

**PLUMBERS AND PIPEFITTERS LOCAL UNION 9  
WELFARE, PENSION & SURETY FUNDS**

**QUICK REFERENCE  
GUIDE**

**FOR JOURNEYMEN, FOREMEN, APPRENTICES &  
RETIREES – PLAN A**

**EFFECTIVE: JANUARY 1, 2017**

**Important Notice: This is an outline of the principal plan provisions of the Plumbers & Pipefitters Local Union 9 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.**

# **PLUMBERS & PIPEFITTERS LOCAL UNION 9 WELFARE FUND**

Effective May 1, 2016

## **ELIGIBILITY RULES**

You will become eligible to receive benefits on the first day of the second month that follows an employment period of not more than 12 consecutive months during which you have been credited with 1,400 hours of service (250 hours for apprentices). Upon satisfying this requirement, you will remain eligible for at least one year.

<b>If You Have 1400 Hours (250 Hours for Apprentices) During the Prior:</b>	<b>You Will Become Eligible:</b>
December through November	January 1
January through December	February 1
February through January	March 1
March through February	April 1
April through March	May 1
May through April	June 1
June through May	July 1
July through June	August 1
August through July	September 1
September through August	October 1
October through September	November 1
November through October	December 1

Under certain conditions, employees of newly organized employers become initially eligible on the first day of the second calendar month following the completion of 250 hours of service.

To maintain your eligibility thereafter, you must have at least 350 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 350 hours.

<b>If You Have Less Than 350 Hours of Credit Between:</b>	<b>Your Eligibility Will Terminate On:</b>
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 700 hours. This reserve will be drawn upon to maintain your eligibility if you should fail to receive credit for at least 350 hours of service during a subsequent calendar quarter.

If you become disabled while eligible, you will be credited with 27 disability hours for each week that you are disabled up to a maximum of 700 hours for any one continuous period of disability.

Should your eligibility terminate, it will be reinstated provided you are credited with at least 350 hours of service during a calendar quarter which ends within 10 months after your eligibility terminated. Your eligibility will reinstate on the first day of the second month following that calendar quarter during which you meet this 350 hour requirement. If you do not satisfy this reinstatement provision, you will be treated as a new employee and will be subject to the 1,400 hour requirement for initial eligibility outlined above.

<b>Termination Date:</b>	<b>Period of Time to Work a Total of 350 Hours (Plus any Remaining Reserve Hours) To Reinstale:</b>
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 350 hour requirement.

<b>If You Are Credited with Your Required 350<sup>th</sup> Hour to Reinstale Between:</b>	<b>Your Eligibility Will Reinstale On:</b>
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 350 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 350 hours leaving you short of the requirement by 90 hours. In this situation, you would be permitted to make a contribution on your own behalf for the 90 hours at the hourly employer contribution rate, to maintain your eligibility for an additional three (3) months.

## **RETIREMENT**

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

- ◆ You are eligible for benefits under the Welfare Fund as an active employee at the time of your retirement and have been eligible as an active employee for at least 12 of the 15 years prior to your retirement.
- ◆ You are receiving a retirement benefit from the Plumbers & Pipefitters Local Union 9 Pension Fund and have earned at least 12 years of credited service under the Plumbers & Pipefitters Local Union 9 Pension Plan.
- ◆ The total of your age last birthday and combined years of pension Credited Service in the Plumbers & Pipefitters Local Union 9 Pension Fund and the Plumbers and Pipefitters National Pension Fund is at least 85 ("Rule of 85"), or you are receiving a disability retirement pension benefit.
- ◆ You make the required contributions in the amount established by the Trustees. The required contribution for retirees over age 65, or those receiving disability retirement benefits from the Local 9 Pension Fund, is 8% of the retiree's monthly pension benefit with a minimum required contribution of \$100 per month. The required contribution for retirees age 62 to 64 is \$300 per month for a retiree with no dependents; \$450 per month for a retiree with a spouse who is Medicare eligible; or \$600 per month for a retiree with a spouse who is not Medicare eligible. The required contribution for early retirees under age 62 is \$591.00 for a retiree with no dependents; \$886.50 for a retiree with one or more children; or \$1,182.00 for a retiree with a family.
- ◆ Eligible retirees covered under other group insurance coverage may elect to waive coverage with a one-time opportunity to re-enter the Plan on a subsequent January 1<sup>st</sup>.

