

**IBEW LOCAL UNION 456
WELFARE, PENSION & ANNUITY FUNDS**

QUICK REFERENCE GUIDE

EFFECTIVE: JANUARY 1, 2018

Important Notice: This is an outline of the principal plan provisions of the I.B.E.W. Local Union 456 Welfare, Pension and Annuity 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.

IBEW LOCAL UNION 456 WELFARE FUND

Effective January 1, 2018

ELIGIBILITY RULES

You will become initially eligible on the first day of the month following an employment period of twelve consecutive months during which you have been credited with at least 1,200 hours of service.

Apprentices, and, under certain conditions, employees of newly organized employers, will become initially eligible on the first day of the month following the completion of 300 hours of service within a period of six consecutive months.

If You Have 300 Hours During the Prior:	You Will Become Eligible:	And Will Remain Eligible Until At Least:
June through December	January 1	May 31
July through January	February 1	May 31
August through February	March 1	May 31
September through March	April 1	August 31
October through April	May 1	August 31
November through May	June 1	August 31
December through June	July 1	November 30
January through July	August 1	November 30
February through August	September 1	November 30
March through September	October 1	February 28 (29)
April through October	November 1	February 28 (29)
May through November	December 1	February 28 (29)

To maintain your eligibility thereafter, 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.

If You Have Less Than 300 Hours of Credit Between:	Your Eligibility Will Terminate On:
January 1 – March 31	May 31
April 1 – June 30	August 31
July 1 – September 30	November 30
October 1 – December 31	February 28 (29)

Hours of service in excess of the hours required to establish and maintain eligibility will be placed in a reserve and will accumulate up to a maximum of 900 hours. These reserve hours 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, you are not entitled to receive reserve hours until you have been eligible to receive benefits for at least 24 consecutive months.

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.

Should your eligibility terminate, it will be reinstated provided you are credited with at least 300 hours of service during a calendar quarter which ends within 10 months from the date your eligibility terminated. Hours of service worked during the calendar quarter immediately preceding your termination date, plus any accumulated reserve hours, will be applied towards this 300 hour requirement.

Termination Date:	Period of Time to Work a Total of 300 Hours (Plus any Remaining Reserve Hours) To Reinstale:
February 28 (29)	October 1 of the prior year – December 31
May 31	January 1 – March 31 of the next year
August 31	April 1 – June 30 of the next year
November 30	July 1 – September 30 of the next year

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 Are Credited with Your Required 300th Hour to Reinstale Between:	Your Eligibility Will Reinstale On:
January 1 – March 31	May 1
April 1 – June 30	August 1
July 1 – September 30	November 1
October 1 – December 31	February 1

If you do not satisfy this reinstatement provision, you will be treated as a new employee and will be subject to the 1,200 hour requirement for initial eligibility outlined above.

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 that follows the month for which your employer last makes required contributions.

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, or if disabled, you are eligible as an active employee in the Welfare Fund at the time of your retirement and you have earned a minimum of 20 years of Credited Service in the IBEW Local Union 456 Pension Fund, with at least 5 years of Credited Service in 10 years prior retiring.
- ◆ You have attained age 55 or are totally and permanently disabled.
- ◆ You are entitled to receive a monthly retirement benefit from the IBEW Local Union 456 Pension Fund (not required for non-bargaining employees).

The Supplemental Welfare Fund covers the medical, dental and prescription benefits of all retired Welfare Fund participants and their dependents.

If you or your dependent loses eligibility, self-pay continuation of coverage is available under COBRA for up to 36 months. Your accumulated reserve hours will be applied before self-pay is required. The current monthly self-pay rates for the full plan under COBRA are:

Single	\$ 658.00
Parent/Child(ren)	\$ 987.00
Family	\$1,316.00

Following your death your dependents will remain eligible for a period of twelve (12) months from your date of death or to the extent that your reserve hours are sufficient to maintain your eligibility. Once the 12 month period of “free” coverage expires, self-pay continuation of coverage is available for an indefinite period of time at the current COBRA rates. If your surviving spouse is eligible for Medicare, no premium is required. If you are covered as a retired employee at the time of your death, or eligible to be covered as a retired employee had you retired the day prior to your death, coverage will continue to your spouse at a no cost.

