

Twin City Pipe Trades *Retiree Health Plan*

May 2003

**For Plumbers and Pipefitters
in the following
United Association Local Unions**

**Minneapolis & St. Cloud Plumbers Local #15
St. Paul & Mankato Plumbers Local #34
St. Paul & Mankato Pipefitters Local #455
Minneapolis & St. Cloud Pipefitters Local #539**

Fund Office

Twin City Pipe Trades Service Association
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St. Paul MN 55114 -1420

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Board of Trustees

EMPLOYER TRUSTEES

William Daugherty
Kent Johnston
Larry Jordan
Gary Thaden

UNION TRUSTEES

Mike Johnson
Stuart Ketz
Gary Erlander
Stanley Theis

IMPORTANT NOTICE

Interpretation of the Plan:

The Board of Trustees of the Twin City Pipe Trades Retiree Health Trust may only interpret this Plan by their official actions at a meeting of the Board of Trustees. The Board of Trustees has the sole responsibility for interpreting, changing or waiving any part of the obligations, rights or benefits set forth in the Retiree Health Plan. No individual Trustee(s), employer, employer association, union or union official has the authority to make any such interpretation, promise or commitment on behalf of the Plan or to bind the Plan in any way, except when participating in an official action of the Board of Trustees.

Booklet is only a summary:

This booklet is only a summary of the provisions of the Twin City Pipe Trades Retiree Health Plan. The Board of Trustees has attempted to make this booklet as complete as possible, but there may be provisions contained in the master plan document that are not set out in the summary contained in this booklet. This booklet describes the main provisions of the Retiree Health Plan. If there is any disagreement between the provisions of this summary of the Plan and the Plan itself, the provisions of the Plan shall control.

Twin City Pipe Trades Retiree Health Plan

To all Eligible Plan Members:

As Trustees of the Retiree Health Trust, we are pleased to provide you with this Retiree Health Plan booklet, which summarizes the eligibility rules and benefits of the Plan. This new plan is important in securing a successful retirement for TCPT Plan Participants

Please read this booklet carefully so that you will know what benefits you are entitled to, and what you must do to qualify for benefits.

If there is something that you do not understand about the Plan or if you need specific information about your individual eligibility or benefits, please feel free to contact the Fund Office. The Fund Office and the Board of Trustees will make every effort to assist you with any matter related to the Plan.

Sincerely,
Board of Trustees

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PLEASE BE ADVISED OF THE FOLLOWING IMPORTANT POINTS:

- The purpose of this Plan is to provide a contribution allowance on your behalf toward the cost of retiree health care through the Twin City Pipe Trades Welfare Fund. The benefit you receive is based upon your career hours worked. Without this Plan, you would pay 100% of the cost of your retiree health care through the Twin City Pipe Trades Welfare Plan. This Plan does not process or pay any health care claims, but provides a benefit toward the amount that you would otherwise have to self pay to the Twin City Pipe Trades Welfare Fund. Health care claims continue to be processed by the Twin City Pipe Trades Welfare Fund according to the terms of the Welfare Plan.
- The Plan is self-insured; meaning the contribution allowance available under this Plan is paid for from contributions received from employers on your behalf. The Retiree Health Trust is not an insurance company and because it is not “in the business of insurance”, is not subject to state laws or mandates regarding health insurance.

RETIREMENT BENEFITS FOR PARTICIPATING EMPLOYEES AND SPOUSES

You will become eligible for benefits under this plan only at retirement. Your spouse may be eligible for benefits through this Plan at your retirement or after your death. Your spouse's ability to receive benefits begins when you would have reached the retirement age of 60. Your benefit will be based on contributions for hours worked, if employers have made sufficient contributions on your behalf to the Twin City Pipe Trades Retiree Health Trust because you performed work for contributing employers covered by a collective bargaining agreement between the participating unions and the employers.

General Eligibility Requirements –

You must retire from active status and have been eligible for health care coverage under the Twin City Pipe Trades Welfare Fund for 20 out of 40 calendar months immediately preceding retirement.

Service Credit –

The Service Credit under the plan is calculated by taking your total career contribution hours divided by 1,800.

