

BAHAMAS HOTEL INDUSTRY

MANAGEMENT PENSION FUND

PENSION PLAN

Summary Plan Description



BOARD OF TRUSTEES

Bahamas Hotel Industry Management Pension Fund

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November 2009

Dear Participant:

We are pleased to present you with this revised booklet about the Bahamas Hotel Industry Management Pension Plan. It contains the rules and regulations of the Plan and has been amended and improved several times since the Plan began in 1980. Section I summarizes the Plan in everyday language and answers frequently-asked questions, while Sections II and III provide the formal details of the Plan.

This booklet provides important updated information about your pension benefits, including:

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

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. 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





SECTION I

A Summary of Your Pension Plan Benefits





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INTRODUCTION

The Bahamas Hotel Industry Management Pension Fund (referred to in this booklet as the “Fund”) was designed to provide a retirement income for executive staff and management of participating hotels and restaurants. If you work for a participating employer in a position not covered by a collective bargaining agreement and contributions are made to the Pension Fund on your behalf, you can become a participant in this Plan.

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 rules and regulations of the Plan were approved on 16 January 1980. 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 effective 1 January 2007.

The Plan is funded by Employers’ contributions; you are not required to contribute. However, as of 1 January 2008, you may voluntarily defer up to 10% of your current salary to the Plan.

The Plan is administered by a Board of Trustees consisting of representatives appointed by the Fund. The Board of Trustees acts on behalf of you and your fellow Plan participants to manage all aspects of the Fund’s operations.

THE PENSION PLAN MADE EASY

When Do I Get Into the Pension Plan?

If you were working for an employer who signed an agreement to contribute to this Plan on or after 1 January 1980, you automatically became a participant in this Plan as of that date.

If you are a new hotel employee, you must work 20 weeks in covered employment to become a Pension Plan participant. Once you do, your Plan participation automatically begins retroactive to the 1 January or 1 July that immediately precedes the date you complete 20 weeks of work in covered employment.

How Do I Earn Credits Towards My Pension?

You earn credits by working for an employer who contributes to the Plan. You earn pension credit for each weekly pay period that you work in covered employment. Once you have worked 40 weeks in a year, you have 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. (See page 6 for more information.)

Can I Make Contributions to the Pension Plan?

Yes. As of 1 January 2008, the Fund allows you to voluntarily defer a portion of your salary—in 2% increments, up to 10% of your current salary—to the Pension Fund to save for your retirement. You must make your election each Fall, and that election remains in effect for the entire following calendar year. These voluntary contributions are in addition to the contributions already made to the Fund on your behalf by your employer.

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 are entitled to receive a deferred pension at age 65 no matter when you stop working in covered employment. If you stop working before you have earned 10 pension credits, you may qualify for a withdrawal/ termination benefit. If you make voluntary employee contributions to the Pension Fund and leave covered employment before you have earned 10 pension credits, you will receive a refund of your employee contributions, plus any interest earned on those contributions, paid as a lump sum.

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

You will not receive a pension. However, if you do not have enough pension credits because your years of employment were divided between this Plan (the Bahamas Hotel Industry Management Pension Plan) and the Bahamas Hotel and Allied Industries Pension Plan, you may 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. Please note, however, that if you are 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?

You must complete an application form in order to receive your pension benefits. To make sure your benefit payments are not delayed, complete your application at least three months before you want payments to begin.

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

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

How Much Do I Receive From My Pension?

The amount you will receive is determined by a formula that takes into account the value of a pension credit, as determined by the Trustees (1.32% per pension credit in 2009), your final average salary and the number of pension credits you have 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. Your employer will no longer make contributions to the Fund on your behalf, and you will stop earning additional pension credits. You may also choose to defer payments and receive an increased pension once you retire. In this case, your employer will continue to contribute to the Fund and you will continue to earn additional pension credits.

What Happens to My Pension When I Die?

If you die while you are still in covered employment and are eligible for a pension, and you have elected the 50% Joint and Survivor benefit, your spouse is entitled to 50% of the benefit you would have received. A lump sum death benefit also may be payable, depending on your circumstances when you die. See page 19 for more information.

Who Can I Leave My Benefit To?

You can designate anyone you like as your beneficiary by submitting your selection to the Pension Fund Office, on a form provided by the Pension Fund Office. You can change your beneficiary at any time by submitting a new form.

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. 	Value of a pension credit multiplied by your final average salary ¹ and the number of pension credits ² you have earned and then divided by 12.
Early Retirement Pension	<ul style="list-style-type: none"> • At least age 55 • At least 15 pension credits. 	Your Regular Pension amount reduced by 0.25% for each month you are younger than age 65 (up to a maximum of 60 months) plus 0.5% for each month you are younger than age 60 (up to a maximum of 60 months) when your pension starts.
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 20 weeks in the 24 months before the disability begins • Application is filed within 18 months after the disability begins. 	Same as the Regular Pension amount you would be entitled to if you were age 65.
Pro-Rata Pension (if you also participate in a related plan)	<ul style="list-style-type: none"> • You would be eligible for any of the pensions available under this Plan if your combined pension credits were treated as pension credit under this Plan • You would be eligible for a Pro-Rata Pension from the other plan based on your combined pension credits. • You are eligible for no pension other than a Pro-Rata Pension from the other plan based on the credit you earned while covered by that plan. • You have earned at least one full pension credit under this Plan and contributions for it have been made to this Plan by your employer. 	The Regular, Early Retirement or Disability Pension amount is calculated by first multiplying the value of a pension credit by your final average salary ¹ and your total combined pension credits and then dividing by 12. This amount is then pro-rated (see page 14).
Termination/ Withdrawal Benefit	<ul style="list-style-type: none"> • You leave covered employment for any reason other than death • You are not eligible for any of the pension benefits described above. 	The greater of 50% of employer contributions made on your behalf or 50% of the present value of the pension benefit you have accrued.

¹ Your final average salary is the average of your six highest years of earnings out of the last 10 years during which you earned pension credits. If you earned pension credits in fewer than six out of the last 10 years, your final average salary is the average of your earnings in the years you did earn pension credits.

² The maximum number of pension credits you may earn is 25.

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.

“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.

Becoming a Plan Participant

You are eligible to participate in this Plan if you work in covered employment.

- If you were working for an employer who signed an agreement to contribute to this Plan on or after 1 January 1980, you automatically became a participant in this Plan as of that date.
- If you are a new hotel employee, you automatically become a Plan participant after you work in covered employment for 20 consecutive weeks. Your participation becomes effective retroactively on 1 January or 1 July depending on the period in which you complete 20 weeks of work in covered employment.

Example #1. Linda began work in covered employment on 2 January 2009. By 10 May 2009, she worked 20 weeks and earned .5 pension credit. Linda’s participation in the Plan became effective on 1 January 2009.

