

# Maryland Race Track Employees Pension Fund

SUMMARY PLAN DESCRIPTION



November 2018

**MARYLAND  
RACE TRACK  
EMPLOYEES  
PENSION FUND**

**SUMMARY PLAN DESCRIPTION**

November 2018

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### **FUND OFFICE**

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**November 2018**

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**To Employees of the Maryland Thoroughbred Race Tracks:**

This booklet is a summary of the Maryland Race Track Employees Pension Plan, which we refer to as the "Plan." This booklet highlights the provisions of the Plan and answers the questions most frequently asked by Plan participants. This booklet replaces the prior version of the booklet dated January 2013.

This booklet describes the Plan as amended through October 1, 2018. If the last time you worked for a Participating Track in Maryland was **before** that date, certain provisions of the Plan as described in this booklet may not apply to you. In that event, you should refer to the version of this booklet in effect when you last worked, or contact the Fund Office for more information.

Your participation in the Plan does **not** give you the right to remain employed by the Participating Tracks. The booklet **does** tell you what benefits you are entitled to under the existing terms of the Plan. The Plan Trustees have the right to amend the Plan at any time.

You have the right to inspect the Agreement and Declaration of Trust which created the Maryland Race Track Employees Pension Fund and the Plan document itself, both of which are available at the Fund Office, shown on the preceding page. **In case of any conflict between the Agreement and Declaration of Trust or the Plan document and the explanations in this booklet, the provisions of the Trust and the Plan document will govern.**

Your Pension Plan is in "critical status" under Federal pension law. Because of that, the Trustees were required to adopt a Funding Rehabilitation Plan in 2010. Under the Funding Rehabilitation Plan, certain pension benefits were reduced or eliminated as explained in previous notices. This booklet describes your Pension Plan as changed by the Funding Rehabilitation Plan.

Sincerely,

**TRUSTEES OF THE MARYLAND RACE  
TRACK EMPLOYEES PENSION PLAN**

## **FACTS ABOUT YOUR PLAN**

### **1. PURPOSE OF THE PLAN**

The Plan provides retirement benefits for you and other employees of Participating Tracks. Benefits are also provided for survivors of certain employees who die prior to retirement.

### **2. ADMINISTRATION OF THE PLAN**

The Plan is administered by a Board of Trustees consisting of four Trustees designated by the Participating Tracks and four Trustees designated by UFCW Union Local 27 ("Union"). Associated Administrators, LLC has been contracted by the Board of Trustees to operate the Fund Office and handle the day-to-day administration of the Plan. Contact the Fund Office by writing or calling:

#### **Maryland Race Track Employees**

##### **Pension Fund**

911 Ridgebrook Road  
Sparks, MD 21152-9451  
(410) 683-6500  
(800) 638-2972

### **3. WHEN YOU BECOME A PARTICIPANT IN THE PLAN**

Eligibility for benefits from the Plan is determined on the basis of your employment history at Bowie, Laurel and Pimlico (the "Mile Tracks") and at Timonium. Whenever employment is mentioned in this booklet, it means employment at one or more of the Mile Tracks and, starting in 1979, at Timonium. All four race tracks together are referred to as the "Participating Tracks."

You become a participant in the Plan as of the January 1<sup>st</sup> of the first calendar year in which you earn at least 1/6 of a unit of Credited Future Service (see Section 8(b)). In order to receive benefits under the Plan, you must become "Vested" (see Section 7).

## **4. WHEN YOU MAY RETIRE**

### **(a) Normal Retirement**

You can retire and receive a Normal Retirement Pension any time after you reach age 65 if either (a) you have reached the fifth anniversary of the date you became a participant in the Plan (without having a Break in Service) or (b) you are Vested. (Break in Service is explained in Section 11.) The date you meet these requirements is called your Normal Retirement Date.

Normal Retirement benefits are payable only after you have terminated your employment at **all** of the Participating Tracks. If you continue working at any of the Participating Tracks after your Normal Retirement Date, your pension will not begin until you stop working. (See Section 21 for more information about working after Normal Retirement Date).

### **(b) Early Retirement**

You can retire and receive an Early Retirement Pension any time after you reach age 55, provided you have at least 10 years of Vesting Service (See Section 7).