*For example – If a member has worked a total of 45,000 hours at the time of retirement,
45,000 hours divided by 1,800 = 25 Service Credits
– If a member has worked a total of 54,000 hours at the time of retirement,
54,000 hours divided by 1,800 = 30 Service Credits*

Contribution Allowance –

The Contribution Allowance is a dollar amount based upon 2.22% of the projected, composite cost of retiree coverage at the time you begin receiving benefits under this Plan multiplied by the number of Service Credits you have earned.

The maximum Contribution Allowance under the Plan is 66.6%.

*For example – Using the information from the above example a member with 25 Service Credits would receive a Contribution Allowance of 55.5% of the cost of the retiree healthcare. (2.22% times 25 years = 55.5%)
A member with 30 Service Credits would receive a Contribution Allowance of 66.6% (2.22% times 30 years = 66.6%)*

The Twin City Pipe Trades Welfare Plan sets the amount for the composite cost of providing retiree health coverage under that Plan. Composite costs are determined separately for pre-Medicare and post-Medicare coverage based upon the actual cost of providing this coverage under the Welfare Plan. Each year, prior to May 1st, the composite costs will be published for pre and post Medicare retirement coverage. The Contribution Allowance under this Plan will be a percentage of this amount.

*For example – If the actual cost of **pre-Medicare** retiree coverage is determined to be \$700.00, Using the above example a member with 30 Service Credits would receive a Contribution Allowance to the Twin City Pipe Trades Welfare Fund in the amount of \$466.20 (66.6% times \$700.00 = \$466.20) and would make a self-payment to the Welfare Fund of \$233.80 (\$466.30 plus \$233.80 = \$700)*

*For example – If the actual cost of **post-Medicare** retiree coverage is determined to be \$300.00, Using the above example a member with 30 Service Credits would receive a Contribution Allowance to the Twin City Pipe Trades Welfare Fund in the amount of \$199.80 (66.6% times \$300.00 = \$199.80) and would make a self-payment to the Welfare Fund of \$100.20 (\$199.80 plus \$100.20 = \$300)*

In order to receive a Contribution Allowance from this Plan, you must be eligible to retire and have actually retired and been receiving benefits under the TCPT Welfare Fund. The Contribution Allowance will be paid on your behalf from this Plan to the TCPT Welfare Fund.

ELIGIBILITY FOR BENEFITS

This plan does not provide any Contribution Allowance prior to age 60, unless totally and permanently disabled. A participant may retire as early as age 55 under the terms of the Twin City Pipe Trades Welfare plan, however no contribution allowance is provided from this plan prior to age 60. If a participant retires at age 55 they would need to make the required self-payment in the amount of 100% of the composite cost of pre-Medicare retirement coverage as determined by the plan actuary each year. The contribution allowance earned under the terms of this plan begins at age 60.

Retirement –

Eligibility: Age 60 with at least 10 service credits
Amount: Members accrued contribution allowance (*Years x 2.22%*)

Disability –

Eligibility: At least 10 service credits, totally and permanently disabled
Amount: Members accrued contribution allowance provided immediately

Pre-Retirement Death –

Eligibility: At least 10 service credits; married 12 months
Amount: Members accrued contribution allowance provided at the later of death or participant's 60th birthday (self-pay thru age 59, subsidy begins at age 60)

Post-Retirement Death –

Eligibility: Age 60 with 10 service credits and retired; married 12 months
Amount: Members accrued contribution allowance to spouse for life

Please note:

- Upon retirement, you must make timely payment of the self-pay premium to the TCPT Welfare Fund to receive the Contribution Allowance from this Plan.
- When your eligibility ends, no benefits will be paid for claims incurred after the termination date.
- Your eligibility will terminate immediately at the time you go to work for an employer in the Pipe Trades Industry that is not signed to a collective bargaining agreement with a Pipe Trades Union.

For more information on specific situations which may effect your eligibility (like working for a company you own or which is owned by your spouse or other family member(s) contact the Fund Office.

Dependent Eligibility

Your spouse becomes eligible for benefits in this Plan after your death. To be eligible for benefits, you and your spouse must have been married for one (1) year prior to your retirement or death. A widow of a participant who dies prior to retirement can defer receiving benefits until the participant would have been age 60 (see the Important Note box below). Children and other non-spouse dependents are not eligible for any benefits or contribution allowance amounts under this plan.

IMPORTANT NOTE

The actual retirement medical benefits are not provided under this plan; the benefits for retired and disabled employees are provided under the Twin City Pipe Trades Welfare Fund and are listed in the summary plan description booklet for the Twin City Pipe Trades Welfare Fund.

