

**WISCONSIN PUBLIC SERVICE  
CORPORATION**

**I.U.O.E. LOCAL 310**

**RETIREMENT PLAN**

June 1, 2005

**This document describes the Wisconsin Public Service Corporation Retirement Plan as it applies to WPS employees who are members of the International Union of Operating Engineers Local Union No. 310. It constitutes the “Summary Plan Description” as called for under the Employee Retirement Income Security Act of 1974. If there is any conflict between this summary and the Plan document, the terms of the Plan (as interpreted by the Administrator Committee) will govern.**

## **BRIEF SUMMARY OF YOUR RETIREMENT PLAN**

### **Introduction**

The Wisconsin Public Service Corporation Retirement Plan (the “Plan” or “Retirement Plan”) has been established to provide you with retirement benefits which, when combined with your Social Security benefits, will help you remain financially secure after your career with WPS ends.

The following description of your Retirement Plan should answer most of your questions concerning the Plan provisions and your rights to benefits. If you need further information please contact your leader or the WPS Human Resources Helpline, (800) 433-5788.

## **YOUR RETIREMENT PLAN IN BRIEF**

The Retirement Plan is paid for entirely by the Company; no contributions are required of you. For most participants, normal retirement under the Plan is at age 65.

You become a Participant in the Plan after completion of one year of service.

If you have completed at least 5 years of service, you may retire as early as age 58 and receive a reduced benefit from the Plan.

You have a vested right to Plan benefits if you leave the Company with at least 5 years of service.

At retirement, you will receive a monthly income for life. If you are married at the time pension benefits commence, you will also have a payment option that will provide a monthly income to your spouse after your death.

When you make the decision to retire, you must send a written notice to your leader stating your intentions and the date you plan to retire. A copy of this notice must be sent to WPS Human Resources Department.

This summary describes the Retirement Plan (as in effect on June 1, 2005) as applied to Participants who are employed by WPS and who are represented by the International Union of Operating Engineers Local Union No. 310. Benefits for employees who are employed in other employment positions (such as administrative positions or bargaining unit positions represented by a different bargaining unit) are described in a separate summary.

**A DETAILED SUMMARY OF YOUR RETIREMENT PLAN BENEFITS FOLLOWS.**

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## **THE RETIREMENT PLAN**

### **Eligibility**

All employees of WPS who are members of the International Union of Operating Engineers, Local Union No. 310 are eligible to participate in this plan. Your participation begins upon completion of one year of Service Credit.

### **Service Credit**

Your eligibility for a pension benefit and the amount of your pension benefit is based, in part, on your Service Credit which is earned while you are employed by the Company. Service Credit is calculated in years, months and days. In general, Service Credit begins on the day that you complete your first hour of employment and ends with your severance from service. Your severance from service is the earlier of:

- The date you quit, retire, are terminated or die; or
- One year after the date from which you are continuously absent for any other reason such as an authorized leave or lay-off.

There is no severance from service if you return to active employment under legal re-employment rights after leaving military service.

If you are placed on long-term disability by the Company and receive disability benefits under a Company long-term disability plan, you will continue to earn Service Credit the same as when you were actively employed. However, if you cease to be disabled at any time prior to your attainment of age 58, the additional Service Credit shall be granted only if you return to active employment with the Company.

If you terminate employment after having become a participant and you are later re-employed, you will become a Participant again on the date you are re-employed unless your pre-break service is cancelled in accordance with the break in service rules described below. If your pre-break service is cancelled, you will become a participant again upon completion of one year of Service Credit following your re-employment.

### **Break in Service**

You will incur a break in service commencing immediately after your severance from service. You do not earn Service Credit during any break in service that lasts for twelve months or longer. A break in service ends on the day you return to work for the Company.

If you have a break in service and have not completed at least 5 years of Service Credit at the start of your break, your Service Credit accumulated prior to the break will be reinstated only if your break in service is less than five years in duration.

