

**PLUMBERS LOCAL 24
WELFARE, PENSION & ANNUITY FUNDS**

**QUICK REFERENCE
GUIDE**

FOR BUILDING TRADES DIVISION - APPRENTICES

EFFECTIVE: JANUARY 1, 2018

Important Notice: This is an outline of the principal plan provisions of the Plumbers Local Union 24 Welfare, Pension & Annuity Plan 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.

PLUMBERS LOCAL 24 WELFARE FUND

Effective January 1, 2015

ELIGIBILITY RULES – ACTIVE PARTICIPANTS

You will become eligible to receive benefits on the first day of the second month that follows an employment period of not more than 6 consecutive months during which you have been credited with 300 hours of service. Upon satisfying this requirement, you will remain eligible for a minimum of three 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 600 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.

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.

10 MONTH REINSTATEMENT PROVISION

Should your eligibility terminate, it will be reinstated provided you are credited with at least 300 hours of service within the 10 month period following your termination. 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. 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.

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

SELF-PAY PROVISION

A self-pay option is available to employees who terminate coverage and who missed maintaining their eligibility by **100 hours or less**. In this event, you have the opportunity to make contributions on your own behalf to the Welfare Fund for the hours necessary to meet the 300 hour requirement at the normal employer hourly contribution rate. For example, if you have 150 hours of service during a calendar quarter, and you have 110 remaining reserve hours, you will have a total of 260 hours towards the requirement of 300 hours leaving you short of the requirement by 40 hours. In this situation, you would be permitted to make a contribution on your own behalf for the 40 hours at the hourly employer contribution rate, to maintain your eligibility for an additional three (3) months.

COBRA

If you fail to meet the eligibility requirements and lose eligibility, self-pay continuation of coverage is available under COBRA for up to 18 months. If your dependent loses eligibility due to your death, divorce, or your child attaining the maximum eligible age, 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 present monthly COBRA rates are as follows:

	Journeyman
Single	\$ 486
Parent/Child(ren)	\$ 730
Husband/Wife	\$ 827
Family	\$ 972

DEPENDENT COVERAGE IN THE EVENT OF YOUR DEATH

Following your death your dependents will remain eligible for health benefits until the earliest of the following dates:

1. The last day of a period of six (6) months following your death or to the extent that your reserve hours are sufficient to maintain your eligibility, whichever is longer.
2. The date your dependent becomes eligible for similar benefits under other group coverage.
3. The date your dependent children attaining the maximum eligible age.

Once the 6 month period of “free” coverage expires, your dependents may continue their coverage under COBRA for up to 36 months as described above.

TYPES OF BENEFIT PLANS OFFERED BY THE WELFARE FUND

- ◆ **Medical** – See following pages for plan information
- ◆ **Prescription** – 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

PLUMBERS LOCAL 24 WELFARE FUND – APPRENTICES
SCHEDULE OF BENEFITS

HORIZON BLUE CROSS BLUE SHIELD OF NEW JERSEY PPO NETWORK
EFFECTIVE DATE: JANUARY 1, 2017

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

(Calendar Year)

Individual	\$0	not covered
Family	\$0	not covered

ANNUAL OUT-OF-POCKET MAXIMUM – In Network Only

(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	\$4,000	unlimited
Family	\$8,000	unlimited

LIFETIME MAXIMUM

unlimited	unlimited
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DOCTOR'S OFFICE VISITS

Primary Care Office Visit	100% after \$25 co-pay	not covered
Specialist Office Visit	100% after \$25 co-pay	not covered
Maternity Visits	100% after \$25 co-pay (applies to 1 st visit only)	not covered

PREVENTATIVE CARE (as defined by the Patient Protection and Affordable Care Act)

100% coverage	not covered
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DIAGNOSTIC PROCEDURES

Laboratory	80% coverage	not covered
Radiology	80% coverage	not covered

*Out-of-network tests are not covered except for services rendered by hospital based pathologists and radiologists at in-network hospitals. In NJ, participants must use Lab Corp. of America. \$25 co-pay if performed in doctor's office.