This plan provides for a contribution allowance on your behalf toward the cost of retiree healthcare through the TCPT Welfare Fund.

Benefits under this plan for a surviving spouse will begin after your death if you die after age 60.

If you die prior to age 60 and if a surviving spouse was eligible for retiree coverage under the terms of the TCPT Welfare Plan and makes the required self-payment premiums, then they would be eligible for the Contribution Allowance from this Plan beginning at the time the member would have turned age 60.

A spouse has the option to defer coverage under the TCPT Welfare Plan at the time of the participant's death and still be eligible for both the Contribution Allowance under this Plan and coverage under the Welfare Plan at such time as the member would have turned age 60.

Please see the TCPT Welfare Fund summary plan description booklet (spd) for additional information on the actual retirement benefits.

TERMINATION OF BENEFITS

Benefits under this plan may terminate if one of several events occur. Your benefits will generally continue once you have become eligible for benefits for the rest of your life, provided that the Plan continues to operate and provide benefits. The Trustees retain the right to modify or terminate the Plan if they deem it necessary or appropriate. Other than a termination of the Plan, your benefits can be terminated if one of the following events occurs:

1. You fail to make timely payment of the self-pay premium due to the TCPT Welfare Fund.
2. You go to work for an employer in the Pipe Trades Industry that is not signed to a collective bargaining agreement with a Pipe Trades Union.

When your eligibility ends, no benefits will be paid for claims incurred after the termination date.

PAYMENT OF RETIREE HEALTH CARE BENEFITS

This Plan provides a credit or subsidy of a portion of the cost of retiree health care coverage through the TCPT Welfare Plan. This Plan does not pay claims incurred with health care providers such as doctors and hospitals. The Twin City Pipe Trades Welfare Fund pays the actual claims incurred by retired and disabled participants according to the terms of the Twin City Pipe Trades Welfare Plan. Those benefits are listed in the summary plan description booklet for the Twin City Pipe Trades Welfare Plan.

IMPORTANT NOTES:

1. If you are out of active status during a portion of the 40 calendar quarters immediately preceding your retirement, you must work at least as many calendar quarters immediately prior to your retirement as you were out of active status. This requirement is in addition to the other requirements for eligibility for retirement benefits between ages 55 and 65.
2. The composite pre-Medicare and post-Medicare premiums are determined by the fund actuary and adopted by the Board of Trustees and are subject to change at any time at the Trustees' discretion. You must pay your portion of the required premium to the TCPT Welfare Fund if you are a qualified retiree in order to continue to be eligible for benefits from this Plan. The monthly self-pay premiums also apply to a widowed spouse who is eligible for benefits under this Plan.

GENERAL PROVISIONS

Mistaken Payments - Right of Recovery

If the Plan makes mistaken or excessive payment of benefits, the Trustees, or their representative, have the right to recover the payments. The Trustees may, after notice to the participant who has received a mistaken benefit or on whose behalf an excessive payment has been made to the TCPT Welfare Fund, impose an offset of future benefits due by the amount to be recovered

Interpretation of Terms

As used in this booklet the singular includes the plural and vice-versa, and the male gender includes the female gender. With respect to all the terms and provisions of this Plan, the Board of Trustees has the exclusive responsibility for interpreting the terms of this Plan.

Definitions

Administrator - The Administrator, as used in this booklet, is the person or firm responsible for the day-to-day functions and management of the operation of the Plan. The Administrator is the Board of Trustees of the Retiree Health Trust.

Plan Participant - The Plan participant is any Employee eligible for benefits through the plan.

Retirement - Retirement means that you qualify for retirement benefits under the Plan, stop working in covered employment and submit an application for retirement benefits under the plan.

If you are applying for retirement benefits, the plan generally requires that you not be engaged in any type of work activity in the Pipe Trades Industry. You may be eligible to work in Pipe Trades industry work for a limited time as permitted in the TCPT Pension plans. However, you will remain on retiree benefits and be responsible for the required monthly self-pay premiums.

