

IBEW LOCAL UNION 351

WELFARE, PENSION AND SURETY FUNDS

Quick Reference Guide

April 1, 2011

Important Notice: This is an outline of the principal plan provisions of the IBEW Local Union 351 Welfare, Pension and Surety Plans and is not intended to completely describe the Plan provisions. In the event of any discrepancy between this outline and the Plans, the Plan Documents shall govern. For further information, please review your Summary Plan Description or contact the office of the Administrator, I. E. Shaffer & Co., at P. O. Box 1028, Trenton, NJ 08628. Telephone 1-800-792-3666.

04/06/11

IBEW LOCAL UNION 351 WELFARE FUND
Effective January 1, 2011

Initial Eligibility

You will become initially eligible for benefits on the first day of the second month following an employment period of not more than six consecutive months during which you have been credited with at least 300 hours of service. Upon satisfying this requirement, you will remain eligible for at least three months.

You Will Become

Eligible On

January 1
February 1
March 1
April 1
May 1
June 1
July 1
August 1
September 1
October 1
November 1
December 1

If You Have

300 Hours During the Prior

June through November
July through December
August through January
September through February
October through March
November through April
December through May
January through June
February through July
March through August
April through September
May through October

Continued Eligibility and Termination

To maintain your eligibility after satisfying the initial requirement, you must have at least 300 hours of service each calendar quarter. Your eligibility will terminate on the last day of the second month following the calendar quarter during which you fail to receive credit for at least 300 hours.

Your Eligibility Will

Terminate On

February 28
May 31
August 31
November 30

If You Do Not Have 300 Hours

During the Preceding

October through December
January through March
April through June
July through September

Reserve Hours

Hours of service in excess of the hours required to establish and maintain eligibility will be placed in a reserve (Reserve A) and will accumulate up to a maximum of 900 hours. This reserve will be drawn upon to maintain your eligibility if you should fail to receive credit for at least 300 hours of service during a subsequent calendar quarter. However, the use of this reserve has been temporarily suspended, effective July 1, 2010. You will also receive 150 service hours credited to a reserve (Reserve B) for each full calendar year that you are eligible up to a maximum of 1,200 hours. This service hour reserve will be applied to maintain your eligibility upon your retirement or

death. However, reserve hours may not be utilized to maintain your eligibility following your retirement if you continue to work at the trade for a signatory or non-signatory employer in a position not requiring contributions to the Welfare Fund.

Disability Credit

If you become disabled while eligible, you will be credited with 25 disability hours for each week that you are disabled up to a maximum of 600 hours for any one continuous period of disability.

Reinstatement

Should your eligibility terminate, it will be reinstated provided you are credited with at least 300 hours of service during a calendar quarter and you are not out of employment with a contributing employer for more than 12 months. Your eligibility will reinstate on the first day of the second month following that calendar quarter during which you meet this 300 hour requirement. If you do not satisfy this reinstatement provision, you will be treated as a new employee and will be subject to the 300 hour requirement for initial eligibility outlined above.

Non-Bargaining Employees

If you are a non-bargaining employee of an eligible participating employer, you will become eligible on the first day of the fourth month following your employment. Your eligibility will terminate on the last day of the month, which follows the month for which your employer last makes required contributions.

Retiree Eligibility

Following your retirement, you will be eligible for retiree benefits provided all the following requirements are satisfied:

- You have been eligible for benefits under the Welfare Fund as an active employee for at least 60 of the 80 quarters prior to your retirement.
- You have attained age 55 or are totally disabled.
- You are entitled to receive a retirement benefit from the IBEW Local Union 351 Pension Fund except if you have been eligible as a non-bargaining employee.
- You make the required contributions in the amount established by the Trustees after exhausting your accumulated Reserve Hours. If you have attained age 62, or are totally disabled, the required contribution is \$200 per month. The required contribution for early retirees under age 62 is based upon the current monthly COBRA rates. Exception - if you retire on or after April 1, 2005 and after attaining age 58, and you do not elect the lump-sum form of payment under the IBEW Local 351 Pension Plan, the required contribution will be \$200 per month after you attain age 60 rather than after you attain age 62.

