

Summary Plan Description

Solano – Napa Counties Electrical Workers VEBA Reimbursement Medical Account Plan

AUGUST 2013 EDITION

ELIGIBILITY

You are an employee eligible to participate in the Solano – Napa Counties Electrical Workers VEBA and accumulate an account for purposes of funding retiree medical coverage through your Accumulated Share (AS) if you meet the criteria described below. “Retirement” is defined below.

If your classification under the collective bargaining agreement also provides for contributions to your Supplemental Accumulated Share (SAS) you may be eligible for reimbursement of IRS approved medical expenses not covered by the Solano-Napa Electrical Workers Health and Welfare Plan prior to your retirement. To be eligible for either an Accumulated Share or Supplemental Accumulated Share contributions on your behalf must be made to this VEBA either 1) under a collective bargaining agreement between IBEW – NECA or 2) pursuant to a participation agreement covering one of the following categories of employees:

- a. Employees of IBEW Local 180,
- b. Employees of the Solano – Napa Counties Electrical Workers JATC.

Contributions, per classification, will be made at the same rate for all eligible employees.

ACCUMULATED SHARE – SUPPLEMENTAL ACCUMULATED SHARE

Each eligible employee, except “Helpers,” working under the terms of an agreement described above shall have an Accumulated Share (AS) account in the Plan. Helpers will only have a Supplemental Accumulated Share account. Others, depending on collective bargaining agreement classification may also have a Supplemental Accumulated Share (SAS) account.

The total of the contributions made to your account(s) subject to any investment gains or losses shall be your Accumulated Share, and if applicable Supplemental Accumulated Share. The AS and, if applicable the SAS, will be adjusted on an annual basis. A statement of the account balance(s) will be issued by the fund office and sent to each Plan participant annually.

Although this is a welfare plan as described in the Employee Retirement Income Security Act (ERISA) – not subject to rules regarding vesting – your Accumulated Share (and Supplemental Accumulated Share if applicable) can only be lost if you die without medical eligible dependents (a spouse or qualifying children). This means that although the balance may decrease due to investment returns and/or plan expenses the amount shown on the annual statement will not be

lost simply because you, as a Plan participant, cease working in a category for which contributions are made to this VEBA prior to retirement. There are no required years of participation in order for your Accumulated Share or Supplemental Accumulated Share to remain active and available for your use or the use of an eligible medical dependent. In the event of your death and no medical eligible dependent survives you your account balance is forfeit to the Health and Welfare Trust. The more years contributions are made to your account the larger your Accumulated Share will be at the time of retirement.

QUALIFYING PAYMENTS

Employee Participants

1. This Plan is established primarily for use when you retire (if you only have an Accumulated Share funds in it can only be used after you retire). Qualifying payments from your Accumulated Share after retirement include reimbursement of medical premiums incurred by you as well as all other allowable IRC approved medical expenditures. If you otherwise qualify for retiree coverage under the Solano-Napa Counties Electrical Workers Health and Welfare Plan payments can be made directly to that Plan to provide continued coverage. You will be considered retired when you retire under the Solano – Napa Counties Electrical Workers Retirement Plan or when you reach age 55 and cease work in the electrical industry and have exhausted your reserve hour bank.
2. If your classification provides for contributions to a Supplemental Accumulated Share account you can use funds in the SAS prior to retirement.
Your Supplemental Accumulated Share, if any, can be used before you retire to reimburse you for allowable IRC approved medical expenditures. It can also be used to directly pay COBRA payments or Self-payments if you so elect in writing.

If you qualify for coverage under the Solano-Napa Counties Electrical Workers Health and Welfare Retiree Plan, upon retirement, your Accumulated Share money will be transferred to your VEBA Supplemental Accumulated Share Account to continue your coverage until the balance of your Accumulated Share, and if applicable, Supplemental Accumulated Share has been reduced to zero.

If you do not qualify for coverage under the Solano-Napa Counties Electrical Workers Health and Welfare Retiree Plan you will be reimbursed directly for premiums paid for other health coverage. Proof of payment must be presented to the fund manager and reimbursement will be no more often than quarterly regardless of the length of premium payments made by you. Reimbursement for IRC approved medical expenses other than medical premiums either from your AS or SAS will also be made periodically, but not less often than every thirty (30) days. (Premiums will be reimbursed on the same basis. If you pay premiums on a basis other than monthly, i.e. quarterly or semi-annually, you will be reimbursed within thirty (30) days after submission of a paid premium.)

