

**NATIONAL STABILIZATION AGREEMENT  
OF THE  
SHEET METAL INDUSTRY TRUST FUND  
AMENDED AND RESTATED ACTIVE RULES AND REGULATIONS  
AS OF JANUARY 1, 2017**

**Table of Contents**

|   |   |
|---|---|
| PREAMBLE .....  | 1 |
| Section 1. Purpose of Plan .....                                | 1 |
| Section 2. Status of Employees Receiving Benefits .....         | 1 |
| ARTICLE I DEFINITIONS .....                                     | 1 |
| Section 1. Administrator .....                                  | 1 |
| Section 2. Average Hourly Wage .....                            | 1 |
| Section 3. Benefit.....   | 1 |
| Section 4. Contract.....  | 2 |
| Section 5. Contributions.....                                   | 2 |
| Section 6. Covered Employment. ....                             | 2 |
| Section 7. Death Benefit. ....                                  | 2 |
| Section 8. Disability.....                                      | 2 |
| Section 9. Electronic Protected Health Information (ePHI). .... | 3 |
| Section 10. Employee .....                                      | 3 |
| Section 11. Employer.....                                       | 3 |
| Section 12. ERISA .....   | 3 |
| Section 13. Fund; Trust Fund.....                               | 3 |
| Section 14. Future Service Credit. ....                         | 3 |
| Section 15. Group Hours.....                                    | 4 |
| Section 16. HIPAA .....   | 4 |
| Section 17. Home Local Union.....                               | 4 |
| Section 18. Hours.....  | 4 |
| Section 19. Industry Earnings .....                             | 4 |
| Section 20. Industry Hours .....                                | 4 |
| Section 21. International Union or “SMART” . ....               | 4 |
| Section 22. IRC.....  | 5 |
| Section 23. Local Fund .....                                    | 5 |
| Section 24. Local Fund Agreement .....                          | 5 |
| Section 25. Local Union .....                                   | 5 |
| Section 26. Minimum Hours.....                                  | 5 |
| Section 27. Owner.....  | 5 |
| Section 28. Past Service Credit.....                            | 5 |
| Section 29. Plan .....  | 5 |
| Section 30. Production or Industrial Employer.....              | 6 |
| Section 31. Protected Health Information (PHI).....             | 6 |
| Section 32. Qualified Military Service .....                    | 6 |

|   |    |
|---|----|
| Section 33. Related Organization .....  | 6  |
| Section 34. Relative .....  | 6  |
| Section 35. SASMI .....   | 6  |
| Section 36. SASMI Groups.....   | 6  |
| Section 37. Severance .....   | 6  |
| Section 38. Severance Benefit .....   | 7  |
| Section 39. Sheet Metal Industry .....  | 7  |
| Section 40. Stabilization Period.....   | 7  |
| Section 41. State System.....   | 7  |
| Section 42. Supplemental Collective Bargaining Agreement/Provisional Participation Agreement..... | 7  |
| Section 43. Supplemental Unemployment Benefit.....  | 7  |
| Section 44. Temporary Disability .....  | 7  |
| Section 45. Travel Benefit .....  | 7  |
| Section 46. Trust Agreement .....   | 7  |
| Section 47. Trustees .....  | 8  |
| Section 48. Underemployment.....  | 8  |
| Section 49. Underemployment Benefit.....  | 8  |
| Section 50. Welfare Benefit.....  | 8  |
| Section 51. Years of Service .....  | 8  |
| ARTICLE II ELIGIBILITY .....  | 8  |
| Section 1. Initial Eligibility.....   | 8  |
| Section 2. Renewal of Eligibility .....   | 8  |
| Section 3. Recycling of Eligibility.....  | 8  |
| Section 4. Continuation of Eligibility when not Working under a Contract .....                    | 9  |
| Section 5. Owners and Relatives .....   | 10 |
| Section 6. General Limitations on Benefit Eligibility .....                                       | 11 |
| Section 7. Partial Termination of Eligibility for Benefits.....                                   | 12 |
| ARTICLE III SUPPLEMENTAL UNEMPLOYMENT BENEFITS .....  | 13 |
| Section 1. Qualification .....  | 13 |
| Section 2. Amount of Benefit .....  | 14 |
| Section 3. Advance Payment .....  | 14 |
| Section 4. Limitations on Supplemental Unemployment Benefits.....                                 | 15 |
| ARTICLE IV UNDEREMPLOYMENT BENEFITS .....   | 15 |
| Section 1. Qualification Requirements .....   | 15 |
| Section 2. Amount of Benefit .....  | 16 |
| Section 3. Limitations on Underemployment Benefits.....   | 16 |
| ARTICLE V WELFARE BENEFITS .....  | 16 |
| Section 1. Qualification Requirements .....   | 16 |
| Section 2. Amount of Benefit .....  | 17 |
| Section 3. Recovery/Coordination of Benefits .....  | 18 |
| Section 4. Limitations on Welfare Benefits.....   | 18 |
| ARTICLE VI TRAVEL BENEFITS .....  | 18 |
| Section 1. Qualification Requirements .....   | 18 |
| Section 2. Amount of Benefit .....  | 19 |
| Section 3. Limitations on Travel Benefits .....   | 20 |