Example #2. Edward began work in covered employment on 1 March 2009. By 24 August 2009, he worked 20 weeks and earned .5 pension credit. Edward’s participation in the Plan became effective on 1 July 2009.

How Your Participation Counts

Your eligibility for a pension is based on the number of pension credits you earn. You can earn pension credits for the time you work in covered employment after contributions begin. If you became a participant in the Pension Plan on or before 31 December 2006, you may also earn pension credits for the time you worked before contributions were made for you, as long as you 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 chart.

Covered Employment After Contributions Begin

WEEKS OF WORK PER PLAN YEAR	EARNED PENSION CREDIT	WEEKS OF WORK PER PLAN YEAR	EARNED PENSION CREDIT
0-19	0	30	0.750 (30/40)
20	0.500 (20/40)	31	0.775 (31/40)
21	0.525 (21/40)	32	0.800 (32/40)
22	0.550 (22/40)	33	0.825 (33/40)
23	0.575 (23/40)	34	0.850 (34/40)
24	0.600 (24/40)	35	0.875 (35/40)
25	0.625 (25/40)	36	0.900 (36/40)
26	0.650 (26/40)	37	0.925 (37/40)
27	0.675 (27/40)	38	0.950 (38/40)
28	0.700 (28/40)	39	0.975 (39/40)
29	0.725 (29/40)	40-52	1.000 (40/40)

Example #1. Larry works 36 weeks in covered employment. He earns .900 pension credit.

Example #2. Grace works 50 weeks in one year with a participating employer, so she earns one pension credit. The following year, Grace works 30 weeks with a participating employer, so she earns .750 pension credit. At the end of these two years, Grace has 1.75 pension credits.

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

Earning Pension Credit Before Contributions Begin

If your Plan participation began on or before 31 December 2006. If you worked for a participating employer before your employer began making contributions to this Plan, you are entitled to receive one earned pension credit or portion thereof (as outlined in the chart on page 6) for each Plan Year (1 January–31 December) you worked in covered employment before your employer began contributing to the Plan. You were credited with these “non-contributory” pension credits once you worked at least 20 weeks with the participating employer in the year in which contributions began.

Example. Sam worked in covered employment for a hotel for five years before his employer began contributing to the Plan on 1 January 2005. When Sam’s employer joined the Pension Plan, Sam automatically became a participant. After 20 weeks with that same employer, Sam was credited with five pension credits for his past service. Sam worked another 20 weeks with that employer in his first year of participation (for a total of 40 weeks) and therefore had six pension credits at the end of the year: one current pension credit and five past (or “non-contributory”) pension credits.

If your Plan participation began on or after 1 January 2007. If you worked for a participating employer before your employer began making contributions to this Plan on or after 1 January 2007, any credit you receive for time worked before your Plan participation began will be 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.

When you are vested, it means your pension cannot be taken away from you, even if you leave covered employment before you actually retire. You are 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 work less than 20 weeks in covered employment during a Plan Year and thus fail to earn at least .500 pension credit. 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 works less than 20 weeks in covered employment (and thus earns less than .500 pension credit) in each of the next three consecutive years. The following year she works 30 weeks and 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 three 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. The current pension credit rate is 1.32%.

If you choose the 50% Joint and Survivor benefit option, your pension amount will be reduced accordingly, as described on page 21.

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 amount of the Regular Pension benefit is calculated as follows:

.0132 of Final Average Salary³

TIMES

Total Pension Credits (up to maximum of 25 pension credits)

DIVIDED BY

12

Example #1. In 2009, Susan retires at age 65 with 23 pension credits. Her Final Average Salary comes out to \$22,000. Her monthly Regular Pension benefit is calculated as follows:

.0132 of \$22,000

TIMES

23

DIVIDED BY

12

Susan's Regular Pension benefit from the Plan is \$556.60 per month.

³ Your final average salary is the average of your six highest years of earnings out of the last 10 years during which you earned pension credits. If you earned pension credits in less than six out of the last 10 years, your final average salary is the average of your earnings in the years you did earn pension credits.

Example #2. In 2009, John retires at age 65 with 31 pension credits. His Final Average Salary comes out to \$30,000. His monthly Regular Pension benefit is calculated as follows:

$$\begin{array}{r} .0132 \text{ of } \$30,000 \\ \text{TIMES} \\ 25 \\ \text{DIVIDED BY} \\ 12 \end{array}$$

John’s Regular Pension benefit from the Plan is \$825 per month. Please note that a maximum of 25 pension credits can count toward a full pension.

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.

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.

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 1/4% (.0025) for each month your early retirement date precedes your 65th birthday (up to a maximum of 60 months) plus 1/2% (.005) for each month your early retirement date precedes your 60th birthday (up to a maximum of 60 months).

Example. In 2007, Mark retires on his birthday at age 59 with 24 pension credits. His Final Average Salary comes out to \$26,000. Since he retires before age 65, his Early Retirement Pension is calculated as follows:

Regular Pension at age 65:	\$686.40 per month (.0132 of \$26,000 x 24 pension credits ÷ 12)
Number of months before age 65:	60 months
Number of months before age 60:	12 months
<hr/>	
	60 x .0025 = .15 x \$686.40 = \$102.96
	12 x .005 = .06 x \$686.40 = \$41.18
Total Reduction	= \$144.14 per month
<hr/>	
Regular Pension at age 65:	\$686.40
Minus Early Retirement Reduction:	-144.14
Early Retirement Pension at age 59:	\$542.26 per month

Mark’s Early Retirement Pension from the Plan is \$542.26 per month. If Mark postpones receiving his pension until he reaches age 65, he will receive \$686.40 per month (.0132 of \$26,000 x 24 pension credits ÷ 12).

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 20 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.

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. Your monthly Disability Pension is calculated using the Regular Pension formula. There is no reduction in this benefit for age.

Example. Martin, at age 57, becomes totally and permanently disabled in January 2009, having earned 18 pension credits as of that date. His Final Average Salary is \$19,000. 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:

$$\begin{array}{r} .0132 \text{ of } \$19,000 \\ \text{TIMES} \\ 18 \\ \hline \text{DIVIDED BY} \\ 12 \end{array}$$

Martin's Disability Pension of \$377.00 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 and Allied Industries Pension Fund to provide pro-rata pension benefits to those participants who divide participation between both Funds.

The Pro-Rata Pension covers those employees whose years of employment are divided between this Plan (the Bahamas Hotel Industry Management Pension Plan) and the Bahamas Hotel and Allied Industries Pension Plan.