If you retire and are eligible for the supplemental early retirement benefit under the Local 9 Pension Fund, your accumulated reserve hours will be canceled.

## **COBRA**

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. 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:

	Employees Not Available or not Working <u>in the Industry</u>	Employees Available or Working <u>in the Industry</u>
Single	\$ 762.30	\$ 541.75
Parent/Child(ren)	\$1,143.46	\$ 812.63
Family	\$1,524.61	\$1,083.50

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. In the case of a widow of a retiree who is Medicare primary, the monthly premium is \$394.00. Also, for both active and retired employees, should the surviving spouse remarry, the self-pay privilege ends upon the end of the 36 month period or the date of marriage, if later.

## **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 twelve (12) 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 spouse remarries.
3. The date your dependent becomes eligible for similar benefits under other group coverage.
4. The date your dependent children attaining the maximum eligible age

Once the 12 month period of “free” coverage expires, your dependents may continue their coverage under COBRA as described above. If your surviving spouse is eligible for Medicare, the cost of the continued coverage is \$394 per month. Also, should the surviving spouse

remarry, the self-pay privilege ends upon the end of the 36 month period or the date of marriage, if later.

#### **TYPES OF BENEFIT PLANS OFFERED BY THE WELFARE FUND**

- ◆ **Life Insurance** (Active Employees Only ) - \$10,000
- ◆ **Accidental Death & Dismemberment** (Active Employees Only) - \$10,000
- ◆ **Temporary Disability** (Active Employees Only)
  - Weekly Benefit -\$150
  - Waiting Period – 7 days
  - 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
- ◆ **Employee Assistance Program** - pre-certification required for all in-patient treatment associated with mental/nervous and substance abuse treatment
- ◆ **Medicare Supplement** – Fund pays as a supplement to Medicare. Payable at 80% to out-of-pocket maximum of \$1,000 per person or \$2,000 per family per calendar year.

# PLUMBERS AND PIPEFITTERS LOCAL UNION 9 WELFARE FUND

## PLAN A (Journeyman, Foremen, Apprentices & Retirees)

### SCHEDULE OF BENEFITS

#### HORIZON BLUE CROSS BLUE SHIELD OF NEW JERSEY PPO NETWORK

EFFECTIVE DATE: JANUARY 1, 2017

<u>MEDICAL BENEFITS</u>	<u>IN-NETWORK</u>	<u>OUT-OF-NETWORK</u>
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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	\$2,500	unlimited
Family	\$5,000	unlimited

\*Medicare Eligible Plan Participants – Fund pays as a supplement to Medicare. Payable at 80% to out-of-pocket maximum of \$1,000/person or \$2,000 per family per calendar year.

<b>LIFETIME MAXIMUM</b>	unlimited	unlimited
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#### DOCTOR'S OFFICE VISITS

Primary Care office Visit	100% after \$30 copay	not covered
Specialist Office Visit	100% after \$30 copay	not covered
Maternity Visits	100% after \$30 copay (applies to 1 <sup>st</sup> 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	100% coverage	not covered
Radiology	100% 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. There will be a \$30 copay if services are rendered in a doctor's office.

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



## IN-NETWORK

## OUT-OF-NETWORK

All Other Covered Medical Services 100% 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 **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.

### 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 Active Employees and Non-Medicare Retirees**  
**ENVISION RX**

**Retail Prescriptions \***

(Mandatory generic substitution) –up to 30 day supply

Generic Drugs – 20% co-payment, min. \$5, max. \$50

Preferred Brand Name Drugs – 20% co-payment, min. \$20, max. \$50

Non-Preferred Brand Name Drugs – 20% co-payment, min. \$35, max. \$50

Specialty Drugs – \$35 co-payment

**Mail Order Prescriptions \***

(Mandatory generic substitution) –up to 90 day supply

Generic Drugs – 20% co-payment, min. \$10, max. \$100

Preferred Brand Name Drugs – 20% co-payment, min. \$40, max. \$100

Non-Preferred Brand Name Drugs – 20% co-payment, min. \$70, max. \$100

Specialty Drugs – \$35 co-payment

\*After \$2,000 per person of out-of-pocket prescription expense during a calendar year, the maximum retail co-pay thereafter is \$10 and the maximum mail-order co-pay is \$20 for the remainder of the year. After \$4,100 per person or \$8,200 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. 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)

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.

