

**REFRIGERATION, AIR CONDITIONING & SERVICE
DIVISION (UA-NJ)
WELFARE, PENSION & ANNUITY FUNDS**

QUICK REFERENCE GUIDE

EFFECTIVE: JANUARY 1, 2017

Important Notice: This is an outline of the principal plan provisions of the Refrigeration, Air Conditioning and Service Division (UA-NJ) 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.

REFRIGERATION, AIR CONDITIONING & SERVICE DIVISION (UA-NJ)
WELFARE FUND

Effective January 1, 2015

ELIGIBILITY RULES

All employees become initially eligible on the first day of the third calendar month following the commencement of their covered employment.

Commence Work During:	Become Eligible:
January	April 1
February	May 1
March	June 1
April	July 1
May	August 1
June	September 1
July	October 1
August	November 1
September	December 1
October	January 1
November	February 1
December	March 1

Your eligibility will continue until the last day of the third month following a period of two months with no covered employment.

Last Worked In:	Terminate:
January	April 30
February	May 31
March	June 30
April	July 31
May	August 31
June	September 30
July	October 31
August	November 30
September	December 31
October	January 31
November	February 28(29)
December	March 31

If you become disabled while eligible, your eligibility will be maintained while you are disabled for up to a maximum of 9 additional months.

Should your eligibility terminate, it will be reinstated on the first day of the month following your return to covered employment provided you were not out of covered employment for more than 12 consecutive months.

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:

Single	\$725
Parent/Child(ren)	\$1,088
Family	\$1,451

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 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 6 month period of “free” coverage expires, continuation of coverage is available for an indefinite period of time at the current COBRA rates. Upon attainment of age 65 the required contribution is \$100 per month. 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.

RETIREE COVERAGE

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

- ◆ You retire after attaining age 62 or age 60 if totally and permanently disabled.
- ◆ You have been eligible as an active employee for at least 12 of the 15 years prior to your retirement.
- ◆ You are receiving a normal or disability retirement benefit from the Refrigeration & Air Conditioning Division (UA-NJ) Pension Fund and have earned at least 20 years of credited service under the Pension Plan.
- ◆ You make the required contributions in the amount established by the Trustees. The current required contribution for retirees age 65 and over, or totally and permanently disabled, is \$100 per month. The current required contribution for retirees under age 65 is \$300 per month. These amounts are subject to change by the Trustees from time to time.

The Welfare Fund will provide similar coverage to your spouse at the time of your retirement. If your spouse is not Medicare eligible, the normal plan of medical benefits will be provided until your spouse attains Medicare eligibility.

TYPES OF BENEFIT PLANS OFFERED BY THE WELFARE FUND

- ◆ **Life Insurance** (active employees only) – \$50,000
- ◆ **Accidental Death and Dismemberment** (except retired employees over age 65) – \$50,000
- ◆ **Temporary Disability Benefits** (active employees only)
 - Weekly Benefit - \$100
 - Waiting Period – 7 days if due to illness; none if due to injury
 - 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 supplement to Medicare at 100% with no deductible and no out-of-pocket maximum.

REFRIGERATION, AIR CONDITIONING & SERVICE DIVISION (UA-NJ)
WELFARE FUND
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
-------------------------	-------------------	-----------------------

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	\$3,600	unlimited
Family	\$7,200	unlimited

*Medicare Eligible Plan Participants – Fund pays as a supplement to Medicare at 100% with no deductible and out-of-pocket maximum

LIFETIME MAXIMUM	unlimited	unlimited
-------------------------	-----------	-----------

DOCTOR'S OFFICE VISITS

Primary Care Office Visit	100% after \$15 co-pay	not covered
Specialist Office Visit	100% after \$15 co-pay	not covered
Maternity Visits	100% after \$15 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
--	---------------	-------------

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. \$15 co-pay if performed in doctor's office.

