

**PLUMBERS & PIPEFITTERS LOCAL UNION
NO. 396 SECURITY PLAN**

SUMMARY PLAN DESCRIPTION

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TABLE OF CONTENTS

	<u>Page</u>
1. Purpose of Plan	1
2. Effective Date	1
3. Participation	1
4. Vesting	2
5. Naming a Beneficiary	2
6. Contributions to the Plan	2
7. Uniformed Service	2
7.1. Definitions	2
(1) Uniformed Service	2
(2) Service in the Uniformed Services	3
(3) Reemployment Under USERRA	3
7.2. Contributions Following Reemployment Under USERRA	3
7.3. Death During Uniformed Service	4
8. Reciprocity	4
9. Individual Account Balances and Earnings Credit	4
10. Self-Directed Investment Options	4
11. When Funds are Available	5
11.1. Early Retirement	5
11.2. Normal Retirement	5
11.3. Late Retirement	6
11.4. Disability Retirement	6
11.5. Withdrawal	6
11.6. Termination Benefits (Participants of Plumbers Local 225 Money Purchase Plan)	6
11.7. Payment Options	6
(1) Single Participants	6
(2) Married Participants	7
11.8. Death	7
(1) Married Participant	7
(2) Single Participants	8

(3) 10-Year Distribution Limit	8
11.9. Cash-Out.....	8
12. Taxes	8
12.1. Payments Spread Over Long Periods	9
12.2. Required Minimum Payments	9
(1) Temporary Waiver During Calendar Year 2020	9
12.3. Pre-Retirement Distributions	9
13. Claims and Appeal Procedures	10
13.1. Application for Benefits	10
13.2. Review	10
13.3. Total and Permanent Disability Benefits.....	11
13.4. Decision on Appeal to be Final.....	13
13.5. Limitation on Legal Actions	13
13.6. Restriction on Venue and Law	13
14. Alienation of Accounts and Qualified Domestic Relations Orders	13
15. Administration of the Plan	14
16. Amendment and Termination of the Plan	14
17. Terms of the Plan Shall Govern.....	14
18. Additional Plan Information.....	15
18.1. Plan Name	15
18.2. Plan Type	15
18.3. Plan Sponsor's Employer Identification Number (EIN)	15
18.4. Plan Number	15
18.5. Plan Year.....	15
18.6. Plan Sponsor and Administrator (Board of Trustees)	15
18.7. Plan Professionals	16
(1) Administrative Manager.....	16
(2) Legal Counsel.....	16
(3) Fund Auditor.....	16
(4) Record Keeper	16
18.8. Agent for Service of Legal Process	16
18.9. Union.....	16

18.10. Plan Funding.....	16
18.11. Collective Bargaining Agreement.....	17
18.12. Contributing Employers	17
19. Pension Benefit Guarantee Corporation.....	17
20. Your Rights Under ERISA.....	17
20.1. Disclosure	17
20.2. Fiduciaries	18
20.3. Appeal	18

PLUMBERS & PIPEFITTERS LOCAL UNION NO. 396 SECURITY PLAN

The Plumbers & Pipefitters Local Union No. 396 Security Plan (Security Plan or Plan) is the result of a merger in September of 1999 between the Plumbers and Steamfitters Local 87 Severance Pay and Retirement Plan and the Plumbers and Pipefitters Local Union 225 Money Purchase Plan.

The purpose of this summary is to provide a simplified explanation of the Security Plan, and for this reason certain portions of the Plan have been left out and others re-worded. The full text of the Plan document is the only source of information on which any Employee, Participant, Beneficiary, or any other person or party, may rely.

1. Purpose of Plan

The Security Plan is known as a “defined contribution plan.” The main purpose of the Security Plan is to provide Participants in the Plan with retirement income in addition to any defined benefit pension and Social Security benefits. The Plan allows Participants to direct the investment of their account and accumulate funds on a tax-deferred basis. The funds are professionally invested in a diversified portfolio.

The Internal Revenue Service views the Security Plan as a qualified retirement plan and thus provides special tax treatment to both Employers and Employees. Employers are allowed tax deductions for contributions to the Plan while Employees can defer taxes on both the contributions and earnings until those amounts are actually received.

Because of the special tax treatment given to the Plan, the IRS has placed several restrictions on the availability of funds, and discourages the distribution of any funds prior to retirement through penalties and excise taxes.

2. Effective Date

The effective date of the Plan was April 1, 2000, and most recently amended and restated effective January 1, 2015. The Plan Year is April 1 through March 31.

3. Participation

Any Employee who is in a collective bargaining unit represented by Local Union No. 396 of the United Association of the Plumbing and Pipefitting Industry of the United States and Canada (the Union), on whose behalf contributions are made to the Security Plan as required by a collective bargaining agreement, becomes a Participant of the Plan on the first day of employment by an eligible Employer.

Salaried Employees of the Union, provided contributions are made in like manner and amount as Employees who are parties to the collective bargaining agreement with the Union may also participate in the Security Plan. In very limited circumstances, the Security Plan Trustees may allow other individuals to participate.

