

IBEW LOCAL UNION 456

WELFARE, PENSION AND ANNUITY FUNDS

Quick Reference Guide

Effective January 1, 2015

Important Notice: This is an outline of the principal plan provisions of the IBEW 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.

01/08/15

IBEW LOCAL UNION 456 WELFARE FUND

Effective January 1, 2015

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 November	January 1	May 31
July through December	February 1	May 31
August through January	March 1	May 31
September through February	April 1	August 31
October through March	May 1	August 31
November through April	June 1	August 31
December through May	July 1	November 30
January through June	August 1	November 30
February through July	September 1	November 30
March through August	October 1	February 28 (29)
April through September	November 1	February 28 (29)
May through October	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 Reinstae:
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 Reinstae Between:	Your Eligibility Will Reinstae 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).

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. 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 Plan Benefits

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

Overview of the Aetna PPO Network Benefits

	<u>In-Network</u>	<u>Out-of-Network</u>
In-patient Hospital	100%	50% after deductible
Out-patient Hospital	100%	50% after deductible
Emergency treatment (in or out-of-network) – 100% coverage, no deductible after \$50 co-payment (co-pay waived if admitted)		
Physician Services:		
In-hospital services	100%	50% after deductible
Office or home services	100% after \$10 co-pay	50% after deductible
Diagnostic X-ray and Lab	100%*	50% after deductible
*\$10 co-pay if test performed at doctor’s office. Plan participants must use Quest Diagnostics.		

How To Find an Aetna Healthcare Provider

- ◆ Aetna’s website at www.aetna.com
- ◆ Call I. E. Shaffer & Co. at 1-800-792-3666
- ◆ As your physician, hospital, lab or other provider

Your plan is the **Aetna Choice POS II Open Access Plan.**

IBEW LOCAL UNION 456 WELFARE FUND

**Schedule of Benefits
Effective January 1, 2015**

Aetna PPO NETWORK

Life Insurance - \$30,000 (active employees only)

Death Benefit - \$10,000 (retired employees only)

Accidental Death and Dismemberment - \$30,000 (active employees only)

Temporary Disability Benefits

Weekly Benefit - \$150

Waiting Period - 3 Days, none if hospital confined

Maximum Benefit Period - 26 Weeks

Basic Medicare Supplement Benefits (retired employees only)

Medicare Part A and B deductibles

Medicare Part B Co-insurance

Medicare eligible plan participants- Fund pays as a supplement to Medicare at 100% with no deductible and no out-of-pocket maximum

Medical Benefits

Annual Calendar Year Deductible - \$500/person, \$1,500/family.

Applies to out-of-network only.

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)

In-patient Hospital – semi-private rate

In-Network - 100% coverage

Out-of-Network - 50% coverage after deductible

Out-patient Hospital Services:

In-Network - 100% coverage

Out-of-Network – 50% coverage after deductible

Emergency treatment – 100% coverage after \$50 co-payment for both in-network and out-of-network hospitals (\$50 co-pay waived if admitted)

Medical Benefits - Continued

Physician Surgical and In-hospital Services:

- In-Network - 100% coverage
- Out-of-Network - 50% coverage after deductible

Physician Office or Home Visits:

- In-Network - 100% coverage after \$10 copayment
- Out-of-Network - 50% coverage after deductible

Laboratory and Radiology Services:

- In-Network - 100% coverage or \$10 co-pay if test performed in doctor's office.
- Plan participants must use Quest Diagnostics
- Out-of-Network - 50% coverage after deductible

Hospice Services (excludes respite care, pastoral care and counseling):

- In-network – 100% coverage for in-patient and out-patient care (maximum 120 visits/year, 4 hours = 1 visit, no custodial care covered)
- Out-of-Network – 50% coverage after deductible for in-patient and out-patient care (maximum 120 visits/year, 4 hours = 1 visit, no custodial care covered)

Home Health Care Services:

- In-network – 100% coverage (maximum 120 visits/year, 4 hours = 1 visit, no custodial care covered)
- Out-of-Network – 50% coverage after deductible (maximum 120 visits/year, 4 hours = 1 visit, no custodial care covered)

