations, the Fund will comply with all applicable Department of Labor (“DOL”) rules and regulations.

This procedure must be followed by anyone who believes he was not given proper consideration for benefits provided by the plan.

QUALIFIED DOMESTIC RELATIONS ORDERS (“QDROs”)/ASSIGNMENT OF BENEFITS

In general, any assignment of benefits is prohibited by a Federal law, known as the Employee Retirement Income Security Act of 1974 (ERISA), which regulates employee pension and annuity plans. However, this prohibition does not apply if your Account becomes subject to:

- A qualified domestic relations order (QDRO),
- A tax levy issued by the IRS, or
- Any other order allowed by ERISA or the Internal Revenue Code.

The Fund has procedures governing QDROs, including a sample form of QDRO acceptable to the Fund. You or your spouse may obtain a copy of those procedures, without charge, by calling the Fund Office or by downloading the procedures and form from the website listed on the cover page printed in this booklet.

The Fund charges a flat fee to cover some of the expenses associated with determining whether a domestic relations order, which often is required in connection with a divorce, is qualified. When a domestic relations order is submitted to the Annuity Fund, a flat fee of \$150 (if you use the Fund’s standard QDRO form) or \$250 (if you do *not* use that form) will be charged directly to your individual account in the Fund.

AUTOMATIC PAYMENT TO HEALTH FUND FOR RETIREE COVERAGE

The Fund may permit you to direct that a part of your monthly payments from the Annuity Fund be used to pay your share of the cost of your retiree coverage under the Connecticut Carpenters Health Fund. Call the Fund Office for forms and details of this voluntary, revocable option.

AMENDMENT/TERMINATION OF THE ANNUITY PLAN

Although the Board of Trustees intends to continue the Annuity Plan indefinitely, the future of the plan will be determined by the terms of the collective bargaining agreements and by conditions relating to the income and expenses of the Fund.

The Trustees have the right under the terms of the Annuity Plan and its related Agreement and Declaration of Trust to amend or terminate the Annuity Plan at any time. In the event of termination of the Annuity Plan or complete discontinuance of contributions, the Trustees may continue the Fund until all amounts are distributed in accordance with the Annuity Plan, or terminate the Fund and distribute a prorata share of the net assets to all participants and beneficiaries having an account on the date of termination. Each participant or beneficiary will have nonforfeitable rights to his or her Account to the extent funded, after providing for all of the expenses of the plan, including termination expenses.

ERISA

Your Rights

You have certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA):

- You are entitled to request, in writing, to examine at the Fund Office all Annuity Plan documents* between 10:00 a.m. and 4:00 p.m. Monday through Friday, except holidays. You may request copies of Annuity Plan documents at a photocopying cost to you of \$0.25 per page.
- You must receive a summary of the Annuity Plan's annual financial report.
- If your claim for a benefit is denied, you must receive a written explanation of the reason why your claim was denied and copies of documents relating to the decision.
- If you request it on time, the Board of Trustees must review and reconsider your claim.

*Plan documents include the Connecticut Carpenters Annuity Plan (as amended through April 2015), the Connecticut Carpenters Annuity Fund Agreement and Declaration of Trust, all applicable collective bargaining agreements and all documents filed by the Trust Fund with the U.S. Department of Labor (DOL).

Prudent Actions by Plan Fiduciaries

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

Enforcing Your Rights

If your claim for an Annuity Plan 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 the 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 Annuity Fund's decision 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 Fund's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order

the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Fund Office. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Fund Office, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

LEGAL INFORMATION

Connecticut Carpenters Annuity Fund	
Name and address	Connecticut Carpenters Annuity Fund 10 Broadway Hamden, CT 06518-2699
Effective Date	April 1, 1979
Plan number assigned by the Board of Trustees	001
Employer Identification Number (EIN) assigned by the Internal Revenue Service (IRS)	06-1308364
Type of plan	Profit Sharing Plan for hours worked after 3/31/1998 (Money Purchase Pension Plan for hours worked before then)
Type of Administration	Joint Board of Trustees
Plan Administrator	Board of Trustees
Fund Director and Agent for Service of Legal Process	Richard S. Monarca Connecticut Carpenters Annuity Fund 10 Broadway Hamden, CT 06518-2699
Source of contributions to the Annuity Fund	<ol style="list-style-type: none"> 1. Individual contributing employers at rates established by collective bargaining agreements 2. Participant voluntary contributions

Write to the Fund Office if you want to:

- Find out if a particular employer or employee organization is a contributing employer.
- Get the address of the contributing employer.
- Get a copy of collective bargaining agreements that may apply to you at a cost to you of \$0.25 per page.