4. Vesting

Vesting means that you are entitled to your Security Account without the requirement of continuing your employment. When your account is vested, it is "non-forfeitable" (in general, this means it cannot be taken away from you). Your Security Account is fully vested (100% vested) at all times.

5. Naming a Beneficiary

At the time participation begins, you must complete a Beneficiary Designation Form indicating the individual(s) who are to receive benefits from the Plan in the event of your death. You may change your Beneficiary at any time by completing a new form. However, if you are married¹ and you wish to choose someone other than, or in addition to, your Spouse as Beneficiary, written, notarized consent from your Spouse must be obtained.

6. Contributions to the Plan

Under the terms of the Collective Bargaining Agreement, Employers contribute a fixed amount for each hour worked. All contributions are made by your Employer. You may not make any voluntary contributions to the Security Plan. But, you are allowed to roll-over contributions into this Plan from another qualified plan. All contributions are sent directly to the Trust Fund. All Trust Fund assets are held by a custodian. Trust Fund assets may only be used for the benefit of participants and their Beneficiaries. Neither the Union nor any contributing Employer may use Trust Fund assets for their benefit. ~~Employees are not permitted to contribute their own funds to the Plan.~~

7. Uniformed Service

7.1. Definitions. The Plan and this SPD use the Uniformed Services Employment Act and Reemployment Rights Act of 1994 ("USERRA") definitions of "Uniformed Service", "Service in the Uniformed Services", and "Reemployment".

(1) Uniformed Service. "Uniformed Service" includes:

- Army;
- Navy;
- Marine Corps;
- Air Force;
- Coast Guard;
- National Guard;
- Public Health Service commissioned corps;
- The Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty;
- The commissioned corps of the Public Health Service; and

¹ The Plan recognizes any lawful marriage under any state law, including same sex marriages entered into in a state that recognizes such marriages, even if the married couple does not reside in that state.

- Any other category of designated by the President in time of war or national emergency.

(2) Service in the Uniformed Services. “Service in the Uniformed Services” refers to the voluntary or involuntary performance of service in a Uniformed Service, including:

- Active duty;
- Active and inactive duty for training;
- National Guard duty under Federal (not State) statute;
- Testing/examination to determine fitness for performing uniformed service;
- Service as an intermittent disaster-response appointee upon activation of the National Disaster Medical System (NDMS); and
- Performing authorized funeral honors duty.

(3) Reemployment Under USERRA. “Reemployment Under USERRA” requires that:

- The employee gave proper notice of his or her Uniformed Service to the;
- The cumulative length of the member’s absences (as they relate to the Plan) due to Uniformed Service is not more than **five years** (with some exceptions);
- The employee was not separated from uniformed service due to a disqualifying discharge or under other than honorable conditions, as defined under USERRA; and
- The employee applies for reemployment within the required time limits:
 - Uniformed Service less than 31 days: first full calendar day plus eight hours after completing service;
 - Uniformed Service more than 30 days but less than 181 days: 14 days after completing service; and
 - Uniformed Service more than 180 days: 90 days after completing service

If the employee cannot apply for reemployment within these time frames due to a circumstance outside his or her control, the employee must apply on the next full calendar day after it is possible to do so.

Contact the Fund or Union for more information on proper notice of Uniformed Service.

7.2. Contributions Following Reemployment Under USERRA. Upon reemployment Under USERRA and providing proper documentation and timely notice (notice to the Fund must be given within sixty (60) calendar days of your discharge) to the Fund, contributions will be made on your behalf based on the number of hours you would have worked over the period of Uniformed Service, in accordance with USERRA. You will be required to provide documentation that shows:

- Your reemployment application was timely;
- You have not exceeded the five-year limit on Uniformed Service; and
- Your separation or dismissal from Uniformed Service does not disqualify Reemployment Under USERRA.

Effective for qualified military leave first starting on or after December 1, 2021, which Service in the Uniformed Services must satisfy all requirements under USERRA and its regulations, in the case of a Participant who was actively at work for a signatory Employer at the time of deployment the Trust Fund will subsidize the contributions that would have been made on the Participant's behalf by his signatory Employer to this Plan based on the number of hours he would have worked over the period of Uniformed Service subject to the limits set forth in USERRA and its regulations. The Participant will be required to provide documentation including but not limited to documentation that shows: (1) His reemployment application was timely; (2) he has not exceeded the five-year limit on Uniformed Service; and (3) his separation or dismissal from Uniformed Service does not disqualify reemployment under USERRA. **However, the Trustees within their sole and absolute discretion may decide at any time to discontinue subsidizing the missed contributions, in which case, by law, the last contributing Employer for the Participant shall be responsible for making the contributions upon the employee's reemployment.**

- 7.3. Death During Uniformed Service:** If you die while performing Uniformed Service, your survivors are entitled to any additional benefits (other than benefit accruals relating to the period of Uniformed Service) provided under the Plan had you resumed and then terminated employment due to your death.