Benefit amount. Here is how it works. If you earned pension credits while covered by the Bahamas Hotel and Allied Industries Pension Fund and then became a member of this Plan, the pension credits you earned before joining this Plan will be counted as related pension credits. They will be added to the pension credits you earn under this Plan to form combined pension credits. The Pro-Rata Pension is based on the combined pension credits and calculated as follows:

Step 1.	Determine the Regular Pension benefit, using your combined pension credits (maximum of 25 combined pension credits).
Step 2.	Divide the number of pension credits earned in this Plan by your combined pension credits (maximum of 25).
Step 3.	Multiply the fraction determined in Step 2 by the benefit calculated in Step 1. The result is the benefit payable from this plan. You will also receive a pro-rated pension from the Bahamas Hotel and Allied Industries Pension Fund, which will be calculated using that plan's 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.

Example. Raymond becomes a member of this Plan after earning pension credits for six years of covered employment under the Bahamas Hotel and Allied Industries Pension Plan. By the time he retires at age 65, he has earned 15 pension credits under this Plan. His Final Average Salary is \$20,000. His Pro-Rata Pension is calculated as follows:

Step 1.	<p>Raymond's Regular Pension benefit is determined using his combined pension credits:</p> <div><div><div><div></div><div>.0132 of \$20,000</div></div><div><div>TIMES</div><div>21 (15+6)</div></div><div><div>DIVIDED BY</div><div>12</div></div></div><p>Raymond's Regular Pension benefit would be \$462 per month.</p></div>
Step 2.	<p>The benefit fraction (pension credits earned in this Plan divided by combined pension credits) is 15/21, or .714.</p>
Step 3.	<p>The benefit fraction (.714) multiplied by the Regular Pension benefit (\$462) is \$330 per month.</p>

Raymond will receive a Pro-Rata Pension benefit of \$330 per month from this Plan. A separate payment will be made by the Bahamas Hotel and Allied Industries Pension Plan for its share.

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 but may be improved by the Board of Trustees.

Example. Margaret left work in covered employment at age 47 with 18 pension credits. Her final average salary at age 47 was \$18,000. At age 65, Margaret is entitled to a monthly pension benefit, calculated as follows:

$$\begin{array}{r} .0132 \text{ of } \$18,000 \\ \text{TIMES} \\ 18 \\ \text{DIVIDED BY} \\ 12 \end{array}$$

Margaret’s Regular Pension benefit from the Plan at age 65 is \$356.40 per month.

Termination/Withdrawal Benefit

If you leave covered employment for any reason other than death and you are not eligible for any of the pension benefits described in the previous pages, you may be entitled to the greater of:

- 50% of the employer contributions made on your behalf, or
- 50% of the present value of the pension benefit you have accrued.

Payment of this benefit will depend on the Board of Trustees’ approval of your application.

If you apply for and take this payment, you lose all of your earned pension credits as if you had a permanent break-in-service. If you later return to work in covered employment, you will have to join the Plan again as a new participant. Past pension credits will not be restored.

If you have at least 10 pension credits earned on the basis of contributions, or if you are eligible for any other pension when you leave covered employment, you are not entitled to this benefit.

PARTICIPANT CONTRIBUTIONS

Effective 1 January 2008, you may elect to defer a portion of your current salary to the Pension Fund to supplement the monthly pension benefit you will receive from the Fund upon retirement. This is a voluntary benefit and is not required for participation in the Pension Plan.

How It Works

Each Fall, you will receive an election form from the Pension Fund Office, asking if you would like to make contributions to the Plan and if so, what percentage of your salary you want to contribute. This election is effective the following 1 January and will remain in effect for the entire plan year (1 January–31 December).

You can defer up to 10% of your current salary (in 2% increments) to the Pension Fund to save for retirement. Your employer will deduct the 2%, 4%, 6%, 8%, or 10% you choose to contribute from each of your paychecks and send it to the Fund for investment.

Each year on 31 December, the Fund will credit interest, based on your account balance as of that date and the investment return for the Pension Fund as a whole for that year. Interest earnings (or losses, if applicable) will appear in your account in late-March or early-April. (The Fund has had consistent positive returns for over 26 years, but past performance is no guarantee of future results. If the Fund should have a negative return one year, your account balance could be reduced accordingly.) The Fund currently invests in equity securities (stocks of Bahamian and international companies) and fixed income securities (bonds with companies and banks).

Vesting. You are always vested in your contributions, and you will never lose them. Even if you do not work in covered employment long enough to earn a pension benefit, you will receive a refund of your contributions, plus any interest earned.

Withdrawals before retirement. You cannot take money out of your account before retirement, unless you leave covered employment and are not eligible for any of the pension benefits described on pages 10 to 16. In this case, you will receive the balance of your participant contribution account paid as a lump sum. This payment is in addition to any termination/withdrawal benefit you receive from the Fund (see page 16).

Payment Options

When you retire, you choose how you would like to receive your participant contributions:

- as a lump sum payment,
- as an increased monthly pension benefit payable for the rest of your life, or
- 50% as a lump sum payment **and** 50% as an increased monthly pension benefit payable for the rest of your life.

You must notify the Trustees of your choice of payment at the time of your retirement.

Example. Dan retires at age 65 with a participant contribution account balance of \$10,000. His Regular Pension benefit from the Plan is calculated to be \$1,000 per month. Dan can choose to receive his participant contributions in any of the following ways:

- **Lump sum payment:** Dan would receive a \$10,000 check from the Pension Fund. His \$1,000 month pension benefit would remain unchanged.
 - **Increased monthly benefit:** Dan's \$10,000 account balance would be converted to a monthly annuity and added to his monthly pension benefits. (The annuity calculation is based on actuarial factors that consider how long Dan is expected to live and receive monthly payments.) In this example, Dan's \$10,000 account balance is converted to an \$86 monthly annuity. Dan would then receive a \$1,086 (\$1,000 pension benefit + \$86 annuity) benefit per month for the rest of his life.
 - **Combination lump sum and increased benefit:** Dan would receive a \$5,000 lump sum payment at the start of his retirement. He would also receive an additional \$43 per month (half of \$86), for a total monthly benefit of \$1,043, payable for the rest of his life.
-

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 lump sum benefit payment of \$1,000 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 \$5,000 will be paid to your designated beneficiary upon your death provided:

- You had earned a minimum of four but less than 10 pension credits before your death, and
- Your spouse or other designated beneficiary is not eligible under this Plan for another pre-retirement benefit payable as a result of your death.

Guaranteed Pension Payments

If you are eligible at the time of your death for a Regular, Early Retirement or Pro-Rata Pension, but die before you apply for your pension, your beneficiary will receive 60 guaranteed monthly pension payments. These pension payments will be calculated as if you retired on the day before your death.

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 with a Regular or Early Pension 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 checks before he dies. After his death, the remaining 15 pension checks 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 die while you are receiving a Disability Pension, this provision will not apply. That is, your beneficiary will not receive any pension payments after your death.

