

THE STEAMFITTERS' INDUSTRY SECURITY BENEFIT FUND

Summary Plan Description



January 2015
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OFFICES OF THE STEAMFITTERS' INDUSTRY SECURITY BENEFIT FUND

General Office

5 Penn Plaza 21st Floor
New York, New York 10001-1887
Telephone: (212) 465-8888
E-Mail: FundOffice@steamny.com
Website: www.steamfitters.com

TRUSTEES OF THE SECURITY BENEFIT FUND

Employee Trustees

Patrick Dolan, Jr.
Patrick Daly
Robert Egan

Care of:

Enterprise Association
Steamfitters' Local Union 638
32-32 48th Avenue
Long Island City, New York 11101-2416

Employer Trustees

Anthony Saporito
Ralph Montuoro, Jr.
Peter Vrankovic

Care of:

Mechanical Contractors Association of New York, Inc.
44 West 28th Street
New York, New York 10001-4212

Fund Administration

Kevin J. Driscoll, Executive Administrator
Peter J. Ruffner, Assistant Administrator
William J. Turnbull, Controller

THE STEAMFITTERS' INDUSTRY SECURITY BENEFIT FUND

SUMMARY PLAN DESCRIPTION

The purpose of this booklet is to provide a summary of the provisions and benefits of The Steamfitters' Industry Security Benefit Fund. The benefits summarized in this booklet are effective as of the printing of this document. However, the provisions of the various Plan documents govern the payment of all benefits and the full Plan documents should be consulted if you have any questions regarding your benefits. A copy of all Plan documents pertaining to the Plan is available for your inspection and copying at the Fund Office.

To All Participants in The Steamfitters' Industry Security Benefit Fund:

The Steamfitters' Industry Security Benefit Fund offers you, the participants, a wide range of benefits to assist you in times of economic hardship. This plan has been designed specifically to provide you and your families with supplementary benefits due to lost wages, financial assistance, housing, a catastrophic event, severance, scholarship, term life insurance and death. This booklet will describe the benefits available to you and how you may apply for them.

If you have any questions that are not answered by the material contained in this booklet, we encourage you to contact the Fund Office or any of the Trustees.

The Trustees of The Steamfitters' Industry Security Benefit Fund

Employee Trustees

Patrick Dolan, Jr.
Patrick Daly
Robert Egan

Employer Trustees

Anthony Saporito
Ralph Montuoro, Jr.
Peter Vrankovic

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THE STEAMFITTERS' INDUSTRY SECURITY BENEFIT FUND

Identifying the Plan:

The full, official name of the Plan is "The Steamfitters' Industry Security Benefit Fund," will be referred to in this booklet as the Security Benefit Fund or the Fund.

Name, Address, Telephone Number, Web Address, and E-Mail Address of the Board of Trustees, the Plan Administrator and Plan Sponsor:

Board of Trustees
The Steamfitters' Industry Security Benefit Fund
5 Penn Plaza 21st Floor
New York, NY 10001-1887
(212) 465-8888
FundOffice@steamny.com
www.steamfitters.com

The Trustees as of the printing of this booklet are: Patrick Daly, Patrick Dolan, Jr., Robert Egan, Ralph Montuoro, Jr., Anthony Saporito, and Peter Vrankovic.

Type of Plan:

This Plan is an employee welfare benefit plan that provides wage replacement, financial assistance, housing, scholarship, severance, term life insurance, funeral, catastrophic event and death benefits.

Employer Identification Number of the Plan: 13-6149681

Plan Number: 504

Plan Year Ends: December 31

Type of Administration: Trustee Administration

Agent for Service of Legal Process:

Kevin J. Driscoll, Executive Administrator
The Steamfitters' Industry Security Benefit Fund
5 Penn Plaza 21st Floor
New York, New York 10001-1887
(212) 465-8888

Service of legal process may also be made on any of the Trustees.

Collective Bargaining Agreement:

The Fund is maintained pursuant to collective bargaining agreements between the Enterprise Association of Steam, Hot Water, Hydraulic, Sprinkler, Pneumatic Tube, Ice Machine and General Pipe Fitters of New York and Vicinity, Local Union 638 of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada (Union) and the Mechanical Contractors Association of New York, Inc., (MCA) and other employers. Copies of these agreements may be obtained upon written request to the Fund Executive Administrator and may be examined at the Fund Office or Union Office. The Fund will provide information as to whether a particular employer is a contributing employer and, if it is, its address, once a written request for this information is made to the Fund Executive Administrator. Upon written request to the Fund Executive Administrator, a complete list of sponsoring employers or employee organizations will be provided.