8. Reciprocity

Currently, when Participants work in other jurisdictions where reciprocity agreements exist for other defined contributions plans, contributions are transferred from the other Local's plan into the Security Plan. When working in other jurisdictions, ask about any forms which you need to sign in order to have your contributions transfer automatically. You may need to specify that Local 396 is your "home local" and that all contributions to the other Local's defined contribution plan are to be transferred directly here.

9. Individual Account Balances and Earnings Credit

When you become a Participant in the Security Plan, an account is established for you, and Plan records show all contributions made on your behalf, along with all gain/loss credited to your account. The Administrator also tracks distributions, withdrawals, and Plan expenses.

The assets are held by the Plan custodian and invested based on your investment elections. Plan expenses are paid from the assets.

Gain/loss in each Participant's account is calculated daily at market close. Gain/loss is defined as realized and unrealized based on the share value at the daily market close.

An independent Auditor conducts an annual financial audit and the results of this annual audit are presented to the Trustees.

10. Self-Directed Investment Options

The Plan allows you to exercise control over the assets held in your account by permitting you to self-direct your investments. The ability to exercise control and direct investments is intended to comply with

the requirements of Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and the Labor Regulations set forth under 29 C.F.R. §2550.404(c)-1. Thus, no person who is otherwise a fiduciary of the Plan, such as the Board of Trustees, shall be liable to you (or to any other person filing a claim on your behalf) for any losses or damages which are the result of investment decisions and instructions made by you.

The Board of Trustees, with the help of the Investment Advisor, have selected a number of investment options in which you may choose to invest your account balance. The options range from conservative low-risk options to more aggressive higher-risk options. Other options include "Target Date Funds." Target Date Funds offer a managed investment strategy based on your expected retirement date. This is a managed approach designed to assume more portfolio risk when you are younger and then gradually reduce portfolio risk as you approach retirement. If you do not select any investment options, your account balance will by default be placed into a Target Date Fund based on your expected retirement date.

Your Investment Options are currently administered by John Hancock Retirement Plan Services. You can review, select or change your investment options over the internet at: www.mylife.jhrps.com.

You can also speak with a John Hancock representative by calling 1-800-294-3575.

11. When Funds are Available

In general, benefits are payable to you when you stop working; that is, when you retire, terminate employment or become disabled. In addition, benefits are payable to your Beneficiary upon your death. Benefits payable upon each of these events is discussed in greater detail below.

If you are still working, benefits are available to you under limited circumstances, described below. The IRS discourages active Employees from gaining access to retirement plan funds.

- 11.1. Early Retirement. For retirements on/after January 13, 2022 only.** Your Early Retirement Date is the first day of the month coincident with or next following your 55th birthday. If you elect to retire at any time after you reach age 55, you may elect to receive the full value of your account. Keep in mind that there may be tax consequences to taking an early distribution. You should speak with a financial advisor to determine your best course of action.
- 11.2. Normal Retirement.** In general, your Normal Retirement Date is the first day of the month coincident with or next following your 65th birthday.
- 11.3. Late Retirement.** You may elect to take Late Retirement any time after your Normal Retirement Date. If you continue to work in Covered Employment (in general, employment by a contributing Employer to the Plan), contributions will continue to be made on your behalf until you actually retire.

- 11.4. Disability Retirement.** If you suffer a Total and Permanent Disability, you may withdraw your Security Account after satisfactory proof of your Disability has been shown.

You will be eligible to retire if a medical examiner certifies that you have suffered a Total and Permanent Disability, and that your disability prevents you from engaging in gainful employment for wages or profit at your trade or profession. The Trustees may also consider your qualification for disability benefits under Social Security as suitable evidence of Total and Permanent Disability. More information about Total and Permanent Disability claims are included under the Claims and Appeals Procedures section below.

- 11.5. Withdrawal.** If you have attained the age of 23 you may elect to withdraw, at any time, all or any portion of the total vested balance in your Security Account. You will not be permitted more than two (2) withdrawals in any calendar year. If you are married, the withdrawal will be subject to written spousal consent. The Trustees may establish uniform and nondiscriminatory rules and procedures for withdrawals. For Former Participants of the Plumbers and Pipefitters Local 225 Money Purchase Plan, this benefit form shall only be available for monies contributed to the Participant's Security Account on or after June 1, 1999. ***Because the Security Plan was set up to provide a retirement benefit to participants, the Trustees strongly caution you against taking early withdrawals. Making any early withdrawal from your account will not only result in additional taxes and penalties, it may also result in the loss of investment income on the funds which would have otherwise remained in your account. You should consider other options before requesting a withdrawal and consult with your personal tax advisor.***

- 11.6. Termination Benefits (Participants of Plumbers Local 225 Money Purchase Plan).** If you are a Former Participant of Plumbers and Pipefitters Local 225 Money Purchase Plan and have not performed work within the jurisdiction of the Union during a ninety (90) day period (as verified by the records of Local 396) or signed a reciprocal agreement with another local union for such period, then you shall be entitled to withdraw your Security Account for contributions made for hours worked prior to June 1, 1999 and you shall have a right to request such a Termination Benefit.