|   |    |
|---|----|
| ARTICLE VII SEVERANCE BENEFITS .....  | 20 |
| Section 1. Qualification Requirements .....   | 20 |
| Section 2. Amount of Benefit .....  | 20 |
| Section 3. Payment.....   | 21 |
| Section 4. Severance Termination .....  | 21 |
| Section 5. Death of Employee. ....  | 21 |
| Section 6. Termination of Eligibility for Severance Benefits.....                               | 22 |
| ARTICLE VIII DEATH BENEFIT .....  | 22 |
| Section 1. Qualification .....  | 22 |
| Section 2. Amount of Benefit. ....  | 23 |
| Section 3. Exclusions .....   | 23 |
| Section 4. Limitations on Death Benefits .....  | 23 |
| ARTICLE IX PRODUCTION AND INDUSTRIAL EMPLOYEES .....  | 24 |
| Section 1. Benefit Adjustments.....   | 24 |
| Section 2. Initial Eligibility.....   | 24 |
| Section 3. Supplemental Unemployment Benefits .....   | 24 |
| Section 4. Underemployment Benefits .....   | 24 |
| Section 5. Welfare Benefits. ....   | 24 |
| Section 6. Travel Benefits.....   | 24 |
| Section 7. Severance Benefits.....  | 24 |
| Section 8. Disability Benefit .....   | 25 |
| Section 9. Death Benefit .....  | 25 |
| ARTICLE X LOSS OF QUALIFICATION.....  | 25 |
| Section 1. Partial Loss of Benefits.....  | 25 |
| Section 2. Loss of all Benefits .....   | 26 |
| Section 3. Effect of Termination as Employer.....   | 27 |
| ARTICLE XI APPLICATION AND APPEAL PROCEDURES FOR BENEFIT PAYMENTS                               | 28 |
| Section 1. Applications. ....   | 28 |
| Section 2. Application for Supplemental Unemployment Benefit or Underemployment<br>Benefit..... | 28 |
| Section 3. Application for Advance Payment of Supplemental Unemployment Benefit.<br>.....       | 28 |
| Section 4. Application for Welfare Benefits.....  | 28 |
| Section 5. Application for Travel Benefits. ....  | 29 |
| Section 6. Application for Severance Benefits .....   | 29 |
| Section 7. Application for Death Benefits .....   | 29 |
| Section 8. Application Processing by Trustees.....  | 29 |
| Section 9. Notification to Claimant of Decision.....  | 29 |
| Section 10. Claims Committee .....  | 29 |
| Section 11. Review Procedure .....  | 29 |
| Section 12. Decision on Review .....  | 30 |
| Section 13. Records .....   | 30 |
| Section 14. Uniform Limitations Period.....   | 30 |
| ARTICLE XII GENERAL .....   | 31 |
| Section 1. Benefit Overpayments. ....   | 31 |
| Section 2. Benefit Deductions.....  | 31 |

|  |    |
|--|----|
| ARTICLE XIII ADMINISTRATION OF THE PLAN.....               | 31 |
| Section 1. Powers and Authority of Trustees.....           | 31 |
| Section 2. Nonalienation of Benefits .....                 | 32 |
| Section 3. Funding. ....                                   | 32 |
| Section 4. Choice of Law.....                              | 33 |
| Section 5. Privacy of Protected Health Information .....   | 33 |
| Section 6. Security of Protected Health Information .....  | 35 |
| ARTICLE XIV AMENDMENT AND TERMINATION OF THE PLAN.....     | 35 |
| Section 1. Amendment.....                                  | 35 |
| Section 2. Termination of Plan .....                       | 35 |
| Section 3. Reciprocity and Alternative Contributions ..... | 36 |
| Section 4. Termination of Status s Employer .....          | 36 |
| Section 5. Severability .....                              | 36 |

## PREAMBLE

**SECTION 1. PURPOSE OF PLAN.** The plan of benefits as set forth herein represents the Rules and Regulations adopted by the Trustees of the National Stabilization Agreement of the Sheet Metal Industry Trust Fund to implement the design and purpose of the Fund to provide benefits to supplement unemployment compensation payments by a State System and other benefits described in IRC Section 501(c)(9) for Employees.

