

**SUMMARY OF MATERIAL MODIFICATIONS
2003**

**I.A.M. NATIONAL PENSION FUND
NATIONAL PENSION PLAN**

JULY2003

This Summary of Material Modifications (SMM) describes important changes made to the IAM National Pension Fund's National Pension Plan since the Summary Plan Description was last published in 2002. It incorporates amendments adopted through **June, 2003**.

The SPD and this SMM, together, provide information that will enable you to understand the terms and provisions of the National Pension Plan. We believe these two documents together accurately reflect the Plan. However, the text of the National Pension Plan itself, as interpreted by the Board of Trustees, is the *final* authority.

Benefit Schedule for Groups Joining the Plan on or After April 1, 2003

National Pension Plan benefits earned while employed by new contributing employers with contribution dates on or after April 1, 2003 will accrue at 60% of the rates in the current future service benefit table. A copy of the new future service schedule is attached. Also, there will be no past service credit for any employment with new contributing employers with contribution dates on or after April 1, 2003. As in the past, the participation of all new employers is subject to review and approval by the Trustees.

The new future service schedule applies to future service credit earned with new contributing employers that first become obligated to make contributions to the Plan on or after April 1, 2003. The following are not considered new contributing employers for purposes of the new schedule:

- A contributing employer with a new owner that continues participating at the same or higher contribution rate
- A government contract holder that replaces a contributing employer and continues participating in the Plan with the same group of covered employees at the same or higher contribution rate
- A contributing employer that adds a new location of covered employees, under the same collective bargaining agreement, with the same or higher contribution rate
- A contributing employer that adds a new job classification to a group of existing covered employees with the same or higher contribution rate

The new schedule also applies to periods of new future service credit earned by covered employees with contributing employers that withdrew from the Plan prior to April 1, 2003, but recommence participation on or after April 1, 2003.

If a participant moves from one contributing employer to another, his benefits for the periods of future service credit earned with each employer will be valued at the schedule applicable to the particular employer. All service with current contributing employers with contribution dates before April 1, 2003 will be valued using the existing benefit schedule. All service with new contributing employers with contribution dates on or after April 1, 2003 will be valued using the new schedule.

JULY2003

Adjustment of 1200 Hours of Service Requirement to 600 Hours of Service

Currently, the eligibility requirements for a Normal Pension, an Early Retirement Pension, and a Disability Pension, include, among other things, that the Participant have at least 1200 Hours of Service. This 1200 Hours of Service requirement no longer applies if you have at least 600 Hours of Service in any Plan Year 1999 or later and you have an initial effective date of benefits on or after July 1, 2003. All of the other eligibility requirements for benefits remain unchanged.

When Benefits are Paid Automatically

Generally, benefits under the National Pension Plan begin to be paid automatically if you are vested and have not yet started receiving your pension by the April 1 of the calendar year following the later of the calendar year in which you are 70½ years old or the calendar year in which you retire from employment covered by the Plan. If you do not start receiving your benefits by that date, the IRS can assess a 50% excise tax on the value of your benefits.

Order of Beneficiaries to Receive Pension Payments due but not Received at Death

For deaths on or after January 1, 2002, any pension payments due to, but not yet received, by a pensioner, surviving spouse, or beneficiary shall be paid to the person who is receiving continued payments under the 60 or 120 Certain Payments. If this is not applicable, the payments will be made to the survivors of the deceased recipient based on the following order: to the surviving spouse; if no surviving spouse, to the children (divided equally); if no surviving spouse or children, to the surviving parents (divided equally); if no surviving spouse, children, or parents to the surviving siblings (divided equally); if no surviving spouse, children, parents, or siblings, to the estate

Becoming a Plan Participant

Page 7 of the 2002 Summary Plan Description incorrectly states that overtime hours are not included in determining whether someone has enough Hours of Service to become a Plan participant. In fact, overtime hours are counted for this particular purpose.

Credit During Periods of Military Service

The Plan gives credited service and vesting service for periods of qualified military service in accordance with the Uniform Services Employment and Reemployment Rights Act (USERRA). If your contributing employer goes completely out of business while you are serving in the military, the Plan will still give you credit for your military service if USERRA would require that you receive the credit had you been re-employed by your employer.