- 11.7. Payment Options:** Retirement benefits resulting from an Early, Normal, Late or Disability Retirement or a Withdrawal or Termination shall be payable in accordance with one of the following methods:

(1) Single Participants: If you are not legally married on the date you are entitled to commence benefit payments, you will automatically receive your benefit in the form of a life annuity purchased through an insurance company on your behalf, which means you will receive payments for as long as you live to the extent your account balance is sufficient to provide for a life annuity. You may, however, choose to receive your benefit in the following optional form:

(a) In a lump sum payment.

- (2) **Married Participants:** If you are legally married on the date you are entitled to begin benefit payments, the Trustees shall purchase an annuity contract with your Security Account with payment in the form of a Qualified Joint and 50% Survivor Annuity to the extent your account balance is sufficient to provide for such an annuity. This means that upon your death, your surviving Spouse, if any, shall receive 50% of the monthly benefit you were receiving prior to your death. Alternatively, you may elect a Joint and 75% or 100% Survivor Annuity, which would provide you with a lower monthly benefit, but with a larger percentage of your original benefit continuing to your Spouse upon your death.

You will have a 90-day period, prior to the date on which your benefits are to begin, to elect out of this form of payment. Your election out of this form of payment must be consented to by your Spouse and witnessed by a Plan representative or a notary public. If proper election is made to waive this payment form, distribution may be made in accordance with any of the options available to single Participants as described above.

Normally, the Trustees will begin making benefit payments to you within a reasonable time after you notify them of your intent to retire and have completed the retirement election forms. If you should terminate employment prior to your Normal Retirement Date with a vested benefit, your deferred vested benefit will be payable to you within 60 days of the end of the Plan Year in which you attain your Normal Retirement Date.

The Trustees may make earlier payment available to you. However, your consent must be obtained for any lump sum distribution in excess of \$1,000. If you are legally married, your Spouse must also consent to this earlier distribution.

- 11.8. Death.** If you should die after your benefit payments have begun, the amount and form of death benefits payable to your Beneficiary will depend upon the method of benefit payment you were receiving at the time of your death. However, if you should die before making an election and before your payments begin the following rules apply:

- (1) **Married Participant:** If you are married at the time of your death, 50% of your Security Account balance will be used to purchase an annuity for your surviving Spouse. The annuity will be payable for the remainder of your Spouse's lifetime to the extent your account balance is sufficient to provide for a life annuity with payments to begin on what would have been your Early Retirement Date. The size of the monthly payments will depend upon your Spouse's age and the value of your Security Account at the time of your death. Your Spouse may, however, choose a different form of benefit payment.

You have the right to waive the survivor annuity form of payment and designate all of your benefits to be paid to the Beneficiary of your choice if your Spouse consents to such a waiver. Your Spouse's consent must be in writing, witnessed by a Plan representative or notary on a form to be supplied by the Plan Administrator and acknowledge the specific

non-spouse Beneficiary. If you change your designation, your Spouse must again consent to the change.

Because your Spouse participates in the election and has certain rights in the death benefits, you should immediately notify the Plan Administrator of any change in your marital status.

- (2) Single Participants:** If you are single at the time of your death, your Security Account will be paid to your Beneficiary in accordance with your designation. You may designate any Beneficiary to receive all of your death benefits, on a form to be supplied by the Trustees.
- (3) 10-Year Distribution Limit:** Notwithstanding sections 11.7 and 11.8, if you die after December 31, 2020, distribution of your entire interest must be completed by December 31 of the calendar year containing the tenth (10th) anniversary of your death, unless your Designated Beneficiary is:
 - (a)** Your surviving Spouse;
 - (b)** Your minor child (however, distribution must be completed within ten years after the child reaches the age of majority);
 - (c)** Disabled;
 - (d)** Chronically ill; or
 - (e)** Not more than 10 years younger than you.

11.9. Cash-Out. If at the time you apply for benefits and your account balance is \$1,000.00 or less, the Trustees may make a cash-out of your account. If you already have begun to receive benefits in the form of an annuity, and the present value of the annuity is \$1,000.00 or less, the Trustees can only cash-out your account if consented to in writing by you and your Spouse, or if you are deceased, by your surviving Spouse. If your account has been dormant for at least two (2) years and your account balance is \$1,000.00 or less after the Administrative Manager has conducted a due diligence search, the Trustees may cash out your account. A dormant account is an account which has had no contributions for at least one (1) year. The cash-out for dormant accounts does not apply to retirees or beneficiaries.

12. Taxes

Plan Participants do not pay taxes on contributions to the Trust Fund nor on any investment earnings which remain in the Plan. At the time of payout, distribution, or withdrawal by a Participant or Beneficiary, income taxes will be due in that tax year.

Some payments may qualify for favorable tax treatment, such as a rollover to a traditional Individual Retirement Account (IRA) or to a qualified plan of another employer. Rollovers must be deposited within 60 days after receiving a distribution. Taxes will then be deferred until the money is received from the IRA or other plan.

