

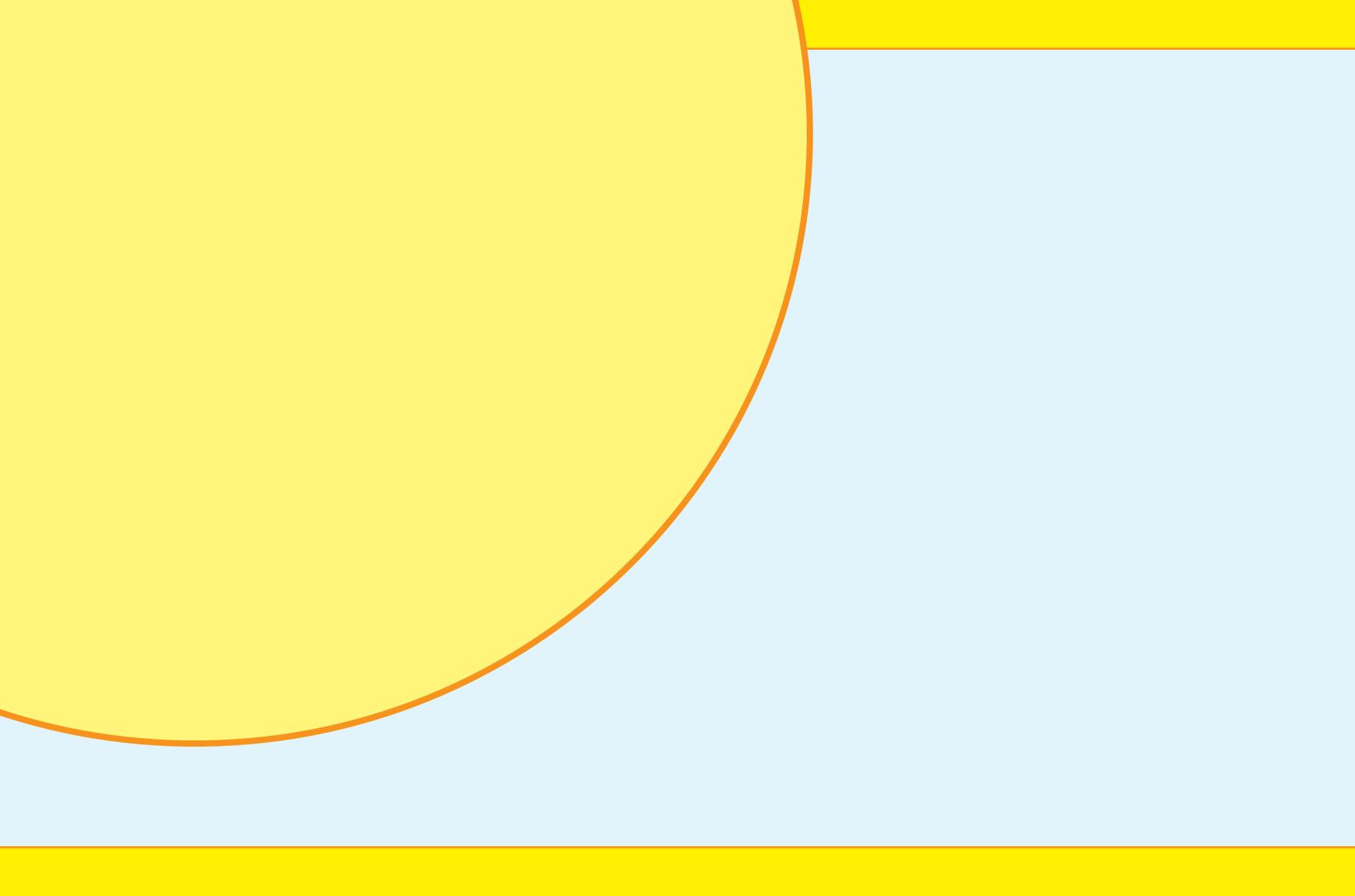
Your Pension Plan



SUMMARY PLAN DESCRIPTION



Bahamas Hotel and
Allied Industries Pension Fund



February 2008

Dear Participant:

We are pleased to present you with this revised booklet about the Bahamas Hotel and Allied Industries Pension Plan. It contains the rules and regulations of the Plan and has been amended and improved several times since the Plan began in 1981. Section 1 summarizes the Plan in everyday language and answers frequently-asked questions, while Section 2 provides the formal details of the Plan.

Both sections of this booklet provide important updated information about your pension benefits, including:

- ⊙ when you can participate in the Plan,
- ⊙ when you are eligible to receive a pension, and
- ⊙ how your pension benefits are determined,
- ⊙ other Plan features.
- ⊙ the various types of pensions available,

Since the Pension Plan is an important part of your future retirement income, we believe that you should fully understand how the Plan works. You are, therefore, encouraged to read this booklet carefully. You should also share this booklet with your family or your designated beneficiary to make them aware of your pension benefits to which they may become entitled.

We realize that even though we have tried to explain most words and phrases in plain, everyday language, there still may be some things which seem technical to you. If after reading this booklet you still have questions about the Plan, contact the Pension Fund Office in Nassau or Freeport. The Pension Fund Office staff will be pleased to assist you with any questions or concerns you may have about the Plan.

Yours sincerely,

The Board of Trustees

Hugh G. Sands, CMG
Independent Chairman

Section 1



A SUMMARY OF
YOUR PENSION PLAN BENEFITS

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Introduction

The Bahamas Hotel and Allied Industries Pension Fund (referred to in this booklet as the “Fund”) was set up to provide benefits to eligible participants. As the result of a collective bargaining agreement between the Bahamas Hotel Catering & Allied Workers Union (the “Union”) and the Bahamas Hotel Employers’ Association (the “Association”), the Fund was established by a trust agreement dated February 8, 1980. Members of the Association and other Employers that enter agreements with the Union become contributors to the Fund.

A collective bargaining agreement is a contract between the Association or an Employer and the Union which, among other things, requires an Employer to pay contribution to the Pension Fund on behalf of its employees who are covered by the Bahamas Hotel and Allied Industries Pension Plan (referred to in this booklet as the “Plan”).

The rules and regulations of the Plan were approved in 1981. Since then, the Plan has been amended and modified. This process is likely to be ongoing as circumstances change. The latest revisions to the Plan were made in February 2007.

The Plan is completely funded by Employers’ contributions; you are neither required nor permitted to contribute. It is administered by a Board of Trustees consisting of representatives appointed by the Association and the Union. The Board of Trustees acts on behalf of you and your fellow Plan participants to manage all aspects of the Fund’s operations.

This edition of the Pension Plan Summary Plan Description includes a new section: “The Pension Plan Made Easy.” Read this section for quick answers to the questions members ask most often.



The Pension Plan Made Easy

When Do I Get Into the Pension Plan?

You need to work 10 weeks in covered employment to become a Pension Plan participant. Once you do, your Plan participation automatically begins on the January 1 or July 1 that precedes the date you complete 10 weeks of work in covered employment.

When Do I Fill Out a Beneficiary Card?

You **must** complete a Beneficiary Card when you first start working. You may later change your beneficiary designation at any time by completing a new Beneficiary Card. You may leave a lump sum death benefit to anyone you like. However, if you leave it to a minor child who has no legal guardian, the Trustees reserve the right to delay payment until the child reaches age 18.

How Do I Earn Credits Towards My Pension?

You earn credits by working for an employer who contributes to the Plan. You earn 2.5% of a pension credit for each weekly pay period that you work in covered employment. This means that by the time you've worked 40 weeks in a year, you've earned one full pension credit for that year (which is the most you can earn in a year). The maximum number of pension credits you can earn in a lifetime is 25. We keep track of your credits throughout your career, from the day your Pension Plan participation starts until the day it ends.

Do I Have to Be 65 to Get a Pension?

No, you can receive an *Early Retirement Pension* as early as age 55 if you have at least 15 pension credits.

What Happens If I Stop Working in Covered Employment Before I Retire?

As long as you have earned at least 10 pension credits, you will receive a pension at age 65 no matter when you stop working in covered employment. If you stop working before you've earned 10 pension credits, you get no pension from this Plan.

What If I Don't Have Enough Pension Credits to Qualify for Any of These Pensions?

You won't receive a pension. However, if you become a management employee your pension credits under this Plan may help you qualify for a *Pro-Rata Pension*; see page 14 for more information.

What If I Become Disabled and Have to Stop Working?

You may qualify for a *Disability Pension* if you meet the service and employment requirements. See page 12 for more information.

Do I Get My Pension for Life?

Yes. But note that if you're married when your pension starts, you have the option of electing a 50% Joint and Survivor Benefit. If you choose this option, your pension will be slightly smaller because it is designed to be paid over two people's lifetimes—yours and your spouse's.

What Do I Do When I'm Ready to Retire?

To receive your pension benefits, you must complete an application form at the Pension Fund Office, which you may do at any time after you become eligible for a pension. To make sure your benefit payments are not delayed, complete your application at least three months before you plan to retire.

How Long Does It Take to Get My First Pension Cheque?

As long as your application is complete and all your documents are in order, it's expected that you will receive your first pension cheque from six to eight weeks after you submit your completed application form.

How Much Do I Receive From My Pension?

The amount you'll receive is determined by a formula that takes into account the current pension credit rate (\$13.00 in 2007), the age at which you retire and the number of pension credits you've earned.

Can I Lose Pension Credits Once I've Earned Them?