Your monthly benefit will be reduced for each month that you are younger than age 65 when your pension payments start. This is because it is expected that you will receive payments for a longer period of time since they start sooner. (See Section 6 for how to calculate the reduction).

## **5. DEFERRED VESTED PENSION BENEFITS**

You can receive a Deferred Vested Pension starting at age 65 if you become Vested but terminate employment at the Participating Tracks before your Early or Normal Retirement Date. (See Section 7 for how to become Vested). If you have at least 10 years of Vesting Service, you can receive a Deferred Vested Pension starting anytime after you reach age 55. The benefit is reduced in the same manner as an Early Retirement Pension.

A pre-retirement death benefit is also provided to surviving spouses of participants who die after they become Vested but before their pension starts. (See Section 17 for more information).

## 6. THE AMOUNT OF YOUR PENSION

### (a) Normal Retirement

The amount of your monthly pension equals \$39.00 times your units of Credited Past Service, plus \$59.00 times your units of Credited Future Service earned before January 1, 2003, plus \$45.00 times your units of Credited Future Service earned after December 31, 2002 and prior to January 1, 2011, plus \$30.00, times your units of Credited Future Service earned after December 31, 2010 (see Section 8 for an explanation of Credited Service). This is the amount you would receive as a Single Life Annuity and is referred to as your Normal Retirement Amount. Your Normal Retirement Amount is reduced if your pension is paid as a Joint and Survivor Annuity or in an optional form of payment (See Sections 13 and 14).

For example, if you have 20 units of Credited Future Service earned before January 1, 2003, eight units of Credited Future Service earned after December 31, 2002 and prior to January 1, 2011, and seven units of Credited Future Service earned after December 31, 2010, your Normal Retirement Pension is determined as follows:

$$\begin{array}{r r r} \$59.00 \times 20 & = & \$1,180.00 \\ \$45.00 \times 8 & = & \$ 360.00 \\ \$30.00 \times 7 & = & \$ \underline{210.00} \end{array}$$

Normal Retirement Pension Amount = \$1,750.00

**NOTE: If you work for a Participating Track-Employer for whom the Default Schedule under the Funding Rehabilitation Plan applies, your Credited Future Service for work performed after the Default Schedule takes effect is multiplied by the Default Rate instead of \$30.**

**The Default Schedule took effect for work at Timonium starting in 2012, and the current Default Rate is \$7.34. You will be notified if the Default Schedule takes effect for any other Participating Track-Employers or if the Default Rate changes.**

If you terminated employment at the Participating Tracks before January 1, 2009, your benefit will be determined using the dollar

amounts in effect under the Plan at your termination of employment. Contact the Fund Office for more information.

If you ever had two consecutive calendar years in which you failed to earn at least 1/6 of a unit of Credited Service, your units of Credited Service earned before those two years may be multiplied by lower dollar amounts than shown above. Contact the Fund Office for more information.

**(b) Early Retirement**

The amount of an Early Retirement Pension is calculated the same way as the Normal Retirement Pension, but the amount is then actuarially reduced for the number of years and months you are younger than age 65 when payments start.

The actuarial reduction factors are set forth in the chart below. The benefit amount that is otherwise payable at age 65 is multiplied by the applicable factor in the table for the age at benefit commencement to produce the reduced benefit amount.

		Reduction Factor (%)											
		Months											
Years	0	1	2	3	4	5	6	7	8	9	10	11	
55	38.24	38.54	38.83	39.13	39.43	39.72	40.02	40.32	40.61	41.91	41.21	41.50	
56	41.80	42.13	42.46	42.79	43.12	43.45	43.78	44.11	44.44	44.77	45.10	45.43	
57	45.76	46.13	46.49	46.86	47.23	47.59	47.96	48.33	48.69	49.06	49.43	49.79	
58	50.16	50.57	50.98	51.39	51.79	52.20	52.61	53.02	53.43	53.84	54.24	54.65	
59	55.06	55.52	55.97	56.43	56.89	57.34	57.80	58.26	58.71	59.17	59.63	60.08	
60	60.54	61.05	61.56	62.07	62.58	63.09	63.61	64.12	64.63	65.14	65.65	66.16	
61	66.67	67.24	67.82	68.39	68.97	69.54	70.12	70.69	71.26	71.84	72.41	72.99	
62	73.56	74.21	74.85	75.50	76.14	76.79	77.44	78.08	78.73	79.37	80.02	80.66	
63	81.31	82.04	82.77	83.50	84.23	84.96	85.69	86.42	87.15	87.88	88.61	89.34	
64	90.07	90.90	91.73	92.55	93.38	94.21	95.04	95.86	96.69	97.52	98.32	99.17	

**Example** – Joe retires at age 60 years, 6 months, with an Early Retirement Benefit effective January 1, 2018. Joe would be entitled to a benefit of \$500 per month starting at age 65.