	<u>IN-NETWORK</u>	<u>OUT-OF-NETWORK</u>
HOSPITAL CARE		
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
EMERGENCY CARE		
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 \$15 co-pay	not covered
OUTPATIENT SURGERY		
Hospital Outpatient Surgery	100% coverage	not covered
Surgery in Ambulatory SurgiCenter	100% coverage	not covered
MENTAL HEALTH		
Office Visit	100% after \$15 co-pay	not covered
Inpatient	100% coverage	not covered
*Inpatient requires pre-certification and includes intensive outpatient and sub-acute partial hospitalization		
SUBSTANCE/ALCOHOL ABUSE		
Office Visit	100% after \$15 co-pay	not covered
Inpatient	100% coverage	not covered
*Inpatient requires pre-certification and includes intensive outpatient and sub-acute partial hospitalization		
OTHER SERVICES		
Chiropractic Care Visit	100% after \$15 co-pay	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 –maximum 120 visits per calendar year. Excludes respite care, pastoral care and counseling.		
Skilled Nursing Care		
Inpatient	100% coverage	not covered
Outpatient (at home)	100% after \$15 co-pay	not covered
Outpatient (at facility)	100% coverage	not covered
*Maximum 120 days per calendar year. Medical treatment only.		

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 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 NJ Healthcare Provider

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

PRESCRIPTION DRUG BENEFIT – for Actives and Non-Medicare Eligible Retirees
WELLDYNE 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 – Preferred – 20% co-payment, max. \$50

Non-Preferred – 20% co-payment, max. \$100

Annual co-payment limit is \$1,500 after which the
co-payment becomes 20% with a \$50 maximum

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. \$35, max. \$50

Specialty Drugs – Preferred- 20% co-payment, \$50 max.

Non-Preferred- 20% co-payment, \$100 max.

Annual co-payment limit is \$1,500 after which the
co-pay becomes 20% with a \$50 maximum.

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

PRESCRIPTION DRUG BENEFIT – for Medicare Eligible Retirees

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

Retail Prescriptions

Group Medicare Part D Plan from Labor First

Maximum 30 day supply, (90 day supply available with three copays, except specialty medications)

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

Preferred Brand Name Drugs – 20% co-payment, max. \$150

Non-Preferred Brand Name Drugs – 50% co-payment

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

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

Mail Order Prescriptions

Group Medicare Part D Plan from Labor First

Maximum 90 day supply

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

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

Non-Preferred Brand Name Drugs – 20% co-payment, min. \$70, 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 1st of each year:

Dental Services (your choice of provider):

Deductible - \$ 50 per person per year for dental expenses

80% coverage after deductible for preventative and basic services

50% coverage after deductible for major services and orthodontia

Up to \$2,000 per person per year

OR

Dental Services Organization (DSO) dental plan under which all treatment is be 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

VISION BENEFIT

Maximum benefit payable once every 12 months

Examination - \$50

Lens: Single - \$35

Bifocal - \$55

Trifocal or Contact - \$70

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

WELFARE FUND BENEFIT PLAN MAXIMUMS

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

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

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

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

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

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

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

Supplemental Speech Therapy Maximum – 50 visits per person per calendar year

Chiropractic Care Maximum – 30 visits per person per calendar year

Annual Dental Maximum - \$2,000 per person

Lifetime Orthodontia Maximum - \$2,000 per person

Annual DSO Dental Plan Maximum - unlimited

REFRIGERATION, AIR CONDITIONING & SERVICE DIVISION
(UA-NJ) PENSION FUND

Effective March 1, 2015

IMPORTANT TERMS

- ◆ Plan Year - March 1st to February 28th
- ◆ Credited Service - 1 year of credit for each plan year during which 1,800 hours are worked. Partial credit is earned as follows:

<u>Hours</u>	<u>Credit</u>
200	.2
400	.3
600	.4
800	.5
1,000	.6
1,200	.7
1,400	.8
1,600	.9

- ◆ Reserve Hours – hours in excess of 1,800 during a plan year accumulate in a reserve up to a maximum of 1,800 hours. Reserve may be drawn upon to earn additional credited service for a subsequent plan year during which at least 360 hours, but less than 1,800 hours, are worked.
- ◆ Vested Service - 1 year for 1,000 hours during plan year, 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 one-year breaks in service.
- ◆ Break in Service - any plan year during which you receive credit for less than 500 hours of service.