Yes, if you have what's known as a "break in service." See page 9 for more information.

What Happens If I Keep Working After I've Reached Age 65?

You may apply for and receive a pension at age 65 even if you are still working in covered employment at the time.

What Happens to My Benefit If I Get Promoted into Management?

The pension credits you earn under this Plan may count toward a *Pro-Rata Pension*. See page 14 for more information.

What Happens to My Pension When I Die?

If you die after your pension payments have begun but before you have received 60 monthly payments, your designated beneficiary will continue to receive monthly benefit payments until a total of 60 monthly payments are made. In addition, a lump sum death benefit may be payable, depending on your circumstances when you die. See page 15 for more information. (This is why you **must** complete and submit a Beneficiary Card when you first start working.)

Who Runs the Pension Plan?

The Pension Plan is established and administered by an independent Board of Trustees. The Board of Trustees includes both Union and Employer Trustees. The Board of Trustees acts on behalf of you and your fellow Plan participants to manage all aspects of the Fund's operations.

TYPES OF PENSIONS AT A GLANCE

TYPE OF PENSION	ELIGIBILITY REQUIREMENTS	AMOUNT OF PENSION
Regular Pension	<ul style="list-style-type: none"> • At least age 65 • At least 10 pension credits. 	Number of pension credits* you earn multiplied by the pension credit rate. As of 2007, the pension credit rate is \$13.00.
Early Retirement Pension	<ul style="list-style-type: none"> • At least age 55 • At least 15 pension credits. 	Regular Pension amount reduced by .25% (.0025) for each month your early retirement date precedes your 65th birthday:
Disability Pension	<ul style="list-style-type: none"> • Totally and permanently disabled • Younger than age 65 • At least 15 pension credits • Worked in covered employment at least 10 weeks in the 24 months before the disability begins • Application is filed within 18 months after the disability begins. 	Same as Regular Pension amount.
Pro-Rata Pension (if you also participate in a related plan)	<ul style="list-style-type: none"> • Your pension credits under a related plan combine with pension credits under this Plan to determine your eligibility. 	The Regular, Early Retirement or Disability Pension amount is calculated by first multiplying the pension credit rate by your total combined pension credits,*and then pro-rating the result (see page 14).

*The maximum number of pension credits you may earn is 25.

“Covered employment” means you work for an employer who is obligated to make contributions to the Plan. It begins on the date your employer is required to contribute to the Plan on your behalf. Please note that “covered employment” and “years of union membership” are not the same thing; the one that counts for pension purposes is “covered employment.”



How Your Working Time Counts

The amount of time you work in covered employment counts in each of these important ways:

- ⊙ making you a participant in the Plan
- ⊙ determining when you are eligible for a pension
- ⊙ calculating the amount of your pension.

Becoming a Plan Participant

You are eligible to participate in this Plan if you work in covered employment. You automatically become a Plan participant after you work in covered employment for 10 consecutive weeks. Your participation becomes effective retroactively on January 1 or July 1 depending on the period in which you complete 10 weeks of work in covered employment.

Example #1. Linda began work in covered employment on October 1, 2006. By December 10, 2006, she worked 10 weeks and earned .250 pension credit. Linda’s participation in the Plan became effective on July 1, 2006.

Example #2. Edward began work in covered employment on March 15, 2006. By May 24, 2006, he worked 10 weeks and earned .250 pension credit. Edward’s participation in the Plan became effective on January 1, 2006.

Example #3. Anthony began work in covered employment on June 15, 2007. By August 24, 2007, he worked 10 weeks and earned .250 pension credit. Anthony’s participation in the Plan became effective on July 1, 2007.

How Your Participation Counts

Your eligibility for a pension and the amount of your pension are based on the number of pension credits you earn and the pension credit rate at the time you stop working. You can earn pension credits for the time you work after contributions begin and for the time you work before contributions are made for you, as long as you have worked in covered employment. The maximum number of pension credits you may earn is 25. The rules governing pension credits are described below.

Earning Pension Credit After Contributions Begin

You earn partial pension credit for each weekly pay period that you work in covered employment in the manner shown on the following page.

COVERED EMPLOYMENT AFTER CONTRIBUTIONS BEGIN

WEEKS OF WORK PER PLAN YEAR	EARNED PENSION CREDIT	WEEKS OF WORK PER PLAN YEAR	EARNED PENSION CREDIT
0-9	0	25	0.625 (25/40)
10	0.250 (10/40)	26	0.650 (26/40)
11	0.275 (11/40)	27	0.675 (27/40)
12	0.300 (12/40)	28	0.700 (28/40)
13	0.325 (13/40)	29	0.725 (29/40)
14	0.350 (14/40)	30	0.750 (30/40)
15	0.375 (15/40)	31	0.775 (31/40)
16	0.400 (16/40)	32	0.800 (32/40)
17	0.425 (17/40)	33	0.825 (33/40)
18	0.450 (18/40)	34	0.850 (34/40)
19	0.475 (19/40)	35	0.875 (35/40)
20	0.500 (20/40)	36	0.900 (36/40)
21	0.525 (21/40)	37	0.925 (37/40)
22	0.550 (22/40)	38	0.950 (38/40)
23	0.575 (23/40)	39	0.975 (39/40)
24	0.600 (24/40)	40-52	1.000 (40/40)

The "Plan Year" is the unit the Fund uses for measuring pension credit. The Plan Year begins January 1 and runs through December 31.



Example. Larry works 36 weeks in covered employment. He earns .900 pension credit.

Earning Pension Credit Before Contributions Begin

On or before December 31, 2006. If your Plan participation began on or before December 31, 2006, you are entitled to receive one earned pension credit for each Plan year (January 1–December 31) for the time you worked before your employer begins contributing to the Plan, provided you earn at least .250 pension credit for the year in which contributions begin.

Example. Sam works in covered employment for a hotel for five full years before his employer begins contributing to the Plan. During his sixth year working for the same employer, Sam’s employer joins the Plan. When Sam works for at least 10 weeks and earns at least .250 pension credit after his employer begins contributing to the Plan, he receives pension credits for those first five years of work for the same employer.

After December 31, 2006. If your Plan participation begins after December 31, 2006, credit for time worked before your employer begins contributing to the Plan is awarded at the discretion of the Board of Trustees.

Vesting

Vesting means you have at least 10 earned pension credits. If you are vested, you have a right to a pension benefit when you reach the required age and you cannot lose it.

On the other hand, if you do not have at least 10 earned pension credits, you are not vested. If you are not vested, you can lose your earned pension credits by having too many consecutive breaks-in-service (see “How You Can Lose Pension Credits,” page 9). If this happens to you, the pension credits you earned will not count toward determining your right to pension benefits.

Pension Credits If You Change Jobs or Take a Position with the Union

If you are promoted into a management position or take a position with the Union, the pension credit you earn may also count toward earning a pension benefit. The pension credit earned in the related pension plans will also be taken into account for determining your pension, vesting status and a break-in-service.

When you are vested, it means your pension can't be taken away from you, even if you leave covered employment before you actually retire. You're considered vested if you have at least 10 pension credits.



How You Can Lose Pension Credits

A one-year break-in-service occurs when you earn less than .250 pension credit during a Plan year. If your consecutive one-year breaks-in-service are less than the number of whole pension credits you have earned when you return to covered employment, you would have a temporary break-in-service. These pension credits will be counted again with the new pension credits you earn when you return to covered employment.

If your consecutive one-year breaks-in-service are equal to or greater than the number of whole pension credits you have already earned, you have a permanent break-in-service. If this happens, you lose, or forfeit, all previously earned pension credits and you are no longer a participant in the Plan. Lost pension credits cannot be reinstated. If you return to covered employment after a permanent break-in-service, you must again meet eligibility requirements before you may earn pension credits as a new participant.

Example #1. Barbara earns four pension credits for four years of work in covered employment. Barbara then has three one-year breaks-in-service because she earns less than .250 pension credit in each of the next three consecutive years. The following year she earns .750 pension credit. Since Barbara's three one-year breaks-in-service are less than the four pension credits earned before the breaks, she keeps the four pension credits earned from before the breaks-in-service plus the .750 pension credit earned since returning to work.

Example #2. Sylvia earns three pension credits over three years. She leaves covered employment for five consecutive years and then returns to covered employment. Since Sylvia's five consecutive one-year breaks-in-service are greater than the number of pension credits she earned before leaving covered employment, her previous pension credits are permanently canceled. Sylvia has to start over again as a new member of the Plan.

Your Pension Benefits

You are entitled to only one type of pension. The types of pensions offered by the Plan are described below. The pension credit rate is established by the Board of Trustees. In 1980, the monthly rate was \$4 per pension credit; it has increased several times since then. In 2007, the monthly rate is \$13.00 per pension credit.

Regular Pension

Eligibility. The Plan provides a Regular Pension for participants who retire at age 65 or older. You are eligible for a Regular Pension if you retire after you are at least age 65 and have at least 10 pension credits.

Benefit amount. The monthly pension credit rate is determined by the Board of Trustees. The rate may change periodically. The monthly amount of the Regular Pension benefit is calculated as follows:

Monthly Benefit Calculation: Pension Credit Rate x Total Pension Credits (up to maximum of 25 pension credits)

Example #1. In 2007, Susan retires at age 65 with 20.5 pension credits. Her Regular Pension benefit is calculated as follows:

$$\$13.00 \times 20.5 \text{ pension credits} = \$266.50/\text{month}$$

Susan's Regular Pension benefit from the Plan is \$266.50 per month.

