

**Timber Operators Council  
Retirement Plan & Trust**

**Summary Plan Description**

This booklet summarizes current provisions of the Timber Operators Council Retirement Plan and Trust (the **Plan**). It is designed to provide a general understanding about the Plan, including the Plan's provisions for eligibility and benefits, how the Plan is administered, and how to start receiving benefits under the Plan.

Summaries cannot include all details. For example, there are some historical provisions not described in this booklet because the provisions apply to persons formerly employed by an Employer participating in the Plan and not to persons currently employed by a participating Employer. Also, the summary would be too long if every possible detail were stated. Plan terms could be changed in the future. Accordingly, if there is any inconsistency between this booklet and the provisions of the Plan's official documents as they apply to your situation, the official Plan documents will govern.

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Retirement Plan & Trust**

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**To the Members of the Timber Operators Council Retirement Plan & Trust:**

Your Employer participates in or previously participated in the Timber Operators Council Retirement Plan and Trust (the **Plan**). The Plan has provided retirement, death, and disability benefits for eligible employees of participating Employers in the forest products industry since 1961. The Plan is sponsored by Vigilant (formerly known as TOC Management Services) and managed and administered by a Board of Trustees appointed by Vigilant.

*Benefit accruals under the Plan ceased as of May 31, 2011, which means no employee who was a Member on or after May 31, 2011 has accrued any additional benefits under the Plan after that date. Additionally, no employees of any Employer are eligible to become Members of the Plan on or after July 16, 2013. A plan such as this Plan under which there are no future benefit accruals and no new Members is sometimes referred to as a “frozen” plan. For Members who have previously accrued a benefit under the Plan before it was frozen, the Plan will continue to provide those benefits in accordance with and subject to applicable Plan terms.*

The following Summary Plan Description (**SPD**) describes many aspects of the Plan, including how you become eligible to receive benefits. The SPD is not designed to set out every detail of the Plan. It describes basic terms and procedures and tells you how to proceed when benefits are payable. Detailed terms of the Plan are set out in an official plan and trust document which, along with related amendments and Employer participation agreements, govern the Plan’s benefits, funding, and other operations.

The provisions described in this SPD reflect the current Plan terms as amended through January 1, 2018. If your employment with a participating Employer terminated before then, in general your benefits will be governed by the terms that were in effect when your termination occurred. This version of the SPD does not describe prior Plan terms.

Since the SPD is a summary designed to explain current provisions in plain terms, you may have questions about your particular circumstances that you want answered. Please contact the Plan’s Retirement Manager for answers to any questions about the Plan, to apply to start receiving benefits, or for other assistance pertaining to the Plan.

The Plan’s Retirement Manager, the staff of Vigilant, and the entire Board of Trustees are devoted to carrying on the Plan’s time honored tradition of delivering to Members and their beneficiaries retirement and related benefits that Members earned before the Plan was frozen.

Sincerely yours,

Rodger M. Glos, Chairman  
Board of Trustees

**PLEASE NOTE:** In this SPD, each term with a specific meaning appears in **bold type** where it is defined. Otherwise, the term is capitalized.

## **PART ONE: A Guided Tour**

### **Eligibility to participate; Employer contributions**

If you work or have worked as an employee for a qualifying forest products industry firm that was approved for participation in the Plan (**Employer**) in a job that is in a Covered Group, you were eligible to participate in the Plan prior to July 16, 2013 during your Employer's period of participation in the Plan. However, no employee of any Employer is eligible to become a Member on or after July 16, 2013.

An **Active Member** generally is a person actively employed by a participating Employer in a Covered Group. An **Inactive Member** generally means any employee or former employee of a participating Employer or a former participating Employer who has an accrued benefit under the Plan and is not an Active Member. You are a **Member** if you are either an Active or Inactive Member.

All benefits are paid for by Employer contributions and earnings on funds held in trust for Members and beneficiaries. There are no employee contributions. With advice from the Plan's actuaries, the Plan's Board of Trustees determines the rate at which Employers must contribute.

### **Information the Plan maintains about you**

The Plan's Retirement Manager receives information from each participating Employer about its covered employees, such as name, address, date of birth, and Social Security number. If there is any change in your address or other pertinent information, you should notify your Employer right away so the Employer can provide updated information to the Retirement Manager for the Plan's records. If you terminate employment with a participating Employer, you should notify the Retirement Manager directly in writing of any change in your address and other pertinent information. This is very important, and you may need to provide updates to the Plan over a long period of time, for example if your employment with a participating Employer terminates years before you qualify to start benefits at retirement age (generally, age 62).

### **Normal retirement benefits**

Retirement benefits are paid monthly upon termination of employment after reaching age 62. Benefits may be payable at other times, as explained elsewhere in this SPD. Generally, there are no lump-sum benefits paid except for cash-out of very small benefits (that is, benefits with a vested cash-out value that is not more than \$5,000).

Retirement benefits are figured under a benefit formula according to a Member's benefit units. In general, an employee earns one benefit unit for each 2,080 hours worked in a year for an Employer in a Covered Group. It is possible to earn more or less than one benefit unit in a year.

There are two kinds of benefit units: future service benefit units (for Plan-covered work after your Employer joined the Plan) and past service benefit units (for work before your Employer joined the Plan).

For purposes of determining your benefit units, you are not credited with any hours of future service after May 31, 2011 for any Employer. As a result, you have not earned or accrued any additional retirement benefits after May 31, 2011.

The amount of your retirement benefit is determined using a formula linked to when your employment in a Covered Group ends. The formula currently in effect is described in Question 14. If your employment in a Covered Group has been noncontinuous or you are not now an Active Member, different

benefit formula provisions may apply and you will need to contact the Retirement Manager for more information.

### Other benefits

**(a) Early retirement benefits.** A person who retires as an Active Member after reaching age 52 with a vested benefit (as described in (d) below) may start early retirement benefits at any time up to age 62. If you qualify for and elect to receive early retirement benefits, your monthly amount will be adjusted down from your normal retirement benefit to reflect the early start of benefit payments.

### Example:

If you have earned a vested normal retirement benefit of \$500 per month starting when you reach age 62, then the following table shows the monthly benefit payable if you start benefits on early retirement as a single life annuity with 60 payments guaranteed (*life annuity with 5-year guarantee*):

Age when benefits start	Monthly benefit
52	\$200
55	\$259
60	\$410
62	\$500

**(b) Disability income benefits.** If your employment as an Active Member terminates before you reach age 62 because of a physical or mental condition that permanently keeps you from all gainful employment and you have a vested benefit, you could be eligible to start receiving a monthly disability income benefit as soon as six months after your employment termination date.