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*Future Service Benefit Schedule for Employees of Contributing Employers
with Contribution Dates of April 1, 2003 or after**

<u>Contribution Rates</u>		Monthly Normal Pension Benefit for Each Year of Future Service Credit	<u>Contribution Rates</u>		Monthly Normal Pension Benefit for Each Year of Future Service Credit
<u>Hourly</u>	<u>Daily</u>		<u>Hourly</u>	<u>Daily</u>	
\$0.10	\$0.80	\$5.15	\$1.90	\$15.20	\$81.73
0.15	1.20	7.74	1.95	15.60	83.59
0.20	1.60	10.31	2.00	16.00	85.46
0.25	2.00	13.01	2.05	16.40	87.33
0.30	2.40	15.70	2.10	16.80	89.20
0.35	2.80	18.40	2.15	17.20	91.07
0.40	3.20	21.10	2.20	17.60	92.95
0.45	3.60	23.79	2.25	18.00	94.82
0.50	4.00	26.48	2.30	18.40	96.57
0.55	4.40	29.18	2.35	18.80	98.32
0.60	4.80	31.87	2.40	19.20	100.07
0.65	5.20	33.89	2.45	19.60	101.80
0.70	5.60	35.90	2.50	20.00	103.56
0.75	6.00	37.93	2.55	20.40	105.31
0.80	6.40	39.94	2.60	20.80	107.06
0.85	6.80	41.69	2.65	21.20	108.80
0.90	7.20	43.46	2.70	21.60	110.55
0.95	7.60	45.22	2.75	22.00	112.28
1.00	8.00	46.98	2.80	22.40	113.93
1.05	8.40	48.43	2.85	22.80	115.55
1.10	8.80	49.90	2.90	23.20	117.18
1.15	9.20	51.91	2.95	23.60	118.81
1.20	9.60	54.05	3.00	24.00	120.44
1.25	10.00	56.06	3.05	24.40	122.06
1.30	10.40	58.06	3.10	24.80	123.70
1.36	10.80	60.07	3.15	25.20	125.32
1.40	11.20	62.08	3.20	25.60	126.95
1.45	11.60	64.09	3.25	26.00	128.57
1.50	12.00	66.08	3.30	26.40	130.07
1.55	12.40	68.08	3.35	26.80	131.57
1.60	12.80	70.09	3.40	27.20	133.07
1.65	13.20	72.09	3.45	27.60	134.57
1.70	13.60	74.10	3.50	28.00	136.06
1.75	14.00	76.10	3.55	28.40	137.56
1.80	14.40	77.98	3.60	28.80	139.06
1.85	14.80	79.84	3.65	29.20	140.56

*A lower benefit schedule may apply to groups of 2,500 or more employees.

<u>Contribution Rates</u>		Monthly Normal Pension Benefit for Each Year Of Future Service Credit	<u>Contribution Rates</u>		Monthly Normal Pension Benefit for Each Year of Future Service Credit
<u>Hourly</u>	<u>Daily</u>		<u>Hourly</u>	<u>Daily</u>	
3.70	29.60	142.05	5.90	47.20	198.28
3.75	30.00	143.54	5.95	47.60	199.44
3.80	30.40	144.92	6.00	48.00	200.61
3.85	30.80	146.29	6.05	48.40	201.77
3.90	31.20	147.67	6.10	48.80	202.94
3.95	31.60	149.04	6.15	49.20	204.11
4.00	32.00	150.41	6.20	49.60	205.27
4.05	32.40	151.78	6.25	50.00	206.44
4.10	32.80	153.16	6.30	50.40	207.61
4.15	33.20	154.52	6.35	50.80	208.77
4.20	33.60	155.90	6.40	51.20	209.93
4.25	34.00	157.27	6.45	51.60	211.10
4.30	34.40	158.64	6.50	52.00	212.27
4.35	34.80	160.01	6.55	52.40	213.43
4.40	35.20	161.39	6.60	52.80	214.60
4.45	35.60	162.76	6.65	53.20	215.76
4.50	36.00	164.14	6.70	53.60	216.93
4.55	36.40	165.40	6.75	54.00	218.09
4.60	36.80	166.66	6.80	54.40	219.26
4.65	37.20	167.93	6.85	54.80	220.42
4.70	37.60	169.19	6.90	55.20	221.59
4.75	38.00	170.46	6.95	55.60	222.76
4.80	38.40	171.72	7.00	56.00	223.92
4.85	38.80	172.99	7.05	56.40	225.08
4.90	39.20	174.25	7.10	56.80	226.25
4.95	39.60	175.52	7.15	57.20	227.41
5.00	40.00	176.79	7.20	57.60	228.58
5.05	40.40	178.05	7.25	58.00	229.74
5.10	40.80	179.32	7.30	58.40	230.90
5.15	41.20	180.58	7.35	58.80	232.07
5.20	41.60	181.84	7.40	59.20	233.23
5.25	42.00	183.11	7.45	59.60	234.40
5.30	42.40	184.28	7.50	60.00	235.56
5.35	42.80	185.45	7.55	60.40	236.72
5.40	43.20	186.61	7.60	60.80	237.89
5.45	43.60	187.78	7.65	61.20	239.05
5.50	44.00	188.95	7.70	61.60	240.22
5.55	44.40	190.11	7.75	62.00	241.38
5.60	44.80	191.27	7.80	62.40	242.54
5.65	45.20	192.44	7.85	62.80	243.71
5.70	45.60	193.61	7.90	63.20	244.87
5.75	46.00	194.77	7.95	63.60	246.04
5.80	46.40	195.94	8.00	64.00	247.20
5.85	46.80	197.11			