Fiduciaries

The people who are responsible for the operation of the Annuity Fund are called "fiduciaries" of the plan. They are the Board of Trustees of the Annuity Fund. Because Trustees often retire, and/or resign their positions and replacement Trustees are appointed, you are encouraged to contact the Fund Office should you wish to obtain a list of the current Trustees of the Fund. As of July 2015, the following individuals make up the Fund's Board of Trustees:

Board of Trustees

The Board of Trustees has equal representation from union and management. Any member of the Board is an agent for service of legal process, and may be reached at the address shown below.

Union Trustees

Martin Alvarenga
Carpenters Local #43
885 Wethersfield Avenue
Hartford, CT 06114

John P. Cunningham
Carpenters Local #210
618 Main Street
Monroe, CT 06468

Bruce Lydem
Carpenters Local #24
500 Main Street
Yalesville, CT 06492

Glenn Marshall
Carpenters Local #210
618 Main Street
Monroe, CT 06468

Management Trustees

John W. Butts
AGC/CCIA
912 Silas Deane Highway
Wethersfield, CT 06109

Joseph Epifano
Epifano Builders, Inc.
180 Wampus Lane
Milford, CT 06460

Vincent S. Giordano, Jr.
Giordano Construction Co., Inc.
1155 Main St., P.O. Box 802
Branford, CT 06405

Anthony J. Minervini
8 Sturges Road
Newtown, CT 06470

Claims and Appeals

If you are denied, in whole or part, any benefits under the plan, please refer to the sections in this booklet entitled Application for Benefits and Appeal Process .

Plan Termination

The Trustees may change the Annuity Fund Plan whenever they feel it's in the best interests of the Annuity Fund's participants and beneficiaries to do so. The Annuity Fund Trust Agreement provides that all amendments must be in writing and adopted by a specified vote of the Trustees. Changes may be made at any time without advance notice to anyone.

Changes might mean that certain groups are excluded from coverage, certain members may have to make contributions, benefits might be reduced or the Annuity Fund itself is terminated. No one is entitled to benefits beyond their vested benefits under the Annuity Fund.

The Department of Labor (DOL) has set up the Pension Benefit Guaranty Corporation (PBGC) to insure the members and beneficiaries of certain types of retirement plans against losing their benefits if a plan terminates. The PBGC, however, does not insure profit sharing plans, such as this plan.

Disclaimer

This booklet is a summary of the benefits offered by Connecticut Carpenters Annuity Fund. Every attempt has been made to ensure its accuracy. If the summaries of particular plan features, administrative practices or benefit application procedures are in conflict with the formal plan documents, the formal plan documents and approved administrative practices will prevail.

The full Board of Trustees has discretion to interpret the plan and this summary. You should not rely on any individual or unofficial opinion about your coverage. You should not rely on any individual or unofficial opinion about your eligibility for participation in the plan or any plan benefits that may be due you.

The plan and any benefits are subject to amendment, reduction and/or termination without notice at the discretion of the Board of Trustees.

PLAN TERMS

The following are general definitions of terms used in this booklet to explain the plan. Throughout this booklet, whenever the singular form of any word is used, it includes the plural.

ACCOUNT. “Account” means the Regular Account and Voluntary Account established in the name of a participant. When the term Account is used in this booklet, it applies separately to a participant’s Regular and Voluntary Account.

BREAK IN SERVICE. A “Break in Service” occurs when a participant, for a period of 12 consecutive calendar months and at the time of application for a distribution:

1. Has not performed work requiring contributions to the Annuity Fund, and
2. Has not worked in a jurisdiction that reciprocated contributions to the Annuity Fund, and
3. Signs a Certification of No Work, and
4. Has not worked and is not working in any capacity, either self-employed or for any employer, that employs carpenters or subcontracts carpentry work anywhere in North America, and has not been and is not an officer, director, shareholder, full or part owner, partner, member, or principal of an employer that employs carpenters or subcontracts carpentry work anywhere in North America.

NOTE: If the Trustees have reasonable evidence or suspicion that you are working as described in item 4 of the Break in Service definition, the Fund Office may request that you provide proof of your employment during the previous 12 months. If you do not respond to that request promptly, your application for a distribution will be denied.