Dependent Participants

Your eligible dependents are your lawful spouse and unmarried natural, step or lawfully adopted children under age 26. Guardian-ward relationships also qualify.

Children age 26 or older and prevented from self-sustaining employment due to a mental or physical handicap may also qualify as dependents, provided the disabling handicap arose before the child attained 26. Qualifying Domestic Partners as defined in the Solano-Napa Counties Electrical Workers Health and Welfare Plan are also eligible dependents.

In the event of your death dependents may use your accumulated balance to pay for retiree health coverage in the same manner you could (if you would have qualified for retiree health coverage).

Premium payment reimbursement directly to you or to the Solano-Napa Counties Electrical Workers Health and Welfare Retiree Plan will continue until your account is exhausted. In the event that you die prior to exhausting your account balance your Accumulated Share may be used by any eligible dependents including a spouse or minor children. In the event you do not have any qualifying dependent your account balance will revert to the Solano-Napa Electrical Workers Health and Welfare Trust.

QUALIFIED MEDICAL CHILD SUPPORT ORDERS (QMCSOs)

Rules and Procedures for Administering QMCSOs

Federal law provides specific rules under which group health care plans are required to provide medical benefits to a child of a participant under a state domestic relations law or state law relating to medical child support. A court or state administrative agency may issue a Qualified Medical Child Support Order (QMCSO) that requires a group health care plan to provide medical benefits to a participant's child. That order may require use of your VEBA Accumulated Share and Supplemental Accumulated Share, if applicable, to provide coverage for a dependent if you are otherwise eligible to use your VEBA account(s).

The Plan will comply with any medical child support order which is "qualified" under federal law, as determined by the Board of Trustees. However, no such order, assignment or claim may require the Plan to provide benefits to someone not eligible under the rules of the Plan or to provide benefits in excess of the amounts stated in the applicable description of benefits.

QMCSO REQUIREMENTS

Required Provisions

A medical child support order is qualified if it 1) creates or recognizes an alternate recipient's right to receive benefits for which a participant or beneficiary is eligible to receive under a group health plan, or 2) assigns to an alternate recipient the right to receive such benefits. In addition, for an order to be a QMCSO it must clearly specify the following information:

- Name and last known mailing address of the participant and of each alternate recipient covered by the Order,
- Reasonable description of the type of coverage the plan is to provide to each alternate recipient or the manner in which the coverage is to be determined;
- Period to which the QMCSO applies.

Prohibited Provisions

The order will fail to be a QMCSO if it requires the Plan to provide any type or form of benefit, or any option not otherwise provided under the Plan, except to the extent necessary to meet the requirements of a state law relating to medical child support.

Procedure for Handling Court Orders.

A group health plan must establish reasonable written procedures to determine whether a medical child support order is qualified and to administer the provision of benefits under a qualified order.

Establishment of Procedures for Determining Qualified Status of Orders.

The Trustees established reasonable procedures to determine whether a medical child support order is qualified and administer the provision of benefits under such qualified order. These procedures, reproduced here, provide for the notification of each person specified in a medical child support order as eligible to receive benefits under the Plan promptly upon receipt by the Plan of the medical child support order, and permit an alternate recipient to designate a representative for receipt of copies of notices sent to the alternate recipient.

Review by Fund Office and Plan Counsel.

The Plan, through Plan counsel, reviews all court orders potentially affecting health care benefits to determine whether they meet the requirements above for acceptance as a QMCSO. Trust counsel, in consultation with the Fund Manager, makes a recommendation to the Board of Trustees whether an order meets the applicable requirements.

Notices to Participant and Alternate Recipient.

Within a reasonable period after receipt of a medical child support order creating rights for an alternate recipient, the Plan shall notify the participant and the alternate recipient of the order and the Plan's procedures for determining whether the order is qualified. The Board of Trustees will determine, within a reasonable time after receipt of any such order, whether the order is a QMCSO and will notify the participant and the alternate recipient.