	<u>IN-NETWORK</u>	<u>OUT-OF-NETWORK</u>
HOSPITAL CARE		
Inpatient Admission	80% coverage	not covered
Inpatient Physician Services	80% coverage	not covered
Surgery in Hospital	80% coverage	not covered
Outpatient Hospital Services	80% coverage	not covered
EMERGENCY CARE		
Emergency Room	80% after \$50 copay	80% after \$50 copay
*This copay is waived if admitted		
Ambulance	80% coverage	80% coverage
*Covers transport from point where stricken to nearest hospital that can provide treatment)		
Urgent Care Center	100% after \$25 co-pay	not covered
OUTPATIENT SURGERY		
Hospital Outpatient Surgery	80% coverage	not covered
Surgery in Ambulatory SurgiCenter	80% coverage	not covered
MENTAL HEALTH		
Office Visit	100% after \$25 co-pay	not covered
Inpatient	80% coverage	not covered
*Inpatient requires pre-certification and includes intensive outpatient and sub-acute partial hospitalization		
SUBSTANCE/ALCOHOL ABUSE		
Office Visit	100% after \$25 co-pay	not covered
Inpatient	80% coverage	not covered
*Inpatient requires pre-certification and includes intensive outpatient and sub-acute partial hospitalization		
OTHER SERVICES		
Chiropractic Care Visit	100% after \$25 co-pay	not covered
*Up to 30 visits per person per calendar year		
Home Health Care Services	80% coverage	not covered
*Maximum 120 visits per calendar year, 4 hours=1 visit, no custodial care		
Hospice Services	80% coverage	not covered
*For outpatient –maximum 180 days per calendar year, \$10,000 lifetime maximum. Excludes respite care, pastoral care and counseling.		
Skilled Nursing Care		
Inpatient	80% coverage	not covered
Outpatient (at home)	100% after	not covered
Outpatient (at facility)	80% coverage	not covered
*Maximum 150 days per calendar year. Medical treatment only.		

IN-NETWORK

OUT-OF-NETWORK

All Other Covered Medical Services 80% coverage

not covered

Pre-Certification Requirements

All in-patient hospital stays must be pre-certified by **Horizon Blue Cross Blue Shield 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 **Lower Hudson Valley EAP at 1-800-327-2799** rather than Horizon Blue Cross Blue Shield. No benefits will be paid for treatment that is not pre-certified.

In-Network Only

The medical coverage provided under the Plan is **in-network only**. The Plan does not provide out-of-network coverage for providers who do not participate in the HORIZON PPO network. The only exception is “**emergency**” treatment rendered by an out-of-network provider with “**emergency**” defined as the sudden onset of an illness or injury where the symptoms are of such severity that the absence of immediate medical attention could reasonably result in:

- ◆ Placing the covered person's life in jeopardy, or
- ◆ Causing other serious medical consequences, or
- ◆ Causing serious impairment to bodily functions, or
- ◆ Causing serious dysfunction of any bodily organ or part.

How to Find a Horizon Blue Cross Blue Shield of New Jersey Healthcare Provider

- ◆ Ask your physician, hospital, lab or other provider
- ◆ Go to 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 Apprentices
ENVISION RX

Retail Prescriptions *

(Mandatory generic substitution) –up to 30 day supply, no dispense as written

Generic Drugs – \$5 co-payment

Preferred Brand Name Drugs – 60% co-payment

Non-Preferred Brand Name Drugs – 100% co-payment

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

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

Mail Order Prescriptions *

(Mandatory generic substitution) –up to 90 day supply, no dispense as written

Generic Drugs – \$10 co-payment

Preferred Brand Name Drugs – 60% co-payment

Non-Preferred Brand Name Drugs – 100% co-payment

*After \$2,600 per person or \$5,200 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).

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.

WELFARE FUND BENEFIT PLAN MAXIMUMS

Annual In-Network Medical Maximum Out-of-Pocket Limit-\$4,000 person/\$8,000 family
(Co-pays, deductibles and co-insurance count towards this out-of-pocket limit)

Annual Prescription Maximum Out-of-Pocket Limit - \$2,600 person/\$5,200 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 covered

Skilled Nursing Care Maximum – 150 days per calendar year. Medical treatment only

Lifetime Hospice Maximum – 180 days per calendar year, \$10,000 per person. Excludes respite care, pastoral care and counseling

Speech Therapy Maximum – 30 visits per person per calendar year

Chiropractic Care Maximum – 30 visits per person per calendar year

PLUMBERS LOCAL 24 SUPPLEMENTAL BENEFIT

The Plumbers Local 24 Welfare Fund has a plan of Supplemental Benefits that includes a Health Reimbursement Arrangement (HRA). This is available to 2nd, 3rd, 4th and 5th year Apprentices.