**(c) Pre-retirement death benefits.** The Plan provides a monthly benefit for the surviving spouse of a vested Member whose death occurs before the Member starts any normal, early, or deferred retirement benefit. On death of an unmarried Active Member with a vested benefit, a death benefit could be payable to the Member's dependent minor children. The surviving spouse benefit is calculated as if the Member had retired and elected an optional benefit form providing surviving spouse benefits. Death benefits payable to a surviving spouse normally start as of the first day of the month after the Member would have reached age 62. A surviving spouse may elect to start reduced benefits as of the first day of the month specified by the spouse that is after the date the spouse's application for benefits is received by the Retirement Manager. The monthly amount of the spouse's benefit is reduced because of the early start of benefits. Death benefits payable to dependent minor children normally start on the first day of the month following death of the unmarried Active Member. If the actuarially determined value of the death benefit as a lump sum is \$5,000 or less, a lump-sum cash distribution will be paid to the surviving spouse or qualifying child or children in lieu of monthly benefits. Such distribution will be made as soon as practicable following the death of the Member.

**(d) Benefits after other termination of employment.** If your covered employment ends for a reason other than retirement, death, or qualifying disability, benefits would not be immediately payable, but you (or your beneficiary) could still qualify to receive a benefit at a later time if you have earned enough service to make your benefit nonforfeitable, or "vested." Generally, five qualifying years of service are required to have a vested benefit, and a year of service is earned each 12-month period (running annually from June 1 through the next May 31) by working at least 1,000 qualifying hours during the period. Qualifying hours are hours worked for a participating Employer or its affiliate. Vested benefits after termination of employment normally start at age 62, although they could be received as early retirement benefits beginning at or after age 52. A Member who becomes disabled after termination of employment with a participating Employer will not qualify for disability income benefits under the

Plan but could qualify for normal retirement benefits at age 62 or for early retirement benefits at or after age 52.

**(e) *Deferred retirement; mandatory start of benefits after age 70½.*** The start of benefits is deferred for Members who work for a participating Employer or its affiliate past age 62, generally until the Member actually terminates employment and retires. However, a Member's benefits must start to be paid no later than when the Member reaches age 70½ even if the Member is still working.

**(f) *In-service commencement of benefits.*** If your regular work schedule is significantly reduced at or after age 62, you may be eligible to start receiving your retirement benefits even though you are still working for a participating Employer or its affiliate.

**(g) *Automatic cash-out of small benefits amounts.*** A Member's vested benefit after termination of employment will normally be paid as an actuarially equivalent cash settlement in lieu of a monthly benefit if the cash settlement amount is \$5,000 or less.

### **Applying for benefits and getting questions answered**

To start benefits, you or your beneficiary must submit an application form. You may obtain the proper forms from the Retirement Manager.

### **Remember: Tell us where to reach you!**

We cannot pay you a benefit or provide information to you about the Plan unless we know how to reach you. Please notify us in writing whenever your mailing address, email address, or telephone number changes.

## **PART TWO: Eligibility and Service**

### **1. How did I become a covered Member?**

You became a Member covered under the Plan if you worked for a participating Employer as a qualified employee in a Covered Group (Question 2) before July 16, 2013.

There are no employee contributions. Coverage is automatic. Eligible Members do not "enroll" in the Plan. Each participating Employer notifies the Retirement Manager monthly about hours earned by its qualified employees.

Before July 16, 2013, all of an Employer's employees were qualified employees except:

- **Leased Employees.** **Leased Employees** are individuals whose actual employer is a person or entity other than the Employer participating under the Plan. Typically a Leased Employee performs services for the Employer for a limited period of time on a contract or other similar basis.
- Employees covered by a collective bargaining agreement that does not provide for participation in the Plan.
- Employees who are not U.S. citizens and have no U.S. source income.
- Employees in another excluded job category (such as temporary employees hired for a limited period during the summer months) specified in the Employer's participation agreement.

No employee of any Employer is eligible to become a Member on or after July 16, 2013.<sup>1</sup>

“Employee” does not include any person who is not on the Employer’s payroll with wages reported on IRS Form W-2, such as a corporate director (who is not also regularly employed by the Employer) or a partner, proprietor, independent contractor, or other self-employed person.

If you are a qualified employee eligible to participate before July 16, 2013, your participation in the Plan started on the later of the following dates:

- The date your Employer began participating in the Plan.
- The date you first performed an hour of service for an Employer as a qualified employee in a Covered Group.

After May 31, 2011, a qualified employee who remains actively employed in a Covered Group for a participating Employer but has ceased to accrue benefit service is still considered an Active Member for purposes of determining eligibility for disability income benefits and certain pre-retirement death benefits.

## **2. Who is in my Employer’s Covered Group?**

For purposes of eligibility groups, employees are divided into three categories:

**Group 1:** Executive, supervisory, administrative, and professional employees.

**Group 2:** Sales, office, clerical and engineering employees, foresters, and employees engaged in experimental work.

**Group 3:** Production and maintenance employees, watchmen, guards, and all other employees who are not in Group 1 or Group 2.

Your Employer’s Covered Groups are shown in the employer profile at the back of this booklet, along with any special exclusions from the designation of qualified employee.

## **3. Why is service under the Plan important to me?**

Your service under the Plan will be used to determine whether you qualify for a benefit and how much your benefit will be.

You will be credited with service for time you work for your Employer in a position covered under the Plan. Certain service for affiliates of your Employer may also be credited for certain purposes. The Plan also credits certain qualifying service before June 1, 1993 for nonparticipating forest products industry businesses.

## **4. How is service under the Plan measured?**

The Plan measures service in units for benefit purposes and years of service for other purposes.

You receive a benefit unit for each 2,080 hours of service eligible for benefit service in a **Plan Year** (June 1 through May 31) through the Plan Year ending May 31, 2011. You may earn more or less than one benefit unit in a Plan Year. Benefit units are used to determine benefit amounts.

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<sup>1</sup> If you first became a Member after May 31, 2011 and before July 16, 2013, you did not accrue any retirement benefits due to the freeze of future benefit accruals after May 31, 2011 and, therefore, you are not entitled to any benefits under the Plan.



You receive a vesting year of service for each Plan Year in which you earn at least 1,000 hours of service. Only one vesting year can be earned in a Plan Year.

Hours of service include:

- Hours, whether or not worked, for which you are paid or entitled to payment.
- Regularly scheduled hours during certain unpaid leaves of absence, including qualifying military leaves and leaves taken under the federal Family and Medical Leave Act of 1993 (**FMLA Leave**).
- Hours covered by a back pay award or agreement unless already counted.
- Hours paid for at or after termination of employment for vacation, holiday, sick leave, disability, or jury duty unless already counted.

See Questions 5 through 10 for more information about benefit units and years of service.

## **5. What is benefit service?**

Benefit service is the total of your future benefit service and your past benefit service. Hours of benefit service count for building up benefit units. Any vesting service credited for employment with an Employer's nonparticipating affiliate or for a nonparticipating firm in the forest products industry is not counted for benefits (Question 6).

A Member's monthly benefit is determined by benefit service under the Plan's benefit formula (Question 14).

The Plan credits benefit service as follows:

### **(a) Future service—service after your Employer joined the Plan**

Future service is based upon the hours of service you earn while your Employer is participating in the Plan. If you are an hourly paid employee, you will be credited with actual hours (Question 4). If you are a salaried employee regularly scheduled to work at least 162 hours per month, you will be credited with 190 hours for each month in which you have one or more hours of service. If you are regularly scheduled to work less than 162 hours per month, you will not be considered a salaried employee for purposes of crediting service, regardless of your pay arrangement, and hours will be reported on the same basis as for an hourly employee.