You may elect a direct rollover of any lump sum distribution or any portion of a lump sum distribution, if you choose a direct rollover, your lump sum distribution will be deposited directly into an IRA or to another Employer plan that accepts your rollover. Eligible rollover distributions include all Plan payments except:

12.1. Payments Spread Over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for

- your lifetime (or your life expectancy), or
- your lifetime and your beneficiary's lifetime (or life expectancies), or
- a period of ten years or more.

12.2. Required Minimum Payments. Distribution of your benefits must begin no later than your Required Beginning Date.

- If you reach age 70 ½ **after** December 31, 2019, then your Required Beginning Date is April 1 of the calendar year following the latter of: the calendar year in which you (1) reach age 72; or (2) retire.
- If you reached age 70 ½ **before** January 1, 2020, then your Required Beginning Date is April 1 of the calendar year after the calendar year in which you turned age 70 ½.

If you do not elect a direct rollover of your distribution to an IRA or other qualified plan, a 20% federal withholding tax will be applied to your distribution. This withholding requirement applies to all lump sum distributions paid to you (including Hardship Withdrawals). The withholding will be sent to the IRS and credited against any taxes you may owe. If you do not elect a direct rollover, you will receive only 80% of the amount of the distribution.

Temporary Waiver During Calendar Year 2020. Pursuant to the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), the Plan waived the required minimum payments for those participants who have reached their Required Beginning Date during the calendar year 2020 only.

12.3. Pre-Retirement Distributions. Because this Plan was designed for benefits at retirement, government regulations generally require a 10% penalty tax in addition to ordinary income taxes on distributions of Plan money before retirement.

TAX LAWS ARE QUITE COMPLEX AND CHANGE OFTEN. PARTICIPANTS SHOULD CONSULT WITH A QUALIFIED AND KNOWLEDGEABLE TAX ADVISOR ABOUT TAX CONSEQUENCES BEFORE RECEIVING ANY PAYMENT OR WITHDRAWAL FROM THIS PLAN.

13. Claims and Appeal Procedures

- 13.1. Application for Benefits.** A Participant, Beneficiary, or their authorized representative may file with the Plan Administrator a claim for benefits under the Plan. The Plan uses the term “Claimant” to refer to the Participant, Beneficiary, or authorized representative who has filed a claim for benefits. The claim shall be in writing, stating the basis of the claim, and authorizing the Plan Administrator to conduct all necessary investigations into the claim.

The period of time within which a benefit determination is required to be made, for both disability benefits and other types of benefits under the Plan, will begin at the time the claim is filed in accordance with the reasonable procedures of the Plan, without regard to whether all information necessary to make a benefit determination accompanies the filing.

The Plan Administrator shall make all determinations regarding the validity of the claim in their sole and exclusive discretion. Except as provided in the case of a Total and Permanent Disability Claim as provided below, upon any partial or total denial of the claim for benefits, the Plan Administrator shall deliver or mail an Adverse Benefit Determination notice to the claimant within ninety (90) days of the filing of the claim. If special circumstances exist that require more time to issue a determination, the Plan Administrator may extend the period by which it must make a determination, and will provide the Claimant with notice.

The Adverse Benefit Determination notice will be written in a manner calculated to be understood by the claimant, and contain: (1) the specific reasons for the adverse determination; (2) reference to specific plan provisions on which the determination was based; (3) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and (4) a description of the Plan’s review procedures and the time limits applicable to such procedures, including a statement of the Claimant’s right to bring civil action under ERISA Section 502(a) following an adverse benefit determination after completion of the level of review.

- 13.2. Review.** The Claimant or his authorized representative may appeal the decision of the Plan Administrator by written notice received by the Board of Trustees within sixty (60) calendar days of the mailing of the notice of an adverse determination. The written notice needs to state the Claimant's name, address, and the fact that the Claimant is appealing from the decision of the Board of Trustees, giving the date of the decision appealed from. The appeal shall be addressed as follows:

Board of Trustees
Plumbers & Pipefitters Local 396 Security Fund
3660 Stutz Drive, Suite 101
Canfield, OH 44406

Prior to a determination on the appeal, the Claimant or his authorized representative may have an opportunity to review necessary and pertinent documents upon which the adverse

determination in whole or in part is based and may submit written issues and comments pertinent to the appeal.

The Plan will review benefit determinations upon appeal at regularly scheduled meetings that take place at least quarterly. The Board of Trustees may consider the Claimant's appeal of a benefit claim at its regular quarterly meeting, which immediately follows the receipt of the notice of appeal, unless such notice was filed within thirty (30) days preceding the date of such meeting. If the notice of appeal was received within thirty (30) days prior to the next regular quarterly meeting, the Board of Trustees may consider the appeal at the second regular quarterly meeting following the receipt of the notice of appeal.

Review of an adverse benefit determination upon appeal will take into account all comments, documents, records and other information submitted by the claimant, regardless of whether the information was submitted or considered in the initial benefit determination.

If special circumstances exist regarding a benefit claim, the Board of Trustees may take an extension of time, to the next regularly scheduled meeting, to review the claim, provided that the Claimant or his representative are given a notice.