Source of Financing:

The Plan is funded by contributions received from employers who employ steamfitter participants covered by a collective bargaining agreement. The amount of this contribution is determined by the agreement.

Funding Medium:

Benefits are provided from the Fund's assets, which are accumulated under the provisions of the collective bargaining agreements and the Trust Agreement and are held in a Trust Fund for the purpose of providing benefits to covered participants and eligible beneficiaries and for defraying reasonable administrative expenses.

Plan assets are invested under the direction of the Trustees of the Security Benefit Fund.

Plan Text:

This booklet summarizes the provisions and benefits of the Security Benefit Fund. In the event of any actual or perceived conflict between the Plan documents and this booklet, the Plan Document will prevail.

Participant Accounts:

An account is established for each participant under the Plan and is credited with contributions received in accordance with the collective bargaining agreement. Benefit disbursements and the participant's allocable share of Plan expenses will be deducted from the participant's account.

Trustee Discretion:

In carrying out their respective responsibilities under the Plan, the Trustees or any sub-committee or designee(s) appointed by the Trustees, the Executive Administrator, and other Plan fiduciaries and individuals to whom responsibility for the administration of the Plan has been delegated, will have discretionary authority to interpret the terms of the Plan and to determine eligibility and entitlement to Plan benefits in accordance with the terms of the Plan. Any interpretation or determination under such discretionary authority will be given full force and effect, unless it can be shown that the interpretation or determination was arbitrary and capricious.

For Information or Assistance:

When you need information, please contact the Fund Office at (212) 465-8888.



Please note that information about the Security Benefit Fund and all your benefit programs can be found on the Fund Office website www.steamfitters.com/ctb-security.aspx#mid



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ELIGIBILITY

Who is Eligible for Benefits?

You are eligible for benefits from the Security Benefit Fund at any time, provided you have properly documented claim for benefits (as described below) and you have a balance in your account upon receipt of your application.

Contributions to your account become available to you after they have been posted to your account. Benefits paid to you from your account are deducted from your balance on the date paid. The amount of benefits available to you is limited to the balance in your account.

Example:	If your account balance on your March 31 statement is	\$13,000
	and on May 15 you withdraw a benefit of	<u>6,000</u>
	the balance now available for benefits is	<u>\$ 7,000</u>

How Long is a Claim Eligible for Reimbursement?

Generally, the Security Benefit Fund will accept a properly documented claim for up to one year after the incurred date.

What Happens if I Do Not Have a Sufficient Balance to Cover my Claim?

If, at the time your application is received, your claim is for an amount greater than your account balance, you will only receive reimbursement for up to the amount of your account balance.

Example:	If your account balance is	\$ 7,000
	an approved benefit application submitted totaling	<u>8,500</u>
	the amount of your reimbursement will be	<u>\$ 7,000</u>

If additional contributions are subsequently received, you may resubmit your claim for further reimbursement. However, if at the time you apply for a severance benefit you are unable to receive the maximum amount allowed, you may not apply for an additional amount at a later date.

What Kind of Documentation Must I Submit with my Claim for Benefits?

Most claims require documentation to support the services provided and certain types of claims must be confirmed with the provider of the services before payment can be made. The Fund Office does need a reasonable period of time to properly review your claim and process it for payment.

Which is the fastest way to receive my benefit reimbursement?

Security Benefit Fund disbursements received through direct deposit, otherwise known as Electronic Fund Transfer (EFT), versus check payments allow for benefit reimbursement(s) to be received faster. To enroll in direct deposit or EFT, you may find the EFT Authorization Form online at <http://www.steamfitters.com/forms.aspx#mid> under General Forms or you may call the Fund Office at (212) 465-8888, option 9.

TYPES OF BENEFITS

The Security Benefit Fund provides benefits for: wage replacement, financial assistance, housing, catastrophic events, severance, scholarship, term life insurance, Welfare Fund Health Reimbursement Account (HRA) transfers, funeral and death. Many of these benefits are subject to tax withholding and year-end tax reporting.

A detailed description of each benefit, the documentation needed for payment, and the applicable tax reporting is explained below.

WAGE REPLACEMENT BENEFITS

You can apply for reimbursement for periods that you may suffer a loss of wages due to

- Unemployment
- Disability
- Workers' Compensation
- Jury Duty
- Temporary Job "Shut-Downs"

There is one common application form to apply for these benefits; it is the "Application For Replacement Wages" form.