COLLECTIVE BARGAINING AGREEMENT. “**Collective Bargaining Agreement**” means a collective bargaining agreement or other written agreement approved by the Trustees which requires contributions to the plan.

CONTRIBUTING EMPLOYER OR EMPLOYER. “**Contributing Employer**” means any entity which employs members of a participating Local Union or other employees and contributes to the Fund on behalf of such members or other employees.

COVERED EMPLOYMENT. “**Covered Employment**” means work performed in a category of work covered by a Collective Bargaining Agreement for which a contributing employer is required to make contributions to the Fund.

DISABLED PARTICIPANT. “**Disabled Participant**” means a participant who becomes permanently and totally unable to work for any contributing employer. You must submit a copy of a Social Security Disability Award and you must certify to the Trustees that you cannot and will not work in the carpentry trade.

EMPLOYEE. “**Employee**” means carpenters or other employees whose employers are required to make contributions to the plan on their behalf. The term also includes:

1. Connecticut officers, agents, or employees of the New England Regional Council of Carpenters,
2. Connecticut officers, agents or employees of the Eastern Millwrights Regional Council or employees of Local 1121,
3. Employees of the Pension Fund or of other organizations established under the Labor Management Relations Act which are exempt from taxation under the Internal Revenue Code, and
4. Certain superintendents who are carpenters employed by a contributing employer but who may not be working exclusively in a category of work covered by a collective bargaining agreement.

However, the Trustees of the Fund must approve participation by anyone listed in 1 - 4.

FUND. The “**Fund**” means the Connecticut Carpenters Annuity Fund.

JOINT AND SURVIVOR ANNUITY. “**Joint and Survivor Annuity**” means an annuity contract that provides a monthly benefit to a married participant for the participant's life with a percentage of such monthly benefit (50%, 75% or 100% as selected by the participant) to continue to the participant's spouse upon the participant's death.

PARTICIPANT. “**Participant**” means an employee for whom contributions to the plan are required to be made by a contributing employer, and who meets the requirements outlined in this booklet to participate in the plan. The term also includes any former participant who is entitled to receive payments from the plan.

PARTICIPATING LOCAL UNION. “**Participating Local Union**” means Local 43 of the United Brotherhood of Carpenters and Joiners of America of Hartford, Connecticut, Local Unions 24 and 210 of the United Brotherhood of Carpenters and Joiners of America, the New England Regional Council of Carpenters, the Eastern Millwrights Regional Council, and any other local union of the United Brotherhood of Carpenters and Joiners of America located in Connecticut which has negotiated a Collective Bargaining Agreement providing for Employer Contributions to the Trust Fund and which is accepted by the Trustees as a participant in the Trust Fund.

PLAN YEAR. “**Plan Year**” means April 1st through March 31st.

PROFIT SHARING ACCOUNT BALANCE. “**Profit Sharing Account Balance**” means a participant's total account balance at any time after March 31, 1998, reduced by his account balance as of March 31, 1998.

QDRO. “**QDRO**” means a Qualified Domestic Relations Order, which is a court judgment, decree or order which recognizes the rights of a spouse or dependent to receive part of a participant's Annuity Fund benefit, and which is determined by the Fund to meet its requirements. Most often, a QDRO is part of a divorce.

REGULAR ACCOUNT. “**Regular Account**” means an account established in the name of each participant to which employer contributions are allocated.

SPOUSE. “**Spouse**” means effective June 26, 2013, any individual lawfully married in Connecticut to a Participant under applicable Connecticut law governing marriage or any individual in a relationship with a Participant that is recognized as a marriage under such applicable Connecticut law governing marriage. Once a person has qualified as a Spouse by virtue of a marriage recognized under applicable Connecticut marriage law, that individual shall cease to be a Spouse on day that any state or federal court judgment, decree or order that terminates, dissolves or annuls the marriage of, or legally separates, that Spouse and the Participant.

TEN YEARS CERTAIN AND LIFE ANNUITY. “**Ten Years Certain and Life Annuity**” means an annuity contract that provides monthly payments for the participant's life but if he dies before 120 monthly payments are made, the remainder of the 120 monthly payments will be paid to the participant's beneficiary.

TRUST FUND. “**Trust Fund**” means the Fund created under the terms of the Trust Agreement for the purpose of investing the assets of the Connecticut Carpenters Annuity Fund.

VALUATION DATE. “**Valuation Date**” means the last day of each calendar month, as of which the estimated value of the Trust Fund, and all Accounts, is determined.

