



SUMMARY PLAN DESCRIPTION

OF THE

LOCAL 351 I.B.E.W.

SURETY PLAN

Effective April 1, 2019

IBEW LOCAL UNION 351 SURETY PLAN
(Plan No. 002)

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IBEW LOCAL UNION 351 SURETY PLAN

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The following is a summary of the information contained in the official text of the plan and sets forth certain rights and protection that plan participants are entitled to under ERISA.

The purpose of this Summary Plan Description is to provide you with information about the rules and level of benefits available to you. It is not intended to be an official text of the plan. If it is considered that the terms, conditions and provisions of this Summary differ in content from that of the official text of the plan of benefits (called a plan document), then the terms of the plan document shall govern.

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1. Who will be a Participant?

In general, if you are employed by an employer who has signed a collective bargaining agreement with Local Union 351 of the International Brotherhood of Electrical Workers and you are doing work covered by the agreement, the employer is required to make contributions to the Surety Fund and you are a participant.

2. Plan fiscal year.

The Plan Fiscal Year is from January 1 to December 31.

3. Who pays the cost of the Surety Plan?

Except for the expenses of the Fund, described in Section 8, the entire cost of the Surety Plan is met by employer contributions under the provisions of the Collective Bargaining Agreement.

4. What is an Individual Account?

An Individual Account is the account established and maintained for each participant into which is placed employer contributions made on your behalf.

In general, it will be:

- The sum of all contributions made on your behalf, PLUS
- All actual investment earnings (realized and unrealized) credited to your account, MINUS
- All investment losses (realized and unrealized) credited to your account, MINUS
- All withdrawals from your account MINUS
- Your share of the expenses of operating the Fund.

From the statement given you quarterly you will be able to see what is happening in your Individual Account. Contributions are specified in the current collective bargaining agreement between your employer and the Union. All contributions credited to your Individual Account are fully vested.

5. What is the valuation date?

Each Individual Account is valued daily.

6. How will the Surety Fund assets be invested?

The Surety Fund qualifies as a “404(c)” plan. A 404(c) plan permits the participants to direct the investment of their Individual Account according to the rules of Section 404(c) of the Employee Retirement Income Security Act of 1974 (“ERISA”) and Title 29 of the Code of Federal Regulations, Section 2550.404c-1. As a result, the Fund’s Fiduciaries, including the Trustees, will not be liable for losses that are a direct result of investment instruction the Trustees received from you.

In order for you to qualify to direct your investments, you must have an individual account and attend an investment information seminar periodically arranged by the Trustees and conducted by investment professionals. At these seminars, you will be informed as to the various investment vehicles available.

Once you have qualified to direct your investments, you can instruct the Plan Administrator to transfer money from your existing account into one or more of several investment options. You can also designate and change the way new contributions to your account are allocated among the investment options.

The investment options are selected and reviewed by the Trustees. They have varying levels of risk.

Because contributions to your Individual Account are fully vested, the Plan is not insured under Title IV of ERISA.

7. Account Balance – Statements

The Plan Administrator keeps track of all transactions in your individual account. The Plan Administrator maintains a toll-free telephone number that will permit you to obtain the current value of each of the investments in your individual account.

In addition, the Plan Administrator will send you a quarterly statement showing the contributions, investment earnings, withdrawals and expenses applied to your account. If you believe that there are any discrepancies in your statement, you should contact the Plan Administrator or the Fund's Office as soon as possible.

8. Expenses

The Trustees carefully monitor the expenses of the Fund. These expenses include the cost of the Fund Office and Professionals (Lawyers, Accountants, Consultants, etc.). The expenses are assessed in two ways: First a per-participant quarterly charge applied directly to your account and shown on your quarterly statement (see Section 7). The second part is a percentage of the assets in your account. This part is deducted daily by the firm that manages the investments.

9. Changing Investments

Your initial election of investments may be made in writing on a properly completed and signed form filed with the Plan Administrator. You can get an election form from the Fund Office. Improperly completed forms or unsigned forms will not be executed. You may also make your initial election of investments by providing them to the Plan Administrator through any touchtone telephone or over the Internet.

You may change investments daily by providing investment instructions to the Plan Administrator through any touchtone telephone or over the Internet. Your new investment instructions will be executed on that business day or the next available business day and you will receive a confirmation, by mail, from the Plan Administrator shortly thereafter.

