

PLUMBERS & PIPEFITTERS LOCAL UNION 9

WELFARE, PENSION AND SURETY FUNDS

For Journeymen, Foremen, Apprentices and Retirees

Quick Reference Guide

Effective September 1, 2009

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.

12/07/09

PLUMBERS & PIPEFITTERS LOCAL UNION 9 WELFARE FUND

Effective January 1, 2007

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.

You Will Become Eligible On

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

If You Have 1,400 Hours During the Prior

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

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.

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.

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 15 years of credited service under the Pension Plan.
- ◆ The total of your age and years of pension Credited Service 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 7% 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 \$200 per month for a retiree with no dependents; \$300 per month for a retiree with a spouse who is Medicare eligible; or \$400 per month for a retiree with a spouse who is not Medicare eligible. The required contribution for early retirees under age 62 is based upon the current monthly COBRA rates.

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.

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	\$ 630.18	\$ 394.00
Parent/Child(ren)	\$ 945.26	\$ 591.00
Family	\$1,260.35	\$ 788.00

If your spouse and eligible dependent children lose eligibility due to your death, self-pay continuation of coverage is available for an indefinite period of time at the current COBRA rates. 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.

Types of Plan Benefits

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

CIGNA Healthcare Network Benefits

	<u>In-Network</u>	<u>Out-of-Network</u>
In-patient Hospital	95%	60% after deductible
Out-patient Hospital	95%	60% after deductible
Physician Services		
In-hospital services	95%	60% after deductible
Office or home services	100% after \$20 co-pay	60% after deductible
Diagnostic X-ray and Lab	100%	60% after deductible

How To Find A CIGNA Healthcare Provider

- ◆ CIGNA Healthcare Provider Directory
- ◆ Call CIGNA Healthcare at 1-800-768-4695
- ◆ CIGNA Healthcare's website at www.cigna.com/SA-PPO2
- ◆ Call I. E. Shaffer & Co. at 1-800-792-3666
- ◆ As your physician, hospital, lab or other provider

PLUMBERS & PIPEFITTERS LOCAL 9 WELFARE FUND
Schedule of Benefits
Effective July 1, 2009

Plan A
For Journeymen, Foremen, Apprentices and Retirees

CIGNA HEALTHCARE PPO NETWORK

Life Insurance (Active Employees Only) - \$10,000

Accidental Death & Dismemberment (Active Employees Only) - \$10,000

Temporary Disability Benefits (Active Employees Only)

Weekly Benefit - \$150
Waiting Period - 7 Days
Maximum Benefit Period - 26 Weeks

Major Medical Benefits

Inpatient Hospital – semiprivate rate
In-Network - 95% no deductible
Out-of-Network - 60% after deductible

Outpatient Hospital Services:
In-Network - 95% after \$50 emergency room co-payment (waived if admitted)
Out-of-Network - 60% after deductible and \$50 emergency room co-payment (co-payment waived if admitted)

Physician Surgical and In-hospital Services:
In-Network - 95% no deductible
Out-of-Network - 60% after deductible

Physician Office or Home Visits:
In-Network - 100% after \$20 copayment
Out-of-Network - 60% after deductible

Laboratory and Radiology Services:
In-Network - 100%
Out-of-Network - 60% after deductible

Well Baby Visits and Immunizations To Age 2:
In-Network - 100% no copayment
Out-of-Network - 100% no deductible

Major Medical Benefits - Continued

Routine Annual Physical Examinations (\$500 maximum annual benefit)
In-Network - 100% no copayment
Out-of-Network - 100% no deductible

Routine Colonoscopy:
Age 45 and over – once every five years

Mammograms:
In-Network - 100% after \$20 copayment
Out-of-Network - 60% no deductible

Shingles Vaccine (Zostavax) – employees and dependents age 60 and over
Maximum - \$250 per person, no deductible or co-payment

All Other Medical Services:
In-Network - 95% no deductible
Out-of-Network - 60% after deductible (80% if Medicare primary)

Annual Medical Deductible - \$300/person or \$900/family (\$100/person if Medicare primary)

Coinsurance Limits - \$2,500/person or \$5,000/family (\$1,000/person if Medicare primary)

Dental Benefits

Annual Dental Deductible - \$50/person or \$150/family
Preventative and Basic Services – 80% after deductible
Fixed bridgework, crowns, gold fillings and orthodontia – 50% after deductible
Optional Dental Service Organization (Eastern Dental) available annually

Prescription Program Retail and Mail Order – Mandatory Generic

Co-pays are 20% of the cost of the medication, with both a minimum and maximum:

	<u>Co-pay</u>	<u>Retail Minimum</u>	<u>Mail Order Minimum</u>
Generic	20%	\$ 5	\$10
Preferred Brand	20%	\$20	\$40
Non-preferred Brand	20%	\$35	\$70

The maximum retail co-pay is \$50 and the maximum mail order co-pay is \$100.

After \$2,000 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 that calendar year.

Vision Benefit (maximum benefit every 12 months)

Examination - \$50
Lens:
 Single - \$50
 Bifocal or Trifocal - \$75
 Lenticular - \$120
 Contact - \$150
Frames - \$50

Hearing Benefit (maximum benefit every 36 months)

Hearing Aid and Exam - \$500

Benefit Maximums

Home Health Care - 120 visits per calendar year

Inpatient Days for Mental/Nervous and Substance Abuse - 30 days per calendar year

Outpatient Mental/Nervous and Substance Abuse – 50 visits per calendar year

Supplemental Speech Therapy:

 Maximum Covered Expense - \$50 per visit

 Maximum Covered Visits per year – 30

Chiropractic Care Limits:

 Maximum Covered Expense - \$30 per visit (out-of-network)

 Maximum Covered Visits per year - 30

 Maximum Benefit for x-rays per year - \$100

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

Annual Dental Maximum - \$1,500/person

Lifetime Dental Orthodontia Maximum - \$2,000/person

Lifetime Major Medical-Dental Maximum - Unlimited

Pre-Certification Requirements

All inpatient hospital stays must be pre-certified by **CareAllies at 1-800-768-4695**. Emergency admissions must be certified within 72 hours after hospital admission. There is a \$200 penalty for failure to pre-certify.

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

PLUMBERS & PIPEFITTERS LOCAL UNION 9 PENSION FUND

Effective July 1, 2008

Important Terms

- ◆ Plan Year - July 1st to June 30th
- ◆ Credited Service
 - ◇ For service after 7/1/77, 1/4th 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 7/1/77, 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
- ◆ 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 7/1/77 to 6/30/03, plus,
- ◆ \$55.00 per month for each year of credited service earned after 7/1/03, plus
- ◆ the monthly benefit earned under the Local 181, 236, 270, 331, 380 and 432 Pension Plans prior to 7/1/77.

Early Retirement Benefits

Same as Normal Retirement amount reduced by 1/6% for each month that you retire prior to age 62 (no reduction for employees with at least 30 years of credited service who first participated prior to July 1, 2007). 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 with at least 25 years of credited service who first participated prior to July 1, 2007.

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 ½ 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 September 1, 2009

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 5 years 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)
- * Prudential Lifetime Funds: Aggressive Growth, Growth, Balanced, Conservative Growth, Income and Equity
- * Prudential/Lazard Lifestyle 20, 30, 40, 50 and 60
- * Dryden S&P 500 Index
- * Victory Diversified Stock Fund
- * Janus Fund Strategy
- * T Rowe Price Growth Stock Fund Strategy
- * Fidelity Contrafund
- * Davis Opportunity A
- * Small Cap Growth/Boston Co.
- * 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 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”).