After consideration of the appeal as above, the Board of Trustees shall advise the Claimant or his representative of its decision in writing following the meeting at which the appeal was considered. The decision of the Board of Trustees shall set forth specific reasons for the adverse determination and shall be written in a manner calculated to be understood by the claimant and shall make references to the pertinent Plan provision(s) upon which the decision is based. The decision shall be final and binding upon the claimant unless further appealed as provided below.

Notification of an adverse benefit determination upon Review shall contain: (1) the specific reason or reasons for the adverse benefit determination; (2) reference to specific Plan provisions on which the determination is based; (3) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to his claim for benefits; (4) a statement of the Claimant's right to bring civil action under ERISA Section 502(a) following an adverse benefit determination from the Board of Trustees; and (5) the following statement "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office.

13.3. Total and Permanent Disability Benefits shall be subject to the following claims and appeals procedures:

"Total and Permanent Disability" shall mean a disability caused by bodily injury or disease which prevents a Participant from performing his normal duties for the Employer and which is likely, in the opinion of a qualified physician satisfactory to the Trustees, to be permanent and continuous during the Participant's lifetime. Alternatively, the Trustees may consider a Participant's qualification for disability benefits under Title II of the Social Security Act as suitable evidence of

total and permanent disability. Notwithstanding, the Plan may determine entitlement to a distribution due to disability based upon a Social Security disability award, but may also rely upon any internal rule, guideline, protocol, or other similar criteria in determining disability, including any medical judgment of a qualified physician satisfactory to the Trustees.

The Plan Administrator shall notify the Claimant of an adverse benefit determination by the Plan within a reasonable period of time, but not later than 45 days after receipt of the claim by the Plan. This period may be extended for up to 30 days, provided the Plan administrator determines such extension is necessary due to matters beyond the control of the Plan and notifies the claimant (prior to the expiration of the initial 45-day period) of the circumstances requiring the extension and the date the Plan expects to render a decision. An additional 30-day extension is allowed, provided the Plan Administrator again determines it is necessary and notifies the claimant (prior to the end of the first 30-day extension period). Any notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and additional information needed to resolve those issues. The Claimant shall be afforded at least 45 days to provide such information.

When hiring, compensating, terminating, or promoting any claims professional such as a claims adjudicator, medical expert, or vocational expert, the Plan will not base its decision on the likelihood that the individual will support an adverse benefit determination. Before the Plan issues an adverse benefit determination, the Plan Administrator will provide the Claimant, for free, with any new or additional rationale or evidence considered, relied upon, or generated by the Plan. Any such rationale or evidence will be provided to the Claimant before the Plan must provide notice of its decision, to allow the Claimant a reasonable opportunity to respond.

The Adverse Benefit Determination notice for Total and Permanent Disability Benefits claims will be provided in a culturally and linguistically appropriate manner and, in addition to the information provided in all Adverse Benefit Determination notices (described above), will include the following information:

- If applicable, an explanation of why the Plan disagreed with the health care or vocational professional who evaluated the Claimant or advised the Plan;
- If applicable, an explanation of why the Plan disagreed with the Social Security Administration's disability determination; and
- If the Plan based the adverse benefit determination on medical necessity, experimental treatment, or a similar exclusion or limit, an explanation of the scientific or clinical judgment the Plan used to make its adverse determination, or a statement that this explanation will be provided for free upon request.

A Claimant for disability benefits will be allowed 180 days following receipt of notice of an adverse benefit determination to appeal the decision.

Review of a claim for disability benefits will not afford deference the initial benefit determination. Review of a claim for disability benefits upon appeal will continue to be made at quarterly meetings of the Board of Trustees.

- 13.4. Decision on Appeal to be Final:** The Board of Trustees' decision on appeal shall be final, binding, and conclusive. It will be afforded the maximum legally-permissible deference, unless a court of competent jurisdiction finds the decision is arbitrary and capricious.
- 13.5. Limitation on Legal Actions:** A Claimant must exhaust the mandatory level of appeal before bringing any legal action. Any legal action must be filed by the Claimant within one (1) calendar year after the Trustees' decision on Appeal.
- 13.6. Restriction on Venue and Law:** A Participant, Beneficiary, or any other individual or entity asserting any right under the Trust and/or the Plan, or who is bound directly or indirectly to the Trust and/or Plan, or who has rights or obligations under the Trust and/or the Plan, may only bring an action in connection with the Trust and/or Plan in the United States District Court for the Northern District of Ohio at Youngstown, Ohio. This Plan shall be construed under and in accordance with the law and the laws of the United States of America. In the event there is a matter involving state law which is not preempted by federal law, Ohio law shall be the controlling state law.

14. Alienation of Accounts and Qualified Domestic Relations Orders

This Plan has been designed to provide benefits exclusively for eligible Employees and their survivors. Assets held by the Plan cannot be used for any other purpose while the Plan continues. This applies both to the Employer and to Employees. Employees cannot assign, transfer or pledge benefits nor use them as collateral for any loans outside the Plan.