10. When are payments made from the Surety Fund?

(a) In general, you will receive the amounts in your Individual Account when:

- 1) You retire (Normal Retirement Age is 62);
- 2) You die prior to retirement;
- 3) You become totally and permanently disabled;
- 4) You terminate after having not worked in a job covered by the Collective Bargaining Agreement for at least three (3) consecutive months;
- 5) You have a partial termination during which you can request up to twenty-five percent (25%) of your account balance if you have had no covered employment over fifteen (15) consecutive days, but not more than two (2) times in a calendar year.

(b) In Service Distributions (Hardship Benefits):

You may apply for an amount of up to one hundred percent (100%) of your account balance, but not more than your financial hardship, upon the occurrence of one or more of the following:

- 1) Covered expenses for medical bills of \$500.00 or more for you, your spouse, dependent child, parent (if a dependent) or grandchild (if a dependent) which have not been reimbursed by benefits payable from the IBEW Local Union 351 Welfare Fund or other program of insurance.
- 2) Funeral expenses incurred by you due to the death of a spouse, child or parent.
- 3) Expenses incurred by you for the payment of tuition for yourself, your spouse, or a dependent child at an educational institution beyond high school level or a school/institution for physically or mentally handicapped or emotionally disturbed children.

- 4) Purchase by you of a home, cooperative or condominium apartment as a principal residence for payment of down payment, contract and title expenses only.
- 5) Reconstruction or substantial rehabilitation of your residence for which you will incur expenses of at least \$5,000.00.
- 6) You are delinquent in the making of mortgage or rental payments on your home and there is the immediate threat that your mortgage will be foreclosed or you will be evicted.

Spousal consent is required for all In Service Distributions.

The Trustees shall be the sole and absolute judge of whether or not the above contingencies have occurred. The Trustees shall also establish the documentary proof required to meet each hardship and whether in each particular case it has been met. The Trustee's judgment shall be final and binding on all parties.

11. In what form will Surety benefit payments be made to me?

If you were married on your Surety Starting Date, the normal form of receiving benefit payments under this plan shall be a Qualified Joint and Survivor Annuity with your spouse. You may also elect not to receive a Qualified Joint and Survivor Annuity, in which event, your election must be consented to by your spouse in writing which must be witnessed by a notary public. You may then elect to have the balance in your account payable in a fixed monthly amount or a lump sum or any combination of the two provided, however, that your Individual Account will be exhausted no later than your life expectancy or that of your spouse if you are married, based on IRS mortality tables applicable at the time of each payment. In the event that you die prior to retirement, your surviving spouse will receive a Qualified Preretirement Survivor Annuity. The earliest date that your spouse may receive a payment is the month following the month in which you would have attained the earliest retirement age. However, your spouse may elect to receive installments, a lump sum or any combination of the two to accomplish the distribution of your account balance payable upon your death.

If the cash value of your Individual Account does not exceed \$5,000, the entire balance of your Individual Account may be distributed to you without your consent or the consent of your spouse.

You may be eligible to receive your benefits in the form of a direct rollover to an eligible retirement account. However, periodic annuity payments and required minimum distributions may not be rolled over.

12. Penalties on Withdrawals and Early Distributions

Under the current Federal regulations, in an effort to encourage savings for retirement purposes, certain penalties will be charged against any withdrawal or distribution from any qualified plan. The penalty is non-deductible ten percent (10%) excise tax on the entire taxable amount of the withdrawal or distribution. This penalty is in addition to any income tax you might be liable for on the withdrawal or distribution.

The penalty will not be assessed if you receive:

- (a) A distribution of withdrawal after you have reached age 59½;
- (b) A distribution to your beneficiary due to your death;
- (c) A distribution to you due to your total and permanent disability;
- (d) A distribution to you if you have reached age 55 and elect early retirement under the Plan and actually retire.

13. How to apply for a benefit:

You should file an application for Retirement, Total and Permanent Disability, Termination or Hardship with the Trustees. The proper form will be provided to you upon request at the office of the Surety Fund.

14. Appeals procedure:

If your claim for benefits is denied, you will receive a written notice explaining the reasons for denial. You will then have 60 days (180 days for a disability claim) after you receive the denial to request in writing an appeal of your case before the

Board of Trustees. The written appeal must describe your reasons for disagreeing with the denial, along with all documents and written arguments you want considered within the appeal. Upon request, the Trustees will identify any medical or vocational experts it consults (if any) for purposes of the appeal. Also, you may obtain, free of charge, any documents or information relevant to your claim. You can appeal personally or through a representative. If you fail to file a written appeal within the applicable time period, your claim will be deemed permanently waived and abandoned.