Under the above actuarial reduction factors, Joe will receive an Early Retirement Benefit of \$318.05 per month. That equals 63.61% of his benefit of \$500 at age 65.

Vested terminated participants will generally have their Deferred Vested Pension calculated in the same manner as eligible early retirees. However, for vested terminated participants whose benefits begin at ages 55 and 56, the first two lines of the chart above are replaced with the following:

Years	Reduction Factor (%)											
	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
55	33.33	33.89	34.44	35.00	35.56	36.11	36.67	37.22	37.78	38.33	38.89	39.44
56	40.00	40.56	41.11	41.67	42.22	42.78	43.33	43.89	44.44	44.77	45.10	45.43

## 7. BECOMING VESTED

You become Vested (entitled to a benefit from the Plan) by earning five years of Vesting Service. You earn a year of Vesting Service for each calendar year in which you earn at least 1/6 of a unit of Credited Future Service (See Section 8(b)).

You will lose your years of Vesting Service if you have a Break in Service (See Section 11) before you become Vested. If this happens, the years of Vesting Service you earned before the Break in Service are lost even if you return to work at a Participating Track again.

## 8. CREDITED SERVICE

The amount and type of Credited Service you earn determines the amount of your pension benefit. There are two types of Credited Service -- Past and Future.

### (a) Credited Past Service

Credited Past Service is earned for employment at the Mile Tracks before 1971. Credited Past Service is calculated in several steps based on the average number of days you worked in a calendar year compared to the total number of racing days of all the Mile Tracks that

year, as well as the number of years you were employed by one or more of the Mile Tracks. It works this way:

- First, the average number of days you worked per calendar year from 1966 through 1970 is calculated and a factor is determined from the following table:

<b>Average Days Worked Per Year (1966-1970)</b>	<b>Factor</b>
117 or more .....	1
78 to 116 .....	2/3
39 to 77 .....	1/3
less than 39 .....	0

- Next, the number of continuous calendar years you worked at one or more of the Mile Tracks before 1971 is determined. Work is considered continuous unless you did not work any days at any Mile Track for two consecutive calendar years. The maximum number of years counted for this purpose is 20.
- Finally, the factor determined from the table above is multiplied by the number of continuous calendar years worked before 1971 to give your units of Credited Past Service.

For example, suppose you worked at a Mile Track every year since 1959, and in the years 1966-1970, you averaged 110 days worked. The factor for 110 days is 2/3, and the number of continuous calendar years of your employment prior to 1971 is 12. Therefore, you would have earned 8 units of Credited Past Service (2/3 factor X 12 years = 8 units).

**(b) Credited Future Service**

Credited Future Service is earned for work at the Mile Tracks since 1971 and for work at Timonium since 1979. A full or fractional unit of Credited Future Service is earned according to the percentage of total racing days conducted on which you worked in each year, as follows:

**If the number of days you worked equals the percentage below of total racing days conducted by Bowie, Laurel, and Pimlico during a calendar year**

**You earned the following units of Credited Future Service for that year:**

1971 -- 1974:

75% or more .....	1
50% but less than 75% .....	2/3
25% but less than 50% .....	1/3
Less than 25% .....	0

1975 -- 1978:

75% or more .....	1
50% but less than 75% .....	2/3
25% but less than 50% .....	1/3
16-2/3% but less than 25% .....	1/6
Less than 16-2/3% .....	0

1979 -- 1996:

75% or more .....	1
50% but less than 75% .....	2/3
25% but less than 50% .....	1/3
Less than 25% but more than 31 days.....	1/6
Less than 32 days .....	0

1997 and after:

75% or more .....	1
50% but less than 75% .....	2/3
25% but less than 50% .....	1/3
Less than 25% but more than 29 days.....	1/6
Less than 29 days .....	0

The days used to compute Credited Service include days for which you collect sick pay from a Participating Track. In addition, up to two units of Credited Future Service will be granted to you if:

- you are temporarily, totally disabled by an injury or illness for which you receive Workers' Compensation benefits, and the injury or illness resulted from work for a Participating Track;
- the Trustees find it is likely that if not for the disability, you would have earned that Credited Service; and
- you return to work for a Participating Track directly after the disability ends and earn at least 1/6 of a unit of Credited Future Service.