## **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**- up to 30 day supply

Generic Drugs - 20% co-payment, min. \$5, max. \$50

Preferred Brand Name Drugs – 20% co-payment, min. \$20, max. \$50

Non-Preferred Brand Name Drugs – 20% co-payment, min. \$35, max. \$50

Specialty Drugs – \$35 co-payment

### **Mail Order Prescriptions** - up to 90 day supply

Generic Drugs – 20% co-payment, min. \$10, max. \$100

Preferred Brand Name Drugs – 20% co-payment, min. \$20, max. \$100

Non-Preferred Brand Name Drugs –20% co-payment, min. \$35, max. \$100

## **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 1<sup>st</sup> of each year:

### **Dental Services with your choice of provider:**

- Annual Dental Deductible - \$50 per person or \$150 per family
- Preventative and Basic Services – 80% after deductible
- Fixed bridgework, crowns, gold fillings and orthodontia – 50% after deductible
- Annual Dental Maximum -\$1,500 per person (\$600 per family for retirees)

## **OR**

**Dental Services Organization (DSO)** dental plan under which all treatment is provided at Eastern Dental offices located in New Jersey. Features of the 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

## **HEARING BENEFIT**

Maximum benefit payable once every 36 months

Hearing Aid and Exam                      100% coverage

\*Unlimited benefit up to age 15. Up to \$500 maximum for age 15 and over

## **VISION BENEFIT**

Maximum benefit payable once every calendar year

Vision Benefit    100% coverage

\*Up to \$400 per person maximum towards eye exam and glasses/contacts combined

## **WELFARE FUND BENEFIT PLAN MAXIMUMS**

**Annual In-Network Medical Maximum Out-of-Pocket Limit**-\$2,500 per person/\$5,000 per family

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

**Annual Prescription Maximum Out-of-Pocket Limit** - \$4,100 per person/\$8,200 per 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

**Hospice Services Maximum** – For out-patient, 120 visits per calendar year, 4 hours = 1 visit, excludes respite care, pastoral care and counseling

**Supplemental Speech Therapy Maximum** – 30 visits per person per calendar year

**Chiropractic Care Maximum** – 30 visits per person per calendar year

**Shingles Vaccine Maximum** – For employees and dependents age 50 and over. Up to \$250, no co-payment. Covered both in-network and out-of-network

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

**Annual Dental Maximum** - \$1,500 per person (\$600 per family for retirees)

**Lifetime Dental Orthodontia Maximum** - \$2,000 per person

(If retired, orthodontia counts towards the \$600 per family annual dental maximum)

**DSO Annual Dental Maximum** – unlimited

## **PLUMBERS & PIPEFITTERS LOCAL UNION 9 PENSION FUND**

Effective July 1, 2011

### **IMPORTANT TERMS**

- ◆ Plan Year - July 1<sup>st</sup> to June 30<sup>th</sup>
- ◆ Credited Service
  - ◇ For service after 7/1/1977, 1/4<sup>th</sup> year of credit for each 250 hours of service up to a maximum of 1 year of credit for 1,000 hours.
  - ◇ For service prior to 7/1/1977, credit is based upon provisions of prior plans 181, 236, 270, 331, 380 and 432.
- ◆ 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 5 consecutive one-year breaks in 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 with five years of participation; or after age 55 with 30 years of credited service for employees who first participated prior to 7/1/2007
- ◆ Early Retirement – payable at age 55 with 10 years of credited service
- ◆ Disability Retirement – payable at any age with Social Security Disability, and 5 years of credited service in the 10 years prior to becoming disabled.

### **NORMAL RETIREMENT BENEFITS**

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

- ◆ \$100.00 per month for each year of credited service earned from 7/1/1977 to 6/30/2003, plus,
- ◆ \$55.00 per month for each year of credited service earned after 7/1/2003, plus
- ◆ the monthly benefit earned under the Local 181, 236, 270, 331, 380 and 432 Pension Plans prior to 7/1/1977.