If you have a break in service and have completed at least 5 years of Service Credit at the start of your break, your Service Credit accumulated prior to your break will be

reinstated and will be combined with the Service Credit you earn after your return from the break. There is one exception to this rule. If you received a single sum distribution of the value of your benefit under the Plan's small benefit payment rules and you then return to work from your break, your Service Credit that you accumulated prior to your break-in-service will be reinstated only for purposes of eligibility and vesting, but not for purposes of determining the amount of the benefit that you earn after your return to work.

If you decide to leave employment because of pregnancy, the birth, adoption or caring of a child immediately following such event, your Service Credit will not be cancelled unless you incur a break in service greater than six years.

## **RETIREMENT DATES**

### **Normal Retirement**

If you were employed before age 60, your normal retirement date is the first day coinciding with or month following your 65<sup>th</sup> birthday.

If you were employed after age 60, your normal retirement date is the first day coinciding with or month following the fourth anniversary of your participation in the Plan.

### **Early Retirement**

You may retire as early as age 58 with five years of Service Credit.

### **Postponed Retirement**

You may postpone your retirement beyond age 65 and continue active employment. You will continue to accrue retirement benefits during active employment beyond age 65. No benefits will be paid until the month following your actual retirement date.

### **Unreduced Pension Benefit at age 62**

If you retire at or after age 62, your pension benefit will be the full amount of your accrued benefit.

## **CALCULATING YOUR BASIC BENEFIT**

Your monthly pension benefit is integrated with the monthly benefit you will receive from Social Security. This is known as a Social Security offset. Your Social Security offset is calculated by estimating the social security benefit you will be eligible to receive at age 65. Your Social Security offset amount will be calculated in accordance with the provisions found in the Social Security Act in effect at the time of your severance from service and by assuming that you will continue to earn compensation until your Normal Retirement Date equal to the compensation or wages you are earning at WPS at the

time of your termination. Wages that you might subsequently earn from another employer are disregarded.

### **Normal Retirement**

The amount of the monthly pension benefit payable to you during your lifetime is calculated using the following formula:

$$55\% \text{ of Final Average Pay } \times \frac{\text{Years of Service (not to exceed 30)}}{30}$$

**minus**

$$50\% \text{ of your Social Security Benefit } \times \frac{\text{Years of Service}}{\text{Years of Service if worked to normal retirement age (generally, age 65)}}$$

**plus**

$$.50\% \times \text{Final Average Pay } \times \text{Years of Service beyond 30.}$$

Final Average Pay is determined by using the greater of (1) a monthly average of the last 60 months of your wages, or (2) your average monthly wages for your five highest calendar years of wages earned since 1980. Your pay means gross regular pay including overtime or other premium pay. Payments that are not part of your gross regular earnings, such as meal payments, termination pay, commuting pay, reimbursed expenses, etc, are excluded.

You can use accrued but unused vacation pay as part of your Final Average Pay in the year of retirement. Up to a maximum of your allowed vacation accrual can be included in your Final Average Pay. Any vacation time carried over from a previous year cannot be paid to you and cannot be included in Final Average Pay.

### **Example of Normal Retirement Benefit Calculation**

Assume that you were born August 10, 1945 and were employed by the Company on August 31, 1970. You become a Plan Participant on August 31, 1971, after completing one year of service. You decide to retire on August 31, 2010 at age 65 with 40 years of service. Your Final Average Pay has been determined using the last 60 months of wages.

Final Average Pay = \$5,497 X 55% X <u>30</u>	=	\$ 3,023
		30
<b>minus</b> Social Security Offset		\$ 853
(Social Security Offset is determined by taking Social Security Benefit of \$1,707 X .5 X <u>40</u> )		
		40
<b>plus</b> \$5,497 X .005 X 10 years		<u>\$ 275</u>
Total Monthly Benefit		\$ 2,445
At age 65		

(Note: figures in the Example calculation are rounded for illustration purposes only. Actual pension benefit is calculated to the penny.)

### **Early Retirement**

You may retire as early as age 58 with at least 5 years of Service Credit and be eligible for a pension benefit.