Limited Purpose of Plan's Review of Order.

The Plan does not review child medical support orders to determine whether they are fair or complete, or whether they comply with applicable state law. The Plan looks only to see whether an order contains language about medical benefits which creates or recognizes the existence of an alternate recipient's right to receive benefits payable by this Plan.

PROCEDURE FOR HANDLING PROPOSED ORDERS OR INQUIRIES

Written Request for Information.

Inquiries concerning the potential benefits of an alternate recipient should be made in writing to the Fund Office. Individual benefit information cannot be released to anyone other than the participant without either the participant's written consent or a subpoena.

Joinders, Proposed Court Orders, Subpoenas, Other Communications.

The Fund Office will promptly forward to Plan counsel any communications involving attorneys, including joinder requests, proposed orders, final orders, and any related correspondence or information relating a medical child support order. Plan counsel will also be responsible for subsequent communications with the participant and alternate recipient (or their attorneys) regarding the matter. If information about the participant's interest in the Plan has not previously been provided, Plan counsel will furnish the participant with such information as well as general information on the Plan, will file an appropriate response to any pleadings on joinders, and will review draft orders submitted by the parties and inform them whether the draft can be accepted as a QMCSO.

Plan Counsel will also provide participants and beneficiaries with these procedures and a sample QMCSO. Participants are not required to use the sample order. The sample order is simply to assist attorneys in understanding the Plan and to expedite the preparation of a QMCSO. The Plan does not warrant that the sample order is appropriate in each instance.

QUALIFIED DOMESTIC RELATIONS ORDERS (QDROs)

In addition to being subject to a QMCSO this VEBA Plan may also be subject to a Qualified Domestic Relations Order (QDRO) pursuant to section 206(d) of ERISA as amended by the Retirement Equity Act of 1984. A qualified domestic relations order is an order issued by a court in a domestic relations proceeding dividing plan benefits. Plan benefits are subject to the

community property laws of the State of California and thus can be divided in a dissolution proceeding.

QDROs generally divide benefits between an active employee plan participant and an “alternate payee” as defined in this paragraph. The fund manager is designated to carry out the responsibilities of determining whether a QDRO is acceptable. The fund manager will notify the participant and any alternate payee of the receipt by the Plan of any domestic relations order and the procedures for determining the qualified status of the domestic relations orders. For this purpose alternate payee shall mean any spouse, former spouse, child or other dependent named a beneficiary in the records of the trust or recognized in a domestic relations order as having a right to receive all, or a portion of the benefits payable under the Plan with respect to the participant.

Such notice shall be sent by certified mail, return receipt requested, to each such person at the address included in the order, or if no such address is included, at any address the fund manager has reason to know independently of this order.

A copy of the order shall be attached to the notice and the notice will advise the participant or alternate payee of a right to object to the order and to provide a change of address.

After receipt of the order, the fund manager shall direct the segregation in separate accounts of any amounts due the participant and due the alternate payee. Each account will participate in the investment gains and losses of the Plan and share on a pro rata basis expenses of this VEBA Plan.

The Board of Trustees, the Fund Manager, and the attorneys for the trust shall have no obligation to any person with regard to any inconvenience, financial hardship or loss due to separation and withholding out, or failure to separate and withhold, funds pending final determination regarding the qualification or failure to qualify of any domestic relations order.

Claim and Appeal Procedures

(a) No Employee, Beneficiary or any other person shall have any right or claim to Benefits under this Trust except as specified in the rules of the Trust and Plan. If any person has a dispute with the Trust or the Board of Trustees, as to eligibility, or the amount or duration of benefits, the dispute shall be resolved by the Board of Trustees, and its decision shall be final and binding on all parties.

(b) Any person whose application for a Benefit or for a Benefit in a certain amount is wholly or partially denied, shall be notified in writing by the Administrator of the decision of the Trustees. The notice shall advise the applicant of the reason for the denial; the Section of the Trust or Plan on which the denial is based; with a description of any additional material or information needed to perfect the application with an explanation why such material or information is necessary; together with an explanation of his/her right to appeal said decision.