If the claim is a disability claim, you must also submit your appeal to the Disability Insurance Service, Bureau of Private Plans, PO Box 957, Trenton, New Jersey 08625-0957, within the applicable time period after receiving the notice denying the claim.

The Trustees will review any new evidence or testimony that you present. The Trustees have 60 days (45 days for a disability claim) to make a decision on your appeal and to notify you if the denial is upheld. Under special circumstances, the Trustees may take up to an additional 120 days (90 for a disability claim) to review your appeal if determined that such an extension is necessary. If an extension of time is required, you will be notified before the end of the initial 60 day (45 for disability claims) period of the circumstances requiring the extension and the date by which the Trustees expect to render a decision.

If you have exhausted all appeals, you may bring an action under Section 502 of ERISA. Any such action must be filed within one year of the date of the final written denial. Any action brought after that will be time-barred.

15. Qualified Domestic Relations Orders

Your benefits under this plan may not be assigned, pledged, or otherwise encumbered. However, in the event that you and your spouse are divorced, a nonparticipant spouse may obtain a qualified domestic relations order that directs the plan administrator to pay benefits to a person (called the “alternate payee”) so named in the order.

In general, a domestic relations order (DRO) means any judgment, decree, or order that relates to the provision of child support, alimony payments or marital property rights which is made pursuant to a particular state’s domestic relations (including a community property) law. If the DRO is found to be a “qualified” domestic relations order, or “QDRO”, the plan must make a payment of all, or part of, a participant’s benefits to the alternate payee(s) specified in the DRO. An alternate payee is a spouse, former spouse, child, or other dependent of a participant who is recognized by the DRO as having a right to receive all, or a portion, of the participant’s benefits under the plan. An alternate payee may designate a representative for receipt of copies of notices and plan information that are sent to the alternate payee with respect to a DRO. To be “qualified” under ERISA the DRO must satisfy certain requirements.

To be qualified, a domestic relations order **must** clearly specify:

- The participant and each alternate payee covered by the DRO by name and mailing address,
- The amount or percentage of the participant’s benefits to be paid to each alternate payee, or the manner of determining the alternate payee’s benefit,
- The number of payments to the alternate payee or the period during which payments are to be made to the alternate payee to which the DRO applied,
- The plan or plans to which the DRO applies, and
- Any other information necessary to properly administer the DRO, including the social security numbers of the participant and alternate payee.

In addition, the DRO to be qualified **cannot** require the plan to:

- Provide benefits under a form of payment that is not provided for under the plan,
- Provide benefit amounts which would be greater than the participant’s account balance, or
- Pay to an alternate payee benefit amounts which are required to be paid to another individual under a prior domestic relations order.

While a DRO generally may not require a plan to provide a type or form of benefit not otherwise provided under the plan, the law includes special provisions which permit benefits to be paid to an alternate payee before the participant begins to receive benefits. If the DRO in your case so specifically states, the Surety Plan will allow for a distribution to the alternate payee before he attains his earliest retirement date.

The DRO must provide for a benefit form available under the plan to the participant. (However, a joint and survivor annuity for the alternate payee and his or her new spouse is not permitted.)

In no event shall any payments be made to an alternate payee until a qualified person, such as the plan's legal counsel, has determined that the DRO is qualified.

Note: If the plan administrator is notified that a DRO is being sought, the plan administrator may delay payments to a participant in anticipation of such DRO.

The law provides that the plan administrator shall have a reasonable length of time in which to determine whether a DRO is qualified. The plan administrator is to separately account for the amount called for in the DRO which would be payable to the alternate payee during an 18 month period beginning at the time the proposed QDRO requires payments to be made to the alternate payee but not earlier than the receipt by the Plan of the proposed QDRO. In the case of the Surety Plan, certain participant directed transactions will be restricted during the determination period. If benefits are in pay status, the amounts called for in the DRO will be withheld during this period from the participant's benefit.

While the law requires only a separate account of amounts currently payable to an alternate payee during the determination period, legal counsel may determine that an immediate segregation of the entire potential interest of the alternate payee is required in order to have the account records necessary to enable the plan to comply with the DRO.

If the DRO is determined to be nonqualified, the plan administrator may (i) continue any withholding of benefit payments, and (ii) continue any separate accounting until the end of the 18-month period if he or she has notice that the alternate payee is attempting to rectify any deficiencies in the DRO.