If you meet all the above requirements except that your disability did not result from work for a Participating Track, the maximum Credited Future Service you can receive is 1/2 of a unit. If you believe you are entitled to the disability service credit, it is your responsibility to notify the Fund Office.

## **9. SPECIAL PROVISION FOR MILITARY SERVICE**

Credited Future Service will be granted for periods of active military service in the U.S. Armed Forces to the extent required by law. In order to receive credit for military service, you must leave employment at a Participating Track to enter military service and return to employment at a Participating Track within the period provided by law after your military service ends. If you believe you are entitled to the military service credit, it is your responsibility to notify the Fund Office.

## **10. LOSING CREDITED SERVICE OR VESTING SERVICE**

If **before you become Vested** you have a Break in Service, you will lose the Credited Service and Vesting Service you earned before the Break in Service. However, **once you are Vested**, you cannot lose your Credited Service and Vesting Service even if you have a Break in Service.

## **11. BREAK IN SERVICE**

A Break in Service occurs if you fail to earn at least 1/6 of a unit of Credited Future Service in each calendar year for five or more consecutive years.

For example, suppose you became employed in 2004 and earned at least 1/6 of a unit of Credited Service in three consecutive calendar years. You are not yet Vested. You then have five consecutive calendar years in which you fail to earn at least 1/6 of a unit of Credited Service. If you return to work at the Participating Tracks after that fifth calendar year, you would do so as a new Plan participant because you would have had a Break in Service. All your pre-Break units of Credited Service and years of Vesting Service would be lost.

Solely to determine if you have a Break in Service, and not for any other purpose, you will be treated as though you earned Credited Future Service for the following reasons:

- Full time paid service as an employee of UFCW Union Local 27.
- A disability for which you are receiving benefits from a Participating Track, provided you return to work and meet other conditions imposed by the Trustees.
- Other non-working time for which you are compensated by a Participating Track.
- A period of unpaid leave covered under the Family and Medical Leave Act ("FMLA"), provided you return to work immediately following the FMLA leave.
- Your pregnancy, the birth or adoption of your child, or time spent caring for your child immediately after the birth or adoption. If your absence from work at the Participating Tracks for one of these pregnancy, birth or adoption reasons starts in a calendar year in which you already earned at least 1/6 of a unit of Credited Future Service, then such absence will be deemed to have occurred entirely in the following year.

The Break in Service rules described above apply starting in 1985. Before then:

- Before 1971, a Break in Service occurred if you failed to work for any of the Mile Tracks for two consecutive calendar years.

- From 1971 through 1975, a Break in Service occurred if you failed to earn at least the minimum fractional unit of Credited Future Service which could then be earned (see Section 8(b)) in each of three consecutive calendar years.
- From 1976 through 1984, a Break in Service occurred if the number of consecutive calendar years in which you failed to earn at least 1/6 of a unit of Credited Future Service equals or exceeds the number of years of Vesting Service you had previously earned. (If you had a Break in Service before 1985 under these rules, that Break remains in effect even though you may not have had a Break in Service under the new rules which went into effect in 1985).

Over the years, the Plan has had different Break in Service rules and other provisions which could lead to different results in certain situations. If you ever have a question about the rules which apply to you, please contact the Fund Office.

## **HOW YOUR PENSION IS PAID**

### **12. REGULAR FORM FOR UNMARRIED PARTICIPANTS**

If you are not married when your pension starts, it will be paid as a Single Life Annuity unless you elect an optional form of payment (See Section 14). Under the Single Life Annuity you receive monthly pension payments for your life, and after your death all payments stop.

### **13. REGULAR FORM FOR MARRIED PARTICIPANTS**

If you are married when your pension starts, it will be paid as a Joint and 50% Surviving Spouse Annuity unless you elect an optional form of payment (see Section 14). Under the Joint and 50% Surviving Spouse Annuity you receive monthly pension payments for your life. If you die before your spouse (to whom you were married when payments began), your spouse would continue to receive 50% of your pension for the rest of his/her life. The amount of your pension under the Joint and 50% Surviving Spouse Annuity is reduced because of the value of the surviving spouse benefit.