## **EARLY RETIREMENT BENEFITS**

Same as Normal Retirement amount reduced by 1/6% for each month that you retire prior to age 62. For example, at age 60 your benefit would be reduced by 4%. At age 58 your benefit would be reduced by 8%. At age 55 your benefit would be reduced by 14%.

Plus, \$1,000 per month supplement payable until age 62 for employees who first participated prior to 7/1/2007 and whose age last birthday plus years of credited service equals at least 90.

## **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 90 payments guaranteed
- ◆ Life Annuity with 120 payments guaranteed
- ◆ Spouse's Joint and 50% to Survivor (with pop-up)
- ◆ Spouse's Joint and 75% to Survivor (with pop-up)
- ◆ Spouses' Joint and 100% to Survivor (with pop-up)

## **PRE-RETIREMENT DEATH BENEFITS**

### **Non Vested Employee With at Least 2 Years of Credited Service**

- ◆ \$2,000 times years of credited service, payable immediately over 60 months.

### **Vested Employee Under Age 55**

- ◆ Lifetime benefit payable to your spouse, beginning when you would have reached age 55, equal to ½ the amount you would have received at age 55 under the joint and 50% survivor form, or
- ◆ \$2,000 times years of credited service (maximum 35 years), payable immediately over 60 months.



### **Vested Employee Over Age 55**

- ◆ Lifetime benefit payable to your spouse, equal to  $\frac{1}{2}$  the amount you would have received had you retired under the joint and 50% survivor form, or
- ◆ Monthly benefit that would have been paid had you retired, payable for 60 months, or
- ◆ \$2,000 times years of credited service (maximum 35 years), payable immediately over 60 months.

### **POST RETIREMENT DEATH BENEFITS**

- ◆ Continuation of monthly benefit based upon form of payment elected at retirement, plus
- ◆ Lump sum payment of \$5,000

# **PLUMBERS & PIPEFITTERS LOCAL UNION 9 SURETY FUND**

Effective May 1, 2016

## **YOUR ACCOUNT BALANCE IS EQUAL TO:**

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

## **TYPES OF SURETY BENEFITS**

- ◆ Retirement – payable if you are receiving a retirement benefit from the Plumbers & Pipefitters Local Union 9 Pension Plan.
- ◆ Disability – payable if you become totally and permanently disabled.
- ◆ Termination – payable if you have no covered employment over 3 consecutive months.
- ◆ Death - payable upon your death.
- ◆ Financial Hardship - available if you have had an account for at least one year but not more than the contributions to your account since 1/1/93. Hardship distributions are available up to three times every 24 months for the following purposes:
  - ◇ Medical expenses of at least \$1,000 incurred by you, your spouse, dependent child, parent or grandchild, which have not be reimbursed by insurance.
  - ◇ Tuition and room and board 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.

- ◇ If you are delinquent in the making of mortgage or rental payments on your home and there is an immediate threat that your mortgage will be foreclosed or you will be evicted.
- ◇ Funeral expenses incurred due to the death of your spouse, child or parent.
- ◇ If you have been involuntarily unemployed and have exhausted all available state unemployment benefits.
- ◇ Disability for a period of at least 26 weeks during which you have been unable to engage in gainful employment due to illness or injury.
- ◇ 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.

### **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 Long Term Fund
- ◆ Balanced I Fund/Wellington Management (default)
- ◆ Vanguard Target Retirement Date Funds (Income, 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050)
- ◆ Dryden S&P 500 Index
- ◆ T Rowe Price Equity Income Fund
- ◆ Large Cap Growth/American Century Fund
- ◆ T Rowe Price Growth Stock Strategy Fund
- ◆ Fidelity Contrafund
- ◆ Vanguard Mid-Cap Index Signal

- ◆ Vanguard Small Cap Inted Signal Fund
- ◆ American Funds EuroPacific 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](http://www.ieshaffer.com) or (877) 742-3373 (toll-free). Website log-in and password are “009”. Participants may take an asset allocation course provided by Prudential Retirement (password is “9”).