TYPES OF BENEFIT PLANS OFFERED BY THE WELFARE FUND

- ◆ **Life Insurance** (active employees only) – \$30,000
- ◆ **Death Benefit** (retired employees only) - \$10,000
- ◆ **Accidental Death and Dismemberment** (active employees only) – \$30,000
- ◆ **Temporary Disability Benefits** (active employees only)
 - Weekly Benefit - \$150
 - Waiting Period – 3 days; none if hospital confined
 - Maximum Benefit Period – 26 weeks
- ◆ **Medical** – See following pages for plan information
- ◆ **Prescription** – See following pages for plan information
- ◆ **Dental** – See following pages for plan information
- ◆ **Vision** – See following pages for plan information
- ◆ **Hearing** – See following pages for plan information
- ◆ **Health Reimbursement Arrangement (HRA)** – See following pages for plan information
- ◆ **Employee Assistance Program** - Pre-certification required for all in-patient treatment associated with mental/nervous and substance abuse treatment
- ◆ **Medicare Supplement** – Fund pays as supplement to Medicare at 100% with no deductible and no out-of-pocket maximum.

IBEW LOCAL UNION 456 WELFARE FUND
SCHEDULE OF BENEFITS

HORIZON BLUE CROSS BLUE SHIELD OF NEW JERSEY PPO NETWORK
EFFECTIVE DATE: JANUARY 1, 2018

MEDICAL BENEFITS	IN-NETWORK	OUT-OF-NETWORK
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ANNUAL DEDUCTIBLE

(Calendar Year)

Individual	\$0	\$500
Family	\$0	\$1,500

ANNUAL OUT-OF-POCKET MAXIMUM

(Copays, deductibles, and coinsurance count towards this out-of-pocket limit).

The annual out-of-pocket maximum for self-only coverage applies to all individuals, including those enrolled in family coverage. An individual's out-of-pocket maximum is embedded in the family's out-of-pocket maximum.

Individual	\$3,600	\$10,000
Family	\$7,200	\$10,000

***Medicare Eligible Plan Participants** – Fund pays as a supplement to Medicare at 100% with no deductible and out-of-pocket maximum. Please note that Medicare eligible participants (with the exception of those that are still either actively employed or the dependents of active employees) must enroll in Medicare Parts A & B. The Welfare Fund will enroll these individuals in its own Medicare Part D plan.

LIFETIME MAXIMUM	unlimited	unlimited
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DOCTOR'S OFFICE VISITS

Primary Care Office Visit	100% after \$10 co-pay	50% coverage after deductible
Specialist Office Visit	100% after \$10 co-pay	50% coverage after deductible
Maternity Visits	100% after \$10 co-pay (applies to 1 st visit only)	50% coverage after deductible

IN-NETWORK**OUT-OF-NETWORK****PREVENTATIVE CARE** (as defined by the Patient Protection and Affordable Care Act)

	100% coverage	NOT COVERED
RWJ University Hospital Annual Physical Exam Program*		
	100% coverage (including \$700 convenience fee)	Not applicable

*This program includes health history, physical exam, vision and hearing screening, lab work, electrocardiogram, chest x-ray, exercise stress test, and consultation with exercise physiologist for nutrition and exercise evaluation

DIAGNOSTIC PROCEDURES

Laboratory	100% coverage	50% coverage after deductible
Radiology	100% coverage	50% coverage after deductible

*In NJ, participants must use Lab Corp. of America. \$10 co-pay if performed in doctor's office.

HOSPITAL CARE

Inpatient Admission	100% coverage	50% coverage after deductible
Inpatient Physician Services	100% coverage	50% coverage after deductible
Surgery in Hospital	100% coverage	50% coverage after deductible
Outpatient Hospital Services	100% coverage	50% coverage after deductible

EMERGENCY CARE

Emergency Room	100% after \$50 copay	50% after \$50 copay
*This copay is waived if admitted		
Ambulance	100% coverage	50% coverage after deductible
*Covers transport from point where stricken to nearest hospital that can provide treatment		
Urgent Care Center	100% after \$10 co-pay	50% coverage after deductible