**SECTION 2. STATUS OF EMPLOYEES RECEIVING BENEFITS.** The Contributions by Employers to the Plan and Benefits paid under the Plan shall not be considered part of an Employee's wages.

## ARTICLE I DEFINITIONS

Unless the context or subject matter otherwise requires, the following definitions shall govern in these Rules and Regulations. The masculine gender includes the feminine and neuter genders and a singular noun includes the plural and vice versa.

**SECTION 1. ADMINISTRATOR.** The term “Administrator” means the person or his successors selected by the Trustees to administer SASMI on a day-to-day basis and to execute the policies and duties delegated or assigned by the Trustees in accordance with the Trust Agreement.

**SECTION 2. AVERAGE HOURLY WAGE.** The term “Average Hourly Wage” means the average of all straight time rates of pay required to be paid to an Employee for work under a Contract during the Stabilization Period for which he is applying for a Benefit, except as provided below.

- (a) When wages are paid at a rate lower than the building trades’ journeyman contractual regular wage rate in the Local Union due to the use of the International Union's Resolution 78 but Contributions are negotiated using the regular wage rate in the Local Union, the wage rate shall be the building trades’ journeyman contractual wage rate on which the amount of Contributions are calculated.
- (b) If no work was performed during the Stabilization Period, the wage rate is the average of all contractual rates of pay for an hour of work at straight time for an Employee’s job classification in the applicable Contract in effect in the Employee's Home Local Union during the Stabilization Period for which a Benefit is payable.

**SECTION 3. BENEFIT.** The term “Benefit” means the amount paid or payable from the Plan to an Employee or his family or beneficiaries for benefits described in IRC Section 501(c)(9) under these Rules and Regulations.

**SECTION 4. CONTRACT.** The term “Contract” means:

- (a) a collective bargaining agreement between a Local Union and/or International Union and an Employer requiring the Employer to make periodic contributions to SASMI, and any amendments, modifications or restatements thereof, either directly or through a Local Fund which has entered into a Local Fund Agreement with the Trustees or as an obligation under applicable labor-management relations law,
- (b) a written agreement by which an employee is working as a “salted organizer” and for whom the Local Union or International Union is required to make contributions to SASMI, or
- (c) an agreement between the Trustees and a Related Organization for contributions to SASMI and related benefits to full-time employees of the Related Organization. Such Contributions shall count towards establishing eligibility however they shall not count towards benefits under Articles III, IV, V, VI, and VIII.
- (d) The term “Contract” shall not include a collective bargaining agreement, participation agreement or other agreement containing provisions which the Trustees determine, in their sole discretion, would adversely affect the actuarial standards and/or the financial integrity of SASMI and is not acceptable to the Trustees.

**SECTION 5. CONTRIBUTIONS.** The term “Contributions” means, unless otherwise directed by the Trustees, the periodic payments made or that are required to be made to SASMI under a Contract, directly or through a Local Fund.

Amounts contributed for benefits provided by the SASMI Production & Industrial benefit schedules before 2014 (for Article IX benefits before 2013) are not Contributions for purposes of calculating benefits under this Plan.

Unless specifically stated otherwise, Contributions paid to SASMI under a Contract requiring contributions for HCRA Plan B do not count as Contributions for purposes of determining benefits under this Active Plan.

**SECTION 6. COVERED EMPLOYMENT.** The term “Covered Employment” means work under a Contract for which Contributions to SASMI are required.

**SECTION 7. DEATH BENEFIT.** The term “Death Benefit” means payments under Article VIII or, as to a Production and Industrial Employee Benefit Schedule, Article IX, Section 9.

**SECTION 8. DISABILITY.** The term “Disability” means a physical condition which prevents an Employee from performing the principal functions required of an Employee in the Sheet Metal Industry.

**SECTION 9. ELECTRONIC PROTECTED HEALTH INFORMATION (Electronic PHI).**

The term “Electronic Protected Health Information” means information defined in accordance with 45 CFR § 160.103.

**SECTION 10. EMPLOYEE.** The term “Employee” means:

- (a) any person who is or has been employed by an Employer and performs work, for which Contributions are required to be paid to SASMI under a Contract;
- (b) persons classified as “salted organizer” of the Local Union or the International Union and for whom Contributions are required to be paid under the terms of a Contract;  
or
- (c) an employee who is an employee of a Related Organization for whom Contributions are required to be paid under the terms of a Contract.