The amount of reimbursement for periods of lost wages is equal to your wage rate plus your vacation wage contribution rate for the period, less the amount of the payment you receive from any other source.

Unemployment

The New York State Department of Labor (NYSDOL) issues unemployment benefits via a Chase Bank debit card or directly into your personal checking account. Should you become unemployed, you must complete and have notarized the “Application For Replacement Wages” and check the appropriate selection. Thereafter, each week that you remain unemployed simply call the Fund Office Disbursements Department at (212) 465-8888, option 8 on the main menu and report your continued unemployment. The Fund will not process the additional weeks automatically; you must request them. A disbursement from your account balance will be promptly issued. Only one application must be submitted for each continuous period of unemployment which is cannot exceed a 12 month period.

In order to receive benefits for more than a one week time period, it will be necessary to provide a payment history from the New York State Department of Labor, NYSDOL, which you would retrieve from the NYSDOL website <http://www.labor.ny.gov/unemploymentassistance.shtm>. Please send a copy of your payment history along with your “Application For Replacement Wages” to the Fund Office. If you will be providing a payment history from the NYSDOL the notarization of the application is not necessary.

The Fund Office will audit your unemployment requests to be sure all benefits are appropriate. We will vigorously scrutinize all contractor remittance reports and payroll audits. On a random basis, participants will be required to produce copies of their personal NYSDOL “Official Record of Benefit Payment History” report to verify unemployment and, in rare cases, if deemed necessary, copies of their federal income tax filings. If you become unemployed in a state other than New York, documentation will be requested on a “case specific” basis.

The amount of reimbursement you will receive will be equal to your base wage rate plus your vacation wage contribution rate for the period less the amount of your state unemployment benefits, limited to your account balance.

Example: Journeyman steamfitter with an account balance of \$7,000 and you have a one-week period of unemployment, you may be reimbursed as follows:

One week of base wage + vacation wage contribution rate for a journeyman steamfitter	
$(\$54.50 + \$6.00) \times 40 \text{ hours}$	\$2,420
Less state unemployment for 1 week	<u>(420)</u>
Gross reimbursement	<u>\$2,000</u>

This benefit is subject to Federal, New York State and local taxes.

If you are ineligible for unemployment benefits under State Law, you should submit a copy of a statement from the State agency indicating you have exhausted or are ineligible for benefits. The Trustees may, at their discretion, request additional proof to substantiate any period of unemployment for which State benefits are not being paid.

The supplementary unemployment benefits are subject to Federal, New York State and New York City tax withholding on a weekly basis. The total amount of these benefits paid to you during the calendar year will be reported to you and the tax authorities on Form W-2 at year end.

Disability and Workers' Compensation

To receive either of these supplemental benefits you must complete the "Application For Replacement Wages" and check the appropriate box. You must attach a copy of the first Disability or Workers' Compensation check or disbursement you receive to the application in order to document your claim.

The amount of reimbursement you will receive is equal to your base wage rate plus your vacation wage contribution for the period, less the amount you have received from the appropriate agency, not to exceed your account balance.

Please see the unemployment section for an example of how your reimbursement is calculated.

If your entitlement to your benefits under any State law ceases, you may still be able to receive payment from the Fund subject to a signed affidavit. You will be asked to render, to the Trustees satisfaction, proof of your continued inability to work.

While you are waiting to receive benefits from the appropriate agency, you may receive reimbursements, as in the case of unemployment, by submitting the signed affidavit and contacting the Fund Office each week.

Disability and Workers' Compensation benefits are subject to all applicable withholding taxes and is reported to you and the tax authorities on Form W-2 at year end.

Jury Duty

If you are called to serve jury duty, you may apply for a supplemental jury duty benefit to replace lost wages. On the "Application For Replacement Wages" check the box for jury duty and submit a copy of your notice of jury duty service and payment by the Court.

You will be reimbursed for each day of jury service less the amount received from the Court and your employer. This benefit is subject to all applicable withholding taxes, on a weekly basis, and is reported to you and the tax authorities on Form W-2 at year end.

Temporary Job “Shut-Downs”/Weather Emergencies

If you are unable to work solely due to a safety or occupational health legal notice issued by an agency of a federal, state, city, county or other municipal government, or a weather emergency declaration you may be reimbursed for each full day of missed employment. To request this benefit, you must complete and have notarized the “Application For Replacement Wages”. The amount of reimbursement shall not exceed eight-times the hourly base wage rate per day plus your vacation wage contribution rate per day applicable to the participant at the time the temporary shut-down or weather emergency occurred and not to exceed your account balance. This benefit is subject to all applicable withholding taxes and is reported to you and the tax authorities on Form W-2 at year end.

