

VACATION BENEFIT APPENDIX

Effective September 30, 2014, the Laborers' District Council Vacation Fund for Baltimore and Vicinity merged into the Construction Workers' Trust Fund, in accordance with the Merger Agreement as of that date. Thereafter, all assets that previously belonged to the Vacation Fund, all vacation contributions, and any other property that would otherwise come into the possession or ownership of the Vacation Fund, are assets of the Construction Workers' Trust Fund. Such assets will be held in accordance with the Agreement and Declaration of Trust of the Construction Workers' Trust Fund, and will be separately accounted for and administered as set forth in this Appendix.

Definitions

Distribution Year – October 1 – September 30.

Employee – a person employed by an Employer on whose behalf Employer Payments are made to the Fund.

Employer – an (1) employer of Employees represented by the Union that is required to make Employer Payments under a collective bargaining agreement with the Union, and (2) the Union as to its employees on whose behalf it makes Employer Payments.

Employer Payments – (1) amounts deducted by an Employer from the wages of Employees and paid by the Employer to the Fund as required by a collective bargaining agreement with the Union or other written agreement acceptable to the Trustees, and (2) payments an Employer makes to the Fund for the benefit of Employees pursuant to a collective bargaining agreement with the Union or other written agreement acceptable to the Trustees.

Union – the Baltimore/Washington Construction and Public Employees Laborers District Council and its constituent locals.

Vacation Account – the separate account administered under this Appendix for the receipt and payment of Vacation benefits.

Operating Rules

A.1. Time of Distributions.

Vacation benefits will be distributed on or about each December 1, based on Employer Payments received for work by Employees during the preceding Distribution Year.

A.2. Vacation benefit amount to be Distributed.

(a) The Vacation benefit amount to be distributed to an Employee for a Distribution Year will equal (1) the Employer Payments received by the Fund on behalf of the Employee on account of the Distribution Year, plus (2) the earnings adjustment for the Year as determined under subsection (b).

(b) The earnings adjustment for each Distribution Year will be determined by the Trustees in their discretion, and may be positive or negative. The earnings adjustment for a Distribution Year will reflect the sum of the Year's (1) net investment earnings on Vacation Account assets and (2) forfeitures under

Section A.3., reduced by (3) the direct expenses of administering the collection and payment of the Vacation benefits. Except as provided in the preceding sentence, no other expenses of the Construction Workers' Trust Fund will be charged against the Vacation benefit.

A.3. Forfeiture of Benefits.

(a) Subject to subsection (b), if an Employee does not receive a distribution of his Vacation benefit for a Distribution Year, he will remain entitled to receive the distribution in the future. However, he will not receive any earnings adjustment on his Vacation benefit other than the adjustment for the Distribution Year to which the distribution he did not receive relates.

(b) If an Employee (or his beneficiary) does not receive a distribution of his Vacation benefit within three years after the end of the Distribution Year to which it relates, such Vacation benefit will be permanently forfeited and applied as part of the earnings adjustment under Section A.2. Once forfeited, a Vacation benefit will not be restored under any circumstances.

A.4. Distribution Upon Death.

(a) If an Employee dies, his undistributed Vacation benefit will be paid to his beneficiary determined under subsection (b), provided the beneficiary claims the benefit prior to forfeiture under Section A.3. Payment to the beneficiary will be a complete discharge of the Fund from liability for the Vacation benefit, and the Trustees will not be obligated to see to the application of benefit so paid.

(b) An Employee's beneficiary is the beneficiary named by the Employee to receive life insurance benefits under the Construction Workers' Trust Fund, if any. If the beneficiary is a minor, the benefit may be distributed in accordance with the Maryland Uniform Transfers to Minors Act. If an Employee dies without having named a life insurance beneficiary, his Vacation benefit will be forfeited under Section A.3., unless the Trustees in their discretion determine to pay the distribution to some other person.

A.5. Sanctions for Wrongful Conduct.

If an Employee receives any money from the Vacation Account to which he is not entitled, he must repay that money, with interest from the date received until the date repaid at the maximum rate permitted under Maryland law for consumer loans. If an Employee fraudulently takes or attempts to take money from the Vacation Account, he will not receive any positive earnings adjustment on his Vacation benefit for the next Distribution Year.

A.6. Claims and Appeals.

Any dispute by an Employee regarding his Vacation benefits will be resolved in accordance with the claims and appeals process set forth in the Construction Workers' Trust Fund Health and Welfare Plan.

A.7. Trustees' Authority.

The Trustees have the discretionary authority to resolve all questions concerning the time and manner of Vacation benefit distributions, and to interpret the terms of this Appendix. The Trustees may modify any of the rules set forth in this Appendix as they in their discretion see fit, if based on special circumstances the Trustees determine such modification is appropriate to ensure the equitable and practical payment of Vacation benefits.

Adopted February 25, 2015