The term “Employee” shall not include an employee of an employer who has been terminated by the Trustees as an Employer in SASMI, even if the employer has agreed to contribute to SASMI.

**SECTION 11. EMPLOYER.** The term “Employer” means:

- (a) an employer in the Sheet Metal Industry who operates or hereafter operates under a Contract;
- (b) a Related Organization which is required to make contributions under a Contract;  
or
- (c) SASMI (if it chooses to provide Benefits to its employees).

The term “Employer” shall not include an employer whose status as a contributing Employer has been terminated by the Trustees.

**SECTION 12. ERISA.** The term “ERISA” means the Employee Retirement Income Security Act, codified as 29 U.S.C. §1001 et seq., as amended.

**SECTION 13. FUND; TRUST FUND.** The terms “Fund” and “Trust Fund” shall mean the National Stabilization Agreement of the Sheet Metal Industry Trust Fund. Further it shall mean the monies and other items of value which comprise the corpus and additions thereto, contributions payable to the fund, amounts received or held for or on behalf of the Trustees as well as title to all such monies, and other items of value including contributions owed but not yet received, which shall be vested in the Trustees.

**SECTION 14. FUTURE SERVICE CREDIT.** The term “Future Service Credit” means the period (measured in years) during which an Employee is eligible for Benefits under the Plan after the Employee establishes initial eligibility under Article II. A half-year is credited for each Stabilization Period for which an Employee is eligible for Benefits under Article II, has not

forfeited eligibility or qualification for Benefits under Article X and worked at least 100 hours with paid Contributions or received a benefit. The time for which an Employee retains eligibility during military service under Article II, Section 4(c) shall be included in future service. For purposes of the Severance Benefit, there are no additional Future Service Credit accruals after December 31, 2009. Contributions paid under a Contract requiring contributions to HCRA Plan B do not count towards Future Service Credits under this Active Plan.

**SECTION 15. GROUP HOURS.** The term “Group Hours” means the hours for a Stabilization Period for each SASMI Group in the following table:

| <u>SASMI Group</u> | Number of Hours                   |                                   |
|--------------------|-----------------------------------|-----------------------------------|
|                    | <u>Stabilization<br/>Period A</u> | <u>Stabilization<br/>Period B</u> |
| Group 1            | 800                               | 900                               |
| Group 2            | 750                               | 850                               |
| Group 3            | 650                               | 750                               |
| Group 4            | 600                               | 700                               |

**SECTION 16. HIPAA.** The term “HIPAA” means the Health Insurance Portability and Accountability Act of 1996, as amended.

**SECTION 17. HOME LOCAL UNION.** The term “Home Local Union” means the Local Union of which an Employee is a member. If he is not a union member, it means the Local Union which represents the Employee for purposes of collective bargaining in the primary geographic area in which the Employee is employed. If an Employee transfers or otherwise changes his membership from one Local Union to another Local Union, his new Local Union shall become his Home Local Union.

**SECTION 18. HOURS.** The term “Hours” means the number of hours for which Contributions actually are paid to SASMI unless the Trustees direct otherwise. Unless specifically stated otherwise, Contributions paid to SASMI under a Contract requiring contributions for HCRA Plan B do not count as Hours for purposes of determining benefits under this Active Plan.

**SECTION 19. INDUSTRY EARNINGS.** The term “Industry Earnings” means total wages earned through any employment in the Sheet Metal Industry which are subject to federal income tax. In the case of a “salted organizer,” Industry Earnings shall be limited to seventy-five percent (75%) of the amounts earned as a “salted organizer.”

**SECTION 20. INDUSTRY HOURS.** The term “Industry Hours” means hours worked in any employment in the Sheet Metal Industry.

**SECTION 21. INTERNATIONAL UNION OR “SMART.”** The term “International Union” or “SMART” means the International Association of Sheet Metal Air Rail and Transportation Workers, AFL-CIO, after the merger of the Sheet Metal Workers’ International Association (“SMWIA”) and the United Transportation Union, and the SMWIA only before that date.



**SECTION 22. IRC.** The term “IRC” means the Internal Revenue Code of 1986, codified as Title 26, U.S.C., as amended.

**SECTION 23. LOCAL FUND.** The term “Local Fund” includes any trust fund under 29 U.S.C. §186(c)(5) or other entity created by a collective bargaining agreement which is empowered to enter into an agreement whereby Contributions from Employers shall be transmitted, directly or indirectly, to SASMI for the purpose of securing the benefits of participation in SASMI for the Employees of such Employers. No trustee, administrator, or other person empowered to act on behalf of a Local Fund shall, by reason of his position with such Local Fund, be entitled to act on behalf of SASMI or in any manner to exercise any discretionary power with regard to SASMI.