However, the Plan must honor a "Qualified Domestic Relations Order" (QDRO) (such as a divorce decree), issued by a court of law, that requires a percentage of an Employee's benefits to be paid to the Employee's Spouse, former Spouse, child, or dependent. Specific standards must be met for the court order to be "qualified."

The term "Qualified Domestic Relations Order" shall mean a Domestic Relations Order that creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under the Plan which clearly specifies: 1) The name and the last known mailing address (if any) of the Participant or Former Participant and the name and mailing address of each Alternate Payee covered by the Order; 2) The amount or percentage of the Participant's or Former Participant's benefits to be paid by the Plan to each such Alternate Payee, or the manner in which such amount or percentage is to be determined; 3) The number of payments or period to which such Order applies; and 4) Each Plan to which such Order applies.

In addition, a Domestic Relations Order will be considered a Qualified Domestic Relations Order only if such Order: 1) Does not require the Plan to provide any type or form of benefit, or any option, not

otherwise provided under the Plan; 2) Does not require the Plan to provide increased benefits (determined on the basis of actuarial value) and; 3) Does not require the payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee under another Domestic Relations Order previously determined to be a Qualified Domestic Relations Order.

The Plan Administrator will notify any Employee immediately if it receives what may be a Qualified Domestic Relations Order affecting an account balance. The Plan Administrator must obey the order of the court. Any and all costs incurred by the Plan in connection with the filing by a Participant of a Qualified Domestic Relations Order, its review by the Plan attorney, and its administrative processing, including the creation of separate accounts for the Participant and alternative payee, shall be borne equally by the Participant and alternate payee and assessed against the account of each accordingly, unless the Qualified Domestic Relations Order requires the Participant or the Alternate Payee to pay 100% of such cost.

15. Administration of the Plan

The Plan has been established pursuant to an Agreement between the Union and the participating Employers. The Board of Trustees, in their sole and exclusive discretion, may amend or modify the Plan at any time, subject to conformance with applicable law.

The Trustees shall have sole and complete authority to construe, apply, and interpret the terms of the Plan and Trust, to determine factual questions arising in the course of administering the Plan and Trust, and to make all determinations necessary for the proper administration of the Plan and Trust.

16. Amendment and Termination of the Plan

The Board of Trustees reserves the right, at any time and from time to time, to amend the Plan and Trust. The Trustees of the Plan have the right at any time to terminate the Plan and Trust. Upon such termination, contributions made on your behalf will cease. Benefits under this Plan are not insured by the Pension Benefit Guaranty Corporation (a government agency which ensures certain benefits provided by certain types of retirement plans) because the law does not extend plan termination insurance to this type of Plan.

17. Terms of the Plan Shall Govern

This summary is intended only to outline some of the more important features of the Plan. The formal Security Plan Document shall control in all instances in determining any rights or benefits under the Plan, and a copy of the Plan is available for review in the Fund Office.

Every covered Employee is entitled to examine the Plan Annual Report (Form 5500) as soon as it is filed with the U.S. Department of Labor. This document may be seen in the Fund Office. If a copy of this document is desired, a written request must be sent to the Administrator. There will be a small charge for copying (\$.25 per page).

Every covered Employee will receive a summary of the annual report of the Plan once each year at no charge. As modifications to the Plan are made, each Employee will also be notified.

18. Additional Plan Information

- 18.1. Plan Name:** The formal name of the Plan is the Plumbers & Pipefitters Local Union No. 396 Security Plan.
- 18.2. Plan Type :** The Plan is a defined contribution plan as defined in the Employee Retirement Income Security Act of 1974, as amended (ERISA). Established in 2000, the Plan's purpose is to provide additional financial security to participants upon retirement.
- 18.3. Plan Sponsor's Employer Identification Number (EIN):** 34-6638626
- 18.4. Plan Number:** 001
- 18.5. Plan Year:** The Plan Year is the 12-month period beginning April 1st and ending March 31st.
- 18.6. Plan Sponsor and Administrator (Board of Trustees):** The Plan is administered by a Board of Trustees consisting of an equal number of Employer Trustees and Union Trustees. The Trustees are fiduciaries for the Plan and have the authority to control and manage the operation and administration of the Plan. At the present time, the Trustees are as follows:

UNION TRUSTEES

J. Brent Kelley (Chairman)

8790 Suncrest Dr.
Poland, OH 44514

Marty Loney

493 Bev Road, Bldg. 3
Boardman, OH 44512

Tim Morrison

10410 Youngstown-Salem Rd.
Salem, OH 44460

Joseph Longo

431 Pamela Ct.
Poland, OH 44514

EMPLOYER TRUSTEES

Wesley Prout (Secretary/Treasurer)

Prout Boiler, Heating & Welding, Inc.
3124 Temple St.
Youngstown, OH 44510

Matt Morrone

Morrone Mechanical
151 2nd Street
P.O. Box 103
Lowellville, OH 44436

Jeremy Smith

York Mahoning Mechanical Contractors
724 Canfield Rd.
PO Box 3077
Youngstown, OH 44511-3077