Your hours of future service with all participating Employers and certain affiliates of those Employers are considered under the Plan, subject to the rules for break in participation (Questions 7 and 8). As explained below, not all hours of future service will be counted for benefits.

### **(b) Future benefit service—future service counted for benefits**

All units of future service are future service benefit units except:

- Time disregarded due to a break in participation (Question 8).
- Leave of absence without pay, other than military service or FMLA Leave from which you return to work with employment rights protected by law.

- Service other than as a qualified employee in your Employer's Covered Group (Questions 1 and 2).
- Service for an affiliate of your Employer while the affiliate is not participating in the Plan.
- Service for which you have already been paid a benefit from the Plan.
- Service after May 31, 2011.

No hours of benefit service are credited in a Plan Year for any highly compensated employee (defined in the Internal Revenue Code) working for an Employer who does not meet minimum coverage or participation standards under the Internal Revenue Code. In general, a highly compensated employee is any 5 percent shareholder of an Employer, or an employee earning \$120,000 or more a year. The dollar figures are adjusted yearly for changes in the cost of living.

**(c) Past service—service before your Employer joined the Plan**

If you were actively working for your Employer on the date your Employer began participation in the Plan, you may have received past service credits for employment before that date. Past service credits normally reach back only to the most recent pre-participation date of hire. Credit for past service is limited according to Plan terms in effect when the Employer grants the past service credit under the Plan.

**(d) Past benefit service—past service counted for benefits**

If you became an Active Member of the Plan on the day your Employer joined the Plan (or you were on a military leave as described in Question 9) and your Employer provided for past service, then all credited units of past service earned in a Covered Group with your Employer before its participation commencement date will be considered in determining your past service benefit units (not exceeding Plan specified limits on the effective date of the grant of past service, or a lower limit set by the Employer or the Board of Trustees) with the same exceptions as described in (b) above.

**6. What is vesting service?**

Vesting service is the total of your future service and past service, plus any service for a nonparticipating affiliate of a participating Employer and plus any reciprocity service earned before June 1, 1993 for employment with a nonparticipating employer in the forest products industry.

Vesting service is credited in years of service. Generally, a Member is credited with a year of service for each Plan Year (June 1 through May 31) during which the Member earns at least 1,000 hours of service. Only one year of service can be earned for vesting in a Plan Year.

Vesting service determines whether a Member who terminates covered employment before qualifying to retire may become entitled to benefits at a later time. See Questions 28 through 30 about benefits after termination of covered employment. Vesting service is also a factor in determining whether a Member is entitled to early retirement benefits (Questions 15 through 17) and whether a Member's surviving spouse or qualifying children are eligible for a pre-retirement death benefit (Questions 19 through 21).

If you were a nonvested Member on May 31, 2011, the Plan continues to take into consideration your vesting service on or after June 1, 2011 to determine your years of service for vesting (subject to the Plan's break-in-service rules) in the benefit you accrued under the Plan on or prior to May 31, 2011.

**7. What are one-year breaks in service and breaks in participation?**

Any Plan Year (June 1 through May 31) during which you do not earn at least 450 hours of vesting service is a one-year break in service.

You will have a break in participation at the end of two consecutive one-year breaks in service.

**8. What happens if I have a break in participation or a five-year break in service?**

When you have a break in participation, you will stop accumulating benefit service and vesting service. After you have a break in participation, you will not again accrue service until you resume work at a rate of at least 450 hours per year.

When you have five consecutive one-year breaks in service (a *five-year break*), you will lose all benefit service and vesting service you had earned before the five-year break started, unless:

- You are vested in your benefit before the end of your five-year break (Question 28), or
- You return to service covered under the Plan before the number of consecutive one-year breaks in service equals the number of years of service before your five-year break began.

Certain other break-in-service rules in effect before June 1, 1985 apply to service before that date.

**9. What happens if I have an unpaid absence from work because of maternity or paternity leave, FMLA Leave, or military leave?**

If you have a qualifying unpaid absence because of maternity or paternity or FMLA Leave, the absence will not cause you to have a one-year break in service in the Plan Year in which your leave begins or the next Plan Year. However, generally service will not be credited for the period of absence. A qualifying maternity or paternity absence is one that results from your pregnancy, the birth of your child or care following birth, or the adoption of your child or care following adoption or placement for adoption.

If you are away from work because of a period of qualifying military service, you will not be considered actively employed but you may still be credited with service for such purposes as avoiding a break in participation or a break in service and calculating vesting and benefits, but only if you return to covered employment promptly after your military service and your reemployment rights are protected by law. If you die while in qualifying military service, you will be credited service for vesting purposes for your period of military leave and treated as if you had returned to covered employment and then terminated employment on account of death (e.g., for purposes of the Plan's special death benefit provisions that apply only to Active Members).

You or your Employer must notify the Retirement Manager to have a maternity or paternity absence, FMLA Leave, or a military absence recognized under the Plan.

**10. What happens if I am zero-percent vested when I terminate employment?**

If you are not vested when you terminate employment, you will be considered to have received a full distribution of a zero percent vested accrued benefit when employment terminates. Your benefit will be forfeited as of the earlier of the following: (1) the date you are considered to have received a full distribution on termination of employment, or (2) the date you have a one-year break-in-service. Your forfeited benefit will be restored if you either: (1) accrue a year of service after the forfeiture and before having a five-year break-in-service, or (2) return to employment before a one-year break-in-service.

**PART THREE:  
Retirement Benefits**

**11. What are the requirements for normal retirement under the Plan?**

You will qualify for normal retirement if you terminate employment as a Member at age 62. You do not need a minimum number of units of benefit service or years of vesting service to retire as a Member at age 62.

**12. May I work after my normal retirement date and continue to earn benefits?**

If your Employer's employment practices allow, you may defer your retirement beyond normal retirement age and continue working. However, after May 31, 2011, you will not continue to earn future benefit service under the Plan even if you continue to work.

If you retire as a Member after you have reached normal retirement age, your retirement will have been deferred. Your employment termination date will be your deferred retirement date. Your benefit will be calculated the same way as for normal retirement, taking into account your benefit units up to your deferred retirement date. If your continued employment after age 62 is at a rate of less than 40 hours per month, a small increase in your benefit will be added for each such month, determined in accordance with Plan terms and applicable regulations on suspension of benefits. Special rules would apply if your post-age-62 employment is for a nonparticipating affiliate of a participating Employer.

The Plan must start paying benefits to any vested Member not later than the April 1 following the year in which the Member reaches age 70½ even though the Member is still employed by a participating Employer or its affiliate. If you are over age 70½ and have not started receiving your vested benefits, please contact the Retirement Manager at once.