Example #2. In 2007, John retires at age 65 with 31 pension credits. His Regular Pension benefit is calculated as follows:

$$\$13.00 \times 25 \text{ pension credits (maximum)} = \$325/\text{month}$$

John's Regular Pension benefit from the Plan is \$325 a month. Since a maximum of 25 pension credits can count toward a full pension, this is the maximum monthly benefit currently permitted by the Plan.

If I retire early, will I get a smaller pension?

Yes. If you start your payments before age 65, the monthly amount will be reduced to account for the longer period of time your pension is likely to be paid.



Early Retirement Pension

Eligibility. The Plan provides an Early Retirement Pension for participants who want to retire before age 65. You are eligible for an Early Retirement Pension if you are at least 55 and have 15 or more pension credits.

Benefit amount. Since you can receive an Early Retirement Pension before you reach age 65 and since it is generally paid over a longer period of time, the amount of the benefit is reduced. The monthly amount of the Early Retirement Pension is calculated as follows:

Step 1.	Determine the Regular Pension benefit.
Step 2.	Reduce Regular Pension benefit by .25% (.0025) for each month your early retirement date precedes your 65th birthday.

Example. In 2007, Mark retires on his birthday at age 59 with 24 pension credits. Since he retires before age 65, his Early Retirement Pension is calculated as follows:

Regular Pension at age 65	\$312.00 per month (\$13.00 x 24 pension credits)				
Number of months before age 65	72 months				
	$72 \times .0025$	$=$	$.18 \times \$312.00$	$=$	\$56.16
		Early Retirement Reduction	$=$		\$56.16



Regular Pension at age 65	\$312.00
Minus Early Retirement Reduction	-\$56.16
Early Retirement Pension at age 59	\$255.84 per month

Mark's Early Retirement Pension from the Plan is \$255.84 per month. If Mark postpones receiving his pension until he reaches age 65, he will receive \$312.00 a month (\$13.00 x 24 pension credits).

Disability Pension

Eligibility. If you become totally and permanently disabled, you may be eligible to begin receiving a Disability Pension, starting in the month following the month in which your disability is confirmed. To be eligible for a Disability Pension, you must meet all of the following requirements:

- ⦿ be younger than age 65
- ⦿ have at least 15 earned pension credits
- ⦿ have worked in covered employment for at least 10 weeks in the 24 months before your disability begins
- ⦿ have filed an application for a Disability Pension within 18 months after the date your disability begins, unless the Trustees, at their discretion, find that there is a reason why you did not file for benefits within that time period.

Special Plan Benefits

The Plan may provide these special benefits:

- each Plan participant will be entitled to receive a ham and turkey at Christmas each year (subject to the discretion of the Trustees)
- each pensioner will be invited to the annual pensioners' luncheon
- Plan participants who encounter circumstances considered by the Trustees to be a disaster may be awarded a disaster benefit of up to \$2,500.



A disability is considered *total and permanent* if medical evidence shows that because of an injury or a disease, you cannot work or find reasonable employment. When you apply for a Disability Pension, the Trustees will require you to be examined by a doctor they select. The Trustees may accept as proof of a disability a determination under the 1974 National Insurance Regulations that you are entitled to Invalidity Benefits.

If the Trustees determine that you have a total and permanent disability, you may be required to see a physician selected by the Trustees for re-examinations on a periodic basis until you reach age 65. The Trustees are the sole and final judges of your total and permanent disability for the purpose of receiving a benefit. The Disability Pension benefit will continue on a month-to-month basis until you are no longer disabled. At age 65, if you are still disabled, your Disability Pension will become a Regular Pension.

Benefit amount. The monthly rate used to determine a Disability Pension is the rate in effect at the time you become disabled. Your monthly Disability Pension is calculated using the Regular Pension formula. There is no reduction in this benefit for age.

Example. Martin, at age 37, becomes totally and permanently disabled in January 2006, having earned 17 pension credits as of that date. At any point during the 18 months following the month in which his disability is confirmed, Martin may apply to receive a Disability Pension calculated as follows:

$$\text{\$13.00}^* \times 17 \text{ pension credits} = \text{\$221.00 per month}$$

*2006 pension credit rate

Martin's Disability Pension of \$221.00 a month will continue until he is no longer disabled as determined by the Trustees or until he reaches age 65. If Martin is still disabled at age 65, his Disability Pension will become a Regular Pension.

Pro-Rata Pension

There is an agreement between this Fund and the Bahamas Hotel Industry Management Pension Fund to provide pro-rata pension benefits to those participants who divide participation between both Funds.

Benefit amount. Here is how it works. If you are promoted to a management position and participate in the Management Pension Plan after earning pension credits in this Fund, you cannot lose those pension credits if your total combined pension credits under this Plan and the Management Pension Plan equal or exceed 10 pension credits. The Pro-Rata pension is based on the combined pension credits.

The combined pension credits (to a maximum of 25) are then used to determine your Regular, Early Retirement or Disability Pension amount (whichever you are eligible to receive). The amount of the pension is calculated by multiplying the rate per pension credit by your total combined pension credits. Next, this amount is multiplied by a fraction equal to the number of pension credits you earn under this Plan divided by your total combined pension credits. You will also receive a pro-rated pension from the Management Fund, which will be calculated using this same formula.

If you believe you are eligible for a Pro-Rata Pension, contact both Pension Fund Offices. They will make a determination of your pension and advise you of the amount payable from each Fund.

Deferment of Pensions

You may defer your Regular Pension, Early Retirement or Pro-Rata Pension benefit if you leave covered employment before you reach normal retirement age. The monthly pension credit rate used to determine the amount of your deferred benefit is based on the rate in effect at the time you stop working in covered employment.

The Pro-Rata Pension covers those employees who earn pension credits under this Plan and also under the Management Pension Plan.



Survivor Benefits

The following describes the benefits your beneficiary may receive if you die.

What Your Beneficiary Will Receive

Death benefit after becoming eligible for a pension. If you die after you become eligible to receive a pension or after you begin receiving a pension, a benefit payment of \$2,000 will be paid to your designated beneficiary. This benefit is in addition to any other survivor benefit that may apply.

Death benefit before becoming eligible for a pension. If you are still working in covered employment when you die, a benefit payment of \$1,000 will be paid to your designated beneficiary upon your death provided that you worked at least 10 weeks in the Plan year before you died.

If you are no longer working in covered employment and are not entitled to a pension benefit when you die, a benefit payment of \$1,000 will be paid to your designated beneficiary upon your death providing you are vested when you die.

Guaranteed Pension Payments

If you are vested with sufficient pension credits to receive a Regular, Early Retirement or Pro-Rata Pension, but die before you could apply for your pension, your beneficiary will receive 60 guaranteed monthly pension payments. These pension payments are calculated using the rate in effect at the time of your death and payable when you would have reached retirement age had you not died.

Beneficiary Designation

The Pension Fund Office must be notified, in writing on a form provided by the Fund, of the person you would like to designate as your beneficiary. You may change your beneficiary designation, without consent of the beneficiary, at any time before you die. The Fund will rely on the most recent Beneficiary Card on file.

Forms of Payment

Standard Form of Payment

After you retire, you will receive your monthly pension amount on the first of each month. If you die after you retire but before you receive 60 monthly payments, your designated beneficiary will continue to receive monthly benefit payments until a total of 60 monthly payments are made. The total of 60 payments includes all payments made to you and your beneficiary.

Example. After Terry retires from covered employment, he receives 45 pension cheques before he dies. After his death, the remaining 15 pension cheques are paid to his beneficiary.

If you are still alive after you have received 60 payments, your pension benefit will continue until you die. Your beneficiary, however, will no longer be eligible to receive any pension payments.

If you married when you retire, you can elect to provide a lifetime monthly income for your surviving spouse.



Optional Form of Payment

If, before you retire, you choose the optional form of payment described below, you will still receive monthly payments for the remainder of your life, but the amount you receive may be reduced so that the optional form of payment can also be provided.

When you select the optional form of payment, you must notify the Trustees, in writing on a form provided by the Fund, before your benefit is scheduled to begin. After the Trustees inform you of your new pension amount, you have 90 days to change your selection. But, once your pension benefit begins, you cannot change your choice.



50% Joint and Survivor Benefit. If you select this option and have been married for at least 12 consecutive months before you apply for a pension, your pension may be paid to you as a 50% Joint and Survivor benefit. If you choose this option, you will receive a reduced monthly benefit payable during your lifetime. Upon your death, your spouse will receive 50% of the reduced monthly benefit amount throughout his or her lifetime.

In order to provide this coverage for your spouse, the amount of your pension will be reduced to a percentage of the full monthly benefit you would normally receive. The exact amount of the reduction depends on your age and your spouse's age when you retire, as well as a number of other factors. Since the reductions vary from one case to another, the Pension Fund Office will provide you with the actual amounts that will be paid.

Example. When Charles retires from covered employment at age 65, he is eligible to receive a full Regular Pension benefit of \$325.00 per month. However, because he chooses to receive the 50% Joint and Survivor Pension, his benefit is reduced to \$286 per month during his lifetime. When he dies, his spouse who is 60 at the time Charles retired, begins receiving 50% of this benefit, or \$143 per month for the remainder of her lifetime.