Upon Early Retirement, you may elect an immediate pension which is a monthly pension benefit based on the calculations for normal retirement, but reduced by a factor based on the number of full months by which your benefit commencement date precedes your attainment of age 62, as shown in the table below:

#### **Early Retirement Factors**

<u>Age</u>	<u>Percent Factor</u>
60-62	¼% per month
58-60	½% per month

If you wish, you can defer commencement of your early retirement benefit to a later date. Before you elect to do that, you should consult with the Human Resources Department since many other benefits available to Company retirees are conditioned upon immediate commencement of your retirement benefit payments upon retirement.

### **Example of Early Retirement Benefit Calculation**

Assume that you were born August 10, 1945 and are employed by the Company on August 31, 1970. You become a Plan Participant on August 31, 1971, after completing one year of service. You decide to retire on August 31, 2005 at age 60 with 35 years of service. Your Final Average Pay has been determined using the last 60 months of wages.

Final Average Pay =	$\$4,675 \times 55\% \times \frac{30}{30}$	=	\$2,571
<b>minus</b>	Social Security Offset		\$ 747
(Social Security Offset is determined by taking Social Security Benefit of $\$1,707 \times .5 \times \frac{35}{40}$ )			
<b>plus</b>	$\$4,675 \times .005 \times 5$ years		<u>\$ 117</u>
	Total		\$ 1,941
	(Age 65 Benefit)		
	Early Reduction Factor		<u>X .94</u>
	Total Monthly Benefit At age 60		\$ 1,825

### **Late Retirement**

If you continue your employment beyond your normal retirement date and then retire, you will continue to accrue pension benefits. Your benefit payments will begin the month following your retirement date.

### **Retirement and Long-Term Disability**

If you are placed on long-term disability by the Company, your Final Average Pay used to calculate your benefit may include Credit Wages. Credit wages will be used during any period of long-term disability during which you do not receive full pay and are calculated by using your average monthly earnings for the twelve-month period immediately preceding the month in which your long-term disability commences.

### **METHOD OF PAYMENT**

#### **Payment to Unmarried Participants**

If you are not married, the normal form of payment is a single life annuity payable for your lifetime with no survivor benefits payable following your death.

#### **Payment to Married Participants**

##### **Normal Form:**

If you are married on the date your pension benefits commence, the normal form of payment is a 50% joint and survivor annuity payable for your life and, in the event of your death, a survivor benefit equal to 50% of your benefit payable to your surviving

spouse to whom you were married on your benefit commencement date. If your spouse is more than five years younger than you, your benefit will be reduced by 0.5% for each year by which your spouse is more than five years younger than you. Portions of a year of less than six months are disregarded. Portions of a year of six months or more are rounded up to the next highest whole year.

Although the 50% joint and survivor annuity is the normal form of payment, you may elect payment in an optional form. The available optional payment forms are described below. However, as required under federal pension law, your election of some of the optional payment forms may be given effect only if your spouse consents to your election, as explained in the section entitled "Spousal Consent" below. If your spouse does not consent, then you must elect payment either in the normal form 50% joint and survivor annuity or in one of the optional payment forms for which spousal consent is not required.

### **Optional Forms:**

If you are married on the date your pension benefits commence, you may select a form of payment other than a 50% joint and survivor annuity. You may elect to have your pension benefit paid in one of the following optional forms:

a) *Unreduced Lifetime Benefit Option.*

This option is available only to you if your spouse is more than five years younger than you. Otherwise, the normal form of benefit described above will always be more valuable to you.

Under this form, your monthly benefit is exactly the same as the monthly life annuity benefit to which you would be entitled if you were not married. Upon your death, your surviving spouse (if married to you at benefit commencement) will receive a monthly survivor benefit. The survivor benefit is 50% of the benefit you were receiving actuarially reduced to reflect the fact that your spouse is younger than you and thus is expected to receive benefits for a longer period following your death. This benefit is payable to your surviving spouse for the remainder of his/her lifetime.