John Deraway

Alcon Mechanical
1932 Warren Ave.
Niles, OH 44446

18.7. Plan Professionals

(1) Third-Party Administrator

BeneSys, Inc.
3660 Stutz Drive, Suite 101
Canfield, OH 44406
Phone: (330) 270-0453, ext. 2786

(2) Legal Counsel

Joseph C. Hoffman, Jr., Esq.
Faulkner, Hoffman & Phillips, LLC
20445 Emerald Parkway Drive, Suite 210
Cleveland, OH 44135-6029

(3) Fund Auditor

David Eyster
Yurchyk & Davis, CPAs
3701 Boardman-Canfield Rd., Suite 2
Canfield, OH 44406

(4) Record Keeper

Todd Guilfoyle
John Hancock Retirement Plan
690 Canton St.
Westwood, MA 02090
Phone: (800) 346-8378, opt. 1 ext. 792090

18.8. Agent for Service of Legal Process: Service of Legal Process may be made upon the Third-Party Administrator.

18.9. Union: “Union” means the Local Union No. 396 of the United Association of the Plumbing and Pipefitting Industry of the United States and Canada.

18.10. Plan Funding: The Plan is funded by contributions made by Employers that are signatory to the Union’s Collective Bargaining Agreement(s). Contributions are held in trust pursuant to the Trust Agreement of the Plumbers & Pipefitters Local Union No. 396 Security Plan.

18.11. Collective Bargaining Agreement: The Plan is maintained pursuant to Collective Bargaining Agreements of the Union. You may obtain copies of these Collective Bargaining Agreements by contacting the Board of Trustees. A reasonable charge may be made for copying expenses. You may also examine copies of the Collective Bargaining Agreements at your Union Hall or at the office of the Administrative Manager. If you give the Union Hall or the Administrative Manager at least ten days' advance **written notice**, a copy of the Collective Bargaining Agreements will be made available at any work site where 50 or more Participants are working.

18.12. Contributing Employers: "Contributing Employer" or "Employer" means an Employer signatory to a Collective Bargaining Agreement with the Union requiring contributions to this Plan, and an Employer signatory to any other agreement requiring contributions to this Plan provided the Employer has been accepted as a Contributing Employer by the Trustees. Upon written request to the Board of Trustees, you will receive information about whether a particular Employer is contributing to the Plan and, if so, its address.

19. Pension Benefit Guarantee Corporation

The Plan is a defined contribution plan providing for an individual account for each Participant and for benefits based upon the amount contributed to the participant's account, and any income, expenses, gains, and losses on such account. Therefore, plan earnings and losses are allocated to each Participant's individual Account and do not affect retirement plan costs. As a result, the Plan's benefits are not insured by the Pension Benefit Guaranty Corporation.

20. Your Rights Under ERISA

20.1. Disclosure

As a participant in the Plumbers & Pipefitters Local Union No. 396 Security Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to:

- Examine, without charge, at the Plan Administrator's office or at other specified locations, all Plan documents, including insurance contracts, collective bargaining agreements, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.
- Upon written request to the Plan Administrator, obtain copies of all Plan documents and other Plan information, including a complete list of the names and addresses of Employers sponsoring the Plan, or information as to whether a particular Employer is a Plan sponsor and, if so, the Employer's address. A reasonable charge may be made for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary.

20.2. 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 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 Plan benefit or exercising your rights under ERISA.

20.3. Appeal

If your claim for a Plan benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim.

- Under ERISA, there are steps you can take to enforce the above rights. For Instance, if you request materials from the Plan and do not receive them within thirty (30) days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the material and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.
- If you have a claim for benefits which is denied or ignored, in whole or in part, you may request a review of your claim by the Trustees by filing such request in writing with the Trustees pursuant to the claim appeal procedures found in this booklet, after you receive the letter that your claim was denied. Please refer to the "Claims and Appeal Procedures" section of this booklet. 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 you believe that Plan fiduciaries have misused the Plan's money, or if you believe you have been 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. The court may order the person you have sued to pay these costs and fees, or it may order you to pay the costs and fees.
- If you have any questions about your 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.

- You may also find answers to your questions and learn more about your rights and responsibilities under ERISA by visiting the EBSA's Web site at www.dol.gov/ebsa.

Only the Board of Trustees is authorized to interpret the Plan and SPD. No employer or union, nor any representative of any employer or union, is authorized to interpret the Plan and SPD, nor does any such person act as an agent of the Board of Trustees. The Board of Trustees shall be the sole judge of the standard of proof required in any case. In the application and interpretation of any of the provisions of the Plan and SPD, decisions of the Board shall be final and binding on all parties or persons affected. Such decisions shall receive judicial deference to the extent they do not constitute an abuse of discretion. The terms of the Plan and SPD can be changed and the Board of Trustees has full discretionary authority to amend the Plan and SPD at any time and such decisions shall be final and binding unless found by a court of competent jurisdiction to be arbitrary and capricious.

The preceding questions and answers are only a brief explanation of the principal provisions of the Plan. Should there be any differences between the information provided in this booklet and the official Plan documents, the Plan documents shall govern.