	<u>IN-NETWORK</u>	<u>OUT-OF-NETWORK</u>
OUTPATIENT SURGERY		
Hospital Outpatient Surgery	100% coverage	50% coverage after deductible
Surgery in Ambulatory SurgiCenter	100% coverage	NOT COVERED
MENTAL HEALTH		
Office Visit	100% after \$10 co-pay	50% coverage after deductible
Inpatient	100% coverage	50% coverage after deductible
*Inpatient requires pre-certification and includes intensive outpatient and sub-acute partial hospitalization		
SUBSTANCE/ALCOHOL ABUSE		
Office Visit	100% after \$10 co-pay	50% coverage after deductible
Inpatient	100% coverage	50% coverage after deductible
*Inpatient requires pre-certification and includes intensive outpatient and sub-acute partial hospitalization		
OTHER SERVICES		
Chiropractic Care Visit	100% after \$10 co-pay	50% coverage after deductible
*Up to 30 visits per person per calendar year		
Home Health Care Services	100% coverage	50% coverage after deductible
*Maximum 120 visits per calendar year, 4 hours=1 visit, no custodial care		
Hospice Services	100% coverage	50% coverage after deductible
*For outpatient –maximum 120 visits per calendar year. Excludes respite care, pastoral care and counseling.		
Skilled Nursing Care		
Inpatient	100% coverage	50% coverage after deductible
Outpatient	100% after \$10 co-pay	50% coverage after deductible
*Maximum 120 days per calendar year. Medical treatment only.		

IN-NETWORK

OUT-OF-NETWORK

All Other Covered Medical Services 100% coverage

50% coverage after deductible

Pre-Certification Requirements

All in-patient hospital stays must be pre-certified by **Horizon at 1-800-664-BLUE (2583)**. Emergency admissions must be certified within 72 hours after hospital admission. No benefits will be paid for treatment that is not pre-certified.

All in-patient 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 Horizon Blue Cross Blue Shield. No benefits will be paid for treatment that is not pre-certified.

How to Find a HORIZON Blue Cross Blue Shield of NJ Healthcare Provider

- ◆ Ask your physician, hospital, lab or other provider
- ◆ Horizon's website at www.horizonblue.com
- ◆ Call Horizon at 1-800-810-BLUE (2583)
- ◆ Call I.E. Shaffer & Co. at 1-800-792-3666

PRESCRIPTION DRUG BENEFIT – for Active Employees and Non-Medicare Eligible Retirees

ENVISION RX

Retail Prescriptions*

(Mandatory generic substitution) –up to 34 day supply

Generic Drugs – \$5 co-payment

Preferred Brand Name Drugs – \$20 co-payment

Non-Preferred Brand Name Drugs – \$30 co-payment

Specialty Drugs – Preferred – 20% co-payment, max. \$200

Non-Preferred – 20% co-payment, max. \$250

Annual maximum out-of-pocket \$2,000 per person for specialty medications

Mail Order Prescriptions*

(Mandatory generic substitution) –up to 102 day supply

Generic Drugs – \$5 co-payment

Preferred Brand Name Drugs – \$35 co-payment

Non-Preferred Brand Name Drugs – \$50 co-payment

Specialty Drugs – 20% co-payment, max. \$250

Annual maximum out-of-pocket \$2,500 per person for specialty medications

*After \$3,000 per person or \$6,000 per family of out-of pocket prescription expenses during a calendar year, there will be no co-payments required for the remainder of the year. If a name brand drug with a FDA approved generic is requested, the total co-pay will be the generic co-pay plus the difference in cost between the brand and generic medications. This penalty is not subject to the maximum co-pay limitations. The annual out-of-pocket maximum for self-only coverage applies to all individuals, including those enrolled in family coverage (an individual's out-of-pocket maximum is embedded in the family's out-of-pocket maximum).

PRESCRIPTION DRUG BENEFIT – for Medicare Eligible Retirees

Please call **LABOR FIRST** at 1-866-302-7770 with any questions about Medicare Part D Prescription Benefits

Retail Prescriptions

Group Medicare Part D Plan from Labor First

Up to 102 day supply

Generic Drugs - \$5 co-payment

Preferred Brand Name Drugs – \$20

Non-Preferred Brand Name Drugs - \$30

Specialty Drugs – 20% up to max. \$200 (34 day supply maximum)

Mail Order Prescriptions

Group Medicare Part D Plan from Labor First

Up to a 102 day supply

Generic Drugs - \$5 co-payment

Preferred Brand Name Drugs - \$20

Non-Preferred Brand Name Drugs - \$30

Understanding the Prescription Drug Formulary

The drug formulary utilized by the Welfare Fund is a list of medications published by the Welfare Fund's Pharmacy Benefit Managers. Medications on the list fall into one of the four categories:

Generic Drugs – An FDA approved drug, composed of virtually the same chemical formula as a brand-name drug.