Working After Retirement

Returning to work after Early Retirement. If you retire, start to receive your Early Retirement Pension and then return to work in covered employment, your monthly pension cheques will be suspended for the duration of your covered employment. However, you will earn additional pension credits for such additional covered employment. Then, when you retire again, your pension will be recalculated as follows:

- ⊙ **If you earned one or two additional pension credits**, those credits will be added to your original pension and paid at the rate in effect when you first retired. Then, your pension will be reduced to account for the months in which you received pension payments before you returned to work.
- ⊙ **If you earned three or more additional pension credits**, those credits will be added to your original pension and paid at the rate in effect when you retired for the second time. Then, your pension will be reduced to account for the months in which you received pension payments before you returned to work.

Working after Normal Retirement Age. You may apply for a pension even if you continue working in covered employment after you reach Normal Retirement Age. That is, you may start to receive monthly pension cheques even if you also continue to receive paycheques for work in covered employment.

If you retire, start to receive your Normal Retirement pension and then return to work in covered employment, you will continue to receive monthly pension cheques, for the same amount you received before you returned to work. However, you will not earn any additional pension credits for your covered employment after returning to work.

Returning to work after you have received a Disability Pension. If you start to receive a Disability Pension and subsequently recover from your disability and return to covered employment, you can continue to earn pension credits, but your Disability Pension will cease. If you are not yet age 65 when you recover and you **do not** return to work, you may apply for an Early Retirement Pension.

Early completion of your pension benefit application will avoid a delay in processing your application and payment of benefits.



Applying for Benefits

To make sure your benefit payments are not delayed, you must complete an application for a pension benefit at least one month before the date you expect benefit payments to begin. You are required to complete the application form at the Pension Fund Office. Within 120 days after your application is received, the Trustees will inform you whether your application is approved or denied or if it has been deferred. The Trustees will also notify you if additional information is needed to process your application.

If Application Is Denied

If your application for a benefit is denied, in whole or in part, you will be sent written notice explaining all of the following:

- ⦿ the specific reasons for the denial
- ⦿ the exact Plan provision(s) on which the decision is based
- ⦿ what additional material or information is needed to process your application, and what procedure you should follow to get your application reviewed again.

If your application is denied by the Trustees, you have the right to request that your application be reconsidered. You, or your authorized representative, must request this in writing within 90 days after you receive the application denial notice. Your resubmitted application may include any additional information you believe relevant to your application.

You, or your authorized representative, may also review any pertinent documents the Trustees have that concern your application, such as copies of the Plan document or special information relating to your application.

The Trustees will make a full and fair review as soon as possible after your request is submitted. The decision following the review will be made within 30 days after the Trustees receive your request.

Non-Assignment of Benefits

Benefits cannot be assigned, sold, separated, transferred, mortgaged, encumbered or pledged. In addition, benefits are not subject to any legal process, execution, attachment and cannot be used for the payment of any claim against any participant, pensioner or beneficiary.

A Final Word

This section of the booklet summarizes the benefits provided by the Bahamas Hotel and Allied Industries Pension Plan in general terms and does not provide all of the rules under which the Plan operates. If there is any inconsistency between this section of the booklet and the legal documents governing the operation of the Pension Fund, such as the Pension Plan's rules and regulations or the Trust Agreement, the legal documents will prevail.

If you have any questions or need further clarification, please call the Pension Fund Office.

Section 2



RULES AND REGULATIONS

Dated the 1st day of January, A.D., 1981
Amended the 15th day of February, A.D., 2007

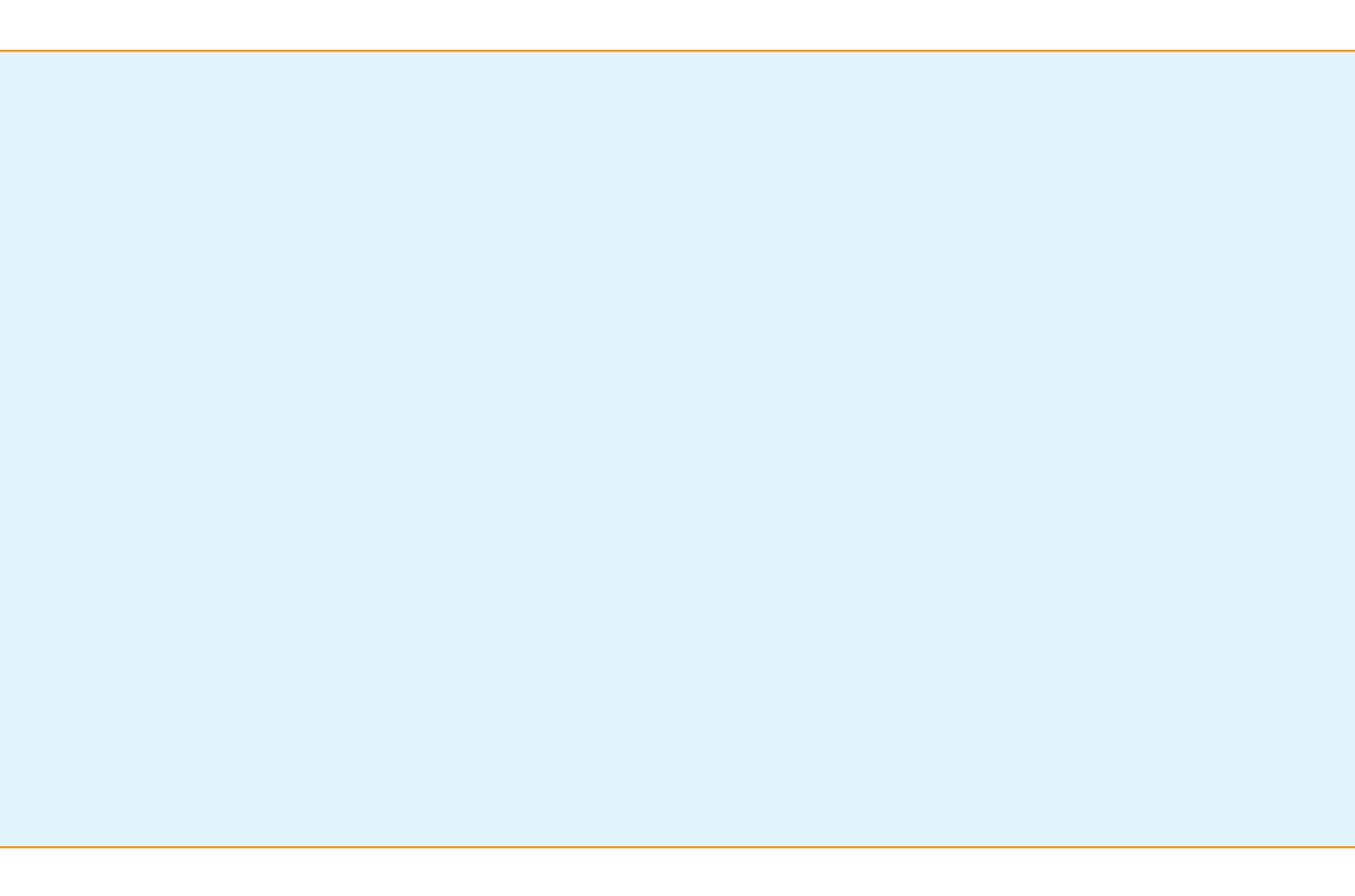


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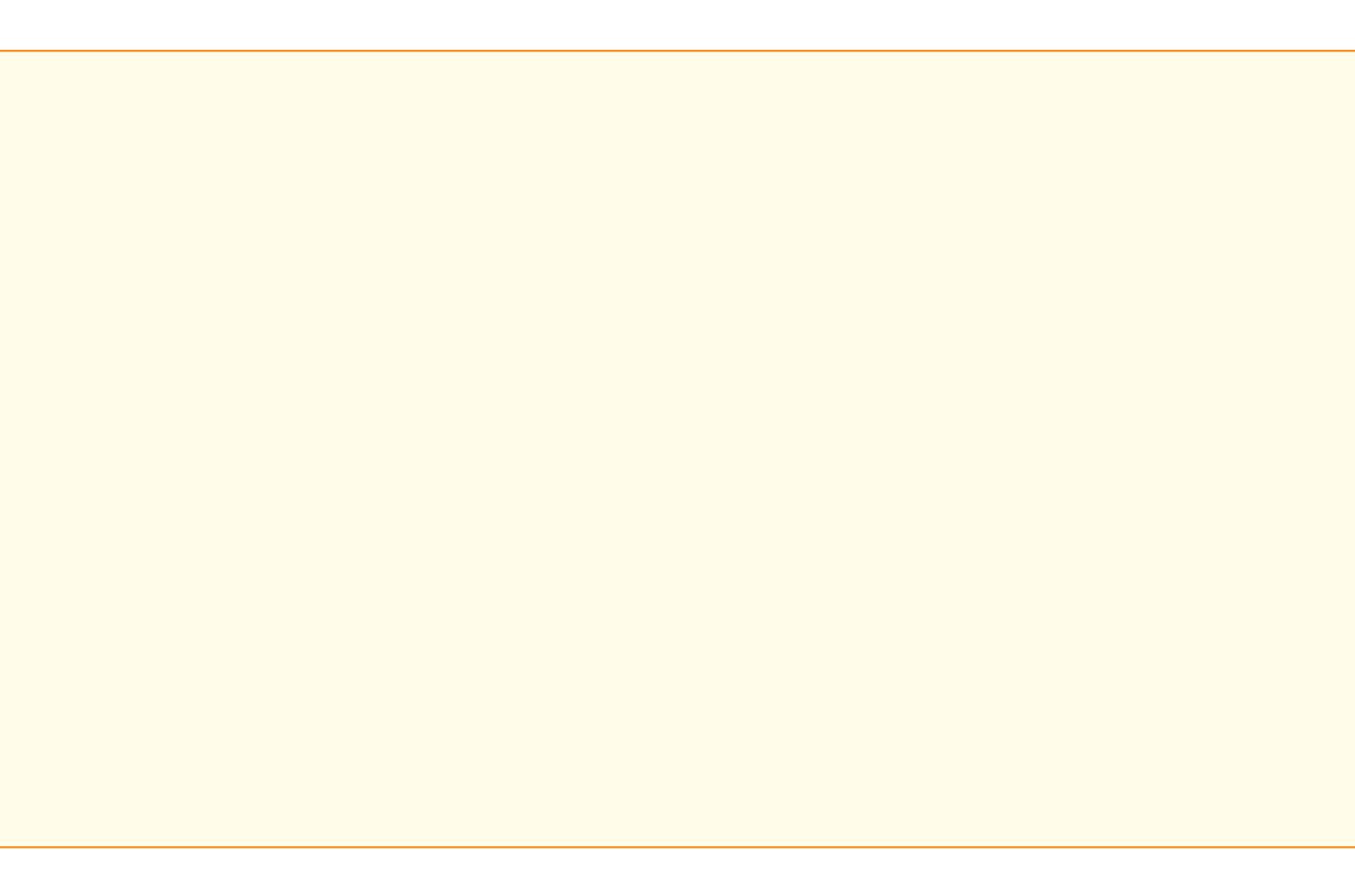
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ARTICLE I: DEFINITIONS