If the plan administrator is unable to resolve the DRO's qualified status within 18 months of the day payments would first be required under the DRO, then the DRO shall be treated as not qualified with respect to continued withholding of any benefit payments. All payments withheld during this period (together with interest thereon) are to be paid to the individual who would receive them if the DRO was never issued. Furthermore, any separate accounting will be eliminated, and if a separate account was established under a defined contribution plan the accumulated segregated amounts (together with earnings thereon) must be paid to the participant or transferred to his or her plan account. If the DRO is found to be qualified after the 18-month period, the provisions of the DRO shall only be applied prospectively.

16. Plan Termination

The Plan may be terminated by the Board of Trustees and, in such event, all of the funds of the Plan shall be used for the exclusive benefit of the Participants as of the date of termination of the Plan and to defray the expenses of the termination. In the event of discontinuance of the Plan, the net value of your individual account shall be determined as of the date of discontinuance. Expenses of terminating the Plan shall be deducted pro-rata from the net value of your individual account, and the balance shall be paid to you in one lump sum or applied to purchase an annuity for you under a group annuity contract as the Trustees shall in their sole discretion determine. Any annuity so purchased may be a fixed dollar or variable annuity, or both, and will be subject in all respects to the terms of the group annuity contract under which it is purchased.

Upon Plan termination of partial termination or discontinuance of contributions, your interest in the Plan as of the date of Plan termination, partial termination or discontinuance of contributions will be non-forfeitable.

No merger or consolidation with, or transfer of assets or liabilities to any other plan shall be made unless your benefit after the termination, merger, consolidation or transfer, is equal to or greater than your benefits immediately before the merger, consolidation or transfer if the Plan had then terminated.

17. Participant's rights and protection under ERISA:

As a participant in the IBEW Local Union 351 Surety Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974. ERISA provides that all plan participants should be entitled to:

- Examine without charge, at the plan administrator's office, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan, with the U.S. Department of Labor, and a complete list of employers and employee organizations sponsoring the Plan.
- Obtain, upon written request to the plan administrator, and a complete list of employers and employee organizations sponsoring the Plan, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The 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 financial report.
- Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age 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 benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.
- In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan 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 your employer, your union, 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. If your claim for a benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the plan review and reconsider your claim.
- Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request material 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 pay you up to \$110.00 a day until you receive the materials unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may, after exhausting the claim and appeals provisions of the Plan, file suit in a state or Federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that plan 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 the costs and fees. If you lose the court may order you to pay these costs and fees if it finds your claim is frivolous.
- If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

18. Disclosure information required by ERISA:

(a) Name of Plan and Employer Identification Number:

IBEW Local Union 351 Surety Fund
E.I. No. 22-3431479

(b) Name and Address of Union and Employer Associations:

IBEW Local Union 351 whose address is PO Box 1118, Hammonton, NJ 08037, representing the employees and the Southern New Jersey Chapter, Inc., National Electrical Contractors Association, 100 Century Parkway, Mt. Laurel, NJ 08054, representing the most significant group of employers. Participants and beneficiaries may receive from the plan administrator, upon written request, information as to whether a particular employer or employee organization is a sponsor of the plan, and if so, the sponsor's address.

(c) Type of Plan:

Money Purchase Plan, ERISA 404(c).

(d) Operation and Administration:

The operation and administration of the joint responsibility of the Board of Trustees consisting of:

<u>Union Trustees</u>	<u>Employer Trustees</u>
Daniel Cosner	Jeffrey Houde
Chuck Della Vecchia	Raymond Palmieri
William Hosey	Thomas Peterson

Whose address is:

c/o I.E. Shaffer & Co.,
830 Bear Tavern Road,
P.O. Box 1028,
West Trenton, New Jersey 08628.

Telephone:

(609)883-6688 or (609)792-3666.

I.E. Shaffer & Co. is the Administrator of the Plan and the agent for service for process and notices.

(e) Collective Bargaining Agreements and Contributions:

Parties to the Collective Bargaining Agreement relating to the plan are IBEW Local Union 351 and the contributing employers. The collective bargaining agreement contains a clause providing for the rate of contribution to the Surety Fund, and a copy is available for your examination upon written request to the Plan Administrator.

(f) Funding Medium:

The IBEW Local Union 351 Surety Fund is the funding medium used for the accumulation of assets and through which benefits are provided, and which is administered by the Board of Trustees.