b) *75% Joint and Survivor Annuity Option.*

Under this option, a reduced monthly benefit is payable to you during your lifetime. The monthly benefit payable to you is 96% of the monthly life annuity to which you would be entitled if you were not married, further reduced by one-half of one percent (0.5%) for each year by which your spouse is more than five years younger than you. (Portions of a year of six months or more are rounded up to the next highest whole year.) Upon your death, your surviving spouse will receive 75% of your monthly benefit for the remainder of his/her lifetime.

c) *100% Joint and Survivor Annuity Option.*

Under this option, a reduced monthly benefit is payable to you during your lifetime. The monthly benefit payable to you is 93% of the monthly life annuity to which you would be entitled if you were not married, further reduced by one-half of one percent (0.5%) for each year by which your spouse is more than five years younger than you. (Portions of a year of six months or more are rounded up to the next highest whole year.) Upon your death, your surviving spouse will receive 100% of your monthly benefit for the remainder of his/her lifetime.

Once your pension benefits commence, your pension payment election is irrevocable and cannot be changed.

**Example of Joint and Survivor Annuity**

Assume that your monthly pension benefit equals \$ 2,445 and that your spouse is three years younger than you.

<u>Option</u>	<u>Factor</u>	<u>Your Reduced Monthly Pension Benefit</u>	<u>Joint Annuitant's Monthly Pension Benefit</u>
100%	.93	\$ 2,273	\$ 2,273
75%	.96	\$ 2,347	\$ 1,760
50%	1.00	\$ 2,445	\$ 1,222

**Death Within Six Months of Benefit Commencement**

In the event you begin your pension benefit payments but die prior to receiving six monthly payments, your surviving spouse will receive, for the remainder of the six month period, benefit payments equal to the benefit payment that was being made to you prior to your death. Thereafter, payments to your surviving spouse will be made in accordance with the normal or optional form of payment you elected.

**BENEFITS UNDER THE PLAN OTHER THAN RETIREMENT**

**Death Benefits for Death Occurring After Commencement of Pension Benefit**

In the event you die after your pension benefits have commenced, the spouse to whom you were married on the date your pension benefits commenced (if he/she is still then living), shall be entitled to survivor benefits in accordance with the form of payment you chose (See "Method of Payment").

No survivor benefits will be paid if you were not married on the date your pension payments commenced.

## **Death Benefits For Death Occurring Prior to Commencement of Pension Benefit**

In the event you die as a vested Participant prior to the commencement of your pension benefit, your surviving spouse will be entitled to a survivor benefit as described below:

a) If you were actively employed and were able to retire under the Early Retirement or Normal Retirement provisions of the plan, your surviving spouse will be entitled to a monthly benefit amount equal to 50% of the amount you would have been eligible for had you retired on the day preceding your death. This benefit will be determined without an actuarial adjustment (reduction) for early payment of benefits.

b) If you were actively employed and had attained age 55 and completed at least twenty years of Service Credit, your surviving spouse will be entitled to a monthly benefit amount equal to 50% of the amount you would have been eligible for had you retired on the day preceding your death. This benefit will be determined without regard to the Plan's Early Retirement age and without actuarial adjustment (reduction) for early payment of benefits.

c) If you are a terminated employee who terminated employment either (i) after attaining age 60 and completing at least ten years of Service Credit; or (ii) after attaining age 55 and completing twenty years of Service Credit, your surviving spouse will be entitled to a monthly benefit amount equal to 50% of the amount you would have been eligible for had you retired on the day preceding your death. This benefit will be determined without regard to the Plan's Early Retirement age (in other words, the benefit can be paid immediately even if you were not yet age 58), but will take into account any actuarial adjustment (reduction) for early payment of benefits. The actuarial adjustment (reduction) for early payment of benefits will be the reductions normally applicable under the Plan for commencement between ages 58 and 62. In addition, if you die prior to age 58, your surviving spouse's benefit will be further reduced by one-half of one percent (0.5%) for each month by which the commencement of the surviving spouse's benefit precedes your 58<sup>th</sup> birthday. Your surviving spouse may avoid these reductions by deferring payment of the surviving benefit until the month following the month in which you would have received an unreduced benefit.

d) For any other vested Participant, the surviving spouse will be entitled to a monthly amount equal to 50% of the benefit that you could have received. If you die prior to Early Retirement Age, the surviving spouse benefit shall be 50% of the benefit that you could have received if you had terminated your employment, lived until Early Retirement Age and begun your pension benefit. If you die after Early Retirement Age, the surviving spouse benefit will be 50% of the benefit that you could have received if you had begun your pension immediately prior to your death. The amount of this benefit will take into account any actuarial adjustment (reduction) for early payment of benefits. Your surviving spouse may avoid this reduction by deferring his/her benefit until the month following the month in which you would have received an unreduced benefit.