Section 1.01. Agreement and Declaration of Trust/Trust Agreement

The term "Agreement and Declaration of Trust"/"Trust Agreement" as used herein shall mean the Agreement and Declaration of Trust dated the 8th day of February, A.D., 1980 and made between the Union of the first part, the Association of the second part and the Trustees named therein of the third part, and any amendments thereto.

Section 1.02. Association

The term "Association" as used herein shall mean the Bahamas Hotel Employers' Association and any successor thereto.

Section 1.03. Beneficiary

The term "Beneficiary" as used herein shall mean the person designated by a Participant or Pensioner to receive any monies due such Participant or Pensioner at the date of his death and or becoming due by virtue of his death as specified in Articles V, VI and X.

Section 1.04. Breaks-in-Service

The term "Breaks-in-Service" as used herein shall mean a one year Break-in-Service and a Permanent Break-in-Service as defined in Sections 4.02, 4.03 and 8.04.

Section 1.05. Collective Bargaining Agreement

The term "Collective Bargaining Agreement" as used herein shall mean the Collective Bargaining Agreement in force and effect at any time and from time to time between the Union and the Association, or the Union and an Employer, together with any modifications or amendments thereto, which provides, among other things, for Contributions to be made to the Pension Fund.

Section 1.06. Contributions

The term "Contributions" as used herein shall mean the payments paid or payable to the Pension Fund by an Employer with respect to its Employees pursuant to the terms of the Trust Agreement, the Participation Agreement and the Collective Bargaining Agreement if applicable.

Section 1.07. Contribution Date

The term "Contribution Date" as used herein shall mean the first date as of which an Employer is obligated by virtue of a Collective Bargaining Agreement and or a Participation Agreement to make Contributions to the Pension Fund for a Participant, provided, however, that the Contribution Date with respect to a Participant who has incurred a Permanent Break in Service and who subsequently re-enters Covered Employment means the date as of which Contributions are due and payable by his subsequent Employer for such re-employment.

Section 1.08. Covered Employment

The term “Covered Employment” as used herein shall mean the period of employment of an Employee with an Employer after the Contribution Date and the period of employment of the Employee (if any) with the same Employer before the Contribution Date.

Section 1.09. Disability Pension

The term “Disability Pension” as used herein shall mean a Pension payable to a Participant who becomes totally and permanently disabled as defined in Section 5.04(a).

Section 1.10. Early Retirement Age

The term “Early Retirement Age” as used herein shall mean the age between the age fifty-five (55) years and sixty-five (65) years provided the Participant has earned at least 15 Pension Credits.

Section 1.11. Early Retirement Pension

The term “Early Retirement Pension” as used herein shall have the meaning ascribed to it in Section 5.02.

Section 1.12. Employee

The term “Employee” as used herein shall mean any person working or who has worked in Covered Employment with an Employer.

Section 1.13. Employer

The term “Employer” as used herein shall mean any of the following persons or organizations who execute a Participation Agreement with the Association, the Union and the Trustees and who are obligated to make Contributions to the Pension Fund pursuant thereto: the Association, the members of the Association, an Employer who has entered into a Collective Bargaining Agreement with the Union, the Bahamas Hotel Training College, the Nassau Paradise Island Promotion Board, the National Workers Cooperative Credit Union Limited, the Pension Fund, the Union, and any other person or organization accepted by the Trustees for membership in the Pension Fund.

Section 1.14. Guaranty Certain Payments

The term “Guaranty Certain Payments” as used herein shall have the meaning ascribed to it in Section 6.01.

Section 1.15. Joint and Survivor Pension

The term “Joint and Survivor Pension” as used herein shall have the meaning ascribed to it in Section 5.03.

Section 1.16. Normal Retirement Age

The term “Normal Retirement Age” as used herein shall mean age sixty-five (65) years.

Section 1.17. Participant

The term “Participant” as used herein shall mean an Employee who meets the requirements for participation as set forth in Section 2.01.

Section 1.18. Participation Agreement

The term “Participation Agreement” as used herein shall mean an agreement made between the Trustees, the Association, the Union and an Employer by which the Employer agrees to become a member of the Pension Fund pursuant to the terms of the Collective Bargaining Agreement (if applicable), the Trust Agreement, the Participation Agreement and the Rules and Regulations.

Section 1.19. Pension Commencement Date

The term “Pension Commencement Date” as used herein shall mean the commencement date upon which a Pensioner’s Pension Benefits are due and payable; which date shall be the 1st day of the month following the month in which the Pensioner has fulfilled all conditions for entitlement to Pension Benefits.

Section 1.20. Pension Credit

The term “Pension Credit” as used herein shall mean the credit(s) earned by a Participant for Covered Employment and used to determine the type of Pension or amount of pension benefits payable to the Participant.

Section 1.21. Pensioner

The term “Pensioner” as used herein shall mean a person to whom a Pension under this Pension Plan is being paid or to whom such a Pension would be paid but for time for administrative processing.

Section 1.22. Pension Fund

The term “Pension Fund” as used herein shall mean the Bahamas Hotel and Allied Industries Pension Fund, the trust fund created pursuant to the Trust Agreement.

Section 1.23. Pension Plan

The term “Pension Plan” as used herein shall mean the Bahamas Hotel and Allied Industries Pension Plan established by the Trustees pursuant to the Trust Agreement and dated the 1st day of January, A.D., 1981 as amended.

Section 1.24. Plan Year

The term “Plan Year” as used herein shall mean the period from 1st January to 31st December.

Section 1.25. Pro-Rata Pension

The term “Pro-Rata Pension” as used herein shall have the meaning ascribed to it in Section 8.01.

Section 1.26. Reciprocal Agreement

The term “Reciprocal Agreement” as used herein shall mean the Bahamas Hotel Industry Reciprocal Agreement dated the 10th February, A.D., 1983.

Section 1.27. Regular Pension

The term “Regular Pension” as used herein shall have the meaning ascribed to it in Section 5.01.

Section 1.28. Related Pension Funds/Plans

The term “Related Pension Funds/Related Pension Plans” shall mean all other pension funds and their pension plans including the Bahamas Hotel Industry Management Pension Fund which have executed or adopted the provisions of the Reciprocal Agreement and are approved by the Trustees.

Section 1.29. Related Weeks

The term “Related Weeks” as used herein shall mean weeks of employment of an Employee with an Employer for which the Employer is obligated to pay Contributions to a Related Pension Fund in respect of such Employee and for which the Employee earns Related Pension Credit.

Section 1.30. Retired/Retirement

The terms “Retired” or “Retirement” as used herein shall mean the cessation of full-time employment with an Employer after a Participant becomes a recipient of a type of Pension Benefit described in Article V.

Section 1.31. Trustees

The term “Trustees” as used herein shall mean the Trustees appointed pursuant to the Trust Agreement.

Section 1.32. Union

The term “Union” as used herein shall mean the Bahamas Hotel Catering & Allied Workers Union or any successor thereto.

Section 1.33. Vested Status

The term “Vested Status” as used herein shall have the meaning ascribed to it in Section 4.01.

Section 1.34. Week of Work

The term “Week of Work” as used herein shall mean each weekly pay period of an Employee in Covered Employment.

ARTICLE II: PARTICIPATION

Section 2.01. Participation

An Employee who is engaged in Covered Employment after his Contribution Date shall become a Participant of the Pension Plan on the 1st January or 1st July immediately preceding his working at least ten (10) weeks in a Plan Year and earning one quarter (.250) Pension Credit.

Section 2.02. Termination of Participation

A person who does not attain vested status as defined in Section 4.01 shall cease to be a Participant in the Pension Plan and thereby lose all Pension Credits whether earned before or after his Contribution Date if he incurs a Permanent Break-in-Service as defined in Section 4.03. A person who incurs one or more one-year Breaks-in-Service shall remain a Participant in the Pension Plan unless such Break-in-Service becomes permanent.