Preferred Brand Name - If a generic medication is not available for your condition, your doctor may prescribe a brand-name medication. Preferred Brand Drugs have been evaluated by physicians and pharmacists at the Pharmacy Benefit Manager and are deemed to be the most cost-effective way to treat a specific condition. These are covered at a slightly higher cost to you than generic drugs but at a lesser cost than the Non-Preferred Brand Drug.

Non-Preferred Brand Drugs - In the event you require a prescription medication that is neither generic nor on the Preferred Brand Drug list, you will pay the highest out-of pocket cost for a Non-Preferred Brand Drug.

Specialty Drugs – Prescription medications that require special handling, administration or monitoring. These drugs are used to treat complex, chronic and often costly conditions such as multiple sclerosis, rheumatoid arthritis, hepatitis C and hemophilia.

DENTAL BENEFIT

Two options, annual election effective January 1st of each year:

Annual Deductible – none

Coinsurance – 80%

Annual Dental Maximum Benefit - \$3,000/person

Lifetime Orthodontic Maximum Benefit - \$4,000/person

OR

Optional Dental Services Organization (DSO) Plan may be selected annually in lieu of the standard dental plan benefit. Under the DSO dental plan, all treatment will be provided at Eastern Dental offices located in New Jersey.

Features of the optional DSO dental plan include:

- No annual benefit maximum
- No patient paid expenses with the exception of a 24 month maximum for orthodontics of:
 - \$500 for children
 - \$1,250 for adults
- No need to submit claim forms

VISION BENEFIT – For Active and Retired Employees

Maximum benefit payable once every calendar year

Up to \$500 per person towards eye exam and glasses/contacts combined

HEARING BENEFIT – For Active and Retired Employees

Maximum benefit payable once every 36 months

Hearing Aid and Exam – Up to age 15-unlimited benefit,

Age 15 and above-\$2,000 every 36 consecutive months

WELFARE FUND BENEFIT PLAN MAXIMUMS

Annual In-Network Medical Maximum Out-of-Pocket Limit-\$3,600 person/\$7,200 family
(Co-pays, deductibles and co-insurance count towards this out-of-pocket limit)

Annual Out-of-Network Medical Maximum Out-of-Pocket Limit-\$10,000 person/\$10,000 family
(Co-pays, deductibles and co-insurance count towards this out-of-pocket limit)

Annual Prescription Maximum Out-of-Pocket Limit - \$3,000 person/\$6,000 family
(Prescription co-pays count towards this limit)
For active employees and non-Medicare eligible retired employees only

Home Health Care Maximum - 120 visits per calendar year, 4 hours = 1 visit, no custodial care

Hospice Care Maximum – 120 visits per calendar year, 4 hours = 1 visit, excludes respite care, pastoral care and counseling

Skilled Nursing Care Maximum – 120 days per calendar year. Medical treatment only

Hearing Aids – Unlimited benefit up to age 15. Up to \$2,000 per person every 36 months for age 15 and older

Supplemental Speech Therapy Maximum – 50 visits per person per calendar year, up to \$50 per visit

Chiropractic Care Maximum – 30 visits per person per calendar year

Lifetime maximum for surgical procedures performed to correct myopia (near sightedness) or hyperopia (far sightedness) - \$2,000/person

Infertility Treatment - \$20,000 per person lifetime maximum plus an additional \$40,000 per person lifetime maximum, subject to a 50% co-payment. Plan will cover artificial insemination and prescription fertility drugs as an unlimited benefit.

Annual Dental Maximum - \$3,000 per person

Lifetime Orthodontia Maximum - \$4,000/person

Annual DSO Dental Plan Maximum – unlimited

No coverage provided for out-of-network ambulatory surgical facilities

IBEW LOCAL 456 WELFARE FUND
HEALTH REIMBURSEMENT ARRANGEMENT (HRA)

The IBEW Local 456 Welfare Fund has a Health Reimbursement Arrangement (HRA). The HRA is available to all employees, non-bargaining employees and employers who are eligible for benefits from the Welfare Fund beginning on June 1, 2017.