FINANCIAL ASSISTANCE

For any part of a month in which you are unable to work as a steamfitter, the Fund will reimburse you in an amount not to exceed your account balance for your unpaid **home** mortgage, co-op mortgage and maintenance fees, condominium mortgage and maintenance fees, rent or property taxes on your primary residence for that same month.

The Fund will require documentation of your Unemployment, Disability or Workers’ Compensation benefits for a week ending in that month in order to reimburse you for that month. For example, if your disbursement is for the period of July 26th through August 1st (thus, the week ending period if this disbursement is August 1st) reimbursement for financial assistance would be for the month of August even if most of the period was in July. [An Affidavit For Replacement Wages is not acceptable for this benefit.]

If you have exhausted or are ineligible for Unemployment Benefits, the Fund will require a letter from the appropriate state agency verifying your ineligibility for unemployment benefits.

Documentation supporting your financial assistance request such as an unpaid mortgage invoice, co-op fee statement, property tax bill, or rent invoice must be in the participant or spouse’s name ONLY. A letter from the landlord verifying rent due (for each month you apply for) when there is no written lease in effect is sufficient.

To apply for this benefit, you must complete an “Application for Financial Assistance Benefit”. The amount of the benefit requested cannot exceed your account balance and is conditioned upon both audit verification and Trustee approval. This benefit is subject to all applicable withholding taxes and is reported to you and the tax authorities on Form W-2 at year end.

HOUSING BENEFIT

This benefit can be used for certain costs associated with the purchase of a residence, for the initial costs associated with a rental and for costs to prevent foreclosures or eviction as long as the residence is your primary residence and is located within 150 miles of the Fund Office. An “Application for Acquisition or Retention of a Residence or Rental Unit (Active Participant Only)” must be completed. Retired participants are excluded from this benefit as the Fund cannot provide post-retirement housing benefits. Return to Work participants are excluded from the benefit so far as costs associated with the purchase of a residence as well as closing costs, but may apply for benefits for the prevention of eviction or foreclosure.

Costs or fees related to the purchase of a primary residence that are eligible under this benefit include, but are not limited to, the following: loan originations, loan discounts, appraisals, credit reports, lender’s inspections, mortgage insurance applications, tax services, flood checks, document preparations, title searches, title examinations, title insurance binders, attorneys, title insurance, governmental recordings, state taxes, and surveys. The initial costs related to a rental may include the first and last month’s rent and broker’s fees or commissions.

Documentation supporting this benefit will include a signed contract of sale, mortgage application, Good Faith estimate, legal documents pertaining to the construction of a new home, copy of rental lease, or a letter from the real estate company detailing the lease arrangements, foreclosure or eviction notices and/or any other documents so requested. All documents must be in the participant or spouse’s name only.

The documentation supporting the initial costs associated with a rental and the notarized “Application for Acquisition or Retention of a Residence or Rental Unit” must be submitted to the Fund Office *prior* to your effective lease date. The Security Benefit Fund may not process the claim for initial costs associated with a rental as a reimbursement once these costs have already been paid. Therefore, if you are leasing an apartment effective March 1st, your application and supporting documentation must be submitted prior to March 1st. If the application and documentation is submitted after March 1st, the application will be denied.

If you apply for a “prevention of eviction from or foreclosure on your principal residence” you will only be allowed to be paid **twice per calendar year from the Security Benefit Fund or the Supplemental Retirement Plan or a combination of the two plans**. You will be required to document proof of residence and that you are

at least 3 months behind in your rent or mortgage payments. A current bank statement or notice of default mortgage letter is required documentation for foreclosure. A current notice of petition of nonpayment of rent or landlord's attorney letter is required for documenting potential eviction.

The amount of the benefit requested cannot exceed your account balance and is conditioned upon both audit verification and Trustee approval. This benefit is subject to all applicable withholding taxes and is reported to you and the tax authorities on Form W-2 at year end.

SCHOLARSHIP BENEFIT

The Scholarship Benefit is available for you, your spouse, children and dependents who are enrolled full-time or part time in an accredited educational institution. An "Application for Scholarship Benefit" must be completed. If you file a claim for a dependent not accepted as a current dependent in the Steamfitters' Industry Welfare Fund, you must complete an affidavit as part of the application process.