(c) Thereafter, the applicant may file an appeal in writing. Said appeal shall be filed with the

Plan Administrator, not more than 60 days after the applicant has received written notice of the denial of his/her application. Failure to file an appeal within 60 days will be a complete waiver of the Applicant's right to appeal, and the initial decision of the Trust or Trustees will be final and binding.

(d) The appeal shall be in writing, and shall state in clear and concise terms, the reason or reasons why the applicant feels that the decision of the Trustees was in error. All arguments, issues and comments in support of the appeal shall be set forth in the written appeal. The applicant, if he/she desires, and in order to enable him/her to perfect his/her appeal may examine any pertinent and relevant documents in possession of the Trustees.

(e) After receipt of the appeal, and after a hearing, if any, the Trustees shall render its decision not later than 60 days. If special circumstances require additional time, the Trustees shall render its decision as soon as possible, but not later than 120 days after receipt of the appeal. In the event additional time is required the Trustees shall notify the Participant of the need for an extension and the reason(s) therefore.

(f) The decision of the Trustees shall be in writing, and shall state the specific reasons for the decision, with specific references to the Trust or Plan on which the decision is based.

(g) The decision of the Board of Trustees shall be final and binding upon the applicant and all persons claiming under the applicant. The Board of Trustees has full discretionary authority to interpret all Plan documents, to make all factual determinations concerning any claim or right asserted under or against the Pension Plan or Trust. Determinations of the Board of Trustees shall be subject to judicial review only for abuse of discretion.

(h) This Claim and Appeals procedure shall apply to and shall include any and every claim or right asserted under the Trust or Plan or against the Trust or Plan, regardless of when the act or omission upon which the claim is based, occurred.

If the claim is denied on review said denial notice shall advise the claimant of the right to file suit in Federal court under §1132 of ERISA and that attorney fees may be awarded if the claimant is successful in said litigation.

**INFORMATION REQUIRED BY THE EMPLOYEE RETIREMENT INCOME
SECURITY ACT OF 1974**

1. The Name of the Plan is: Solano-Napa Counties Electrical Workers VEBA (Medical Reimbursement Plan)
2. Name, address, and telephone number of the Boards of Trustees:

BOARD OF TRUSTEES
Solano-Napa Counties Electrical Workers VEBA

P.O. Box 1306
San Ramon, California 94583
925/208-9980

3. The Employer Identification Number (EIN) issued to the Board of Trustees for the Solano-Napa Counties Electrical VEBA by the Internal Revenue Service is: 94-6085742
4. The Plan Year is the twelve-month period beginning each February 1st and ending on the following January 31st.
5. The VEBA provides payment of premiums from individual accounts for retiree health coverage.
6. The person designated as agent for the service of legal process is:

Mark Lipton
1380 Lead Hill Blvd., Ste. 106
Roseville, CA 95661

Service of legal process may also be made upon a Plan Trustee or the Board of Trustees at the address shown above.

7. The names and addresses of the Trustees are listed below:

Employer Trustees

Don Campbell
Northern California Chapter, NECA
6300 Village Parkway
Dublin, CA 94568

Jess Zuniga
c/o Zeco Electric
120 Klamath Court
American Canyon, CA 94503

Ruben Perez
c/o Napa Electric
2240 Brown Street
Napa, CA 94558

Greg Armstrong
c/o Northern California Chapter, NECA
6300 Village Parkway
Dublin, CA 94568

Greg Long
Long Electric Company
870 Napa Valley Corp. Way, #D
Napa, CA 94558

Union Trustees

Dan Broadwater
c/o IBEW Local 180
720B Technology
Napa, CA 94558

Stan Nelson
c/o IBEW Local 180
720B Technology
Napa, CA 94558

Jack Paulson
c/o IBEW Local 180
720B Technology
Napa, CA 94558

Brian Hansen
c/o IBEW Local 180
720B Technology
Napa, CA 94558

ERISA INFORMATION

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 employee benefit plan. The people who operate your plans, called "fiduciaries" of the plans, 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 welfare benefit or exercising your rights under ERISA. Additionally the fiduciaries and those designated to make decisions shall have discretion, both as to Plan interpretation and as to factual determinations.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to receive a written explanation of 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 Plan 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 Plan Administrator to provide the 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 administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan'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 these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about either Plan, you should contact the Plan 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 Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits 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 Benefits Security Administration.