## 14. OPTIONAL FORMS OF PENSION PAYMENTS

If you do not wish to receive your benefit in the regular form, you may elect one of the following options:

**Single Life Annuity** -- This is the regular form for unmarried participants, and can also be elected by married participants (with spousal consent as described in Section 15).

**Joint and Surviving Spouse Annuity** -- Married participants can modify the regular Joint and 50% Surviving Spouse Annuity described above to increase the percentage of their pension which will be paid to their spouses (if they survive the participant) to 66 2/3%, 75% or 100% of the amount the participant receives. The greater the percentage for the surviving spouse, the greater the reduction to the pension during the participant's lifetime. For any of the percentages of the Joint and Surviving Spouse Annuity, if the spouse dies before the participant, this will have no effect on the amount of the participant's pension, and no payment will be made to anyone after the participant's death. Single participants cannot elect a Joint and Surviving Spouse Annuity.

**Ten Year Certain and Life Annuity** -- This option provides a reduced monthly payment during the participant's lifetime and, if he dies before receiving 120 monthly payments (ten years), the balance of the 120 monthly payments will be paid to his designated beneficiary. A participant may change his beneficiary designation at any time before receiving 120 monthly payments. If his beneficiary dies before him, and the participant does not designate another beneficiary before the participant dies, the remaining payments will generally be paid in a single, actuarially-reduced sum to the participant's estate. If a beneficiary receiving payments after the death of a participant dies before all 120 monthly payments have been made, the remaining payments will generally be paid in a single, actuarially-reduced sum to the beneficiary's estate. Married participants who elect this option must get spousal consent as described in Section 15, both at the time this option is elected, and for any changes in the beneficiary designation.

Regardless of the regular or optional form of payment that applies to you, if the present value of your pension when payments begin is under \$1,000, it will be paid in a lump sum.

### **15. ELECTION OF OPTIONAL FORM OF PAYMENT**

You may elect an optional form of payment during the 180-day period before your payments begin. Your election may be changed at any time **before** your payments begin, but not after. Generally, if you elect an optional form and you or your beneficiary die before payments begin, the election will become null and void. If you are married and die before payments begin, the pre-retirement death benefit will be paid. If your beneficiary dies before payments begin, you may designate a different beneficiary or elect a different optional form.

**Spousal Consent Requirement** -- If you are married when payments begin and you want to elect an optional form of payment other than a Joint and Surviving Spouse Annuity, your spouse must consent to this in writing on a form provided by the Fund Office. Your spouse's signature on the form must be witnessed by a notary public.

### **16. EFFECTIVE DATE OF YOUR PENSION**

Your pension will normally begin as of the first day of the month after you complete the application process as explained above. However, you may elect to have your pension begin retroactively as of the first day of a preceding month, provided the retroactive date (1) is after you stopped working for all the Participating Tracks and (2) is no more than two years before you complete the application process.

If your pension begins retroactively, any early retirement reduction will be calculated as of the retroactive starting date. You will receive a single payment of the retroactive payments (plus interest) along with your first monthly pension check. Also, if you are married on the date your pension actually starts being paid (not the retroactive date), your spouse must consent to the retroactive starting date regardless of what form of payment you elect. You must get spousal consent for a retroactive starting date even if you elect a Joint and Surviving Spouse Annuity.

## **17. PRE-RETIREMENT DEATH BENEFIT**

The Plan provides a death benefit to your surviving spouse if you have been lawfully married for at least one year on the date of your death, and if you are Vested and die before you begin to receive pension payments. You do not need to be employed by a Participating Track when you die to be eligible for a death benefit.

The death benefit provides monthly payments equal to the reduced benefit your spouse would have received under the survivor's portion of the Joint and 50% Surviving Spouse Annuity in Section 13.

Death benefit payments begin after the Fund Office receives a completed application from the surviving spouse. Payments are made retroactive to the month after the date of death.

If you die after you begin to receive pension payments, no death benefit is payable except for the death benefit, if any, provided by the form of payment of your pension.