Covered expenses include tuition, room and board (on campus only), books, personal or laptop computers and other appropriate supplies. Reimbursement for the academic costs associated with inter-session classes for matriculating full time students are also covered. The Security Benefit Fund is not permitted to pay an existing student loan or loan balances.

Accredited educational institutions include universities, colleges, technical institutes, junior colleges, nursing, medical, dental and law schools. You are responsible to pay the educational or technical institution yourself and will be reimbursed from the Fund. It will be necessary to submit all receipts, invoices, canceled checks, credit card statements, etc. to substantiate the application for benefit. All information provided will be verified with the educational or training institution. Payment is dependent on the timeliness of the reply from the institution.

Federal, New York State, New York City and FICA taxes will be withheld from all benefit payments based on the information you provide on the application. This benefit will be income to you, is subject to all applicable withholding taxes and is reported to you and the tax authorities on Form W-2 at year end.

SEVERANCE BENEFIT

The severance benefit allows you to withdraw a substantial amount from your Security Benefit Fund account.

You are first eligible to apply for the severance benefit after no contributions have been made to this, or any of the related Steamfitters' Industry Funds, ***for six consecutive months***. You have two years from your eligibility date to apply for your

severance benefit, *provided you do not return to work in the industry*. An “Application for Severance Benefit” must be completed.

The severance benefit can be paid to you in a lump sum or in equal quarterly amounts. **However, no payments can be made beyond the two year application period.** The amount of your total benefit will be equal to twice your wages as a steamfitter in the 12 months prior to your severance from the industry or the amount such wages would have been had you worked the full year.

If you are eligible for a severance benefit and you do not apply in the two year period, your application period will expire. In order to again be eligible for the severance, you must return to work in the industry for a minimum of 750 hours. Once you have met this requirement, you will be eligible for the severance after two consecutive calendar quarters of no contributions as described above.

If you take your severance benefit, you may be eligible for a second severance benefit. To be eligible for a second severance benefit, you must have **five** calendar years in which you have worked a minimum of 750 hours in each year. You would then be eligible for a second severance under the rules described above.

The severance benefit is considered to be taxable income and is subject to all applicable withholding taxes and will be reported to you and the tax authorities Form W-2 at year end.

TERM LIFE INSURANCE BENEFITS

This benefit is available to reimburse you for the premium expense associated with an annual term life insurance policy. The benefit can be used for the participant’s policy or for that of a legal dependent.

The appropriate application must be completed and submitted with a copy of the term life insurance premium notice. The “face” value of the term life insurance policy cannot exceed \$1 million. An “Application for Reimbursement of Term Life Insurance Premium” must be completed. The life insurance benefit shall not exceed the amount of the premium paid nor the amount of the Participant’s Account Balance at the time of his application.

This benefit is subject to all applicable withholding taxes. This benefit will be income to you in the year the benefit is issued and will be reported to you and the tax authorities on Form W-2 at year end.

FUNERAL BENEFIT

Funeral expenses paid by you for which you receive no reimbursement from any other source are eligible for reimbursement. An application for a funeral benefit shall be

filed along with a notarized affidavit, a copy of the death certificate in support of the claim and verification of the expense. An “Application for Reimbursement of Funeral Expenses” must be completed. At the end of the year in which the benefit is paid, a Form 1099-M will be sent to you and the Internal Revenue Service.

CATASTROPHIC EVENT

This benefit will be paid to you after a catastrophe destroys or significantly damages your primary residence thereby impairing your ability to work in the industry. A catastrophe for purposes of this benefit will include, but are not limited to flood, hurricane, tornado, ice storm, fire, explosion, etc.

Significant damage means a damage claim of \$500 or more that is not insured or otherwise paid by another source. As with all benefits in the Security Benefit Fund, claims are limited to your account balance at the time of application.

This benefit is specifically permitted under the federal tax code in order to enable you to continue working despite a catastrophe that destroys your primary residence. Thus, this benefit is not available for retired participants. This benefit is subject to all applicable withholding taxes and will be reported to you and the tax authorities on Form W-2 at year end.

You would need to complete an “Application for Hardship Assistance after a Catastrophic Event” form. In order to document your loss you will be required to submit bills, invoices, cancelled checks, insurance material, photographs, affidavits and any and all other proof which the Trustees may require.

DEATH BENEFIT

Upon your death, any balance in your account will be paid to your designated beneficiary. Your beneficiary, family member, or friend should contact the Fund Office and send in a copy of the death certificate and appropriate identification. There is no form for the Death Benefit. However, the Fund must be in receipt of a certified copy of the death certificate before benefits can be processed. At the end of the year in which the benefit is paid, a Form 1099-M will be sent to the beneficiary and tax authorities. This benefit is subject to tax and may require that estimated tax payments be made. Please consult your tax advisor.