- Each eligible employee's HRA account is funded by contributions equal to 1% of pay for all hours worked after the latter of January 1, 2015 or the employee's initial eligibility date in the Welfare Fund.
- Employers and non-bargaining employees have an HRA account that is funded with an amount equal to 1% of the applicable Journeyman's pay rate at 150 hours per month.

The HRA can be used for the reimbursement of eligible medical and dental expenses for participants and their dependents as detailed in IRS Publication 502 "Medical and Dental Expenses" which can be found at www.irs.gov/publications/p502/index.html. HRA participants are issued debit cards which can be used to pay for eligible HRA expenses. Eligible HRA participants also have the ability to submit paper claims to the Fund Office for HRA reimbursement.

IBEW LOCAL UNION 456 PENSION FUND

Effective June 1, 2015

IMPORTANT TERMS

- ◆ Plan Year - Jan 1st to Dec 31st
- ◆ Credited Service
 - ◇ For service after 1/1/2000, ½ year of credit for each 500 hours of service up to a maximum of 1 year of credit for 1,000 hours.
 - ◇ For service prior to 1/1/2000, credit is based upon prior plans 456 and 358.
- ◆ Supplemental Credited Service
 - ◇ For service after 1/1/2000 – none.
 - ◇ For service prior to 1/1/2000, credit is based upon prior plans 456 and 358.
- ◆ Vested Service - 1 year of credit for 1,000 hours of service (no partial credit).
- ◆ Vesting - 100% after 5 years vested service.
- ◆ Forfeiture - occurs if prior to becoming vested you incur a period of at least 5 consecutive 1 year breaks in service which in total equal or exceed 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 62 and 5 years of participation
- ◆ Early Retirement – payable at age 55 and 10 years of credited service.
- ◆ Disability Retirement – payable at any age with Social Security Disability and 10 years of credited service.

NORMAL RETIREMENT BENEFITS

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

- ◆ \$1.00 per month for each full \$160.00 of contributions after 1/1/2010, plus,
- ◆ \$1.00 per month for each full \$125.00 of contributions from 1/1/2008 to 12/31/09, plus,
- ◆ \$1.00 per month for each full \$100.00 of contributions from 1/1/2003 to 12/31/07, plus,
- ◆ \$1.00 per month for each full \$60.00 of contributions from 1/1/2000 to 12/31/2002, plus,
- ◆ \$1.15 per month for each full \$50.00 of contributions from 10/1/1989 to 12/31/1999 earned under prior plan 456, plus,
- ◆ \$58 per month for each year of credited service and supplemental credited service earned prior to 10/1/1989 under prior plan 456, plus
- ◆ \$60 per month for each year of credited service earned under prior plan 358.

EARLY RETIREMENT BENEFITS

Same as Normal Retirement amount reduced by 1/3% for each month that you retire prior to age 62. For example, at age 60 your benefit would be reduced by 8%. At age 58 your benefit would be reduced by 16%. At age 55 your benefit would be reduced by 28%. Plus, a supplement payable between the ages of 60 and 62 equal to your early retirement benefit determined above provided you have been credited with at least 5 years of credit service during 5 consecutive plan years ending on or after age 50.

DISABILITY RETIREMENT BENEFITS

Same as Normal Retirement amount with no reduction for early retirement and no supplemental benefit between the ages of 60 and 62.

FORMS OF PAYMENT (applicable reduction) Note: All forms are not available for disability retirement

- ◆ Life Annuity with 120 payments guaranteed – (no reduction) - available for disability
- ◆ Life Annuity with 180 payments guaranteed (7% reduction at age 62; 3.5% at age 55)
- ◆ Life Annuity with 240 payments guaranteed (13% reduction at age 62; 8.1% at age 55)
- ◆ Spouse's Joint and 50% to Survivor (5% reduction if spouse's age is within 5 years) - available for disability with 10% reduction
- ◆ Spouse's Joint and 75% to Survivor (8% reduction if spouse's is same age) - available for disability with 13% reduction
- ◆ Spouses' Joint and 100% to Survivor (10% reduction if spouse is same age)
- ◆ Lump sum - value based on your monthly benefit, your age, and current interest rates for benefits accrued prior to 1/1/06. Payable after 24 consecutive months of retirement – monthly benefit may be paid during waiting period.