## **18. HOW TO APPLY FOR A PENSION**

You should contact the Fund Office and begin the process to apply for your pension six months before you want payments to start. You apply by completing an application form supplied by the Fund Office. Simply call the Fund Office and the application form will be sent to you. You must supply proof of age and other information requested by the Fund Office to demonstrate your eligibility for a pension.

Your pension payments will not begin until you meet all the requirements for the type of pension you elect. This includes designating a beneficiary and obtaining spousal consent, if required.

## **MORE INFORMATION ABOUT THE PLAN**

### **19. SPECIAL RULES FOR DISABILITY PENSIONS**

As part of the Funding Rehabilitation Plan, the Pension Plan no longer pays Disability Pensions for participants who retire after December 31, 2011. The following rules apply to Disability Pensions paid to participants who retired before that date:

#### **(a) Continued Entitlement to Disability Benefits**

Disability Pensions are only paid to participants who receive Social Security disability benefits. If you receive a Disability Pension, you will be required to periodically demonstrate to the Fund Office that you are still receiving Social Security disability benefits.

#### **(b) Termination of Disability Pension**

Disability Pension benefits from the Plan will stop if your Social Security disability benefit is revoked or if you engage in any work for profit except for purposes of rehabilitation approved by the Trustees. If your Social Security disability benefit is revoked or if you engage in any work for profit except for purposes of rehabilitation approved by the Trustees, you must send written notice of that fact to the Fund Office within 10 days.

#### **(c) Returning to Work after Recovery**

If you return to work for a Participating Track after your Disability Pension stops, you can earn additional Credited Future Service. When you thereafter retire, the amount of your Pension will be reduced by the actuarial equivalent of the disability benefits previously paid to you (but not below the amount of your initial Disability Pension, reduced by any applicable reduction for early commencement).

### **20. WORKING AFTER YOUR PENSION BEGINS -- SUSPENSION OF BENEFITS**

Your pension will be suspended if you work in "Suspension Employment" for more than seven days in a month. "Suspension Employment" means work at any Participating Track. One month of your pension payments will be suspended for each month in which you work in Suspension Employment for more than seven days. If your

pension is suspended because you work for more than seven days in a month they will remain suspended until you work less than eight days in a month and the Fund Office is notified of this fact. The Department of Labor has issued regulations governing this suspension of benefits which may be found at Section 2530.203-3 of Title 29 of the Code of Federal Regulations.

If your pension payments are suspended but you do not think they should have been, you may appeal the suspension just like any other denial of benefits under the Plan. Rules for making an appeal are set forth in Section 25.

If you receive a pension payment for a month for which it should have been suspended, the amount of that payment will be deducted from your future pension payments. Pension payments will be **offset in full** against any retroactive payments you may be entitled to upon resumption of your regular pension payments, and if this is not enough, up to 25% of your future pension payments can also be withheld until the overpayments are fully recovered.

## **21. INCREASED PENSION FOR DELAYED RETIREMENT**

If your pension starts being paid after your Normal Retirement Date, you can either have your pension amount increased (the “Increased Pension Choice”), or you can have the payments you could have received between your Normal Retirement Date and when your pension starts paid to you in a lump sum (the “Back Payments Choice”).

Increased Pension Choice. Under this choice, the amount of the pension you earned at your Normal Retirement Date will generally be increased by for each month (1) after your Normal Retirement Date and before your pension payments start and (2) in which you work less than eight days in Suspension Employment. The increase for each such month is 1/12 of the following percentage for the year of your age which the month falls:

Age	Increase	Age	Increase	Age	Increase	Age	Increase
65	9.86%	66	10.12%	67	10.39%	68	10.69%
69	11.02%	70	11.37%	71	11.76%	72	12.17%
73	12.62%	74	13.12%	75	13.65%	76	14.24%
77	14.88%	78	15.58%	79	16.35%	80	17.20%
81	18.13%	82	19.16%	83	20.29%	84	21.54%

If for any year after your Normal Retirement Date the additional pension you get from earning Credited Future Service is worth more than the above percentage increase for that year, you will get the additional pension instead. However, if you received pension payments in any year (because of a previous retirement), any increase in your pension will be actuarially offset by the value of the pension payments you received.