YOUR ACCOUNT BALANCE IS EQUAL TO:

- ◆ Employer Contributions, plus
- ◆ Investment Earnings (credited as of April 30th), less
- ◆ Withdrawals, less
- ◆ Expenses (applied as of April 30th)

On an annual basis, you will receive a statement of your individual account for the 12 month period ending April 30th. As of April 30th of each year, your account will be credited with investment earnings based on your average account balance during the prior 12 month period. In addition, a flat annual expense charge will be applied by the Trustees to all accounts.

TYPES OF SUPPLEMENTAL BENEFITS:

- ◆ Medical Reimbursement Benefit - You may apply for a benefit if you or one of your dependents has medical or dental expenses not otherwise paid for by the Welfare Fund or any other form of insurance. Typically, this would include co-pays, deductibles, and coinsurance under the Welfare Plan as well as items not covered by the Welfare Plan. The medical reimbursement benefit is the amount of eligible “out-of-pocket” medical and dental expenses that you have incurred, up to the balance of your account. Your application must be for a total benefit of at least \$100 in combined expenses and should be forwarded to I E Shaffer & Co for processing and payment. Claim must be submitted within 24 months of the date of incurred expense or it will be denied.

The list of eligible medical and dental expenses for which you may seek reimbursement are detailed in IRS Publication 502 “Medical and Dental Expenses” which can be found at www.irs.gov/publications/p502/index.html.

- ◆ Retiree Medical Reimbursement Benefit - payable if you qualify for coverage under the Plumbers Local 24 Welfare Plan as a retired employee and you have made required contributions to maintain coverage. The benefit equals the required monthly contribution under the Local 24 Welfare Plan, up to the balance of the account. This benefit is only available up to age 65.

- ◆ Supplemental Health Benefits – payable if you have qualified under COBRA for continued coverage under the Plumbers Local 24 Welfare Plan and you have made required contributions to maintain coverage.
- ◆ Supplemental Unemployment Benefit - up to \$2,000 if you have no contributory hours to the Welfare Fund for at least three (3) consecutive months while on the out-of-work list of Plumbers Local Union 24. A separate supplemental unemployment benefit will be paid if you have an additional three (3) consecutive month period with no contributory hours to the Welfare Fund.

FEDERAL AND STATE INCOME TAXES:

- ◆ The Supplemental Benefits that you receive for out-of-pocket medical and dental expenses are not subject to federal or state tax.
- ◆ The Supplemental Benefits that you receive for unemployment, are subject to significant tax liability and withholding including federal and state income taxes as well as F.I.C.A. (Social Security – both employee and employer share) and federal unemployment taxes. The Fund Office will issue the appropriate tax form to you.

PLUMBERS LOCAL 24 PENSION FUND

Effective May 1, 2017

PLEASE NOTE: THIS IS A BRIEF OUTLINE OF THE PRINCIPAL PLAN PROVISIONS OF THE PLUMBERS LOCAL 24 PENSION FUND AS OF MAY 1, 2016. ANY QUESTIONS ABOUT CREDITED SERVICE RECEIVED PRIOR TO THIS DATE ARE ADDRESSED IN THE SUMMARY PLAN DESCRIPTION. IN THE EVENT OF ANY DISCREPANCY BETWEEN THIS OUTLINE AND THE PENSION PLAN, THE PLAN DOCUMENTS SHALL GOVERN

IMPORTANT TERMS

- ◆ **Plan Year** – May 1st to April 30th
- ◆ **Credited Service** – 1/10th year of credit for each 100 hours of service up to a maximum of 1 year of credit for 1,000 hours
- ◆ **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 a break in service
- ◆ **Break in Service** – any plan year during which you earn less than 500 hours in 2 (successive) Plan Years (May – April)

TYPES OF PENSION BENEFITS

- ◆ **Normal Retirement** – Payable at age 61 with 5 years of service
- ◆ **Early Retirement** – Payable at age 55 with 10 years of credited service
- ◆ **Disability Retirement** – Payable at any age with Social Security Disability and 10 years of credited service with no break in service prior to becoming disabled

NORMAL RETIREMENT BENEFITS

A lifetime monthly benefit payable for life starting at normal retirement age equal to total hours worked multiplied by 3.1% for hours worked before 5/1/17 and 3.5% for hours worked after 5/1/17

EARLY RETIREMENT BENEFITS

Same as Normal Retirement amount reduced by 5/9 of 1% for each month that you retire prior to age 61 years.