If you are 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 on page 21, 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, before your benefit is scheduled to begin. Once your pension benefit payments begin, you cannot change your choice.

50% Joint and Survivor Benefit. If you have been married for at least 12 consecutive months before you retire, you can choose to have your pension 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 the type of pension for which you are eligible, your age and your spouse's age when you retire, according to the following formulas:

- **Non-Disability Pension:** 90% of the benefit you would have otherwise received plus or minus .4% for each year your spouse is older or younger than you (to a maximum of 99%).
- **Disability Pension:** 82% of the benefit you would have otherwise received plus or minus .4% for each year your spouse is older or younger than you (to a maximum of 99%).

Example. When Charles retires from covered employment at age 65, he is eligible to receive a full Regular Pension benefit of \$300.00 per month. His wife is 60 and therefore is five years younger than Charles. Because he chooses to receive the 50% Joint and Survivor Pension, his benefit is reduced to \$264 per month ($90\% - (.4\% \times 5 \text{ years}) = 88\%$ and $88\% \text{ of } \$300 = \264) during his lifetime. When he dies, his wife will receive 50% of this benefit, or \$132 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 before reaching Normal Retirement Age, your monthly pension checks 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 your pension benefit will be recalculated, using the benefit calculation formula in effect when you first retired and your final average salary when you originally retired. Then, for the purposes of determining any applicable reduction factors, your attained age when you retire again will be reduced by the number of months during which you received benefit payments before your reemployment.
- **If you earned three or more additional pension credits,** those credits will be added to your original pension and your pension benefit will be recalculated, using the benefit calculation formula in effect at the time of your second retirement and your final average salary at the time of your second retirement. Then, for the purposes of determining any applicable reduction factors, your attained age when you retire again will be reduced by the number of months during which you received benefit payments before your reemployment.

Example. Don retires at age 60 with 20 pension credits and a final average salary of \$25,000. His Early Retirement Pension is \$467.50 per month. At age 62 he returns to work with a participating employer and earns two additional pension credits before retiring again at age 64. Since he earned less than three new pension credits, his new pension is calculated as follows:

$$\begin{array}{r} .0132 \text{ of } \$25,000 \\ \text{TIMES} \\ 22 \\ \text{DIVIDED BY} \\ 12 \end{array}$$

Under the new calculation, Don would receive a \$605 monthly pension benefit. However, because he is retiring before age 65, his pension will be reduced as follows:

Regular Pension at age 65:	\$605.00 per month
Don's Age for Calculation Purposes:	64 (Don's current age) – 2 (years during which Don received benefits) = 62
Number of months before age 65:	36 months
<hr/>	
	$36 \times .0025 = .09 \times \$605.00 = \$54.45$
Total Reduction:	= \$54.45 per month
<hr/>	
Regular Pension at age 65:	\$605.00
Minus Early Retirement Reduction:	–\$54.45
Don's Retirement Pension:	<u>\$550.55 per month</u>

Don's new Early Retirement Pension is \$550.55 per month.

Returning to work after Normal Retirement. 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 checks, 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, nor will your employer be required to make contributions on your behalf.

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.

Continuing to work after Normal Retirement Age. If you continue to work in covered employment after age 65, you have two choices:

- **You may elect to receive your pension benefit while continuing to work.** You will not earn any additional pension credits for your work in covered employment after you begin receiving your pension, nor will your employer be required to make contributions on your behalf. Your monthly pension benefit will be calculated as if you were choosing to retire at Normal Retirement Age. You will receive monthly benefit payments for the period you choose to continue working and for the rest of your life thereafter.
- **You may defer pension benefit payments while you continue to work.** You will earn additional pension credits for your work in covered employment, and your employer will continue to make contributions on your behalf. In this case, you will receive an increased pension once you ultimately retire. In addition, when you do retire, your pension benefits will be increased by 1/2% (.005) for each month that you postpone your retirement start date after age 65.

APPLYING FOR BENEFITS

To make sure your benefit payments are not delayed, you must complete an application for a pension benefit at least three months before the date you expect benefit payments to begin. You are required to complete the application form and send it to 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.

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

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 180 days after the Trustees receive your request. If special circumstances require a time extension, a decision will be made no later than 210 days after your request is received.

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 Industry Management 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.

NOTES



SECTION II

Rules and Regulations

Amended 15 February 2007





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Definitions

Section 1.01. Agreement and Declaration of Trust/Trust Agreement

The term "Agreement and Declaration of Trust" or "Trust Agreement" as used herein shall mean the Agreement and Declaration of Trust dated the 16th day of December, A.D., 1980 and made between the Bahamas Hotel Employers' Association of the first part, the members of the Association of the second part, and the Trustees named therein of the third part, as amended.

Section 1.02. Annual Salary

The term "Annual Salary" as used herein shall mean the sum of a Participant's wages for all Weeks of Work during a Plan Year for which Contributions are due and payable to the Pension Fund from an Employer.

Section 1.03. Association

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

Section 1.04. Beneficiary

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

Section 1.05. 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 1.06. Collective Bargaining Agreement

The term “Collective Bargaining Agreement” as used herein shall mean the collective bargaining agreement in force and effect at any time between the Association and the Bahamas Hotel Catering and Allied Workers Union (“the Union”), and the Union and any other Employer, which provides, among other things, for Contributions to be made to the Bahamas Hotel Allied Industries Pension Fund.

Section 1.07. 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 and the Participation Agreement and by Employees as permitted.

Section 1.08. 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 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 his subsequent Employer became obligated to make Contributions to the Pension Fund for such re-employment.

Section 1.09. Covered Employment

The term “Covered Employment” as used herein shall mean the period(s) of employment of an Employee with an Employer after the Contribution Date for which Contributions are payable by the Employer.

Section 1.10. 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 1.11. Early Retirement Age

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

Section 1.12. Early Retirement Pension

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

Section 1.13. Employee

The term "Employee" as used herein shall mean any person working or who has worked in Covered Employment.

Section 1.14. Employer

The term "Employer" as used herein shall mean any of the following persons or organizations who execute a Participation Agreement with the Trustees and who are obligated to make Contributions to the Pension Fund pursuant thereto: the Association, the members of the Association, the Bahamas Hotel Association, the members of the Bahamas Hotel Association, the College of The Bahamas, the Nassau/Paradise Island Promotion Board, and any other person or other organizations accepted by the Trustees for membership in the Pension Fund.

Section 1.15. Final Average Salary

The term "Final Average Salary" as used herein shall mean either (a) the total of a Participant's salary for the highest 312 of the last 520 Weeks of Work, divided by 312, times 52; or (b) where a Participant upon retirement has less than 312 Weeks of Work, the total of the Participant's salary for those Weeks of Work, divided by the number of Weeks of Work, times 52.