You are able to work after retirement in areas unrelated to the Pipe Trades Industry

Claims Decision And Appeal Procedure

If you have a claim under the Plan, there are two levels of decision that can be made on your claim. The first is the Initial Claim Determination. This is the initial claim determination by the Plan that the benefit you are seeking is covered, or will be paid, by the Plan. The second decision is the Determination on Review, also called the Appeal. If you receive an Initial Claim Determination that you disagree with, you may appeal and request a Determination on Review by the Plan. The following procedures are used to determine claims and appeals.

1. **Submit Claim on Form.** Your claim must be filed on a form provided by the Fund Office. The form must be completed, signed by you and filed at the Fund Office. In addition, the Trustees may require further information.
2. **Determining Claims, Time for a Decision.** After you have filed a claim for your benefits, you will be told whether or not you will receive the benefits. If more time is needed to examine your request, you must be told within the initial time period that additional time is needed, and the date by which a decision will be made on your claim. However, the request for an extension may only be for a limited amount of time. If your claim is denied, the Plan must notify you in writing, and explain in detail why it is denied, and what Plan provisions, rules or procedures the decision was based on.

Claims will usually be decided within 30 days of the Plan receiving your claim. The Plan can extend the time for a decision for an additional 15 days if necessary, and if it advises you in writing that additional time is required. If more information is required from you, however, the time can be longer because you will have at least 45 days to submit the additional information.

3. **Denial of Initial Claim.** If your claim is denied, in whole or in part, you will be sent a notice explaining the denial. The denial notice will contain specific reference to the Plan provisions on which the denial is based, will describe any additional material or information necessary to complete or determine your claim and will state why such material or information is necessary.

If your claim has been denied, completely or in part, you have 180 days within which to request a Review on Appeal of the claim determination by the Plan. Your request must be in writing. You have the right to review pertinent documents and records in the Fund Office, to receive copies of documents at no cost to you, appear before the Board of Trustees to present your appeal and submit comments in writing.
4. **Review on Appeal.** If you request a review of a denied claim, the review will be conducted either by a person or committee designated by the Trustees, or directly by the Board of Trustees itself. The Board of Trustees will make a decision by the date of the next regular meeting of the Board of Trustees that immediately follows the date your request for Review on Appeal is received. If your complete written request is received less than 30 days before the next board meeting, the Trustees may make their decision by the second meeting following the receipt of your request. If special circumstances exist requiring additional time to make a decision on your appeal, then the decision may be made not later than the third meeting following receipt of your request. In the event the Trustees need an extension due to special circumstances, the Trustees shall notify you in writing before the extension begins, describing the special circumstances and the date by which they will make a determination.
5. **Notice of the Decision on Appeal.** The Trustees' decision of its Determination on Review will be communicated to you within 5 days of the meeting at which the decision was made. The decision will include the specific reason for the decision, and will refer to the specific plan provisions, rules, protocols or other criterion that the decision is based upon. You may receive, at no cost to you, access to and copies of all documents, materials and procedures relevant to your claim.
6. **Right to Obtain Review after Appeal.** If you disagree with the final review decision, you may appeal your claim to a state or federal court, or you may choose to submit the appeal to binding arbitration as an alternative to going to court pursuant to a voluntary agreement with the Plan. If you choose to arbitrate, you may obtain an arbitration agreement from the Fund Office.

Plan Termination

The Trustees may terminate this Plan at any time. Upon termination, the rights of the Plan Participants to benefits are limited to benefits due up to the date of termination. Any termination of the Plan will be communicated to Plan Participants.

Plan Provisions Control

This booklet is only a summary of the Plan. In the event of any conflict between the contents of this booklet and the Master Plan Document, the terms of the Plan Document will control.

IMPORTANT INFORMATION ABOUT THE RETIREE HEALTH PLAN

The following information is provided to help you identify this Plan and the people who are involved in its operation;

1. **Name of Plan.** This Plan is known as the Twin City Pipe Trades Retiree Health Plan.
2. **Board of Trustees.** A Board of Trustees is responsible for the operation of this Plan. The Board of Trustees consists of an equal number of Association and Union representatives, selected by the Associations and Local Unions who have entered into working agreements which relate to this Plan.