If you fail to satisfy the above requirements and lose eligibility, you and your dependents may continue coverage under COBRA for up to 18 months (29 months if you are totally disabled). If your dependent loses eligibility due to your death, divorce or legal separation, or your child ceasing to satisfy the definition of an eligible dependent, they may continue coverage under COBRA for up to 36 months.

The current monthly self-pay rates for the full plan under COBRA are:

Single	\$ 786.00
Parent/Child(ren)	\$ 968.00
Family	\$1,142.00

If your spouse and eligible dependent children lose eligibility due to your death, self-pay continuation of coverage is available for an indefinite period of time at the current COBRA rates. Widows or Widowers who are Medicare primary may elect to continue coverage at a cost of \$440 per month.

Types of Plan Benefits

- Life Insurance and Accidental Death and Dismemberment
- Temporary Disability
- Medical
- Dental
- Vision
- Employee Assistance Program - pre-certification required for all treatment associated with mental/nervous and substance abuse treatment

Overview of AmeriHealth Administrators & Beech Street PPO Benefits

	<u>In-Network</u>	<u>Out-of-Network</u>
In-patient Hospital	100%	60% after deductible
Out-patient Hospital	100% after \$100 co-pay	60% after deductible and \$100 co-pay
Physician Services		
In-hospital services	100% after \$15 co-pay	60% after deductible
Office or home services	100% after \$15 co-pay	60% after deductible
Diagnostic X-ray and Lab	100%	60% after deductible

IBEW LOCAL UNION 351 WELFARE FUND
Schedule of Benefits
Effective January 1, 2011

AMERIHEALTH ADMINISTRATORS & BEECH STREET PPO NETWORKS

Life Insurance (Active Employees Only) - \$30,000

Life Insurance (Active Employees age 55 through 59 with at least 20 years pension credited service under the IBEW Local 351 Pension Plan) –\$280,000

Accidental Death & Dismemberment (Active Employees Only) - \$30,000

Temporary Disability Benefits (Active Employees Only)

Weekly Benefit - \$150 - first 13 weeks of disability; \$250 - next 13 weeks of disability
Waiting Period - 7 days if due to illness; none if due to accidental injury
Maximum Benefit Period - 26 weeks

Medical Benefits

Annual Deductible (out-of-network) - \$1,000/person or \$2,500/family (\$200/person or \$500 family if Medicare primary)

Annual Coinsurance Limit (out-of-network) - \$10,000/person (\$1,500/person or \$3,000/family if Medicare primary)

Inpatient Hospital - semiprivate rate

In-Network - 100% no deductible

Out-of-Network - 60% after deductible (80% if Medicare primary)

Outpatient Hospital – preadmission testing and surgery

In-Network - 100% no deductible

Out-of-Network - 60% after deductible (80% if Medicare primary)

Other Outpatient Hospital Services:

In-Network - 100% after \$100 emergency room co-payment (waived if admitted)

Out-of-Network (emergency services) – 100% after \$100 emergency room co-payment (waived if admitted)

Out-of-Network (non-emergency) - 60% after deductible and \$100 emergency room co-payment (co-payment waived if admitted) (80% if Medicare primary)

Physician Surgical and In-hospital Services:

In-Network - 100% no deductible

Out-of-Network - 60% after deductible (80% if Medicare primary)

Physician Office or Home Visits:

In-Network - 100% after \$15 copayment
Out-of-Network - 60% after deductible (80% if Medicare primary)

Laboratory and Radiology Services:

In-Network - 100% no deductible
Out-of-Network - 60% after deductible (80% if Medicare primary)

Preventative Care Services (as defined by the Patient Protection and Affordable Care Act):

In-Network - 100%
Out-of-Network - 100%

Shingles Vaccine (age 60 and over)

In-Network - 100% no co-payment
Out-of-Network - 100% no deductible

All Other Medical Services:

Out-of-Network - 60% after deductible (80% if Medicare primary)

Dental Benefits (provided through Delta Dental)

Annual Deductible - 50/person or \$150/family
Preventative and diagnostic services – 100% after deductible
Basic services – 80% after deductible
Major services – 50% after deductible
Orthodontia services – 50%

Prescription Card Program – 30 Day Supply (Mandatory Generic)

Generic Drugs - \$10 copayment
Preferred Brand Name Drugs - \$20 copayment
Non-Preferred Brand Name Drugs - \$40 copayment
Specialty Drugs - \$100
100% copayment for all brand name PPI medications including Aciphex, Nexium, Zegrid,
Prevacid and Protonix.