**13. May I begin receiving retirement benefits while I am still working as an Active Member or an Inactive Member and before I reach age 70½?**

If you are age 62 or older and employed by a participating Employer or its affiliate, you may elect to begin receiving retirement benefits if your regular work schedule was reduced on or after the date you reached age 62, subject to the following:

- Your reduced work schedule must be no greater than 80 percent of your pre-reduction work schedule, with a resulting annualized work schedule no greater than 1,200 hours.
- The work schedule reduction must be permanent.
- You must apply to start receiving benefits within the period starting 90 days before and ending 90 days after the work schedule reduction. An election to start benefits under this provision will be irrevocable as of the Benefit Starting Date elected.
- Following an election to start receiving benefits while still employed, benefit accruals will cease and no pre-retirement death benefit will be payable.

**14. What amount of benefit will I be eligible to receive if I retire on a normal or a deferred retirement date?**

If you retire from continuous covered employment on or after June 1, 2000, your basic monthly benefit will be:

\$17.35 for each past service benefit unit

PLUS

\$40 for each future service benefit unit  
between June 1, 2000 and May 31, 2011

**PLEASE NOTE:** If your employment with a participating Employer ended before June 1, 2000 or if your service has been noncontinuous, different benefit formula provisions or transitional rules apply. Please contact the Retirement Manager for more information.

**15. How long will my monthly benefit be payable?**

Your normal or deferred retirement benefit will ordinarily start on the first day of the month after you retire, subject to the Plan's application and related administrative procedures. The length of time that your benefit will continue to be paid depends on the option you select in your application for benefits, or the automatic option if your benefit starts without an application. Once benefit payments have started, the option cannot be changed. Your monthly benefit may be payable under one of the following options:

**Life annuity with 5-year guarantee:** If you elect to receive your benefit under this option, you will be entitled to receive monthly payments for your lifetime at the full level of your earned benefit as described in Question 14. If you die before 60 monthly benefits have been paid, your benefit will continue to your designated beneficiary until the 60 monthly benefits are paid. If you die after 60 monthly benefits have been paid, your benefit will end with the month during which your death occurs and no benefit will be paid to your beneficiary. If you are married when you retire, you must receive your spouse's consent, as described below, to select this option.

**Contingent annuity:** If you elect to have your benefit paid under this option, your monthly benefit will be paid to you as long as you live and, after your death, the same or a reduced monthly amount will continue to be paid to your surviving contingent annuitant for life. You have more than one choice of the percentage of your benefit that would be payable to your surviving contingent annuitant. There are three contingent annuity options, as follows:

- 100 percent contingent annuity—After your death, your surviving contingent annuitant will receive the same monthly benefit that was paid during your life.
- 75 percent contingent annuity—After your death, your surviving contingent annuitant will receive three-quarters of the monthly benefit that was paid during your life.
- 50 percent contingent annuity—After your death, your surviving contingent annuitant will receive one-half of the monthly benefit that was paid during your life.

The amount of the monthly benefit that you would receive under a contingent annuity option is lower than the amount of the monthly benefit that you would receive under the life annuity with 5-year guarantee option. This difference results from an actuarially determined reduction in the monthly amount to reflect the fact that your contingent annuitant might outlive you so that monthly payments would be made for a longer period than if they were payable only to you. Additionally, contingent benefits with a higher continuation percentage will have a lower original monthly benefit than those with lower continuation percentages, to reflect the greater value of benefits payable if you die before your contingent annuitant. All benefit amounts are calculated to be of equivalent hypothetical financial value based on the Plan's mortality and interest assumptions.

**Example:**

If you retire at a normal retirement age of 62 with a vested normal retirement benefit of \$500 per month, and have a contingent annuitant the same age as you, the following benefit options would be available to you:

<b>Benefit Option</b>	<b>Initial Monthly Benefit</b>	<b>Contingent Annuitant Survivor Benefit</b>
Life Annuity with 5-year guarantee	\$500	N/A
100 percent contingent annuity	\$427	\$427
75 percent contingent annuity	\$445	\$334
50 percent contingent annuity	\$464	\$232

If you elect a contingent option and then you or your contingent annuitant dies before the time when benefits are to start being paid to you, your election would be void.

If you are married when you retire, the 100 percent contingent annuity option will be the automatic form of benefit, with your spouse as contingent annuitant. You may select the life annuity with 5-year guarantee option in your application for benefits if your spouse executes a consent in writing, acknowledging the effect of the election. The signature must be witnessed by a Plan representative or notarized by a licensed Notary Public, or you must establish that your spouse cannot be located.

If you die before your benefit starting date with a vested benefit, your surviving spouse, or your qualifying children if there is no surviving spouse and you are an Active Member at death, may be eligible for a pre-retirement death benefit (Questions 20 through 22).

**16. May I retire before my normal retirement age?**

Yes. Early retirement benefits are available under the Plan. You will qualify for early retirement upon termination from covered employment as an Active Member if you are:

- Age 52 or older, and
- Vested in your normal retirement benefit (Question 28).

Your early retirement benefit will start on the date you specify in your application for an early retirement benefit. That date must be on or after the date you first satisfy the above requirements, but not before the date your application is received by the Retirement Manager. See Questions 31 through 41 for information about the benefit application procedure.

**17. How is the level of my early retirement benefit determined?**

The level of your early retirement benefit is based on your normal retirement benefit using your benefit service up to your early retirement date. The actual benefit is reduced to reflect the fact that benefits are expected to be paid for a longer period than if payment had begun at age 62.

**Example:**

If you have earned a vested normal retirement benefit of \$500 per month starting when you reach age 62, then the following table shows the monthly benefit payable if you start

benefits on early retirement as a single life annuity with 60 payments guaranteed (**life annuity with 5-year guarantee**):

<b>Age When Benefits Start</b>	<b>Monthly Benefit</b>
52	\$200
55	\$259
60	\$410
62	\$500

**18. What optional methods of payment are available on early retirement?**

The same options are available for payment of early retirement benefits as are available for normal retirement benefits (Question 15).

**19. What is the effect on my benefit if I retire and later return to work?**

Because the Plan is currently frozen and does not provide for accruals of future benefit service for any Member, if you retire and later return to work, your already-started benefit payments would continue and you would not accrue any future benefit service.

**PART FOUR:  
Pre-retirement Death Benefits**

**20. Are there benefits under the Plan if I die before retirement?**

Under certain circumstances, the Plan provides for a pre-retirement death benefit when death occurs before a Member's retirement benefit starting date. The benefit is a monthly income death benefit for the Member's surviving spouse, or for the Member's qualifying children if there is no surviving spouse and applicable eligibility requirements are satisfied. A qualifying child is a child of the Member (including a step-child or foster child) who survives the Member and is both of the following:

- A dependent of the Member for federal income tax reporting purposes (or a child for whom the Member is currently obligated to pay child support pursuant to an order of a court or other agency with jurisdiction) when the Member's death occurs, and
- Under age 21 or receiving Social Security benefits for permanent or temporary total disability when the Member's death occurs.

**21. What are the eligibility requirements for the pre-retirement death benefit?**

Your surviving spouse will be eligible to receive a pre-retirement death benefit if all the following requirements are met:

- You have a vested interest under the Plan on the date of death.
- On the date of death, you meet one of the following requirements:
  - You have accrued an hour of service under the Plan with a participating Employer after August 22, 1984.
  - You have 10 years of service or more and have accrued an hour of service with a participating Employer after May 31, 1976.
  - You are an Active Member.