## **BENEFITS FOR THOSE WHO TERMINATE EMPLOYMENT**

If you leave the Company with a vested right in the Plan, the WPS Human Resources Department will notify you, in writing, of your rights and options available under the Plan.

### **Deferred Vested Benefit**

You have vested rights to a pension benefit upon the completion of five years of Service Credit regardless of your age. Your vested pension benefit will be paid the month following your attainment of age 65, unless you request in writing an earlier date. Reduced pension benefit payments can be started as early as age 58. Retroactive payments will not be made for late requests.

## **SPOUSAL CONSENT**

If you are married and wish to elect the Unreduced Lifetime Benefit Option, your election will be legally valid only if your spouse consents to it in writing and if a notary public witnesses your spouse's consent.

The WPS Human Resources Department will provide you with a written explanation of the joint and survivor annuity provisions of the Plan and the effect of an election of any of the options within the 90 day period immediately preceding your pension commencement date. If you elect an optional form of payment, you may cancel such election at any time prior to the date your pension payments commence. You may not revoke or change your election after your pension benefit payments commence.

## **PLANNING FOR YOUR RETIREMENT**

The Company will not know when you plan to retire unless you communicate your intentions. Your retirement date must coincide with the last day of the month in which you retire. You should give at least a 9-month written notice to your leader, with a copy to the WPS Human Resources Department. After receipt of your retirement notice, the WPS Human Resources Department will send you a retirement packet approximately 90 days prior to your retirement date that contains information about your pension benefit. You cannot change your retirement date within three months of your retirement date unless mutually agreed to by you and your leader.

## **EMPLOYMENT TRANSFERS**

If you transfer from administrative employee status to union (Local 310) employee status and you were a participant in the portion of the Retirement Plan that provides benefits for administrative employees (the "Administrative Program"), you will immediately become a participant in and begin to accrue benefits under the Local 310 non-administrative program described in this summary (the "Non-Administrative Program"). If you are not already a participant in the Administrative Program, you will

become a participant in the Non-Administrative Program upon completion of one year of Service Credit with the Company.

If you transfer from union (Local 310) employee status to administrative employee status, any benefit that you have accumulated under the Non-Administrative Program in most cases will be transferred to the Administrative Program and you will receive a single retirement benefit from the Administrative Program.

### **ASSIGNMENT OF BENEFITS**

Your interest in the Plan may not be anticipated, alienated, attached, transferred, assigned, or pledged in any way except to comply with a Qualified Domestic Relations Order (“QDRO”) as defined below.

The ownership of your accrued pension benefit ordinarily cannot be transferred to another party. However, a court order such as an alimony or child support decree or Qualified Domestic Relations Order may require that a portion of your benefit be paid to the persons designated in the order (an alternate payee), such as your former spouse or your children.

If such an order meets certain legal requirements, payment is required in accordance with the court order.

### **SINGLE SUM DISTRIBUTION**

If the single-sum value of any benefit is equal to or less than \$1,000, the Administrator will direct that this benefit be paid in a single cash sum in lieu of any other benefits under the Plan. This single-sum distribution is not an option you can elect under the Plan; it will be made solely at the direction of the Administrator.

### **FEDERAL INCOME TAX**

Your pension payments are subject to Federal income tax. The law requires that this tax be withheld from your monthly payments unless you elect not to have federal income taxes withheld. You may also elect to have federal income taxes withheld at a higher or lower rate than the withholding rate that would normally apply.