VOLUNTARY ACCOUNT. “**Voluntary Account**” means an account established in the name of each participant who has elected to make voluntary contributions to the plan, to which these voluntary contributions are credited.

IMPORTANT

This Summary Plan Description is written in non-technical language to provide a brief general description of the most important provisions of the Annuity Plan. Nothing in this Summary Plan Description is meant to interpret or extend or change in any way the provisions of the complete text of the Annuity Plan as adopted and amended by the Board of Trustees.

LIMITATION ON AUTHORITY

NO INDIVIDUAL TRUSTEE, FUND DIRECTOR, EMPLOYER OR LOCAL UNION, NOR ANY REPRESENTATIVE OF ANY EMPLOYER, THE FUND OFFICE OR LOCAL UNION, IS AUTHORIZED TO INTERPRET THIS PLAN – NOR CAN SUCH PERSON ACT AS AN AGENT OF THE BOARD OF TRUSTEES.

TRUSTEES' AUTHORITY AND DISCRETION

ONLY THE FULL BOARD OF TRUSTEES IS AUTHORIZED TO INTERPRET THE PLAN OF BENEFITS DESCRIBED IN THIS SUMMARY PLAN DESCRIPTION. THE BOARD OF TRUSTEES HAS FULL DISCRETIONARY AUTHORITY TO INTERPRET AND CONSTRUE THE TERMS OF THIS SUMMARY PLAN DESCRIPTION, THE PLAN AND THE TRUST AGREEMENT, INCLUDING PROVISIONS DESCRIBING ELIGIBILITY FOR BENEFITS.

TRUSTEES RIGHT TO AMEND, MODIFY OR DISCONTINUE BENEFITS

THE BOARD OF TRUSTEES, IN THEIR SOLE AND EXCLUSIVE DISCRETION, HAVE THE AUTHORITY TO AMEND AND/OR TERMINATE AT ANY TIME THE PLAN, TRUST AGREEMENT, AND THE BENEFITS AND RULES DESCRIBED IN THIS SUMMARY PLAN DESCRIPTION, CONSISTENT WITH APPLICABLE LAW.

Please be aware that the rules and regulations applicable to claims for benefits prior to 2015 may be different from those described in this booklet. Any specific questions should be referred to the Fund Office.

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

You may want to consult with your tax advisor or other financial professional. The Trustees and Fund Office cannot give tax advice on particular situations. Keep in mind that it is smart to be prepared for your tax obligations and you may incur tax penalties if you do not have enough withheld from your distribution.

CONNECTICUT CARPENTERS ANNUITY FUND SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS JULY 2015

You are receiving this notice because all or a portion of a payment you are receiving from the CONNECTICUT CARPENTERS ANNUITY PLAN (the “Plan”) is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are **not** from a designated Roth account (a type of account with special tax rules in some employer plans, but not this Plan or the Connecticut Carpenters Pension Plan). If you ever receive a payment from a designated Roth account in another plan, you will be provided a different notice for that payment, and the plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from the Plan are described in the “General Information About Rollovers” section. Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59 ½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59 ½ (or if an exception applies).

Where may I roll over the payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes. This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59 ½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70 ½ (or after death)
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations.

The Fund Office can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59 ½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you retire from the carpentry trade in Connecticut if you will be at least age 55 in the year you retire
- Payments that start after you retire from the carpentry trade in Connecticut if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made if you retire due to disability

- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59 ½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after retirement (this is sometimes referred to as a "separation from service") that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a Spouse or former Spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have retired.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, Assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contribution.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount

rolled over out of the Roth IRA within 5 years, counting from January 1, of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59 ½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

You cannot roll over a payment from the Plan to a designated Roth account in another employer plan.

If you are not a Plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving Spouse. If you receive a payment from the Plan as the surviving Spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59 ½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70 ½.

If you treat the IRA as an inherited IRA (which means an IRA you inherit as a beneficiary of a deceased participant), payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70 ½.

If you are a surviving beneficiary other than a Spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other

than a surviving Spouse, the only rollover option you have is to do a direct rollover to an IRA which you establish for the purpose of receiving the rollover (and this IRA will be treated as an inherited IRA). Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the Spouse or former Spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

FOR MORE INFORMATION

You may wish to consult with a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

Note to printer: this should be printed on the back cover

Connecticut Carpenters Annuity Fund
Summary Plan Description

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