- You were not receiving benefits during ongoing employment (Question 13).

If there is no surviving spouse and you have qualifying dependent children, your qualifying dependent children will be eligible to receive a pre-retirement death benefit if both of the following requirements are met on the date of death:

- You have a vested interest under the Plan.
- You are an Active Member.

To start benefits, your surviving spouse must submit proof of your marriage and your date of death. For a qualifying child to start benefits, the child or the child's representative must submit proof of qualifying child status and your date of death. See Part Seven for the benefit application procedure.

## **22. When are pre-retirement death benefits paid and how much are they?**

***When benefits are paid:*** If your death occurs while you are an Active Member at least age 62 and after you have met the requirements described under Question 20, your surviving spouse would start receiving pre-retirement death benefit payments as of the first day of the month on or after your date of death.

If you are younger than age 62 when your death occurs and you have met the requirements described under Question 21, your surviving spouse would start receiving pre-retirement death benefit payments as of the first day of the month after you would have reached age 62, or as of an earlier date elected by your spouse that is after the date your spouse's application is received by the Retirement Manager. Your spouse would have to apply for the early start of benefits. Retroactive early start of benefits is not allowed. Benefits with a small cash-out value that does not exceed \$5,000 are distributed automatically as soon as practicable after your death.

Once started, pre-retirement death benefits would continue through the month of your surviving spouse's death.

If you do not have a surviving spouse, your qualifying children's pre-retirement death benefit will start on the first day of the month after your death and continue until the first month in which there are no longer any qualifying children. A surviving child who qualifies by being under age 21 or by being disabled will stop being a qualified child as of the month that follows the month during which he or she reaches age 21 or is no longer disabled.

***Benefit amount:*** The amount of your surviving spouse's pre-retirement death benefit will be the greater of the following:

- The monthly pension your spouse would have received under a 50 percent contingent annuity on retirement. The 50 percent contingent annuity is described under Question 15.
- The actuarially determined equivalent of the monthly pension that would have been payable to you on retirement based on benefits earned at death. No benefit is payable under this provision, however, unless at the date of death you are either:
  - An Active Member, or
  - An Inactive Member during the first 90 consecutive calendar days of authorized, temporary absence for medical reasons or temporary layoff due to lack of work.



If you do not have a surviving spouse, the amount of your surviving qualifying children's pre-retirement death benefit will equal the benefit that would have been paid if you had a surviving spouse the same age as you. Each month the total benefit will be divided equally among all your qualifying children as of your date of death. If there is more than one qualifying child as of that date, and any of those children stop qualifying (such as by reaching age 21) before another, the benefit will continue to be shared among the children who continue to qualify until the first month in which there are no longer any qualifying children.

If total benefits for qualifying children have an actuarially equivalent lump sum value of \$5,000 or less, the lump sum value will be distributed as soon as practicable after death and divided among the qualifying children.

#### **PART FIVE: Disability Income Benefits**

**23. Could benefits be payable under the Plan if I become permanently and totally disabled?**

If your employment as an Active Member with a participating Employer is terminated because of your permanent total disability and you have already earned a vested benefit when that occurs, you could qualify to receive a monthly disability income benefit under the Plan. This benefit is an ancillary income benefit and does not affect the monthly amount of the retirement benefit you will receive when you qualify for and apply to start retirement benefits.

Disability income benefits are not paid at the same time as retirement benefits. In effect, the monthly disability income benefit is designed to provide income payments to a qualifying disabled Member before retirement benefits start.

**24. What is permanent and total disability?**

You will be considered permanently and totally disabled if you have qualified for and started receiving Social Security benefits for total and permanent disability, you have provided medical certification of disability (Question 25), and you have terminated employment as an Active Member because of a medically determinable condition resulting from illness or injury that has both the following characteristics:

- The condition is expected to be for a long, continued, and indefinite duration.
- The condition prevents you from engaging in any substantial gainful activity.

**25. Who determines whether I am entitled to a disability income benefit, and how is the determination made?**

The Retirement Manager will determine initially whether or not you have met the requirements for a disability income benefit. To establish disability, you should notify the Retirement Manager promptly after your termination of employment and before you reach age 62. In addition, statements of attending physicians and other documentary evidence of disability and official approval for Social Security total permanent disability benefits are needed to establish that the requirements described under Question 23 have been met. The Retirement Manager may designate a physician to examine you at the Plan's expense in connection with initial establishment of disability, or, if needed, to establish continuation of disability after the disability income benefit under the Plan is initially approved. If you do not agree with the Retirement Manager's determination, you may apply for reconsideration as explained under Question 42. If you do not apply promptly for disability income benefits, the delay may reduce the number of monthly benefits you receive as explained under Question 26.

## **26. When are disability income benefits paid?**

To receive a monthly disability income benefit, you should apply promptly after your disability occurs. You may not receive this benefit after you reach age 62. Application procedures are explained under Part Seven. If you qualify and apply, your monthly disability income benefit will begin as of the *later of* (a) the first day of the sixth month following your termination of employment because of disability, or (b) the first day of the sixth month before the month during which you apply for the disability income benefit. Starting disability income benefits is not automatic. You must apply to receive this benefit. If you apply right away when your employment terminates, your first benefit month would be the month described in (a) above. If you delay applying so your application is received a year or more after your employment termination date, the month described in (b) would be your first benefit month.

If Social Security is not prompt in approving your application for Social Security disability benefits, but you expect Social Security to approve your application eventually, you should not delay applying for disability income benefits under the Plan while you wait for Social Security to complete its process. You may apply for disability income benefits under the Plan and establish that your application is prompt (so the month described in (a) above could be your first benefit month), and then the Retirement Manager could suspend processing your application for the Plan benefit while Social Security processing is ongoing. There are limitations on how long the Retirement Manager can suspend processing your application, so it is possible that your application could be denied (for example, if you do not respond promptly with information the Retirement Manager reasonably requires). That would not prevent you from reapplying later, but you would not have preserved your original application date. Accordingly, it will be important for you to maintain good communications with the Retirement Manager during your application for disability income benefits under the Plan.

Your monthly disability income benefits would stop with the *earliest of* (a) the date you no longer meet the requirements for total, permanent disability, (b) the date of your death, (c) the date your early retirement benefits start at or after age 52, (d) the date you reach age 62, or (e) the date the Plan is terminated.

There are no benefit options associated with the disability income benefit. The amount of the benefit is explained under Question 27.

A pre-retirement death benefit may apply if you die during the first six months after the date your termination of employment due to disability occurs, or even while receiving disability income benefits. See Question 21 about qualifying for a pre-retirement death benefit.

## **27. What is the monthly amount of the disability income benefit?**

If you qualify for the monthly disability income benefit, you will receive a monthly benefit equal to your vested normal retirement monthly benefit based on your accrued benefit service as of the date your employment terminated because of your disability.

### **Example:**

If you have earned a vested normal retirement benefit of \$500 per month and subsequently become totally and permanently disabled at age 45, you may begin receiving a disability income benefit of \$500 per month beginning on the date specified under Question 26. This monthly benefit will continue until the disability income stop date described in Question 26.

Upon your commencement of retirement benefits, your vested retirement benefit is not affected by the disability income benefit payments received. If you remain disabled until age 62, and then choose to commence normal retirement benefits, your monthly retirement benefit

would be \$500 as a life annuity with 5-year guarantee, or an actuarially equivalent amount in a contingent annuity option, as described in Question 15.

**PART SIX:  
Benefits After Other Termination of Employment**

**28. What are the requirements for vesting?**

Generally, your accrued normal retirement benefit becomes vested if you have earned enough years of vesting service. You will have a vested right to 100 percent of your accrued normal retirement benefit if you have earned at least five years of future service with a participating Employer (a year of service for this purpose is a Plan Year (June 1 through May 31) in which you earn at least 1,000 hours of service with a participating Employer). If you have less than five years of future service, you will not be vested (i.e., you will have a zero percent vested accrued benefit).

You will also become 100 percent vested in your accrued normal retirement benefit if on or after reaching age 62 you are a Member accruing hours of service during employment with a participating Employer or its affiliate.

**29. If my credited service ends before full vesting, could I later earn a vested right to receive benefits?**

If your credited service ends before you become 100 percent vested in your accrued benefit, you would need to return to work within certain time frames and earn additional vesting service in order to potentially become vested later. See Questions 6 through 10 .

**30. If I am vested in my benefit and terminate covered employment, when will I start receiving benefits from the Plan?**

Payment of vested benefits normally begins as of the first day of the month after a Member who has terminated employment reaches age 62.

As an alternative, you could begin to receive your benefit at an early retirement date if you qualify (Question 16). In this event, the level of your benefits would be adjusted by the appropriate early retirement reduction factor (Question 17). To receive your vested benefit on this basis, you must apply for your benefit before (but not more than 180 days before) the date on which your benefits are to start.

If you continue working in a non-Covered Group for an Employer or for a nonparticipating affiliate of an Employer, you may not start benefits until your employment ends or you reach age 70½, if earlier, except as described in Question 13. For this purpose, "Employer" does not include a former participating Employer that has withdrawn from the Plan; as a result, Members employed by a former participating Employer are generally deemed to have terminated employment as of the day following the effective date of their Employer's withdrawal from the Plan and can thereafter become eligible to start benefits on an early or normal retirement date.

If your death occurs before you start receiving benefits after terminating employment with a vested benefit and you have earned credited service after August 22, 1984, a monthly benefit may be payable to your surviving spouse (Questions 20 and 21). The benefit for surviving dependent children does not apply unless you are an Active Member on death (e.g., the benefit does not apply for vested terminated employees).

**31. What benefit payment options are available for payment of vested benefits after termination of covered employment?**

The options available for normal retirement (Question 15) are generally available for payment of vested benefits after termination of credited service. However, if the actuarially equivalent cash settlement amount of your vested accrued benefit is not more than \$5,000, you will automatically receive a lump-sum cash distribution as soon as reasonably practicable after your termination of employment in lieu of monthly annuity benefit options. A lump-sum cash distribution that is expected to total at least \$200 can be rolled over on a tax-favored basis to a qualifying individual retirement arrangement (**IRA**), Roth IRA or other qualifying retirement plan or arrangement. Information about rollovers is available from the Retirement Manager and from other sources.

**PART SEVEN:  
Applying for Benefits**

**32. What must I do to receive my benefits under the Plan?**

In general, you must complete an application to have your benefits start under the Plan. There are separate application forms for retirement benefits, disability income benefits, and death benefits. Special rules are used in a variety of situations, such as situations in which you do not make a timely application, you are not provided timely explanation of your distribution options, the Plan is unable to locate you, or the Plan is unable to determine the amount payable to you.

Application forms are available from the Retirement Manager and include information about available benefit options. You may contact the Retirement Manager directly to request the proper forms.

You will be required to provide certain information in addition to the application forms, as described elsewhere in this SPD.

**33. What should I do if I am not sure which benefit option to select?**

If you are not sure which benefit option you should select, you may request additional information from the Retirement Manager about your benefit options. With your request, include your birth date along with the name, birth date, and relationship of your potential contingent annuitant.

When this material is received by the Retirement Manager, your estimated monthly benefit available under each option will be calculated. This information will then be returned to you with an application form. Please consult your personal advisors with any questions you may have about what option to choose. After you have received this information and made your decision, you should complete the application form and submit it to the Retirement Manager. Your benefit will be set up for payment after your completed application form is approved by the Retirement Manager.

**34. What information must I provide, in addition to the application, to receive normal, early, or deferred retirement benefits or vested benefits?**

You must include the following information with your application for normal, early, or deferred retirement benefits:

- Verification of your birth date.
- Verification of your contingent annuitant's birth date if you elect the contingent annuity option.
- A signed spousal consent witnessed by a Plan representative or notarized by a licensed

Notary Public if you are married and choose a form of benefit other than the 100 percent contingent annuity option with your spouse as contingent annuitant.

- A beneficiary designation for post-retirement death benefits under the life annuity with 5-year guarantee option. (**Note:** If you are married and name someone other than your spouse as your beneficiary, you will need to include a signed spousal consent, witnessed by a Plan representative or notarized by a licensed Notary Public.)
- Statements from your other employers in the forest products industry verifying your periods of service with those employers, if needed to establish eligibility (see Question 3 about reciprocity service).

**35. What can be used to verify my birth date and that of my contingent annuitant?**

A copy of a birth certificate is the most effective means of verifying a birth date. If a birth certificate is not available, any one of the following items may be acceptable if it includes your date of birth. Please send copies (not original documents) with your application. We cannot be responsible for the return of original documents.

- Hospital birth records.
- Baptismal certificate or statement from church records.
- Social Security information.
- U.S. Census Department notification of registration of birth.
- Military records.
- Immigration papers or naturalization records.

**36. If I apply for disability income benefits, what must I include with my application?**

In addition to the documents listed in Questions 34 and 35 above, you must include the following with your application for disability income benefits:

- A statement from your physician describing your condition, indicating how long you will be disabled, and including the opinion as to whether or not you are employable during your period of disability.
- A copy of your Social Security disability award.

In addition, the Retirement Manager will request a statement from your Employer confirming your employment termination date and indicating the reason your employment was terminated.

**37. Can the Retirement Manager request further information to verify my disability?**

If the Retirement Manager needs further medical verification of your disability, you may be contacted for that purpose.

**38. When must I verify my disability?**

You should verify your disability to the Retirement Manager as soon as possible after you become disabled.

If your application is delayed, retroactive payments may be made for up to six months (but not more than six months and not before the first day of the sixth month after termination of employment). See Question 25 for more information about initiating and completing an application for disability income benefits.

**39. Is an application required for a benefit to be paid on my death?**

Your spouse or other representative must notify the Retirement Manager of your date of death and the address to which the benefit is to be payable. Your spouse or other representative will be required to provide certain documentation, such as proof of your marriage or qualifying child status and proof of your date of death, before benefits can begin. Upon notification of your death, the Retirement Manager will advise your spouse or other representative of the specific documents that must be provided.

**40. Where should applications for benefits be sent?**

Address all benefit applications and other correspondence about benefits to:

Retirement Manager  
Timber Operators Council Retirement Plan & Trust  
6825 SW Sandburg Street  
Tigard, OR 97223

**41. How will I be informed about the decision on my application?**

The Retirement Manager will respond to your application as soon as possible after receiving it. Normally, claims are resolved within 90 days (45 days for a disability claim), but if more time is needed, you will be notified before the end of the initial 90-day period (45 days for a disability claim).

If your application is approved, the Retirement Manager will inform you in writing. In this letter you will be given the amount of your benefit and the date the benefit is to commence. If the application is denied, the Retirement Manager will convey the denial in writing. This letter will describe the reasons for denial and refer you to the relevant Plan provisions. It will also describe the Plan's review procedure and any new information that is required.

**42. What can I do if I disagree with the decision on my application, or if I want more information?**

If your claim for benefits is denied or you do not get an answer within 90 days (45 days for a disability claim), or an extended review period if applicable, you may ask in writing for review. The Board of Trustees will review the matter and may ask you to appear before it, but is not required to do so. You may be represented in connection with the review, examine pertinent documents, and submit issues and comments in writing. Special review procedures apply in some circumstances. If these apply to your claim, you will be notified. The decision on review of a claim denial will normally be made within 60 days (45 days for a disability claim). If special circumstances require a delay, you will be notified. You will be notified in writing of the Trustee's decision. This notice will state the decision, the reasons for the decision, and the Plan terms and certain statutory appeal rights relating to the decision. The decision on the appeal is binding. This Part Seven summarizes the Plan's claims procedures. If you would like a copy of the Plan's complete and formal claims procedures, you may obtain a copy from the Retirement Manager.

**43. Can Plan benefits be rolled over?**

A lump sum distribution is the only form of payment under the Plan that can be rolled over on a tax-favored basis to an IRA, Roth IRA or other qualifying retirement plan or arrangement. Rollovers of

lump sum distributions are allowed if you are the Member, a surviving spouse, or alternate payee of the Member, or, in certain cases, an individual who is a qualifying nonspouse beneficiary. For Members only, the Plan also has “automatic rollover” rules that apply if the amount distributed exceeds \$1,000 but does not exceed \$5,000. If the rollover rules apply to you, the Retirement Manager will provide you with additional information about the rollover rules and options before your distribution is made.

## **PART EIGHT: Other Information**

### **Plan administration**

The Plan is administered by a Board of Trustees appointed by Vigilant. The Board of Trustees is the **Plan Administrator** and is responsible for administrative functions under the Plan. The Board of Trustees has absolute discretion in carrying out their responsibilities. The Board of Trustees’ functions include:

- Interpreting the Plan.
- Arranging for the processing of retirement applications.
- Hearing appeals of decisions on retirement applications and making decisions on such appeals.
- Arranging for maintenance of Plan records.
- Receiving Employer contributions.
- Arranging for holding and investing assets of the trust fund.

The Board of Trustees may delegate some or all of the above functions.

The Board of Trustees has appointed a Retirement Manager to handle day-to-day administration of the Plan. Also, the Board of Trustees has contracted with Vigilant Services, Inc. (formerly known as TOC Benefits Management, Inc.) for day-to-day administrative services.

The Plan Administrator and the Retirement Manager can be reached from Portland at 503-620-1710 or from outside the Portland area at 800-733-8621. Any correspondence concerning the Plan should be addressed to:

Retirement Manager  
Timber Operators Council Retirement Plan & Trust  
6825 SW Sandburg Street  
Tigard, OR 97223

Each member of the Board of Trustees and the Retirement Manager are agents for service of legal process under the Plan at the address immediately above.

### **Claims of creditors; limitations on assignment of benefits**

Benefits under the Plan are not assignable and in most instances are not subject to claims of creditors. There are exceptions, however, such as tax levies or other such governmental attachments. Also, benefits may be assigned to someone else by a qualified domestic relations order (sometimes referred to as a QDRO). A domestic relations order is any court order relating to child support, alimony, or marital property. To be qualified, an order must meet standards imposed by federal law. The Retirement Manager has procedures for determining if a domestic relations order is qualified, and

Members and beneficiaries can obtain a copy of the procedures from the Retirement Manager without charge. You will be notified if the Retirement Manager receives an order relating to your benefits and when a determination is made that the order is qualified. Until this is determined, any of your benefits affected by the order will be frozen.

### **Reduction or elimination of benefits or loss of participant or beneficiary status**

Your benefit may be reduced, eliminated, or otherwise impacted if any of the following circumstances occur:

- You terminate employment with a zero vested benefit or you have a five-year break before full vesting (Forfeiture - Questions 8, 10, and 28).
- You die before you retire and start benefits, although certain death benefits may be payable (Forfeiture - Questions 20 through 22).
- The Plan terminates and there are not enough assets to cover your benefit at the termination date (Plan amendment or termination).
- Your Employer withdraws from participation while you have unvested benefits and you do not go to work for another participating Employer (Employer withdrawal).
- Your benefit under the formula in the Plan exceeds the benefit levels allowed under applicable law (Special limitations on benefits).
- Part of your benefit is assigned to another person under a qualified domestic relations order (Limitations on assignment of benefits).
- You, your spouse or other death beneficiary fails to apply or otherwise cannot be located by Plan specified deadlines, subject to restoration if a valid claim is later made (Unclaimed benefits - Part Seven).
- You or your spouse, contingent annuitant, alternate payee or beneficiary receive benefit payments in excess of the amount required under the terms of the Plan (Recovery of excess payments).

If your benefit is distributed to you through the purchase of an individual or group annuity contract, you will cease to be a participant or beneficiary of the Plan and will then have legally enforceable rights to receive future benefit payments solely against the insurance company issuing the annuity contract.

### **Plan type and funding**

The Plan is a frozen “defined benefit” pension plan that uses a benefit formula to determine retirement benefits. Plan benefits are funded by contributions made to the Plan by participating Employers generally on a monthly basis. These contributions are invested in a trust fund. All benefits under the Plan and expenses of the Plan are currently paid from the trust fund. The Plan is operated for the exclusive benefit of Members and beneficiaries.

Contributions are based on the contribution rate set by the Board of Trustees for your Employer in accordance with appropriate actuarial considerations. The Plan has retained an enrolled actuary for purposes of setting contribution rates and other related needs. No employee contributions are required or allowed under the Plan.



No Member has an individual account under the Plan. Plan assets are held for the benefit of all Members and beneficiaries, and are drawn upon as needed to provide for benefits as they become payable under the Plan terms.

The Plan's investments are managed by the Board of Trustees. In carrying out this responsibility, the Board of Trustees has retained qualified professional investment managers to direct the day-to-day Plan investment activities. Performance of the investment managers is monitored periodically, and changes are made in appropriate circumstances. The Plan's investment results are reported annually to Members in the Plan's summary annual report.