Section 1.16. Guaranty Certain Payments

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

Section 1.17. Joint and Survivor Pension

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

Section 1.18. Normal Retirement Age

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

Section 1.19. 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 1.20. Participation Agreement

The term "Participation Agreement" as used herein shall mean an agreement made between the Trustees and an Employer by which the Employer agrees to become a member of and pay Contributions to the Pension Fund pursuant to the terms of the Trust Agreement, the Participation Agreement, and the Rules and Regulations.

Section 1.21. 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, and 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 1.22. Pension Credit

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

Section 1.23. 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 upon administrative processing.

Section 1.24. Pension Fund

The term "Pension Fund" as used herein shall mean the Bahamas Hotel Industry Management Pension Fund, the trust fund created pursuant to the Trust Agreement.

Section 1.25. Pension Plan

The term "Pension Plan" as used herein shall mean the Bahamas Hotel Industry Management Pension Plan established by the Trustees pursuant to the Agreement and Declaration of Trust and dated the 16th day of January, A.D., 1980, as amended.

Section 1.26. Plan Year

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

Section 1.27. Pro-Rata Pension

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

Section 1.28. 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 1.29. Regular Pension

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

Section 1.30. Related Pension Funds/Plans

The term "Related Pension Funds or Related Pension Plans" shall mean all other pension funds and their pension plans, including the Bahamas Hotel And Allied Industries Pension Fund, which have executed or adopted the provisions of the Reciprocal Agreement and are approved by the Trustees.



Section 1.31. 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 on behalf of such Employee and for which the Employee earns Related Pension Credits.

Section 1.32. Retired/Retirement

The terms “Retired” and 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 1.33. Trustees

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

Section 1.34. Vested Status

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

Section 1.35. Week of Work

The term “Week of Work” as used herein shall mean each weekly pay period of an Employee for which Contributions are due to the Fund.

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 twenty (20) weeks in a Plan Year and earning one half (.500) 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 at the end of the Plan Year in which he incurs a One-Year Break-in-Service.

Section 2.03. Reinstatement of Participation

A person who has lost his status as a Participant in the Pension Plan 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.

Pension Credits

Section 3.01. Earning of Pension Credits

(a) General

A Participant earns Pension Credits under this Pension Plan for employment both before and after his Contribution Date.

(b) Additional Pension Credits for Age

(i) **Requirements.** A Participant shall be entitled to additional Pension Credits for the purpose of benefit accrual and eligibility if such Participant (1) was employed in Covered Employment with an Employer prior to the Participant's Contribution Date; (2) earned at least one-half (1/2) Pension Credit in the Plan Year prior to retirement; and (3) has not incurred a Permanent Break-in-Service between his Contribution Date and the Plan Year in which he retires.

(ii) **Amount.** The amount of the additional Pension Credit shall be determined based on the Participant's age immediately prior to his initial Contribution Date, in accordance with the following schedule:

AGE PRIOR TO INITIAL CONTRIBUTION DATE	ADDITIONAL PENSION CREDITS
50	5
51	6
52	7
53	8
54	9
55	10
56	11
57	12
58	13
59	14
60 or older	15

(c) Before the Contribution Date

A Participant who earns one half (.500) Pension Credit in accordance with sub paragraph (c) shall, before his Contribution Date, be credited with one Pension Credit or portion thereof for each Plan Year or portion thereof of employment with his Employer prior to the Contribution Date.

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.

(d) After the Contribution Date

For Weeks of Work after a Participant's Contribution Date, a Participant shall earn Pension Credits in accordance with the following schedule:

WEEKS OF WORK	PENSION CREDIT	WEEKS OF WORK	PENSION CREDIT
0-19	0	30	.750 (30/40)
20	.500 (20/40)	31	.775(31/40)
21	.525 (21/40)	32	.800(32/40)
22	.550(22/40)	33	.825 (33/40)
23	.575 (23/40)	34	.850(34/40)
24	.600 (24/40)	35	.875 (35/40)
25	.625 (25/40)	36	.900(36/40)
26	.650 (2 6/40)	37	.925 (37/40)
27	.675 (27/40)	38	.950(38/40)
28	.700 (28/40)	39	.975 (39/40)
29	.725 (29/40)	40	1.000

Vested Status and Breaks-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 based on Weeks of Work in Covered Employment 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 half (.500) Pension Credit as a result of Weeks of Work in Covered Employment. 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 if he has consecutive One-Year Breaks-in-Service that equal or exceed the number of his Pension Credits. A Participant who has earned Pension Credits under a related Pension Plan shall not incur a Permanent Break-in-Service until he has lost all of his Combined Pension Credits.

Types of Pension Benefits

Section 5.01. Regular Pension

(a) **Requirements**

A Participant shall be entitled to receive a Regular Pension payable to him for the remainder of his life if at the time of his Retirement he is vested and has attained age sixty-five (65).

(b) **Amount**

The monthly amount of a Regular Pension shall be the value of a Pension Credit as determined by the Trustees multiplied by one twelfth of a Participant's Final Average Salary.

Section 5.02. Early Retirement Pension

(a) **Requirements**

A Participant shall be entitled to receive an Early Retirement Pension 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, calculated in accordance with Section 5.01, reduced by one-quarter of one percent (1/4%) for each month the Participant is younger than age sixty-five (65) (to a maximum of sixty (60) months), plus one-half of one percent (1/2%) for each month the Participant is younger than age sixty (60) (to a maximum of 60 months) 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 the formula or formulas adopted by the Trustees from time to time, based on the principles of overall actuarial equivalence. Such formula or formulas shall not, however, be deemed part of a Pensioner's accrued benefits.

The formula is calculated as follows:

- (i) **Non-Disability Pension:** A Pensioner's monthly Pension multiplied by ninety percent (90%) plus .4 percent (.4%) for each full year that the spouse's age is greater than Pensioner's age or ninety percent (90%) minus .4 percent (.4%) for each full year that the spouse's age is less than the Pensioner's age, with a maximum of ninety-nine percent (99%).
- (ii) **Disability Pension:** The monthly Disability Pension is multiplied by eighty-two percent (82%) plus .4 percent (.4%) for each full year that the spouse's age is greater than the Pensioner's age or eighty-two percent (82%) minus .4 percent (.4%) for each full year that the spouse's age is less than the Pensioner's age, with a maximum of ninety-nine percent (99%).

(d) Amount of Pension Benefit Payable to Spouse

The amount of pension benefit payable to a surviving spouse shall be one-half ($\frac{1}{2}$) of the amount of the monthly benefit paid to the Pensioner, calculated pursuant to sub-section (c). This amount is payable for the lifetime of the surviving spouse, starting with the first month following the month of the pensioner's death.

(e) Death Before Retirement

If a Participant who is actively engaged in Covered Employment and who has met the requirements set out in sub-section (b) hereof dies, his spouse shall be paid a joint and survivor's pension in accordance with this Section as if he had retired on a pension on the day before his death. If at the time of his death the Participant had not reached age 55, this benefit shall be payable commencing upon the date that the Participant would have reached age 55 years and shall be calculated at the value of such benefit based on the age the Participant would have been at the time the benefit begins.

(f) Revocation of Joint and Survivor Pension Election

A Participant may, by notice in writing addressed to the Trustees, revoke the election of a Joint and Survivor Pension at any time 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 judges 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) he has become totally and permanently disabled as defined in sub-section (a) hereof;
- (ii) he has not yet attained age sixty-five (65);
- (iii) he has earned at least fifteen (15) Pension Credits;
- (iv) he has worked in Covered Employment for at least twenty (20) weeks in the twenty-four (24) months preceding the onset of a disability; and
- (v) he files an application for such a 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 before he has met the age requirement for such a pension benefit shall be deferred until such requirements are met and the Participant applies for such benefit.

Section 5.06. Non-Duplication of Pensions

Unless a Participant is entitled to pension benefits as a result of his or her status as a named Beneficiary or 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.

Guaranty Certain Payments

Section 6.01. General

This Pension Plan guarantees the payment of sixty (60) monthly pension benefits to a pensioner's beneficiary.

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 or Early Retirement 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. This provision shall not, however, apply to the Beneficiary of a Pensioner who at death was the recipient of a Disability Pension nor will it apply to a pensioner who has elected a Joint and Survivor Pension.

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 an election of a Joint and Survivor Pension, pay to such deceased Participant's 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. In the event that at the time of his death the Participant had not reached Early Retirement Age, the Benefit shall be payable upon the date that the Participant would have reached an age on which he would have been eligible for benefits, had he not died.

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 benefits payments which are 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 in writing with their decision.

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 the manner in which it shall be done. An applicant who wishes to have his application that 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 one hundred and twenty (120) 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
- (iiii) 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 or Guaranty Certain Payments, end with the payment for the month in which the Pensioner dies.

Section 7.07. Suspension of Pension Benefits

If a Pensioner who is the recipient of an Early Retirement Pension returns to Covered Employment, 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 before reaching Normal Retirement Age but then again retires after earning at least one (1) Pension Credit, the amount of his pension benefits shall be recomputed based on the following:

- (i) One to Two (1-2) Pension Credits.** The credits earned but at the initial percentage per Pension Credit and the Pensioner's age upon resumption of the payment of his pension benefits, but with a reduction of his age by the number of months for which he previously received pension benefits. There shall, however, be no adjustment of the Pensioner's initial Final Average Salary, nor shall the Commencement Date for his sixty (60) month Guaranty Certain Payments change; or
- (ii) Three (3) or More Pension Credits.** The credits earned but at the initial percentage per Pension Credit and the Pensioner's age upon resumption of the payment of his pension benefits, but with a reduction of his age by the number of months for which he previously received pension benefits. An adjustment shall be made to a Pensioner's Final Average Salary including the Salary earned in the subsequent years of Covered Employment, provided it is a greater Final Average Salary. 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 a Normal Retirement Pension returns to Covered Employment, he will not accrue Pension Credits or have his pension benefits adjusted for the additional years of service in Covered Employment if his Employer does not make Contributions on his behalf.

Section 7.10. Termination/Withdrawal Benefit

(a) Requirement

Subject to sub-section (d), a Participant shall be entitled, upon a written application to the Trustees, to receive a Termination/Withdrawal Benefit if at the time he leaves Covered Employment he has not achieved Vested Status.

(b) Amount

The amount of the Termination/Withdrawal Benefit shall be equal to 50% of the Contributions made by the Employer on behalf of a Participant plus any Contributions made by such Participant or 50% of the present value of his accrued Benefit as determined by the Pension Fund's Actuary, whichever amount is greater. The annuity factors for determining the present value of accrued benefits is as set out in Schedule A attached hereto.

(c) Upon receipt of a Termination/Withdrawal Benefit, a Participant shall incur a Permanent Break-in-Service.

(d) This section shall not apply to a Participant who has Pension Credit(s) in a Related Pension Plan unless such Participant advises the Related Pension Fund and the Trustees in writing that he relinquishes all of his rights to and interest in a Pro-Rata Pension in order that he may obtain the benefit under this Section.

Section 7.11. Increased Benefits After Normal Retirement Age

Pension benefits of a Participant who continues to work in Covered Employment after Normal Retirement Age, and who is not receiving a pension, shall be increased by one-half of one percent (1/2%) for each month by which the Participant is older than Normal Retirement Age on his Pension Commencement Date.



Section 7.12. 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 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 7.13. 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 subject to the jurisdiction of any bankruptcy court or insolvency proceedings by operation of law or otherwise.

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 their years of employment were divided between the same or another Employer who is a member of the Pension Fund and the same or another employer who is a member of a Related Pension Fund.

Section 8.02. Related Pension Credits

Pension credits earned by, and 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 Plan Year.

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 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 that would prevent a Permanent Break-in-Service, if viewed as Pension Credits earned under this 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 Pensions

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

Section 8.07. Pro-Rata Pension Benefit Amount

The monthly amount of the Pro-Rata Pension Benefit shall be determined by multiplying the fraction (a) resulting from the division of the Participant's Pension Credits earned under this Plan by his Combined Pension Credits to a maximum of twenty-five (25) by (b) the amount of monthly pension benefits the Participant would be entitled to under this Pension Plan if his Combined Pension Credits (to a maximum of twenty-five (25)) 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.

Additional Benefits

Section 9.01. Death Benefits

(a) **Pre-Retirement**

Upon a Participant's death, a Death Benefit of \$5,000 shall be paid to his spouse or designated Beneficiary provided the Participant:

- (i) was at the time of his death actively engaged in Covered Employment;
- (ii) had earned a minimum of four (4) but less than ten (10) Pension Credits on the basis of Weeks of Work after his Contribution Date;

This Benefit shall not be paid to a Participant's spouse or Beneficiary who is eligible for a pre-retirement death benefits under Sections 5.04(c) or 6.03.

(b) **Post-Retirement**

A Death Benefit of \$1,000 shall be paid to the spouse or Beneficiary of a Pensioner upon the Pensioner's death.

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 and 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.

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 Beneficiaries and that under no circumstances 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 annually an actuarial valuation of the Fund. On the basis of this valuation and all other relevant circumstances, the 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(s) 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 right, title or interest in any of the income, 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.

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 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.

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: (i) First, in the case of benefits payable as a pension to a Pensioner or Beneficiary who was in pay status 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 three-year period ending such date) under which such pension would be the least. The lowest pension in pay status during the three-year period shall be considered the pension in pay status for such period. (ii) Second, to all other vested benefits under this Pension Plan. (iii) Third, to all other non-vested benefits under this Pension Plan.