### **RE-EMPLOYMENT AFTER BENEFIT PAYMENTS HAVE BEGUN**

If you are a Participant who is receiving monthly pension benefits and are re-employed by the Company or an Affiliate, your benefits will be suspended in accordance with the terms of the Plan. Your pension benefit will resume or begin when your re-employment has ended.

## **ADMINISTRATOR COMMITTEE**

The Plan is administered by the Administrator Committee which is appointed by the Board of Directors. The Administrator Committee appoints the Appeals Committee as described below.

## **CLAIMS PROCEDURE**

Any Participating Employee or beneficiary who believes he/she is entitled to benefits under the Plan in an amount greater than he is receiving may file, or have their duly authorized representative file, a claim with the Claims Administrator appointed by the plan sponsor. Any such claim shall be filed in writing stating the nature of the claim, the facts supporting the claim, the amount claimed, and the name and address of the claimant. Each claim that is properly filed shall be answered in writing by the Claims Administrator stating whether the claim is granted or denied. Such answer shall be provided within ninety (90) days of the claim's receipt by the Claims Administrator unless an extension of time is needed to process the claim, in which event the Claims Administrator shall give the claimant written notice of such need prior to the expiration of the original ninety (90) days, the reason therefore, the date by which the Claims Administrator expects to reach a decision, and the length of such extension which shall not exceed an additional ninety (90) days. If the claim is denied, the reasons for denial and the pertinent Plan provision shall be set forth in the written notice to the claimant. The notice will also describe any additional materials or information necessary for further consideration of the claimant's claim and an explanation why such material or information is necessary, a description of the Plan's appeal procedures and the time limits applicable to appeals, and an explanation of the claimant's right to bring a civil action under ERISA following an adverse decision on appeal.

Within sixty (60) days after notice that a claim is denied, the claimant may file a written appeal to the Appeals Committee, including any comments, statements, or documents the claimant may desire to provide. The Appeals Committee shall consider the appeal and render a written decision within sixty (60) days after receipt of the appeal unless an extension of time is needed to process the claim, in which event the Appeals Committee shall give the claimant written notice of such need prior to the expiration of the original sixty (60) days, the reason therefore, the date by which the Appeals Committee expects to render a decision and the length of such extension which shall not exceed an additional sixty (60) days. In the event the claim is denied upon appeal, the Administrator Committee shall set forth in a written decision the reasons for denial, the pertinent Plan provisions, a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits and a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA.

The Claims Administrator and the Appeals Committee have the discretionary authority to determine eligibility for benefits and construe the terms of the Plan. Any determination of benefits or construction or interpretation of the Plan that they make is final and binding unless determined by the court to be arbitrary and capricious.

## **NOT A CONTRACT OF EMPLOYMENT**

Participation in the Plan does not guarantee continued employment.

## **AMENDING OR TERMINATING THE PLAN**

The Company has the right to amend or terminate the Retirement Plan at any time. Normally, the Administrator Committee will make those amendments.

## **IRS LIMITATIONS ON BENEFITS**

Under Federal law, there is an overall limit on the total amount of benefits that can be provided to a participant under this Plan.

If any adjustments in your benefits are required to meet IRS limitations, you will be notified.

## **ROUTINE QUESTIONS**

If you have any questions regarding the Plan provisions or your rights to benefits, please contact the WPS Human Resources Helpline at (800) 433-5788.

## **SPECIAL RULES FOR FORMER EMPLOYEES OF WISCONSIN FUEL & LIGHT COMPANY**

On April 1, 2001, employees of Wisconsin Fuel and Light Company became members of the International Union of Operating Engineers Local Union No. 310. These Participants are referred to as "Transferred WF&L Participants."

### **CALCULATING YOUR BASIC BENEFIT**

The benefit of any Transferred WF&L Participant will equal the sum of (a) and (b) below:

(a) The benefit accrued through March 31, 2001 under the Wisconsin Fuel & Light Company Retirement Plan for Union Employees ("WF&L Pension Benefit");

**plus**

(b) The benefit accrued after March 31, 2001 under the WPS Retirement Plan ("WPS Pension Benefit").