Your beneficiary for this benefit is designated on the “Steamfitters’ Designation of Beneficiaries” form. If you have not designated a beneficiary or contingent beneficiary, or if neither such beneficiary is living, such benefit shall be paid to your spouse, if living, or if not living, to one or more of your children, grandchildren, parents, brothers, sisters or to your estate, in such shares as the Trustees, in their absolute discretion, shall decide.

HRA TRANSFERS

If an approved application for the Welfare Fund Health Reimbursement Account (HRA) is larger than the balance in your HRA account, the difference between the application amount and your HRA account balance can be transferred from the Security Benefit Fund to your HRA account. The transfer amount cannot exceed your Security Benefit Fund account balance and is not subject to tax.

CLAIM FORMS & DISBURSEMENTS

Claim forms for the various benefits are available at the Fund Office. Please call (212) 465-8888 and the Fund Office will mail you the forms you need. In addition, you may download forms at the following website: www.steamfitters.com/construction-forms.asp or scan the following QR code with your smartphone and be directed to the forms section of our website.



You may enroll to have your benefits paid by the Fund Office through direct deposit, otherwise known as Electronic Fund Transfer (EFT). To enroll in direct deposit, you may find the EFT Authorization Form online at <http://www.steamfitters.com/forms.aspx#mid> under General Forms or you may call the Fund Office at (212) 465-8888 option 9. Security Benefit Fund disbursements received through EFTs versus check payments are received much faster and save you a trip to the bank.



FRAUDULENT CLAIMS POLICY

It is important to keep in mind that if you are found to have filed a claim for benefits based upon fraud or misrepresentation you will be suspended from participation in the Fund for a period of up to three years in accordance with the Fraudulent Claims provision of the Security Benefit Fund's Plan document.

In addition, depending upon the situation, the Fund may notify the federal attorney general's office for criminal prosecution under ERISA and federal tax laws.

FUND EARNINGS AND EXPENSES

INVESTMENT EARNINGS

After the close of each Plan Year, the investment income or loss of the Fund, at the direction of the Trustees, may be proportionally allocated to each participant's account balance.

The amount of this allocation is based on the prior year's average closing balance in your account, multiplied by the percentage of income or loss to be allocated.

Example: If your four quarterly closing balances in 2015 were:

1 st Quarter 2015	\$10,000
2 nd Quarter 2015	11,150
3 rd Quarter 2015	6,100
4 th Quarter 2015	<u>7,150</u>
	\$34,400

Divide \$34,400 by 4 for an average quarterly balance of \$8,600.

If the Fund had investment earnings of 7%, your account balance would be credited with \$602.00 (Average balance of \$8,600 x 7%). The same calculation would be made for an investment loss.

ADMINISTRATIVE CHARGE

The general and administrative charges incurred by the Fund are deducted from your account on a per head basis. That is, each account is charged the same dollar amount, provided there is a sufficient balance to cover the charge. The amount of the charge is determined by dividing the total administrative expenses of the Fund by the number of account balances.

Participants with a balance of \$2,500 or less after adding in their income allocation are not subject to the administrative charge. Any participant with a balance greater than \$2,500 will be subject to the full administrative charge.

Both the investment income allocation and the administrative charge are posted to the second quarter statement of the following year. For example, the 2014 investment income allocation or loss and administrative charge will be posted to your Second Quarter 2015 statement of earnings.

You may opt to receive your statements and employee benefit information electronically by providing a work or e-mail address on a completed “Notice of Electronic Disclosure and Consent Form”. Once you consent to electronic disclosure, you will receive an e-mail notification when new Employee Benefit notices have been posted to the Steamfitters’ Internet site at www.steamfitters.com. The “Notice of Electronic Disclosure and Consent Form” can be found in the Forms section of the Steamfitters’ website at [http://www.steamfitters.com/ULWSiteResources/steam_industry_fund/Resources/file/Forms/General/New_EFT_Authorization_Form\(both\).pdf](http://www.steamfitters.com/ULWSiteResources/steam_industry_fund/Resources/file/Forms/General/New_EFT_Authorization_Form(both).pdf)

RULES AND REGULATIONS

FILING OF INFORMATION

Each eligible participant and qualifying dependent shall file with the Fund such pertinent information as requested by the Fund in such manner and form as the Fund may specify or provide.