If you wish to contact the Board of Trustees, you may use the address and telephone number below:

Board of Trustees
Twin City Pipe Trades Retiree Health Trust
700 Transfer Road
St. Paul, Minnesota 55114
Telephone: (651) 645-4540

The Trustees of this Plan are:

Employer Trustees

William Daugherty
P & D Mechanical
4629 41st Ave N
Minneapolis, MN 55422

Kent Johnston
Plymouth Plumbing
6909 Winnetka Ave
Brooklyn Park MN 55427

Union Trustees

Stuart Ketz
Plumbers Local No. 15
708 S 10th St
Minneapolis, MN 55404

Stan Theis
Plumbers Local No. 34
411 Main St
St. Paul MN 55102

Larry Jordan
NewMech Co.
1633 Eustis St
St. Paul, MN 55108

Gary Erlander
Pipefitters Local No. 455
700 Transfer Rd
St. Paul, MN 55114

Gary Thaden
Minnesota Mechanical Contractors
Association, Inc.
830 Transfer Rd
St. Paul MN 55114

Mike Johnson
Pipefitters Local No. 539
312 Central Ave Rm. 334
Minneapolis, MN 55414

3. **Plan Sponsor and Administrator.** The Board of Trustees is both the Plan Sponsor and Plan Administrator.
4. **Identification Numbers.** The number assigned to this Plan by the Board of Trustees pursuant to instructions of the Internal Revenue Service is 502. The number assigned to the Board of Trustees by the Internal Revenue Service is 16-1657260.
5. **Agent for Service of Legal Process.** The Board of Trustees is the Plan's agent for service of legal process. Accordingly, if legal disputes involving the Plan arise, any legal documents should be served upon the Board of Trustees at the Retiree Health Trust Office or upon any individual Trustee. Note that arbitration is available instead of a court action.
6. **Source of Contributions.** The benefits of the plan are provided through employer contributions. The amount of employer contributions and the Employees on whose behalf contributions are made are determined by the provision of the working agreements. The Fund Office will provide you, upon written request, information as to whether a particular Employer is contributing to this Plan on behalf of Employees working under the working agreement.
7. **Trust Fund.** All assets are held in trust by the Board of Trustees for the purpose of providing benefits to covered Employees and defraying reasonable administrative expenses. The Fund's assets and reserves are invested in savings accounts and federal securities in numerous banks. All Benefits are paid directly from the Trust Fund.
8. **Plan Year.** The records of the Plan are kept separately for each Plan Year. The Plan Year begins on January 1 and ends on December 31.
9. **Type of Plan.** This Plan is maintained for the purpose of providing welfare benefits, specifically a contribution or credit toward the cost of retiree health care through the TCPT Welfare Plan. A participant in this Plan who is eligible to receive a credit toward the cost of retiree coverage through the TCPT Welfare Plan will have a reduced self-pay amount for that coverage.

10. **Eligibility.** The Plan's requirements with respect to eligibility as well as circumstances that may result in disqualification, ineligibility or denial or loss of any benefits are fully described in this booklet.
11. **Interpretation of the Plan.** Nothing in this summary description of the Plan is meant to interpret or extend or change in any way the provisions expressed in the Plan. Only the extend or change in any way the provisions expressed in the Plan. Only the full Board of Trustees is authorized to interpret the Plan of Benefits described in this booklet. No employer, union, nor any representative of any employer or union, is authorized to interpret this Plan, nor can any such person act as an agent of the Trustees. The Trustees reserve the right to amend, modify or discontinue all or a part of this Plan whenever, in their sole judgment, conditions warrant.

STATEMENT OF ERISA RIGHTS

As a participant in the Twin City Pipe Trades Retiree Health Trust you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as union halls and worksites where at least 50 Plan participants are customarily employed, 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 derailed annual reports and Plan descriptions. Obtain copies of all Plan Documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge 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 annual report.

In addition to creating rights to 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 welfare benefit or exercising your rights under ERISA. If your claim for a welfare 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 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 \$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 file suit in a state or 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. 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, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

PARTICIPATING UNIONS

United Association of Journeymen and Apprentices
of the Plumbing and Pipe Fitting Industry
of the United States and Canada

Local Union No. 15 in Minneapolis and St. Cloud

Local Union No. 34 in St. Paul and Mankato

Local Union No. 455 in St. Paul and Mankato

Local Union No. 539 in Minneapolis and St. Cloud

PARTICIPATING EMPLOYER ASSOCIATIONS

MMCA - Minnesota Mechanical Contractors Association, Inc.
PHCC - Metro Association of Plumbing - Heating -Cooling Contractors, Inc.

NOTES: