

STEELWORKERS PENSION TRUST
SEVEN NESHAMINY INTERPLEX - SUITE 301
P O BOX 660
TREVOSE, PA 19053-0660

September 2008

Re: New Payment Option for Participants Married at Time of Retirement

Dear Folks:

Some Participants were formerly covered under a pension plan that merged with the Trust. A benefit a Participant has accumulated under one of these prior plans is usually expressed as a Single Life Annuity, which is the monthly amount a retired Participant would receive for the rest of his life and upon his death nothing further would be payable to anyone. There are, however, other ways a Participant can choose to receive his benefit under the prior plan. At the time the Participant notifies the Trust he wishes to retire and begin to receive his pension benefit, the available payment options are explained and the actual amount of benefit the Participant and his spouse would receive under each option clearly stated. The Participant then elects which of the various options he desires. All options involve some reduction in the monthly amount the Participant would have received under the Single Life Annuity form of payment.

A Participant who is not married at the time of retirement will receive his pension in the form of a Single Life Annuity unless he selects one of the other optional forms of payment.

A Participant who is Married at the time of retirement will receive his pension in the form of a 50% Joint and Survivor Benefit (or a 55% Joint and Survivor Benefit in the case of former participants of the Pension Plan for Hourly Employees of Ansonia Copper & Brass, Inc. - the Ansonia Plan) unless he and his spouse jointly elect another available payment option, which includes the Single Life Annuity, which, as indicated above, would provide the greatest benefit to the Participant during his lifetime and nothing to his surviving spouse or anyone else upon his death. A 50% Joint and Survivor Benefit (or a 55% Joint and Survivor Benefit in the case of former participants of the Ansonia Plan) provides to the retiring Participant for the balance of his life a reduced monthly benefit (less than the Single Life Annuity benefit) but upon his death his spouse, if still living, would receive a lifetime monthly benefit equal to 50% (or 55% in the case of spouses of former participants of the Ansonia Plan) of the reduced monthly amount the retired Participant was receiving.

The Pension Protection Act of 2006 requires the Trustees to provide Participants with an additional Joint and Survivor Benefit to choose from upon retirement. In response to the Act, the Trustees have provided, effective January 1, 2009, a retiring married Participant and his spouse an additional Joint and Survivor Benefit, this being a 75% Joint and Survivor Benefit. Under this option, the retiring Participant will receive a reduced monthly benefit, which provides that upon the Participant's death, his surviving spouse will receive a lifetime monthly benefit equal to 75% of what the Participant was receiving. Thus, the 75% option provides the Participant with a benefit lesser than under the 50% option (or the 55% option in the case of former participants of the Ansonia Plan), but a greater benefit to the surviving spouse.

Under the 75% option, the Retiree receives a monthly prior plan benefit equal to 88% of the single life annuity form of benefit. This amount is then further REDUCED by 0.75% for each year the spouse is younger than the Retiree OR INCREASED by 0.75% for each year the spouse is older than the Retiree. At the time the Retiree dies, the surviving spouse will receive, for life, a monthly benefit equal to 75% of the monthly prior plan benefit the Retiree was receiving. For example, if Bobby Participant is married at the time he retires at age 65 with single life annuity form of benefit from his prior plan of \$100, and his spouse, Betty, is four (4) years younger than Bobby, then Bobby can elect to receive his prior plan benefit in the form of a 75% Joint and Survivor Benefit. The reduction to the single life annuity form of benefit would be 85% [= 88% - (0.75% x 4 years)]. Bobby would be entitled to a monthly prior plan benefit of \$85.00 [= \$100 x 85%] and if Betty does not predecease Bobby, then upon Bobby's death, Betty would be entitled to a prior plan survivor's benefit of \$63.75 [= \$85.00 x 75%]. If, on the other hand, Betty is four (4) years older than Bobby, then the reduction to Bobby's single life annuity form of benefit would be 91% [= 88% + (0.75% x 4 years)]. Bobby would be entitled to a monthly prior plan benefit of \$91.00 [= \$100 x 91%] and if Betty does not predecease Bobby, then upon Bobby's death, Betty would be entitled to a prior plan survivor's benefit of \$68.25 [= \$91.00 x 75%].

What should be noted is that all the optional forms of payment offered by the Trust are actuarially equivalent and at the time a Participant receives his retirement application the precise amount of benefits he or his spouse will receive under each option is clearly noted and explained so that the Participant will have precise amounts to work with and thus be able to make the choice that is best suited to his family needs.

Cordially,

Merle J. Duehr, Jr.
Chairman/Director of Operations
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