DISABILITY RETIREMENT BENEFITS

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

FORMS OF PAYMENT

- ◆ Joint & 50% with 60 payments guaranteed
- ◆ Joint & 75%
- ◆ Full life Annuity with 60 payments guaranteed

PRE-RETIREMENT DEATH BENEFITS

If at your death you had earned 5 years of Credited Service, a benefit is calculated as if you had retired at age 61 on the day prior to your death.

If married prior to death, your spouse will be paid that amount for 60 months, and then one-half (50%) of that amount will be paid to her for life.

If you are not married prior to your death, your designated beneficiary will receive the accrued Normal Pension Benefit you earned to the date of death for a period of 60 months.

POST-RETIREMENT DEATH BENEFITS

Continuation of the monthly benefit based up form of payment elected at retirement.

PLUMBERS LOCAL 24 ANNUITY FUND

Effective December 31, 2013

YOUR ACCOUNT BALANCE IS EQUAL TO:

- ◆ Employer Contributions, plus
- ◆ Investment Earnings, less
- ◆ Investment losses, less
- ◆ Withdrawals, less
- ◆ Expenses of operating the fund

TYPES OF ANNUITY BENEFITS

- ◆ Retirement – payable if you are receiving a pension from Plumbers Local 24 Pension Fund or you are totally and permanently disabled from the industry.
- ◆ Disability – payable if you become totally and permanently disabled.
- ◆ Termination – payable if no employer contributions have been made on your behalf for a continuous 6 month period.
- ◆ Death - payable upon death.
- ◆ Unemployment – if you are no longer employed under the jurisdiction of the Union for a period of at least 1 week and if you have had a balance in your Individual Account for a minimum of 5 years, you may apply for a portion of your Individual Account in an amount not to exceed 50% of the balance in such account. This amount is only available to participants for the following purposes:
 - ◇ Medical expenses of at least \$500 which were not payable by Plumbers Local 24 Welfare Fund; or
 - ◇ Funeral expenses incurred due to death of a spouse, child or parent; or
 - ◇ Education expenses incurred from dependent children's schooling beyond the high school level; or

- ◇ Purchase of a new home or cooperative or condominium in which he or she will reside requiring a down payment, contract and title expenses (allowable only once); or
- ◇ Home improvement on your primary dwelling place in excess of \$15,000; or
- ◇ Expenses related to an accident or other natural disaster.

FORMS OF PAYMENT

- ◆ Lump Sum
- ◆ Monthly installments paid until exhaustion of the Individual Account
- ◆ Combination lump sum and monthly installments paid until exhaustion of the Individual Account
- ◆ Equal monthly installments over a period of years not to exceed your life expectancy or, if married, the joint life expectancy of you and your spouse
- ◆ Combination of lump sum payment and monthly installments over your life expectancy or the joint life expectancy of you and your spouse

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:

- ◆ Fixed Income
 - SAGIC Diversified Bond II (Stable Value)
 - Select Strategic Bond (Intermediate Bond)

- ◆ Balanced
 - Dodge & Cox Balanced
 - American Funds Income Fund of America

- ◆ Life Cycle
 - T. Rowe Price Retirement: Income, 2010, 20, 30, 40, 50

- ◆ Large Cap Stock
 - Wellington Select Fundamental Value (Value)
 - Manning and Napier S & P 500 Index (Core)
 - Oppenheimer Rising Dividends (Core)
 - American Funds Fundamental Investors (Core)
 - Select Growth Opportunities (Growth)

- ◆ Mid Cap Stock
 - American Century Mid Cap Value (Value)
 - Select Mid Cap Growth (Growth)

- ◆ Small Cap Stock
 - T. Rowe Price New Horizons (Growth)
 - William Blair Small Cap Growth (Growth)

- ◆ International Stock
 - American Funds EuroPacific Growth (Growth)
 - Lazard Global Listed infrastructure (Infrastructure)

Investment earnings credited daily. Investment elections may be changed daily.

Access your Mass Mutual account with your PIN 24 hours a day, 7 days a week – (800) 743-5274 (toll-free) for information or to make fund transfers.