Chiropractic Care:

- In-Network – 100% coverage after \$10 co-payment (up to 30 visits per person/year)
- Out-of-Network – 50% coverage after deductible (up to 30 visits per person/year)

Ambulance/Emergency Medical Transportation:

- In-Network – 100% coverage (covers transport from point where stricken to nearest hospital that can provide treatment)
- Out-of-Network – 50% coverage after deductible

Skilled Nursing Care:

- In-Network-100% coverage for inpatient care and 100% coverage after \$10 co-payment per visit for out-patient care (maximum 120 days/year)
- Out-of- Network-50% coverage after deductible for in-patient and out-patient care

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

- In-Network - 100% coverage
- Out-of-Network - no coverage

Shingles Vaccine (Zostavax) - employees and dependents age 50 and over

- Maximum - \$250 per person, no deductible or co-payment

Medical Benefits – Continued

All Other Covered Medical Services:

In-Network – 100% coverage

Out-of-Network -50% coverage after deductible

Prescription Card Program – Mandatory Generic (Active and retired employees)

Limitation: 34 day supply

Generic Drugs - \$5 copayment

Preferred Brand Name Drugs - \$20 copayment

Non-preferred Brand Name Drugs - \$30 copayment

Specialty Drugs – 20% copayment up to a maximum of \$200 for preferred brand and up to a \$250 maximum for non-preferred brand; maximum \$2,000 per person per year

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.

Mail Order Prescriptions – Mandatory Generic (Active and retired employees)

Limitation: 102 day supply

Generic Drugs - \$5 copayment

Preferred Brand Name Drugs - \$35 copayment

Non-preferred Brand Name Drugs - \$50 copayment

Specialty Drugs – 20% copayment up to a maximum of \$250; maximum \$2,500 per person per year

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.

Dental Benefits (Two options, annual election effective January 1st of each year)

Annual Deductible – none

Coinsurance – 80%

Annual Dental Maximum Benefit - \$2,000/person

Lifetime Orthodontic Maximum Benefit - \$3,000/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 Benefits (payable once every 12 months) – active and retired employees

Examination - \$50

Lens, pair

Single - \$50

Bifocal - \$75

Trifocal - \$75

Contacts - \$150

Frames - \$50

Hearing Benefit (maximum benefit every 36 months)

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

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

Benefit Maximums

Annual Maximum Out-of-Pocket Maximum for Medical Benefits –

In-Network: \$3,600 per person/\$7,200 per family

(Co-pays, deductibles and co-insurance count towards this out-of-pocket limit)

Out-of-Network: \$10,000 per person/\$10,000 per family

(Co-pays, deductibles and co-insurance count towards this out-of-pocket limit)

Annual Out-of-Pocket Maximum for Prescription Benefits - \$3,000 per person/\$6,000 per person

For active employees and retired employees

(Prescription co-pays count towards this limit)

Home Health Care - 120 visits per calendar year

Supplemental Speech Therapy – 50 visits per year, up to \$50 per visit covered expense

Chiropractic Care Limits - maximum covered visits per year – 30 per person

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 - \$2,000/person

Annual DSO Dental Maximum - unlimited

Lifetime Dental Orthodontia Maximum - \$3,000/person

Lifetime Maximum Medical Benefit – unlimited

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

Pre-Certification Requirements

All inpatient hospital stays must be pre-certified by **Aetna at 1-888-632-3862**. 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 Aetna. No benefits will be paid for treatment that is not pre-certified.

IBEW LOCAL UNION 456 PENSION FUND

Effective January 1, 2010

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

- ◇ \$3,000 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
- ◇ \$3,000 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 \$3,000 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 \$3,000 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, 2015

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)
- ◆ Wells Fargo Advantage Growth Fund (Large Cap Growth)
- ◆ Columbia Mid Cap A Fund (Mid Cap Blend)
- ◆ Pennsylvania Mutual Inv (Small Cap Blend)
- ◆ 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.ieshafter.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 “456”.

Please visit <http://www3.prudential.com/signature/taft/local456.htm> for quarterly investment updates.