Mail Order Prescription Program – 90 Day Supply (Mandatory Generic)

Generic Drugs - \$25 copayment
Preferred Brand Name Drugs - \$50 copayment
Non-Preferred Brand Name Drugs - \$100 copayment
100% copayment for all brand name PPI medications including Aciphex, Nexium, Zegrid,
Prevacid and Protonix.

Vision Benefits (payable per calendar year)

Examination - \$75
Lens, pair
 Single, Bifocal, Trifocal or Lenticular - \$75
 Contacts - \$100
Frames - \$50

Benefit Maximums

Home Health Care - 120 visits per year

Chiropractic Care Limits - maximum covered visits per year - 30

Annual Dental Maximum - \$2,000/family (not including orthodontia)

Lifetime Dental Orthodontia Maximum - \$1,000/person

Hearing Aids - \$2,000/person every 36 months

Lifetime Maximum Benefit - unlimited

Pre-Certification Requirements

All inpatient hospital stays must be pre-certified by **AmeriHealth at 1-800-952-3404**.
Emergency admissions must be certified within 72 hours after hospital admission. There is a \$200 penalty for failure to pre-certify.

All treatment relative to mental/nervous and substance abuse conditions must be pre-certified by the **Employee Assistance Program at 1-800-527-0035** rather than AmeriHealth. No benefits will be paid for treatment that is not pre-certified.

IBEW LOCAL UNION 351 PENSION FUND

Effective January 1, 2011

Important Terms

- Plan Year - January 1st to December 31st
- Credited Service
 - ◇ For service after 1/1/96, 1/12th year of credit for each 100 hours of service up to a maximum of 1 year of credit for 1,200 hours.
 - ◇ For service from 10/1/95 to 12/31/95, 1/12th year of credit for each 100 hours of service up to a maximum of .25 year of credit for 300 hours.
 - ◇ For service prior to 10/1/95, credit is based upon provisions of prior plans 211, 439 and 592.
- Vested Service - 1 year of credit for 1,000 hours of service (no partial credit).
- Vesting - 100% after 5 years vested service if employed after 1/1/99.
- Forfeiture - occurs if prior to becoming vested you incur a period of at least 5 consecutive 1 year breaks in service, which equals or exceeds your vested service.
- Break in Service - any plan year during which you do not earn any credited service.

Types of Pension Benefits

- Normal Retirement – payable at age 60 with 10 years of credited service or age 62 with 5 years of participation.
- Early Retirement – payable at age 55 with 5 years of credited service.
- Disability Retirement – payable at any age, with Social Security Disability, and 8 years of credited service.

Normal Retirement Benefits

A lifetime monthly benefit payable for life starting at normal retirement age equal to:

- \$1.10 per month for each full \$50 of contributions from 10/1/95 to 12/31/98, plus,
- \$1.00 per month for each full \$50 of contributions from 1/1/99 to 12/31/02, plus,
- \$1.00 per month for each full \$100 of contributions from 1/1/03 to 12/31/04, plus,
- \$1.00 per month for each full \$110 of contributions from 1/1/05 to 12/31/05, plus,
- \$1.00 per month for each full \$135 of contributions from 1/1/06 to 12/31/06, plus,
- \$1.00 per month for each full \$180 of contributions from 1/1/07 to 12/31/07, plus,
- \$1.00 per month for each full \$200 of contributions from 1/1/08 to 12/31/09, plus,
- \$1.00 per month for each full \$210 of contributions from 1/1/10 to 12/31/10, plus,
- \$1.00 per month for each full \$220 of contributions after 1/1/11, plus,
- 110% of the monthly benefit earned under the Local 211, 439 and 592 Pension Plans.

Early Retirement Benefits

Same as Normal Retirement amount reduced by 1/2% for each month that you retire prior to age 60 and 1/3% for each month that you retire prior to age 56. For example, at age 58 your benefit would be reduced by 12%. At age 56 your benefit would be reduced by 24%. At age 55 your benefit would be reduced by 28%. There is no reduction in your benefit if the total of your age and years of credited service is at least 83 (“Rule of 83”). Plus, a supplement payable until age 62 for employees with at least 20 years of credited service equal to your early retirement benefit determined above.