Section 2.03. Reinstatement of Participation

A person who has lost his status as a Participant in accordance with Section 2.02 shall again become a Participant in the Pension Plan by meeting the requirements of Section 2.01 after the Plan Year during which his participation terminated.

ARTICLE III: PENSION CREDIT

Section 3.01. Earning of Pension Credits

- (a) **General.** Subject to sub-section (b) hereof a Participant earns Pension Credits under this Pension Plan for Covered Employment both before and after his Contribution Date.
- (b) **Before the Contribution Date.** A Participant who earns one quarter (.250) Pension Credit in accordance with sub paragraph (c) shall for Covered Employment before his Contribution Date be credited with one Pension Credit or portion thereof for each Plan Year or portion thereof of such Covered Employment.

This provision shall not apply to a Participant who joins the Pension Plan after the 31st day of December, A.D., 2006 except as permitted by the Trustees who may in their sole discretion award such Participant with Pension Credits for some or all of the Plan Years of his Covered Employment prior to his Contribution Date.

(c) After the Contribution Date. For Weeks of Work after his Contribution Date, a Participant shall earn Pension Credits in accordance with the following schedule:

WEEKS OF WORK	PENSION CREDIT	WEEKS OF WORK	PENSION CREDIT
0-9	0	25	.625 (25/40)
10	.250 (10/40)	26	.650 (26/40)
11	.275 (11/40)	27	.675 (27/40)
12	.300 (12/40)	28	.700 (28/40)
13	.325 (13/40)	29	.725 (29/40)
14	.350 (14/40)	30	.750 (30/40)
15	.375 (15/40)	31	.775 (31/40)
16	.400 (16/40)	32	.800 (32/40)
17	.425 (17/40)	33	.825 (33/40)
18	.450 (18/40)	34	.850 (34/40)
19	.475 (19/40)	35	.875 (35/40)
20	.500 (20/40)	36	.900 (36/40)
21	.525 (21/40)	37	.925 (37/40)
22	.550 (22/40)	38	.950 (38/40)
23	.575 (23/40)	39	.975 (39/40)
24	.600 (24/40)	40	1.000 (40/40)

ARTICLE IV: VESTED STATUS AND BREAK-IN-SERVICE

Section 4.01. Vested Status

A Participant shall only be eligible for Pension Benefits if he attains vested status by earning ten (10) Pension Credits for being in Covered Employment before and or after his Contribution Date. Once vested a Participant cannot under any circumstances lose such status or the Pension Credits earned or awarded.

Section 4.02. One-Year Break-in-Service

A Participant has a One-Year Break-in-Service in any Plan Year in which he fails to earn at least one quarter (.250) Pension Credit as a result of Weeks of Work in Covered Employment. For each One-Year Break-in-Service a Participant shall lose one earned pension credit if he fails to return to Covered Employment before incurring a Permanent Break-in-Service. This provision shall not however apply to a Participant who earns the minimum amount of Pension Credit(s) under a Related Pension Plan in the Plan Year or Years in which he fails to earn one Credit or portion thereof in this Pension Plan.

Section 4.03. Permanent Break-in-Service

A Participant shall incur a Permanent Break-in-Service and thereby ceases to be a Participant if he has consecutive One-Year Breaks-in-Service that equal or exceed the number of his Pension Credits. Provided however, a Participant who has earned Pension Credits under a Related Pension Plan shall not incur a Permanent Break-in-Service under this Pension Plan until he has lost all of his Combined Pension Credits.

ARTICLE V: TYPES OF PENSION

Section 5.01. Regular Pension

(a) Requirements. A Participant shall be entitled to receive a Regular Pension which shall be payable to him for the remainder of his life if at the time of his Retirement he meets the following requirements:

- (i) has attained age sixty-five (65), and
- (ii) has at least ten (10) Pension Credits.

(b) Amount. The monthly amount of a Regular Pension shall be the value of a Pension Credit as determined by the Trustees multiplied by the number of credits earned and or awarded to the Participant. The historical benefit amounts are set forth in Exhibit A hereto.

Section 5.02. Early Retirement Pension

(a) Requirements. A Participant shall be entitled to receive an Early Retirement Pension which shall be payable to him for the remainder of his life if at the time of his Retirement he meets the following requirements:

- (i) has attained age fifty-five (55), and
- (ii) has at least fifteen (15) Pension Credits.

(b) Amount. The monthly amount of the Early Retirement Pension shall be the amount of the Participant's Regular Pension had he been entitled to one, reduced by one-quarter of one percent (1/4%) for each month by which the Participant is younger than age sixty-five (65) on the Commencement Date of his Early Retirement Pension.

Section 5.03. Joint and Survivor Pension

(a) General. The Joint and Survivor Pension provides a lifetime pension for a married Participant plus a lifetime pension for his surviving spouse, starting after the death of the Participant. In such a Pension, the monthly amount of the Participant's pension is reduced in accordance with the provisions of sub-section (c) from the amount otherwise payable to the Participant either as a Regular or Early Retirement Pension.

(b) Requirements. A Joint and Survivor Pension shall be payable to a Participant upon retirement provided the following requirements are met:

- (i) he has notified the Trustees in writing prior to his Pension Commencement Date of his election of such Pension and of the name, date of birth and address of his spouse.
- (ii) he has obtained vested status and is entitled to either a Regular or an Early Retirement Pension.



(c) Amount of Pension Payable to Pensioner. The monthly amount of a Joint and Survivor Pension payable to a Pensioner shall be the amount of the Pensioner's monthly pension reduced in accordance with a formula or formulas adopted by the Trustees from time to time and based on the principles of overall actuarial equivalence. Such formula or formulas shall however not be deemed to be part of a Pensioner's accrued benefits.

(d) Amount of Pension Benefit Payable to Spouse. The amount of pension benefit payable to a surviving spouse shall be one-half (1/2%) of the amount of the monthly benefit paid to the Pensioner.

(e) Death Before Retirement. If a Participant who is actively engaged in Covered Employment and who has met all of the requirements set out in Sub-Section (b) hereof dies, his spouse shall be paid the applicable Joint and Survivor Pension calculated as if he had retired on a Pension on the day before his death.

(f) Revocation of Pension. A Participant may by notice in writing addressed to the Trustees revoke the election of a Joint and Survivor Pension at anytime prior to his Pension Commencement Date.

Section 5.04. Disability Pension

(a) Definition of Disability. A Participant shall be deemed totally and permanently disabled if, on the basis of medical evidence satisfactory to the Trustees, he is found to be totally and permanently unable as a result of bodily injury or disease to engage in any further reasonable employment or gainful pursuit. The Trustees shall be the sole and final judge of total and permanent disability and of the entitlement to a Disability Pension hereunder. The Trustees may accept as proof of total and permanent disability a determination under the National Insurance Regulations that the Participant is entitled to Invalidity Benefits. However, such proof is not conclusive and binding on the Trustees' assessment of entitlement to a Disability Pension.

(b) Requirements. A Participant shall be entitled to receive a Disability Pension if he meets the following requirements:

- (i) has become totally and permanently disabled as defined in sub-Section (a) hereof;
- (ii) has not yet attained age sixty-five (65);
- (iii) has earned at least fifteen (15) Pension Credits;
- (iv) has worked in Covered Employment for at least ten (10) weeks in the twenty-four (24) months preceding the onset of the disability; and

(v) he files an application for such Pension within eighteen (18) months after the date the disability commenced. The Trustees may however in their sole and absolute discretion waive this filing requirement.

(c) Duration. The monthly payment of a Disability Pension shall commence upon the determination by the Trustees of the Participant's total and permanent disability and shall continue from month to month until terminated by the Trustees. However, upon such Disability Pensioner's attainment of age sixty-five (65), the Pension shall be considered a Regular Pension.

(d) Amount. The monthly amount of the Disability Pension shall be calculated in the same manner as the Regular Pension that the Participant would have been entitled to at age sixty-five (65) had he not become totally and permanently disabled.

(e) Physical Examination. A Participant applying for a Disability Pension shall be required to have an examination by a physician or physicians selected by the Trustees and may be required to submit to a re-examination periodically as the Trustees may direct. However, the Trustees in their sole discretion shall waive re-examination of a Pensioner receiving a Disability Pension after his attainment of age sixty-five (65).

(f) Termination of Disability Pension and Re-Employment of Pensioner. A Disability Pension may be terminated by the Trustees if the Pensioner receiving the same is no longer medically certified to be totally and permanently disabled and has not reached Normal Retirement Age. If such termination occurs after the Pensioner reaches Early Retirement Age his Pension shall be recomputed as an Early Retirement Pension. In the event that such a Pensioner subsequently re-enters Covered Employment, he shall earn additional Pension Credits in accordance with Section 7.08 and his Pension Benefits shall be computed in accordance with Section 3.01(c).

Section 5.05. Deferral of Pension

The payment of Regular or Early Retirement Pension Benefits for a Participant who leaves Covered Employment after he has attained vested status but has not met the age requirement for such a Pension Benefit shall be deferred until such requirements are met and the Participant applies for Pension Benefit.

Section 5.06. Non-Duplication of Pensions

Unless a Participant is entitled to Pension Benefits as a result of his status as a named Beneficiary or a Spouse under a Joint and Survivor Pension nothing contained in this Pension Plan shall be construed as permitting any Participant to be entitled simultaneously to payment of more than one type of Pension Benefit under this Pension Plan.