Back Payments Choice. Instead of the Increased Pension Choice, you can receive unincreased back pension payments for each month (1) after your Normal Retirement Date and before your pension payments start and (2) in which you work less than eight days in Suspension Employment. (For each month after the March 31 that is after the year during which you turn age 70 1/2, back payments will include payment for each such month regardless of the number of days you work in Suspension Employment.) These back payments will be paid when your pension payments start. No interest is paid on back payments. To choose Back Payments if you are married, you must get your spouse’s consent. You must get this consent even if your pension is paid as a Joint and Surviving Spouse Annuity.

**22. ASSIGNMENT OF BENEFITS**

You absolutely may not assign your Plan benefits to creditors. Except for a Qualified Domestic Relations Order, creditors generally cannot attach any part of your pension.

The Plan will honor certain qualified court orders — Qualified Domestic Relations Orders (QDROs) -- which require payment of part or all of your pension to your former spouse or children. You will be notified if the Plan receives such a court order which applies to you.

### **23. NAMES AND ADDRESSES OF TRUSTEES**

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W. Christian Sauter  
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21 West Road, 2<sup>nd</sup> Floor  
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### **24. SERVICE OF PROCESS**

The agent for service of process is the Fund Office:

Associated Administrators, LLC  
911 Ridgebrook Road  
Sparks, Maryland 21152-9451  
Telephone: (410) 683-6500  
(800) 638-2972

Service may also be made on any Trustee at the addresses shown above.

## **25. CLAIMS AND APPEALS**

Any person who wants a pension from the Plan must file a written application with the Fund Office. The Fund Office determines your eligibility for and amount of your pension based on the rules of the Plan.

If your application for a pension is denied, in whole or in part, you will receive a written notice setting forth reasons for the denial, references to Plan provisions on which the denial is based, a description of any additional information which may be necessary for you to get a pension, and an explanation of the Plan's appeal procedure.

The denial will be sent to you no later than 90 days after receipt of your application for a pension. If special circumstances require a 90 day extension, you will be notified.

If your pension application is denied in whole or in part, you may make a written appeal to the Trustees requesting a review of the denial. The Trustees have the discretionary authority to rule on all appeals by interpreting the provisions of the Plan and resolving questions of fact. If you decide to appeal, you must send a written appeal to the Trustees (care of the Fund Office) stating the specific action you are appealing and giving your reasons. You should include a copy of the claim denial and any other documents, information or comments you think are important to your situation. This right to appeal ends 60 days after the written notice of the denial is mailed to you. If you do not appeal within this time period, you lose all right to appeal and the decision of the Fund Office is final and binding and cannot be challenged in court.

An authorized representative may file a claim or appeal a denial of benefits for you. To name an authorized representative, you must notify the Fund Office in writing of the name, address and phone number of your representative.

While your appeal is pending, you or your authorized representative will have reasonable access to, and may receive copies, free of charge, of all documents and records relevant to your claim. You can also submit written comments and documents to be considered by the

Trustees regardless of whether they were submitted or considered initially in your application to the Fund Office.

The Trustees will review the appeal at their next meeting, unless the appeal is received less than 30 days before the meeting in which case the Trustees may review the appeal at the second meeting following receipt of the appeal. However, if special circumstances exist the Trustees may review the appeal at the third meeting following receipt of the appeal, and you will be notified. In any case, you will be notified of the Trustees' decision on appeal no later than five days after the decision is made.

If your appeal is denied you will be notified of (1) the specific reasons for the decision with specific references to the Plan provisions on which the decision is based; (2) your right to receive, free of charge, reasonable access to and copies of documents, records and information relevant to your claim and (3) your right to bring an action under ERISA Section 502(a).

The Trustees may agree with, modify or reverse the decision of the Fund Office. The decision by the Board of Trustees on any appeal is final and binding and not subject to any further review or appeal.

## **26. PLAN AMENDMENT OR TERMINATION**

The Trustees have the right to amend the Plan at any time. In general, no amendment will reduce any pension you have already earned when the amendment is adopted, or eliminate any of the optional payment types. However, in very limited cases, the law permits an amendment that reduces a pension that has already been earned. The Trustees can amend the Plan to increase or decrease the amount of pension you can earn after the amendment is adopted.

The Trustees can also amend the Pension Plan as required under the Funding Rehabilitation Plan, even if that amendment reduces or eliminates benefits you have already earned.