TYPES OF PENSION BENEFITS

- ◆ Normal Retirement - age 62 and five years of participation.
- ◆ Early Retirement - age 55 and 10 years of credited service.
- ◆ Disability Retirement - any age, Social Security Disability, and 10 years of credited service.

NORMAL RETIREMENT BENEFITS

\$85.00 per month for each year of credited service payable for life starting at normal retirement age (62).

EARLY RETIREMENT BENEFITS

Same as Normal Retirement amount reduced by 1/2% for each month that you retire prior to age 62. For example, at age 60 your benefit would be reduced by 12%. At age 55 your benefit would be reduced by 42%.

DISABILITY RETIREMENT BENEFITS

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

FORMS OF PAYMENT

- ◆ Life Annuity with 60 payments guaranteed
- ◆ Life Annuity with 120 payments guaranteed
- ◆ Life Annuity with 180 payments guaranteed
- ◆ Spouse's Joint and 50%, 75% or 100% to Survivor

PRE-RETIREMENT DEATH BENEFITS

Non-Vested Employee with at Least 1 Year of Credited Service

\$500 times 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 $\frac{1}{2}$ the amount you would have received at age 55 under the joint and 50% survivor form, or

\$500 times years of credited service payable in a lump sum.

Vested Employee Over Age 55

Lifetime benefit payable to your spouse, equal to half the amount you would have received had you retired the first day of the month in which you died under the joint and 50% survivor form, or

Monthly benefit that would have been paid had you retired, payable for 60 months.

POST RETIREMENT DEATH BENEFITS

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

REFRIGERATION, AIR CONDITIONING & SERVICE DIVISION (UA-NJ)
ANNUITY FUND

Effective May 1, 2016

YOUR ACCOUNT BALANCE IS EQUAL TO:

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

TYPES OF ANNUITY BENEFITS

- ◆ Retirement - receiving a retirement benefit from the R&AC Pension Plan.
- ◆ Disability - totally and permanently disabled.
- ◆ Termination - no covered employment over 2 consecutive months.
- ◆ Death - payable upon death
- ◆ Loans - available to participants who have at least 5 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 1½%. Loans are available for the following purposes:

Unreimbursed Medical Expenses - up to 5 year term

College Educational Expenses - up to 5 year term

Foreclosure or Eviction – up to a 5 year term

Repair to Principal Residence from Natural Disaster – up to a 5 year term

Purchase of Principal Residence - up to 10 year term

FORMS OF PAYMENT

- ◆ Lump Sum
- ◆ Monthly installments over a period not to exceed your remaining life expectancy
- ◆ Combination lump sum and monthly 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

- ◆ Prudential Fixed Income Fund
- ◆ Balanced/Wellington Mgmt Fund (default choice)
- ◆ Vanguard Target Retirement Funds
- ◆ Dryden S&P 500 Stock Index Fund
- ◆ Large Cap Growth American Century Fund
- ◆ Fidelity Contrafund
- ◆ T Rowe Price Growth Stock Fund
- ◆ Vanguard Mid Cap Index Signal Fund
- ◆ Vanguard Small Cap Index Signal Fund
- ◆ American Funds EuroPacific Fund

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

Participants may take an asset allocation course provided by Prudential Retirement at www.prudential.com/signature/th The password is “ac”.

Access to your account with your PIN 24 hours a day, 7 days a week – www.ieshaffer.com or (877) 742-3373 (toll-free).

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