(c) Allocation Procedure For Purposes of Sub-section (b) Hereof:

- (i)** The amount allocated under sub-section (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 this sub-section;
- (ii)** If the assets available for allocation under sub-sections (b) (i) (ii) or (iii) are insufficient to satisfy in full the benefits of all individuals 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.

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 establish or maintain 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 used in the singular form they shall be construed as though they were also in the plural form and vice versa where applicable.

SCHEDULE A

Bahamas Hotel Industry Management Pension Plan

MONTHLY UNISEX ANNUITY FACTOR PAYABLE AT AGE 65 WITH 5 YEAR PERIOD CERTAIN

AGE	ANNUITY RATE	AGE	ANNUITY RATE
25	7.94	48	34.76
26	8.47	49	37.13
27	9.02	50	39.69
28	9.61	51	42.45
29	10.23	52	45.41
30	10.91	53	48.60
31	11.63	54	52.04
32	12.39	55	55.75
33	13.21	56	59.76
34	14.07	57	64.10
35	15.00	58	68.79
36	15.99	59	73.88
37	17.05	60	79.42
38	18.18	61	85.46
39	19.38	62	92.05
40	20.67	63	99.27
41	22.03	64	107.20
42	23.51	65	115.94
43	25.08	66	113.37
44	26.75	67	110.26
45	28.55	68	107.41
46	30.47	69	104.56
47	32.54	70	101.74

Note: $i = 6\frac{1}{2}\%$; 1971 Group Annuity Table



SECTION III

Supplemental Pension Plan



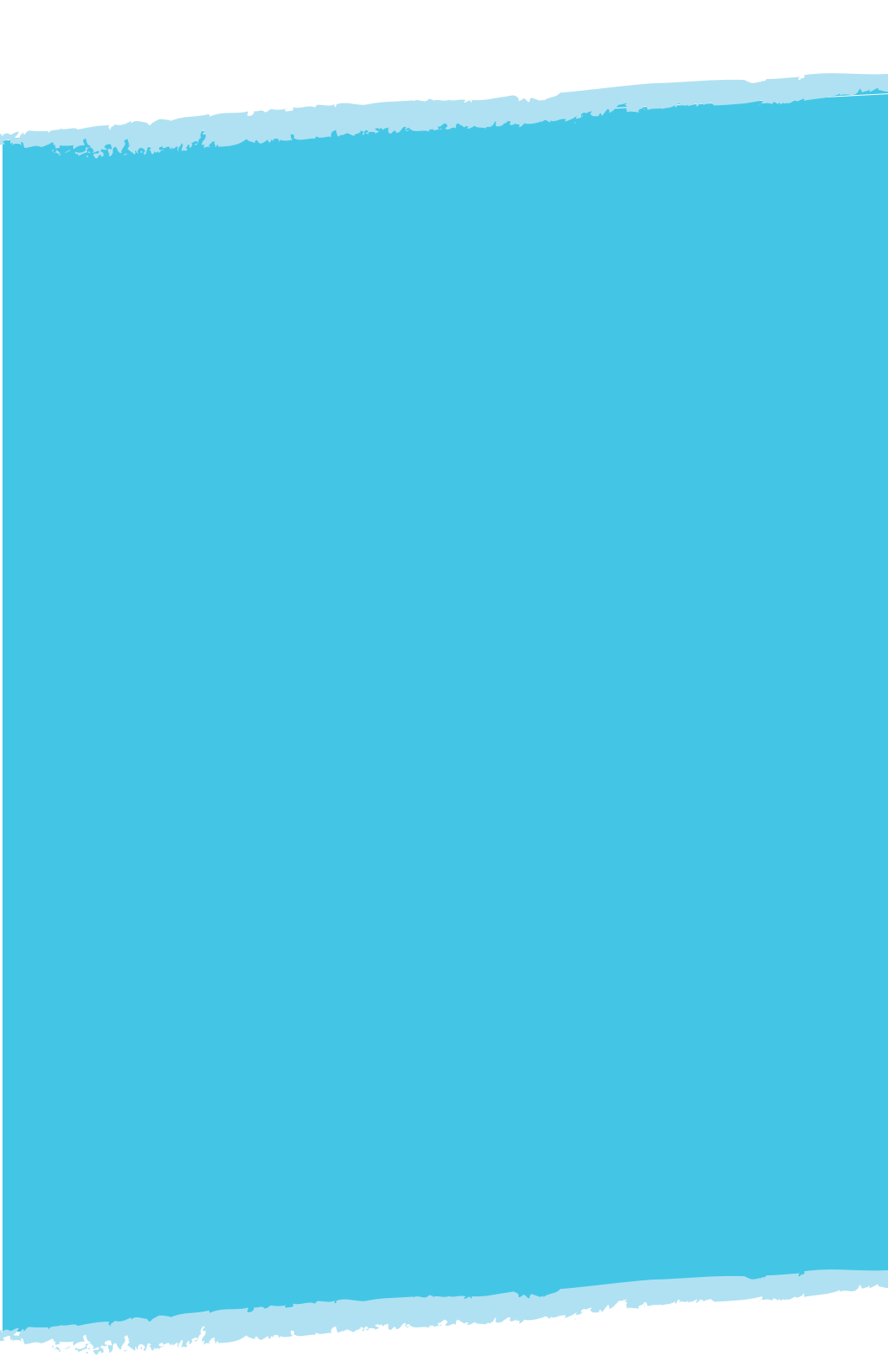


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Definitions

Section 1.01. Application Of Terms Defined In The Pension Plan

Unless specifically defined herein, terms defined in the Bahamas Hotel Industry Management Pension Plan and used herein shall have the same meaning as in that Pension Plan.

Section 1.02. Contributions

The term "Contributions" as used herein shall mean the monies deducted by an Employer from an Employee's wages in accordance with the Election Form signed by the Employee and credited to the Employee's Voluntary Employee Contribution Account.

Section 1.03. Election Form

The term "Election Form" as used herein shall mean the Form or Forms provided by the Pension Fund to an Employee on which the Employee elects to participate in this Supplemental Pension Plan and which stipulates the percentage of the Employee's Contributions.

Section 1.04. Employee

The term "Employee" as used herein shall mean a person working in Covered Employment.

Section 1.05. Interest

The term "Interest" as used herein shall mean the Interest credited to each Employee's Voluntary Employee's Contribution Account by the Pension Fund and calculated in accordance with Article 4.02(b) hereof.



Section 1.06. Pension Plan

The term “Pension Plan” shall mean the Bahamas Hotel Industry Management Pension Fund Rules and Regulations.