The Trustees intend to continue the Plan indefinitely. However, the Participating Tracks and the Union have the right to terminate the Plan

at any time. In no event will any assets of the Plan be returned to the Participating Tracks. If the Plan is terminated, you will become Vested in any pension you have earned to the extent that the Plan has money to pay the pension. If the Plan is terminated, the assets will be distributed to participants in the manner required by the Plan and the Employee Retirement Income Security Act of 1974 (ERISA).

## **27. TRUSTEE DISCRETION**

The Trustees have full and exclusive authority and discretion to interpret the provisions of the Plan and to determine all questions of fact and all questions relating to coverage, eligibility and the entitlement to benefits.

## **28. PLAN INSURANCE**

Your pension benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due. To receive financial assistance from the PBGC an insolvent plan must reduce its benefits to the level guaranteed by the PBGC.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a Participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate and (2) 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month times a Participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be \$12,870.

The PBGC guarantee generally covers (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; 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; (2) benefit

increases and new benefits based on plan provisions that have been in place for fewer than five years at the earlier of the date the plan terminates or the time the plan becomes insolvent; (3) benefits that are not Vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the Plan becomes insolvent, and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask the Fund Office or contact PBGC's Technical Assistance Division, 1200 K Street, NW, Suite 930, Washington, DC 20005-4026 or call (800) 400-PBGC (7242). TTY/TDD users may call the Federal relay service at (800) 877-8339 and ask to be connected to (800) 400-7242. Additional information about the PBGC's pension insurance program is available through the PBGC's website at [www.pbgc.gov](http://www.pbgc.gov).

## **29. OTHER INFORMATION**

**Employer Identification Number:** 52-6118068.

**Plan Number:** 001

**Plan Year:** January 1 - December 31

## **30. SOURCE OF BENEFITS AND FINANCING**

The Participating Tracks pay the entire cost of the Plan out of a legally determined portion of their pari-mutuel handles and by making additional contributions required under the Funding Rehabilitation Plan. Benefits under the Plan are provided from the Trust Fund's assets which are accumulated under the provisions of a Trust Agreement. These assets are presently held in custody by PNC Bank. Assets are invested by professional investment managers chosen by the Trustees.

The Plan is maintained under the provisions of collective bargaining agreements between the Participating Tracks and the Union.

### **31. INQUIRIES CONCERNING THE PLAN**

Inquiries about the Plan should always be made to the Fund Office. Neither the Union nor any Participating Track official has the authority to represent the Board of Trustees or the Fund Office by giving information, accepting applications, or in any other matters concerning the Plan.

### **32. YOUR ERISA RIGHTS**

As a participant of the Maryland Race Track Employees Pension Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). The Board of Trustees complies fully with this law and encourages you to first seek assistance from the Fund Office when you have questions or problems that involve the Plan.

ERISA provides that all participants are entitled to:

- Examine, without charge, all documents governing the Plan, including insurance contracts, collective bargaining agreements, and copies of the latest annual reports (Form 5500) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. Participants may examine these documents without charge at the Fund Office and at the Union office and the Participating Tracks.
- Obtain copies of all documents governing the Plan and other Plan information, upon written request to the Fund Office. The Fund Office may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan is required by law to furnish each participant with a copy of this report.
- Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Date (age 65) and if so, what your benefits would be at Normal Retirement Date 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 get a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

In addition to creating rights for Participants, ERISA imposes duties upon the people responsible for the operation of the Plan. The people who operate your Plan, called fiduciaries, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. The Plan does not give you any right to continue in employment. However, no one, including the Participating Tracks, the Union, or any other person, may fire you or discriminate against you in any way for the purpose of preventing you from obtaining a benefit or exercising your rights under ERISA.

If your claim for a benefit is denied in whole or in part or ignored, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules as explained in Section 25.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Plan to provide the materials and pay you a fine of up to \$110 a day until you receive them, unless the materials were not sent because of reasons beyond the control of the Trustees. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Fund's decision or lack thereof concerning the qualified status of a Domestic Relations Order, you may file suit in federal court. If Plan fiduciaries ever 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 the 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.

If you have any questions about your Plan, you should contact the Fund Office. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Fund Office, you should contact the nearest area office of the Employee Benefits Security Administration (EBSA), 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, Room N1513, Washington, DC 20210. You also may obtain certain publications about your rights and responsibilities under ERISA by calling the public disclosure room of the Employee Benefits Security Administration at (202) 693-8673.



