

ABC-NABET RETIREMENT TRUST PLAN

Explanation of Forms of Benefit Payment

The normal form of benefit payment for a married participant is a Qualified Joint and Survivor Annuity. If you are not married, the normal form of benefit payment is a single life annuity.

You may waive the normal form of payment within the 90-day period before your benefits are due to be paid and elect one of the optional forms of payment described below. However, if you are married, in order for your election to be effective, you and your spouse must reject the Qualified Joint and Survivor Annuity by completing the enclosed Election to Waive the Joint and Survivor Annuity and submitting it with your application. You may revoke your election before your benefits begin; however, once your benefits begin, you may not revoke the form of benefit payment you have chosen.

Following is an explanation of the forms of benefit payment available under the Plan.

QUALIFIED JOINT AND SURVIVOR ANNUITY

Under this form of payment you will receive a lifetime monthly benefit, and a survivor annuity is provided to your spouse after your death. The amount of the monthly benefit is reduced during your lifetime from what it would be if the pension were paid in the single life annuity form. The amount of the reduction is based on your age and your spouse's age. If you were working in covered bargaining unit employment on or after December 1, 1999, the lifetime monthly benefit payable to your spouse upon your death will be equal to 75% of the amount you were paid during your lifetime. If you did not work in covered bargaining unit employment on or after December 1, 1999, the lifetime monthly benefit payable to your spouse will be equal to 50% of the amount you were paid during your lifetime.

The amount of your benefit payable as a Qualified Joint and Survivor Annuity is provided on the attached form.

Note that if your spouse dies before you do, your monthly payment will be adjusted to the amount you would have received under a single life annuity. This is called a "Pop-Up" Benefit. The Pop-Up Benefit commences on the first day of the first month after your spouse dies, provided you have given a certified copy of the death certificate to the Fund Office. If you provide the Fund Office with the death certificate after such date, the Pop-Up Benefit will start in the next month and, depending on the date your spouse died, up to six months of retroactive Pop-Up Benefit payments will be made.

SINGLE LIFE ANNUITY

Under a Single Life Annuity form of payment, you will receive a lifetime monthly benefit. Upon your death, no additional benefits are payable.

ANNUITY WITH 120 MONTHLY PAYMENTS GUARANTEED

Under this form of payment, you will receive a monthly benefit for your lifetime, but if you die before receiving 120 payments your designated beneficiary will continue to receive the same monthly payment you had been receiving until the total number of monthly payments to you and your beneficiary equal 120. For example, if you elect this form of payment and die after receiving 100 monthly payments, your beneficiary will receive the same monthly payment you were receiving for 20 months.

If you elect this option, your monthly benefit will be reduced to take into account the 120-month guarantee feature.

JOINT AND SURVIVOR ANNUITY

Under the Joint and Survivor Annuity form of payment, you may elect to have your designated beneficiary receive a benefit after your death that is equal to 50%, 66-2/3% or 100% of the monthly amount you were receiving for the remainder of the beneficiary's life. Your monthly benefit will be reduced based on your age and your beneficiary's age, and the percentage of the joint annuity that you elect. If your designated beneficiary dies before you, no additional benefits will be paid after your death.

If you were working in covered bargaining unit employment on or after December 1, 1999, are married and elect (with proper spousal consent) to receive a 50% or 66-2/3% Joint and Survivor Annuity with your spouse as the contingent annuitant, benefit payments will automatically be enhanced to equal the payments that would have been payable under a Qualified Joint and Survivor Annuity.

SOCIAL SECURITY LEVEL PAYMENT OPTION

This option is available if you retire before age 65 and before becoming eligible for Social Security benefits. Under this option, you may elect to receive an increased retirement payment from the Plan before you are eligible to receive Social Security retirement benefits. When you qualify for Social Security benefits, the amount of the monthly benefit from the Plan will be actuarially reduced to take into account the increased payments you received prior to receiving Social Security benefits. As a result, you can have an almost level retirement income for life, consisting of the combined payments from this Plan and from Social Security. Please note that there are no survivor benefits payable under this option.

It is important that you understand your rights and obligations regarding the forms of benefit payment available to you. If you or your spouse have any questions, you should contact the Retirement Fund Office.

PLEASE SIGN AND RETURN A COPY OF THIS NOTICE TO THE RETIREMENT FUND OFFICE WHEN YOU SUBMIT YOUR PENSION APPLICATION.

Date

Participant's Signature