ASSIGNMENT OF BENEFITS

You may not assign or use as collateral any part of your account balance or any benefits you are entitled to from the Fund.

LOSS OF BENEFITS

If you do not meet the eligibility requirements as described for each benefit above, you will not be eligible for benefits from the Fund. You will be advised, in writing, of any denial of benefits and of any requirements which must be met for your claim to be approved.

APPEAL FOR DENIAL OF CLAIMS

If your claim for a benefit is denied in whole or in part, you may appeal the decision to the Board of Trustees for review.

Your appeal must be made in writing within 60 days of the notification that your claim has been denied. Your appeal will be presented at the next Trustee meeting provided the appeal has been received at least 30 days before such meeting. However, if your request for review is not received within 30 days of the next regularly scheduled meeting, your request for review will be considered at the second regularly scheduled meeting following receipt of your request. In special circumstances a delay until the third regularly scheduled meeting following receipt of your request for review may be necessary. You will be notified in writing of the Trustees decision regarding your appeal.

You may review all Plan documents and records relating to your benefits in connection with any appeal, and you may have a representative act on your behalf if you so wish.

YOUR ERISA RIGHTS

As a plan participant in the Steamfitters' Industry Security Benefit Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), as amended. ERISA provides that all Plan participants shall be entitled to:

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the Fund Office and at other specified locations such as the union office, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Fund Office, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description, upon written request to the Fund Office. The Fund may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Fund is required by law to furnish each participant with a copy of this summary annual report.

PRUDENT ACTION BY PLAN FIDUCIARIES

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Fund and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Fund administrator to provide materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Executive Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court.

If it should happen that Plan fiduciaries misuse the Fund's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay the costs and fees if, for example, the court finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your Plan, you should contact the Plan's Executive Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan's Executive Administrator, you should contact the nearest office of the Employee Benefit Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory of the Division of Technical Assistance and Inquires, Employee Benefit Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C.20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefit Security Administration (EBSA). For single copies of publications, contact the EBSA Brochure Request Line at 866-444-3272 or contact the EBSA field office nearest you. You may also find answers to your questions at the EBSA website at: <http://www.dol.gov/ebsa/>.

HIPAA NOTICE OF PRIVACY PRACTICES FOR PERSONAL HEALTH INFORMATION

The Steamfitters' Industry Security Benefit Fund (hereafter referred to as the "Fund") is required by law to take reasonable steps to ensure the privacy of your personally identifiable health information and to inform you about:

- the Fund's uses and disclosures of Protected Health Information ("PHI");
- your privacy rights with respect to your PHI;
- the Fund's duties with respect to your PHI;
- your right to file a complaint with the Fund and to the Secretary of the U.S. Department of Health and Human Services, and
- the person or office to contact for further information about the Fund's privacy practices.

The term "Protected Health Information" (PHI) includes all individually identifiable health information transmitted or maintained by the Fund regardless of form (oral, written, electronic).

PROTECTED HEALTH INFORMATION ("PHI"):

In its normal course of business, the Fund receives, uses, and discloses personal health information about you and your eligible dependents, if any. The purpose of this notice is to inform you of how the Fund receives and protects your personal health information as well as under what circumstances the Fund uses and discloses that information. It should be noted that the Fund is required to protect your health information as well as provide you with a notice of the Fund's privacy policies and procedures with regard to your personal health information. The Fund is required to abide by the terms of this notice. The Fund will continue to comply with the privacy policy in order to protect your personal health information. The Fund will not change these policies unless you are given notice of the change.

USES AND DISCLOSURES:

The Fund uses and discloses your PHI. Most of the time, those uses and disclosures of your PHI fall under a category of use and disclosure known as treatment, payment and health care operations ("TPO"). It is acceptable for the Fund to use and/or disclose your personal health information without your prior authorization provided it falls into

one of the allowable reasons. The types of uses and disclosure that fall under this category are as follows:

1. the use of your PHI for health care operations, including paying benefits, coordinating claim payments, developing and supplying benefit eligibility, providing customer service, and assisting you with your inquiries or disputes;
2. the disclosure of your PHI by a provider to your health plan;
3. the disclosure of your PHI by your health plan when processing a claim for payment;
4. the use of your PHI by a direct treatment provider who is treating you;
5. the use of your PHI for business management and general administrative activities including training programs, quality assessment reviews and planning and development activities.