ARTICLE VI: GUARANTY CERTAIN PAYMENTS

Section 6.01. General

This Pension Plan guarantees the payment of sixty (60) monthly Pension Benefits.

Section 6.02. Post Retirement Payment

In the event that a Pensioner who is receiving (or would be receiving, but for administrative delay) a Regular, Early Retirement or Disability Pension, dies before he has received sixty (60) monthly pension benefit payments, his Beneficiary shall be paid the number of monthly pension benefits that equal the difference between sixty (60) and the number of monthly payments received by the deceased Pensioner.

Section 6.03. Pre-Retirement Payment

In the event of the death of a Participant who is eligible to receive a Regular or Early Retirement Pension, but has not at the time of death made application for the same, the Trustees shall in the absence of the election by such deceased Participant of a Joint and Survivor Pension pay to his Beneficiary sixty (60) monthly benefit payments. The amount of the monthly Benefit shall be calculated as though the Participant had retired on the day before he died. If however, a Participant dies at a time when he is in Vested Status but is not yet at an age when he can retire, his Beneficiary will be entitled to this Benefit at a date when the Participant would have been eligible to retire.

ARTICLE VII: PAYMENT OF PENSION BENEFITS

Section 7.01. Application For Benefits

(a) Application. An application for a Pension Benefit shall be made in writing in a form and manner prescribed by the Trustees and shall be submitted to the Trustees one month in advance of the first month in which such pension benefits are payable.

(b) Information.

(i) Required Information. Each Participant or Pensioner shall furnish to the Trustees any and all information requested by the Trustees as shall reasonably be required to administer this Pension Plan and for the consideration of an application for a Pension Benefit. Failure on the part of any Participant or Pensioner to comply with such request shall be sufficient grounds for denying or discontinuing benefit payments for such persons.

(ii) False or Erroneous Information. If a Participant or Pensioner makes a false or misleading statement material to his application any or all benefits due to him may be denied or suspended pending review by the Trustees who shall also have the right to recover any payment paid in reliance on such false or erroneous statement(s) or information. If after review such statement(s) or information is corrected to the satisfaction of the Trustees, any benefit payment which is in fact due to the Participant or Pensioner shall immediately be payable.

Section 7.02. Trustees Decision

Within 120 days of the submission of an application for Pension Benefit or any reasonable time thereafter required by the Trustees, the Trustees shall provide the Applicant with their decision in writing.

Section 7.03. Right to Review

If the application for Pension Benefit is denied the Trustees shall (a) provide the Applicant with their reasons for such denial in writing citing the relevant provision(s) of the Pension Plan on which they based their decision; and (b) advise the Applicant of his right to request of the Trustees a review of their decision and also of the manner in which it shall be done. An applicant who wishes to have his application which was denied by the Trustees reviewed shall either by himself or through his authorized representative submit a written request for such review to the Trustees within 90 days of receipt of written notification of the Trustees' decision. Such request shall set out the grounds of the Applicant's appeal and shall be accompanied by any documents he considers relevant to his case. The Trustees shall within thirty (30) days of receipt of such appeal advise the Applicant in writing of their decision.

Section 7.04. Authority of Trustees

The Trustees shall be the sole judges of:

- (i) the application and interpretation of this Pension Plan;
- (ii) the standard of proof required in any case;
- (iii) the entitlement to or amount of any Benefit; and
- (iv) the crediting of Pension Credits.

All decisions of the Trustees shall be made in a uniform and non-discriminatory manner and subject to Section 7.03 shall be final and binding on all persons.

Section 7.05. Computation of Pension Benefit Amount

Pension Benefits shall be calculated on the value of Pension Credit(s) as of the earlier of either the Participant's last day in Covered Employment or the date upon which he reaches Normal Retirement Age. The maximum amount of Pension Credit(s) to be used in such calculations shall be twenty-five (25).

Section 7.06. Duration of Pension Benefit Payments

The payment of monthly Pension Benefits shall begin on a Pensioner's Pension Commencement Date and shall, with the exception of a Joint and Survivor Pension and Guaranty Certain Payments, end with the payment for the month in which the Pensioner dies.

Section 7.07. Suspension of Pension Benefits Before Normal Retirement Age

If a Pensioner who is the recipient of an Early Retirement Pension returns to Covered Employment or takes employment in the same related business as an Employer, or in any business in which the Union represents employees, his pension benefits shall be suspended for the period of such employment. Upon the cessation of this employment the Pensioner's pension benefits shall again become payable in accordance with Section 7.08.

Section 7.08. Benefit Payments Following Suspension

In the event that a Pensioner who is the recipient of Early Retirement Pension returns to Covered Employment he shall be entitled to earn Pension Credits and upon his subsequent retirement the amount of his pension benefits shall be recomputed based on the following:

- (i) **1-2 Pension Credits** – the credits earned and the Pensioner's age upon resumption of his pension benefits, but with a reduction of his age by the number of months for which he previously received pension benefits. The commencement date for the Pensioner's Sixty (60) Month Guaranty Certain Payments shall not change and his Beneficiary will be entitled to the remainder, if any, of such payments.

or

- (ii) **3 or more Pension Credits** – the credits earned at the then prevailing accrual rate per Pension Credit, the subsequent years of Covered Employment and the Pensioner's attained age upon resumption of his pension benefits, but with a reduction of his age by the number of months for which he previously received pension benefits. Notwithstanding prior pension payments the commencement date for the Sixty Month Guaranty Certain Payments shall be the Pensioner's new Pension Commencement Date.

Section 7.09. Employment after Normal Retirement Age

If a retired Pensioner receiving Normal Retirement Pension returns to Covered Employment his pension benefits will not be suspended and a Participant who attains Normal Retirement Age and continues in Covered Employment shall also be entitled to receive pension benefits whilst so employed. In either of the foregoing cases such Pensioner will not accrue Pension Credits or have his pension benefits adjusted for the additional years of service in Covered Employment nor will his Employer be required to make Contributions on his behalf.

Section 7.10. Incompetence or Incapacity of a Pensioner or Beneficiary

In the event it is determined to the satisfaction of the Trustees that a Pensioner or Beneficiary is unable to adequately care for his affairs because of mental or physical incapacity, any payment due to such Pensioner or Beneficiary may be applied, at the discretion of the Trustees, in the absence of a legally appointed guardian, or legal representative entitled to receive such payments on behalf of the Pensioner or Beneficiary, to the maintenance and support of such Pensioner or Beneficiary or to such person as the Trustees in their sole discretion find to be an object of the natural bounty of the Pensioner or Beneficiary in the manner decided by the Trustees.

Section 7.11. Non-Assignment of Benefits

No Participant, Pensioner or Beneficiary hereunder shall have the right to assign, alienate, transfer, sell, hypothecate, mortgage, encumber, pledge, or anticipate any Pension Benefit or portion thereof and any such assignment, alienation, transfer, sale, hypothecation, mortgage, encumbrance pledge or anticipation shall be void and of no effect and shall not in any way be subject to any legal process, execution, attachment or garnishment or be used for the payment of any claim against any Participant, Pensioner or Beneficiary or be subject to the jurisdiction of any bankruptcy court or insolvency proceedings by operation of law or otherwise.

ARTICLE VIII: PRO-RATA PENSIONS

Section 8.01. Purpose

Pro-Rata Pensions are Pension Benefits provided under this Plan for Employees who at the time of Retirement lack sufficient Pension Credits to be eligible for any of the Pensions provided for in Article V because either (a) their years of employment were divided between the same or another Employer who is a member of the Pension Fund and another Employer who is a member of a Related Pension Fund; or (b) they were during Covered Employment members of different Pension Plans within the same Pension Fund.

Section 8.02. Related Pension Credits

Pension credits earned by and or awarded to an Employee under a Related Pension Plan shall be recognized under this Plan as Related Pension Credits ("Related Pension Credits") provided they are certified by the trustees of the Related Plan to the Trustees.

Section 8.03. Combined Pension Credits

The total of an Employee's Pension Credits under this Plan and Related Pension Credits comprise the Employee's Combined Pension Credits. However, not more than one Combined Pension Credit shall be counted in any calendar or Plan year for purposes of pension eligibility.

Section 8.04. Break-in-Service

- (a) One Year Break-in-Service.** Notwithstanding the provision of Section 4.02 for the purposes of a Pro-Rata Pension a Participant incurs a One Year Break-in-Service only when he fails to earn in a Plan year the required Pension Credit or portion thereof under either this Plan or a Related Pension Plan.
- (b) Permanent Break-in-Service.** A Participant who leaves Covered Employment before attaining Vested Status shall not incur a permanent break-in-service if he earns Pension Credits in a Related Plan.

Section 8.05. Eligibility

An Employee shall be eligible for a Pro-Rata Pension under this Plan if he satisfies all of the following requirements:

- (i) would be entitled to a pension under this Plan (other than a Pro-Rata Pension) if his Combined Pension Credits were treated as pension credits under this Plan; and
- (ii) is eligible for a Pro-Rata Pension from a Related Plan on the basis of his Combined Pension Credits.

Section 8.06. Election of Pension

If an Employee is eligible for more than one type of Pension Benefit under this Plan and/or a Related Pension Plan including a Pro-Rata Pension Benefit, he shall elect the type of Benefit he is to receive.

Section 8.07. Pension Benefit Amount

The monthly amount of the Pro-Rata Pension Benefit shall be determined by multiplying the fraction resulting from the division of the Participant's Pension Credits earned under this Plan by his Combined Pension Credits by the amount of monthly pension benefits the Participant would be entitled to under this Pension Plan if his Combined Pension Credits were considered his Pension Credits under this Plan.