### **Plan amendment or termination; Employer withdrawal**

The Board of Trustees can amend the Plan at any time in accordance with applicable Plan terms. Plan amendments will not be made in any way that reduces the accrued benefit earned by a Member as of the time the amendment becomes effective.

The Plan is intended to be a permanent program of employee retirement benefits. The Employers acting with Vigilant have reserved the right to terminate the Plan, however, by vote of two-thirds of the Employers (if together they employ a majority of the Active Members). In the event of a total Plan termination, your rights and benefits then accrued and funded shall fully vest and be nonforfeitable.

If the Plan is terminated, all of the assets of the Plan will be allocated to cover benefits for the Members in the following order:

1. Benefits being paid under the Plan that have been in pay status for at least three years, or could have been in pay status for at least three years if a Member had chosen to retire, based on the lowest benefit level in effect under the Plan in the last five years before the Plan termination date.
2. Other benefits guaranteed under Title IV of the Employee Retirement Income Security Act of 1974 (**ERISA**) in the following order:
  - Benefits not covered under (1) above because of the exclusion of increases in the past five years.
  - Benefits 100 percent vested.
  - Benefits 50 percent vested.
3. Other vested accrued benefits in the following order:
  - Benefits not covered under (1) above because of the exclusion of increases in the past five years, to the extent not covered under (2) above.
  - Benefits 100 percent vested.
  - Benefits 50 percent vested.
4. All other accrued benefits in the following order:
  - Benefits for Members with 9,000 or more hours of eligibility service.
  - Benefits for Members with fewer than 9,000 hours of eligibility service.

If assets remaining after allocation to all prior groups are less than the amount needed to support fully the benefits of the next group, assets will be allocated among that group pro rata based on accrued benefit liabilities. All subsequent groups will receive no allocation.

If your Employer withdraws from the Plan, you will be treated as having terminated employment on the date of withdrawal. You will not receive any additional service units for work with the Employer after the withdrawal date.

Your pension benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (**PBGC**), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under the Plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits, (2) disability benefits if you become disabled before the Plan terminates, and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates, (2) some of or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates, (3) benefits that are not vested because you have not worked long enough for your Employer, (4) benefits for which you have not met all of the requirements at the time the Plan terminates, (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age, and (6) nonpension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you may still receive some of those benefits from the PBGC depending on how much money your Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street NW, Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's Web site on the Internet at [www.pbgc.gov](http://www.pbgc.gov).

### **Special top-heavy rules**

The following special rules will apply to your participation in the Plan, effective the first day of the first Plan Year for which your Employer's participation is top-heavy, and will continue in effect as long as your Employer's participation remains top-heavy. If these rules apply to you, you will be notified.

Your Employer's participation will be top-heavy if the present value of accrued benefits of all key employees (generally, shareholders or officers) of your Employer, as a percentage of the present value of accrued benefits of all key and non-key employees of your Employer other than certain former employees, exceeds 60 percent for the prior Plan Year. This determination is made by the Retirement Manager on a year-to-year basis.

If you have service with your Employer during a top-heavy Plan Year, the following special vesting rules will apply:

- If you terminate employment with your Employer while the Employer's participation is top-heavy, your vesting will be determined under the following schedule rather than the schedule

described in Question 28.

<b>Years of future service</b>	<b>Percent vested</b>
Less than 2 years	0 percent
2 years	20 percent
3 years	40 percent
4 years	60 percent
5 years	100 percent

- If your Employer's participation is top-heavy for a while, but it stops being top-heavy, then the schedule above will continue to apply to you only if you were employed while the Plan was top-heavy and you have at least three years of past or future service at the end of the last top-heavy Plan Year. Otherwise, your vesting will be governed by the regular vesting schedule described in Question 28. Any benefit amount that was vested before the Plan ceased being top-heavy will remain vested.

For each top-heavy Plan Year for which you have a year of service, as explained in Question 4, you may be entitled to a minimum benefit as a non-key employee. The regular rate of benefit accrual described in the SPD will apply, but if you have at least 1,000 hours of service for the Plan Year, your total benefit will not be any smaller than a benefit calculated by multiplying your average compensation from your Employer during the five consecutive years of service of highest aggregate compensation times the lesser of the following:

- 2 percent for each year of service in which you had some benefit service, or
- 20 percent.

Years of service under the formula described above do not include any of the following:

- Plan Years for which your Employer's participation in the Plan is not top-heavy,
- Years of service completed in a Plan Year beginning before June 1, 1984, or
- Years of service completed in any Plan Year in which the Plan benefits no key or former key employee (since the Plan was frozen effective as of May 31, 2011, years of service completed in Plan Years beginning on or after June 1, 2011 are excluded).

The minimum benefit described above is a single life annuity with no ancillary benefits, commencing at your normal retirement benefit starting date.

If you are a highly paid employee, other special restrictions may apply to you that can restrict the size of the benefit payable. These restrictions do not affect most employees.

### **Special limitations on benefits**

The Plan includes benefit limits that prevent accrual of benefits above what is allowed by law. These limits are quite high and are not expected to have a material, adverse impact on any Member at this time.

### **General statement of rights**

As a participant in the Plan you are entitled to certain rights and protections under 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 work sites, all documents governing the Plan, including insurance contracts, 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 the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts, and copies of the latest annual report (Form 5500 Series) and updated SPD. The Plan 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 the Plan's summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 62) and, if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to earn a right to a pension. This statement must be requested in writing and is not required to be given more than once every 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 Plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

## **Enforce your rights**

If your claim for a pension 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 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 Plan Administrator. If you have a claim for benefits that 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 decision or lack thereof concerning the qualified status of a domestic relations 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, 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 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 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 NW, 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.

**PART NINE:  
Names, Numbers, and Addresses**

**Plan Name:** Timber Operators Council Retirement Plan and Trust

**Plan Sponsor, EIN, and Plan Number:** The IRS-assigned employer identification number (EIN) for the Board of Trustees is 93-0689810. The three-digit plan number assigned to the Plan by the Board of Trustees is 333.

**Plan Type:** A defined benefit plan

**Plan Year:** June 1 through May 31

**Plan Administrator:**

Board of Trustees  
Timber Operators Council Retirement Plan & Trust  
6825 SW Sandburg Street  
Tigard, OR 97223  
503-620-1710

**Retirement Manager:**

Brandon Dion  
Vigilant  
6825 SW Sandburg Street  
Tigard, OR 97223  
503-620-1710

**Board of Trustees:**

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Stimson Lumber Company  
520 SW Yamhill, Suite 700  
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Wilsonville, OR 97070

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28890 Highway 213  
Molalla, OR 97038

Rick Bernheisel  
Swanson Group  
2695 Glendale Valley  
PO Box 250  
Glendale, OR 97442-0250

**Additional Participating Employer Data:** A complete list of the Employers participating under the Plan (including that Employer's EIN and three-digit plan number) may be obtained by Members and beneficiaries upon written request to the Retirement Manager. The list is available for review at the Retirement Manager's office.