### **Normal Retirement Date**

Your Normal Retirement Date is defined in the WF&L Company Retirement Plan for Union Employees as the month in which you attain age 65.

### **Early Retirement Date**

Your Early Retirement Date is defined in the WF&L Company Retirement Plan for Union Employees as the month in which you attain age 55 and have completed 5 years of vesting service. Should you retire early and elect to have your WF&L Pension Benefit distributed to you, your WF&L Pension Benefit will be reduced by the following early retirement factors:

#### Early Retirement Factors

<u>Age</u>	<u>Factor</u>
60-65	1/360th (or 5/18 of 1%) per month
55-60	1/180th (or 5/9 or 1%) per month

### **METHOD OF PAYMENT**

Additional optional forms of payment are available to you for the portion of your pension payment that is your WF&L Pension Benefit. The additional optional forms of payment include the following:

- 50%, 66 2/3%, or 100% Joint and Survivor Annuity
- Single Life Annuity
- Life Annuity with 5 Year Period Certain
- Life Annuity with 10 Year Period Certain
- Life Annuity with 15 Year Period Certain
- Single Sum (available only for participants who terminate employment and receive payment prior to attainment of age 55)

## **PLAN INFORMATION**

### **Name of Plan**

Wisconsin Public Service Corporation Retirement Plan

### **Type of Plan**

Defined benefit

### **Plan Year**

January 1 through December 31

### **Employer Identification Number**

39-0715160

### **Plan Number**

002

### **Agent for Service of Legal Process**

Corporate Secretary  
Wisconsin Public Service Corporation  
700 North Adams Street  
Green Bay, WI 54301

Service of legal process may also be made upon the Plan Administrator.

### **Trustee**

State Street Bank  
One Enterprise Drive, SWB5C  
Quincy, MA 02171

### **Plan Sponsor**

Wisconsin Public Service Corporation  
700 North Adams Street  
Green Bay, WI 54301

### **Plan Administrator, Claims Administrator and Appeals Committee**

The Administrator Committee, the Claims Administrator and the Appeals Committee can be reached at the following address:

Wisconsin Public Service Corporation  
700 North Adams Street  
Green Bay, WI 54301

### **Source of Contributions**

The Company pays the entire cost of benefits provided under the Plan. Contributions are made to the Plan Trustee for the exclusive benefit of Plan participants. The amount of the contribution required each year to support the Plan is determined by a professional mathematician called an actuary. The actuary, who is not an employee of the Company, must be enrolled by the Joint Board for the Enrollment of Actuaries, a government unit that was created under ERISA.

### **STATEMENT OF ERISA RIGHTS**

As a participant in this Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, also called ERISA. ERISA provides that all Plan participants are entitled to:

#### **Receive Information About the Plan and Your Benefits**

- Examine, without charge, at the Plan Administrator's office and other specified locations, such as worksites, all documents governing the Plan, including any relevant insurance contracts, collective bargaining agreements, and a copy of the latest annual report (Form 5500 series) by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including relevant insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement once a year telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and it is not required to be given more than once every twelve (12) months. The Plan Administrator must provide the statement free of charge.

## **Prudent Action by Plan Fiduciaries**

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, administrators and trustees (also called “fiduciaries” of the Plan), have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including the Company or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

## **Enforce Your Rights**

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan Administrator’s decision or lack thereof regarding the qualified status of a domestic relations order, you may file suit in a federal court.

If the Plan’s fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees.

## **Assistance With Your Questions**

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement, or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## **TRUSTEE**

The money in the trust fund is invested by independent investment managers. These managers may invest in stocks, bonds, and other investment vehicles according to authority provided by the Plan documents. The performance of these managers is monitored by the Administrator Committee which sets the general investment objectives for the trust fund.

## **PENSION BENEFIT GUARANTY CORPORATION**

Your pension benefits under this plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates; (2) some or all of benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the time the plan terminates; (3) benefits that are not vested because you have not worked long enough for the company; (4) benefits for which you have not met all of the requirements at the time the plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.