Section 8.08. Benefit Level Amount or Pension Accrual Rate

The benefit level amount or pension accrual rate applicable to the Pro-Rata Pension payable by the Pension Fund shall be determined under the rules of this Plan by the Trustees.

Section 8.09. Payment of Pro-Rata Pensions

The payment of a Pro-Rata Pension shall be subject to all of the conditions of this Plan applicable to other types of pensions including, but not limited to, retirement and timely application. The execution date of the application on the initial pension application to a Related Plan shall be considered as the application date for each Related Plan.

Section 8.10. Effective Date

This Article shall apply only to Employees who Retire, on or after the date of the Reciprocal Agreement.

ARTICLE IX: ADDITIONAL BENEFITS

Section 9.01. Death Benefits

(a) Pre-Retirement. A Pre-Retirement Death Benefit of \$1,000 shall be paid to the Beneficiary of a Participant upon the Participant's death provided:

- (i) the Participant was engaged in Covered Employment for at least ten (10) weeks in the Plan Year preceding his death; or
- (ii) the Participant although vested had not attained aged fifty-five (55) at the time of his death.

(b) Post-Retirement. A Post-Retirement Death Benefit of \$2,000 shall be paid to the Beneficiary of a Pensioner upon the Pensioner's death.

Section 9.02. Christmas Benefit

All Pensioners, and Beneficiaries of deceased Pensioners, shall be entitled to receive a ham and turkey as a Christmas Benefit on the day designated for distribution by the Trustees. This Christmas Benefit is in the sole discretion of the Trustees, who reserve the right to alter, or discontinue, the same at any time.

Section 9.03 Disaster Benefits

In the absolute discretion of the Trustees a Pensioner may be awarded a Disaster Benefit up to a maximum of Twenty-Five Hundred Dollars (\$2,500.00) in any plan year in the event that the Pensioner encounters circumstances which are deemed by the Trustees to be a disaster.

ARTICLE X: Beneficiary

Section 10.01. Designation of Beneficiary

A Participant shall designate a Beneficiary to receive any pension or other benefit payments due and payable to him. Such designation shall be made on a form prescribed by the Trustees which form shall be delivered by the Participant to the Trustees prior to his death.

Section 10.02. Change of Beneficiary

A Pensioner shall have the right to change his Beneficiary without the consent of such Beneficiary, but no change shall be effective or binding on the Trustees unless it is made in writing and received by the Trustees prior to the first benefit payment to the Beneficiary registered with the Trustees.

Section 10.03 Minor Beneficiary

Subject to the written directions of the Pensioner in the event that the Beneficiary of such Pensioner is a minor the Trustees shall pay the Benefits due and payable to such Beneficiary to the legally appointed guardian(s) or trustee(s) of the minor. In the absence of such a guardian or trustee the Trustees shall retain such Benefit payments until a guardian or trustee is appointed or the minor Beneficiary reaches age eighteen (18) years.

ARTICLE XI: ASSETS OF PENSION FUND

Section 11.01. Non-Reversion

It is expressly understood that the purpose of the Pension Fund is to provide Benefits for Participants and/or their Beneficiaries and that in no event shall any of the corpus or assets of the Pension Fund revert to the Employers or be subject to any claims of any kind or nature by an Employer, except for the return in accordance with Section 9.07 of the Trust Agreement of Contributions mistakenly paid to the Pension Fund by an Employer.

Section 11.02. Limitation of Liability

This Pension Plan has been adopted by the Trustees on the basis of an actuarial estimate which has established, to the fullest extent possible, that the income and accruals of the Pension Fund will be fully sufficient to support this Pension Plan on a permanent basis. It is recognized however, that, during the life of the Pension Fund the income and/or the liabilities of the Pension Fund may be substantially different from those anticipated in any prior actuarial report. It is also understood that this Pension Plan can be fulfilled and Benefits paid only to the extent that the Pension Fund has assets available from which to make such payments. Furthermore, to ensure the soundness of the Pension Fund the Trustees shall cause to be prepared at least once every three (3) years an actuarial evaluation of the Fund. On the basis of this evaluation

and all other relevant circumstances Trustees may, from time to time, amend this Pension Plan to include changes in types of Benefits, benefit amounts, and conditions of eligibility and payments. Provided however, no amendment shall in any way reduce any pension benefits which have been approved for payment prior to such amendment.

Section 11.03. No Right to Assets

No persons other than the Trustees shall have any rights, title or interest in any of the income, or property or any monies received or held by or for the account of the Pension Fund, and no person shall have any right to Benefits provided in accordance with this Pension Plan except as expressly provided herein.

Section 11.04. Merger

There shall be no mergers or consolidations with, or transfer of assets or liabilities to, any other pension fund without the express written consent of the Trustees.

ARTICLE XII: NEW EMPLOYERS

Section 12.01. New Employers

(a) Membership. No new employer may be admitted to membership in the Pension Fund other than in accordance with the provisions of the Trust Agreement. The membership of any such new employer shall be subject to such terms and conditions as the Trustees may lawfully prescribe including, but not limited to, the imposition of waiting periods in connection with the commencement of benefits, a requirement for retroactive contributions or the application of modified benefit conditions and amounts. In adopting such terms or conditions, the Trustees shall take into account such requirements as they, in their sole discretion, may deem necessary to preserve the actuarial soundness of the Pension Fund and to preserve an equitable relationship with the Contributions required from other Employers and the benefits provided to their Employees.

(b) Substitution of New Employer for existing Employer. If an Employer or the business which it owns where the Employees are employed is sold, merged or otherwise undergoes a change of identity, the new owner of such business may be substituted by the Trustees as the Employer of the Employees as if it were the original Employer, provided it executes a Participation Agreement.

ARTICLE XIII: TERMINATION OF PENSION PLAN

Section 13.01. Termination

(a) Right to Terminate. The Trustees shall have the right to discontinue this Pension Plan in whole or in part. The rights of all affected Participants to benefits accrued to the date of termination, partial termination, or discontinuance to the extent funded as of such date shall be non-forfeitable.

(b) Priority of Allocation of Assets. In the event of termination of this Pension Plan the assets then remaining in the Fund after providing for any administrative expenses, shall be allocated among the Pensioners, Beneficiaries, and Participants in the following order:

(1) First, in the case of benefits payable as a pension:

(a) in the case of the Pension of a Participant or Beneficiary was in pay status as of the beginning of the 3-year period ending on the termination date of the Pension Plan, to each such pension, based on the provisions of the Pension Plan (as in effect during the 5 year period ending such date) under which such pension would be the least. The lowest pension in pay status during the 3 year period shall be considered the pension in pay status for such period.

(b) in the case of the Pension of a Participant or Beneficiary which would have been in pay status as of the beginning of such 3-year period if the Participant had retired prior to the beginning of the 3-year period and if his pension had commenced (in the standard form) as of the beginning of such period, to each such pension based on the provisions of the Pension Plan (as in effect during the 5-year period ending on such date) under which the pension would be the least.

(2) Second, to all other vested benefits under this Pension Plan.

(3) Third, to all other non-vested benefits under this Pension Plan.

(c) Allocation Procedure. For purposes of Subsection (b) hereof:

(1) The amount allocated under any paragraph of Subsection (b) with respect to any benefit shall be properly adjusted for any allocation of assets with respect to that benefit under a prior paragraph of that Subsection.

(2) If the assets available for allocation under any paragraph of Subsection (b) (other than paragraphs 2 and 3) are insufficient to satisfy in full the benefits of all individuals which are described in that paragraph, the assets shall be allocated pro rata among such individuals on the basis of the present value (as of the termination date) of their respective benefits described in that paragraph.

(3) This paragraph applies if the assets available for allocation under Subsection (b)(2) are not sufficient to satisfy in full the benefits of individuals described in that paragraph.

(a) if this paragraph applies, except as provided in subparagraph (b) below, the assets shall be allocated to the benefit of individuals described in Subsection (b)(2) on the basis of the benefits of individuals which would have been described in such Subsection (b)(2) under the Pension Plan as in effect at the beginning of the 5-year period ending on the date of Plan termination.

(b) if the assets available for allocation under subparagraph (a) above, are sufficient to satisfy in full the benefits described in such paragraph (without regard to this subparagraph), then for purposes of subparagraph (a), benefits of individuals described in such paragraph shall be determined on the basis of the Pension Plan as amended by the most recent Pension Plan amendment effective during such 5-year period under which the assets available for allocation are sufficient to satisfy in full the benefits of individuals described in subparagraph (a) and any assets remaining to be allocated under subparagraph (a) on the basis of the Pension Plan as amended by the next succeeding Pension Plan amendment effective during such period.

ARTICLE XIV: AMENDMENTS AND CONSTRUCTION OF TERMS

Section 14.01. Amendments

This Pension Plan may be amended at any time by the Trustees, consistent with the provision, of the Trust Agreement. However, no amendment may decrease the accrued benefit of any Participant except as necessary to maintain the soundness of the Pension Plan and the qualification of the Pension Plan or the Trust Agreement under the laws of the Commonwealth of the Bahamas.

Section 14.02. Construction of Terms

Wherever any words are used in this Pension Plan in the masculine gender, they shall be construed where applicable as though they were also in the feminine or neuter gender, and wherever any words are used in the singular form they shall be construed as though they were also in the plural form and vice versa where applicable.