Section 1.07. Supplemental Participation Agreement

The term “Supplemental Participation Agreement” as used herein shall mean the Agreement between the Trustees and an Employer whereby the Employer agrees to pay Contributions to the Pension Fund on behalf of an Employee.

Section 1.08. Supplemental Pension Plan

The term “Supplemental Pension Plan” shall mean this Bahamas Industry Management Supplemental Pension Plan.

Section 1.09. Voluntary Employee Contribution Account

The term “Voluntary Employee Contribution Account” as used herein shall mean an Employee’s account established by the Pension Fund for the deposit of an Employee’s Contributions and the interest paid by the Pension Fund in respect thereof in accordance with Section 4.02 hereof.

Participation

Section 2.01. Participation

All Employees are eligible to participate in the Supplemental Pension Plan and participation shall be on a voluntary basis. The Trustees alone shall determine whether an Employee is allowed to participate in the Supplemental Pension Plan.

Section 2.02. Application

To apply for membership in the Supplemental Pension Plan an Employee shall complete and submit to the Pension Fund's office on or before the 15th day of November, A.D., in a Plan Year the Election Form and such other information that the Trustees shall require. Providence Advisors Ltd. will notify the Employer of receipt of a valid Election Form and the applicable contribution rate to be made on a Participant's behalf.

Section 2.03. Duration of Participation

Membership in the Supplemental Pension Plan shall be for a minimum of twelve (12) months and an Employee who joins the Supplemental Pension Plan may remain a member of the Supplemental Pension Plan for as long as he is in Covered Employment. An Employee may discontinue his membership in the Supplemental Pension Plan by giving written notice to the Trustees and his Employer on or before the 15th day of November, A.D., prior to the year in which he seeks to discontinue his membership.

An Employee who leaves Covered Employment but subsequently returns may again apply for membership in the Supplemental Pension Plan.

Section 2.04. Discretion of Trustees

The Trustees may, in their sole discretion, allow an Employee to submit an Election Form relating to his membership in the Supplemental Pension Plan as provided for in Sections 2.02, 2.03 and 3.01 herein after the 15th day of November, A.D., in the Plan Year and before the 1st January, A.D., in the year following and such submission shall be considered in the same manner as a submission made within the stipulated time.

Contributions

Section 3.01. Amount

An Employee shall indicate in the Election Form the percentage of his Contributions at a rate of 2, 4, 6, 8 or 10 percent of his wages. The Employee may change the percentage of his Contributions by completing and submitting a new Election Form to the Pension Fund and copied to his Employer on or before the 15th day of November, A.D., in the year or years following his first election for participation in the Supplemental Pension Plan.

In the absence of a new election or termination of membership by an Employee, the Employer shall continue to deduct from the Employees wages and pay to the Trustees the percentage of the wages indicated on the last Election Form submitted to the Trustees by the Employee.

Section 3.02. Method of Payment of Contributions

Contributions shall only be payable by way of salary deduction and cannot be paid by an Employee directly to the Pension Fund nor can they be paid by a third party on behalf of an Employee.

Voluntary Employee Contribution Account

Section 4.01. Account

The Pension Fund shall establish and maintain a Voluntary Employee Contribution Account for each Employee who participates in the Supplemental Pension Plan to which the Contributions and interest shall be credited. An Employee's Contributions shall be mixed and invested with all other monies belonging to the Pension Fund.

Section 4.02. Interest

(a) Annual Payment

Subject to sub-section (b) hereof, the Pension Fund shall, on or before the 30th day of April (or such other date as determined by the Trustees) in each year succeeding the last Plan Year in which Contributions are made, pay interest on the average balance of an Employee's Voluntary Employee Contribution Account. The average balance shall be determined by adding one half of an Employee's Contributions in the last Plan Year to the balance in his Account as of the 1st day of January, A.D., of the Plan Year.

(b) Rate

The rate of interest shall, if payable, be determined solely by the Trustees and may be based on the Pension Fund's overall rate of return in the last Plan Year in which Contributions are paid.

Section 4.03. Non-Credit of Outstanding Contributions

Contributions shall not be credited to an Employee's Voluntary Employee Contribution Account until received by the Pension Fund, nor shall interest be payable in respect thereof, until payment of such outstanding Contributions together with the interest and costs demanded by the Trustees in connection thereof. Interest and costs paid by Employers for delinquent contributions shall be used to offset the administrative cost of collecting such contributions and will not be allocated to the Voluntary Employee Contribution Account.

Pension Benefits

Section 5.01. Date of Payment

The Benefits payable to an Employee from his Voluntary Employee Contribution Account shall be payable only upon retirement and shall coincide with and form a part of the Benefits payable to such Employee in accordance with Article V and Section 7.10 of the Pension Plan (in particular Regular Pension, Early Retirement Pension, Joint and Survivor Pension, Disability Pension and Termination/Withdrawal Payment).

Section 5.02. Types of Benefits

(a) General

A Participant is entitled to elect one of the following benefits set out herein.

(b) Lump Sum Payment

A Participant shall be entitled to receive the total amount in his Voluntary Employee Contribution Account as of the date that he applies for payment together with interest due thereon in one lump sum payment.

(c) Increased Monthly Pension Benefits

A Participant shall be entitled to receive for the remainder of his life an increased amount of the monthly pension benefit payment payable to him in accordance with Article V of the Pension Plan. The amount payable hereunder shall be calculated on the basis of actuarial tables taking into account the age at which the Participant retires, mortality assumptions and the Pension Fund's actuarial assumed rate of return.

(d) Lump Sum/Increase Payment

A participant shall be entitled to receive Fifty percent (50%) of the amount in his Voluntary Employee's Contribution Account by way of a lump sum payment with the remaining Fifty percent (50%) as an increased monthly benefit payable during his lifetime and calculated as in sub-section (c) hereof



Section 5.03. Guaranty Certain Payment

Where a participant elects to receive an increased monthly pension benefit payment, the provision relating to the Sixty (60) Month Guaranty Payments set out in Article VI of the Pension Plan shall apply.

Section 5.04. Application for Benefit Payment

The requirements for application for Pension Benefits or Termination Payment and the rules relating to the payment of the same shall be governed by Sections 7.01–7.07 of the Pension Plan.

ARTICLE VI

Application of Other Provisions of the Pension Plan

Section 6.01. General

Unless otherwise stated herein, or the contexts do not permit, the remaining provisions of the Pension Plan shall apply mutatis mutandis to this Supplemental Pension Plan.

ARTICLE VII

Amendments and Construction of Terms

Section 7.01. Amendments

This Supplemental 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 establish or maintain the qualification of the Supplemental Pension Plan or the Trust Agreement under the laws of the Commonwealth of The Bahamas.

Section 7.02. Construction of Terms

Wherever any words are used in this Supplemental 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 used in the singular form they shall be construed as though they were also in the plural form and vice versa where applicable.