Disability Retirement Benefits

Same as Normal Retirement amount with no reduction for early retirement and no supplemental benefit.

Forms of Payment

- Life Annuity with 60 payments guaranteed
- Life Annuity with 120 payments guaranteed
- Life Annuity with 180 payments guaranteed
- Life Annuity with 240 payments guaranteed
- Spouse's Joint and 50%, 75% or 100% to Survivor (with pop-up)
- Lump sum (for benefit accrued through 12/31/02)

Pre-Retirement Death Benefits

Non Vested Employee With 2 But Less than 5 Years of Credited Service – (including 2 years during the 5 years prior to death)

- ◇ Lump sum benefit equal to \$1,000 times years of credited service.

Non-Vested Employee With 5 But Less than 10 Years of Credited Service – (including 2 years during the 5 years prior to death)

- ◇ Lump sum benefit equal to 30 times your accrued normal retirement monthly benefit.

Vested Employee

- ◇ Lifetime benefit payable to your spouse equal to ½ your accrued normal retirement monthly benefit. This benefit commences immediately provided you are over age 50 or have at least 20 years of credited service, or when you would have attained age 50 if you have less than 20 years of credited service, or
- ◇ Lump sum benefit equal to 60 times your accrued normal retirement monthly benefit.

Post Retirement Death Benefits

- Continuation of monthly benefit based upon form of payment elected at retirement.

IBEW LOCAL UNION 351 SURETY FUND

Effective April 1, 2011

Your Account Balance is Equal to:

- Employer Contributions, plus
- Investment Earnings, less
- Withdrawals, less
- Expenses

Types of Surety Benefits

- Retirement – payable if age 55 and retired from the Industry.
- Disability – payable if totally and permanently disabled.
- Full Termination – payable if no covered employment over 3 consecutive months.
- Partial Termination – 25% of your account balance payable if no covered employment over 15 consecutive days, but not more than two times in a calendar year.
- Death - payable upon death.
- Financial Hardship - available to participants for the following purposes:
 - ◇ Medical expenses of at least \$500 incurred by you, your spouse, dependent child, parent or grandchild that have not been reimbursed by insurance.
 - ◇ Educational expenses for yourself, your spouse or dependent child to attend an educational institution above the high school level or a school for handicapped children.
 - ◇ Purchase of a home, cooperative or condominium apartment for your principal residence for which you have incurred down payment, contract or title expenses.
 - ◇ Funeral expenses incurred due to the death of your spouse, child or parent.
 - ◇ Home improvement of at least \$5,000 or to prevent foreclosure or eviction from principal residence.

Forms of Payment

- Lump Sum
- Monthly installments over a period not to exceed your life expectancy
- Combination lump sum and monthly installments
- Joint and survivor annuity

Federal and State Income Taxes

- Surety benefits are subject to federal and state income taxes.
- Mandatory 20% withholding applies to all payments made over less than 10 years.
- 10% IRS penalty applies if you are not 59½ or 55 and retired.
- May qualify for rollover treatment.

Investment Choices:

- Prudential Guaranteed Deposit Fund (70% default)
- TCP Global Intermediate Fixed Income Fund
- Dreyfus Lifetime Growth & Income Fund
- Manning & Napier Target Income, 2010, 2020, 2030, 2040 and 2050 Funds
- Prudential/Lazard LifeStyle 60, 50, 40, 30 and 20 Funds
- Vanguard Institutional Index Fund (30% default)
- Lingleaf Partners Fund
- Janus Fund Strategy
- Fidelity Contrafund
- Vanguard Mid-Cap Fund
- Mid-Cap Fund/Goldman Sachs
- Vanguard Small-Cap Fund
- Thornburg International Value Fund
- Prudential Retirement Real Estate Fund

Investment earnings credited daily. Investment elections may be changed daily. Access to your account with your PIN 24 hours a day, 7 days a week – www.ieshaffer.com or (877) 742-3373 (toll-free).

Participants may take an asset allocation course provided by Prudential Retirement at www.prudential.com/signature/th. The password is “351”. Please visit <http://www3.prudential.com/signature/taft/local351.htm> for quarterly investment updates.