PRE-RETIREMENT DEATH BENEFITS

Non Vested Employee With 3 Years of Credited Service Earned in Last 5 Years

- ◇ \$4,000 times your years of credited service, payable in a lump sum.

Vested Employee Under Age 55

- ◇ Lifetime benefit payable to your spouse, beginning when you would have reached age 55, equal to the full amount you would have received had you retired at age 55 and elected the spouse's joint and 50% to survivor option, or
- ◇ \$4,000 times your years of credited service, payable in a lump sum, provided you have 3 years of credited service earned in the last 5 years.

Vested Employee Over Age 55

- ◇ Lifetime benefit payable to your spouse, equal to the full amount you would have received had you retired and elected the spouse's joint and 50% to survivor option, or \$4,000 times your years of credited service, payable in a lump sum, provided you have 3 years of credited service earned in the last 5 years.
- ◇ If unmarried, the greater in the aggregate of 120 monthly payments equal to the pension benefit you would have received had you retired, or \$4,000 times your years of credited service, payable in a lump sum, provided you have 3 years of credited service earned in the last 5 years.

Totally Disabled Employee With At Least 10 Years of Service

- ◇ 120 monthly payments equal to the pension benefit you would have received had you retired.

POST RETIREMENT DEATH BENEFITS

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

IBEW LOCAL UNION 456 ANNUITY FUND

Effective January 1, 2018

YOUR ACCOUNT BALANCE IS EQUAL TO:

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

TYPES OF ANNUITY BENEFITS

- ◆ Retirement – payable if age 55 and retired from the Industry.
- ◆ Disability – payable if totally and permanently disabled.
- ◆ Termination – payable if no covered employment over 3 consecutive months.
- ◆ Death - payable upon death.
- ◆ Financial Hardship - If you have been a participant under the Plan for at least 3 years, you may apply for a financial hardship distribution. All hardship distributions will be limited to the amount of money actually required for the purpose indicated below, but not more than the value of your account. No more than three (3) financial hardship distributions are permitted during a 12 month period except that those for educational purposes or unemployment will not apply to this limitation.
 - ◇ Medical expenses of at least \$500 incurred by you or your spouse, dependent child, parent or grandchild that have not be reimbursed by insurance.
 - ◇ Tuition expenses for you, your spouse or dependent child to attend and 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.
 - ◇ Home Improvement
 - ◇ To prevent foreclosure or eviction from your principal residence.
 - ◇ Funeral expenses incurred due to the death of your spouse, child or parent.
 - ◇ Unemployment or temporary disability – a matching benefit equal to the benefit paid to you under the New Jersey State Unemployment Fund or the Temporary Disability Benefit Fund.

- ◇ Legal fees and expenses of at least \$1,000 incurred by you, your spouse, or dependent children in the defense or prosecution of civil or criminal litigation.
- ◇ Delinquent back income or real estate property taxes due by you or your spouse.
- ◇ Educational Loans – available to participants who have at least 3 years of participation not to exceed 50% of account balance or \$50,000, whichever is less. The interest rate charged on a loan is equal to the prime rate plus ½%. Loans are available for educational expenses for yourself, your spouse, dependent child or a grandchild who is enrolled as a full time or part time student at an accredited elementary, secondary, college, university or school for the physically or mentally handicapped.

FORMS OF PAYMENT

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

FEDERAL AND STATE INCOME TAXES

- ◆ Annuity 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:

- ◆ Stable Value Fund (Fixed Income)
- ◆ Prudential Total Return Bond Z Fund
- ◆ Vanguard Short Term Federal Fund (Fixed Income)
- ◆ American Balanced Fund (Balanced)
- ◆ T Rowe Price Retirement Income, 2010, 2020, 2030, 2040 and 2050 Funds (Target Date)
– default choices based on age
- ◆ Fundamental Investors (Large Cap Blend)
- ◆ American Funds Washington Mutual A (Large Cap Value)
- ◆ Vanguard Institutional Index Fund (Large Cap Blend – Index)
- ◆ American Funds Growth Fund of America (Large Cap Growth)
- ◆ Columbia Mid Cap A Fund (Mid Cap Blend)
- ◆ Delaware Small Cap Core I
- ◆ Oakmark International Value Fund
- ◆ PIMCO Commodity Real Return Strategy Fund (Specialty Natural Resources)
- ◆ INVESCO Real Estate Fund (Real Estate)

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).