OTHER USES AND DISCLOSURES:

There are other uses and disclosures of your PHI that may occur without your authorization. Following is a description of these possibilities:

1. a disclosure pursuant to regulatory or legal proceeding;
2. a disclosure in response to a requirement of the government as authorized by law or law enforcement agencies made through a court order, subpoena, warrant, summons, or similar legal process;
3. to detect or prevent fraud;
4. to review the Fund's utilization;
5. to conduct an audit of the claims and/or the claims operations;
6. to conduct an actuarial study;
7. for other uses relating to plan administration which are approved in writing by the Fund Administrator or Privacy Officer.

AUTHORIZATION REGARDING USES AND/OR DISCLOSURES OF PHI:

From time to time, there may arise the need for the Fund to seek your authorization before disclosing your PHI. Before a release of your PHI occurs, outside of the allowable reasons, the Funds will need to obtain your written authorization. You may give us written authorization to disclose your PHI to any person or entity for any purpose. We cannot use or disclose your PHI except as described in this notice unless

you give us written authorization. However, in the event of your incapacity or an emergency we will use our professional judgment to decide whether the disclosure would be in your best interest subject to any applicable laws or court orders.

RIGHT TO REVOKE:

You have the right to revoke an authorization at any time, in writing. There are two (2) exceptions as follows:

1. If the information you authorized to be released has already been released.
2. If your authorization was required as a condition of obtaining the coverage.

To revoke an authorization you may either complete a new authorization form stating someone else is authorized or that no one is authorized to use and/or disclose your PHI. Alternatively, you may submit a letter stating your intentions to revoke an authorization. In either case, the written revocation must be in an original document signed by you.

MORE STRINGENT STANDARD:

When comparing HIPAA to the State Law, if the State Law restricts the use and/or disclosure of PHI in an area not restricted under HIPAA then the Fund must abide by State Law and restrict the disclosure of PHI in those cases. There are two (2) exceptions to this as follows:

1. If the PHI is required to be released by the Secretary of the Department of Health and Human Services in order to verify that the Fund is in compliance with the law.
2. The information may be released to the individual who is the subject of the PHI.

YOUR RIGHTS:

You have the right to request, in writing, to inspect and copy your PHI. You also have the right to request that the Fund amend any information about you that may be incorrect. You may also request that the Fund restrict uses and/or disclosures of your PHI. The Fund has a right to deny your request for a restriction. You also have a right to receive communications of PHI by alternative means or at alternative locations. You have the right to receive certain disclosures of PHI provided they fall outside of the allowable reasons.

If you believe that your privacy rights have been violated, you may complain to the Fund Privacy Officer, c/o Steamfitters' Industry Security Benefit Fund, 5 Penn Plaza, 21st Floor, New York, NY 10001-1887. All complaints must be submitted in writing. In addition, you may file a complaint with the Secretary of the U.S. Department of

Health and Human Services, Hubert H. Humphrey Building, 200 Independence Avenue, SW, Washington, DC 20201.

WHOM TO CONTACT AT THE PLAN FOR MORE INFORMATION:

If you have any questions regarding this notice or the subjects addressed in it, you may contact the Fund by mail at: Steamfitters' Industry Security Benefit Fund, 5 Penn Plaza, 21st floor, New York, NY 10001-1887 or by telephone (212) 465-8888, extension 244.

ADDITIONAL INFORMATION:

The Fund reserves the right to change any of the information or procedures regarding your PHI at any time. You will be notified of any such changes.

AMENDMENT AND TERMINATION

The Trustees intend to continue the Plan described in this booklet indefinitely. Nevertheless, they reserve the right, subject to the provisions of any pertinent collective bargaining agreement, to terminate or amend the Plan. The Plan may be terminated, in writing, by the Trustees when there is no longer in effect any agreement between any one employer and the Union requiring payment to the Fund.

Upon termination of the Plan, the Trustees shall apply the monies of the Fund to provide benefits or otherwise to carry out the purposes of the Plan in an equitable manner until the entire remainder of the Fund has been dispersed.

No amendment or termination will deprive a Participant, Beneficiary or Qualifying Dependent of any benefit which has already become payable under the Plan, but it could deprive them of future benefits. The Fund reserves the right to terminate coverage for you and/or your dependent(s) if you and/or your dependent(s) are otherwise determined to be ineligible for coverage.

ALLOCATION AND DISPOSITION OF ASSETS UPON TERMINATION:

In order for the Fund to carry out its obligation to provide the maximum possible benefits to all Participants within the limits of its resources, the Board of Trustees has the right to take any of the following actions, even if claims that have already accrued are affected:

- to terminate any benefits provided by the Plan.
- to alter or postpone the method of payment of any benefit.
- to amend or rescind any provision of the Plan.