**SECTION 24. LOCAL FUND AGREEMENT.** The term “Local Fund Agreement” means an agreement between SASMI and a Local Fund which provides for the transmittal of Contributions to SASMI for the payment of Benefits to the Employees of those Employers whose Contributions are so transmitted and received by SASMI. The agreement shall provide that each Employer whose Contributions are transmitted and received under the agreement shall have the same rights and obligations as any other Employer contributing to SASMI. The Employees of such Employers shall have the same rights and obligations as any other Employees of contributing Employers.

**SECTION 25. LOCAL UNION.** The term “Local Union” means any local union of the International Union.

**SECTION 26. MINIMUM HOURS.** The term “Minimum Hours” means the number of hours per week for which an Employee can receive straight time wages before receipt of overtime under a Contract applicable to his work.

**SECTION 27. OWNER.** The term “Owner” means a stockholder, officer, director, sole proprietor, partner, principal, trustee or beneficiary or other person with an ownership interest or powers similar to the officers or directors of a corporation whether in an incorporated or unincorporated business.

**SECTION 28. PAST SERVICE CREDIT.** The term “Past Service Credit” means each calendar year, prior to the Employee’s first year of Future Service Credit, during which he was a member of the International Union. To the extent required by applicable federal law, military service will also be included in Past Service Credit. Effective December 31, 2009, no further Past Service shall be granted for Severance Benefits. For Purposes of this definition an individual is considered as having become a “member of the International Union” upon Grant of Membership to the International Union, which is the date when the individual began to pay Per Capita dues to the International Union, under the rules in existence at the time of admission.

**SECTION 29. PLAN.** The term “Plan” means the plan of benefits as set forth in these Rules and Regulations, including any amendments, modifications or restatements hereof.

**SECTION 30. PRODUCTION OR INDUSTRIAL EMPLOYER.** The term “Production or Industrial Employer” means an employer in the production or industrial sectors of the Sheet Metal Industry who has operated or who now or hereafter operates under a Contract and includes all employers who contributed to SASMI-II as long as they retain an obligation to contribute to SASMI.

**SECTION 31. PROTECTED HEALTH INFORMATION (PHI).** The term “Protected Health Information” is defined in accordance with 45 CFR §164.501.

**SECTION 32. QUALIFIED MILITARY SERVICE.** The term “Qualified Military Service” means a period of service in the uniformed services (as defined in Chapter 43 of title 38, United States Code or prior federal law, including any limits on the duration of an absence or required service credit), by any individual if such individual returns to work with the Employers within the time provided by applicable law.

**SECTION 33. RELATED ORGANIZATION.** The term “Related Organization” means a Local Union, the International Union, an affiliated or reciprocal trust fund or employee benefit plan, an employer association or an Employer (with respect to employees not covered under a collective bargaining agreement) which can contribute to SASMI under 29 C.F.R. Section 2510.3-40 without impairing the collectively bargained status of SASMI. The Trustees may allow participation by other employers, who shall be treated as related organizations, at their discretion.

**SECTION 34. RELATIVE.** The term “Relative” means the spouse of an Employee and the parents, grandparents, children and brothers and sisters of an Employee or spouse.

**SECTION 35. SASMI.** The term “SASMI” means the Fund, Trustees or Plan, jointly or severally as appropriate in context.

**SECTION 36. SASMI GROUPS.** The term “SASMI Groups” means the group or classification of an Employee for a calendar year based on the average Hours of active employees in his Home Local Union in the prior Plan Year and the following table.

| <u>Group Number</u> | <u>Average Local Union Hours</u> |
|---------------------|----------------------------------|
| 1                   | 1,700 and over                   |
| 2                   | 1,500 to 1,699                   |
| 3                   | 1,300 to 1,499                   |
| 4                   | less than 1,300 hours            |

**SECTION 37. SEVERANCE.** The term “Severance” means:

- (a) a permanent separation from work in the Sheet Metal Industry (whether or not with an employer signatory to a collective bargaining agreement with the International Union or a Local Union) for a period of at least twelve (12) months; and

(b) a period of at least twelve (12) consecutive months in which an Employee does not seek work within the Sheet Metal Industry; and

(c) the passage of twelve (12) consecutive months with no Contributions (including no Contributions under a Contract requiring Contributions to Plan B HCRA) for work by an Employee.

**SECTION 38. SEVERANCE BENEFIT.** The term “Severance Benefit” means payments under Article VII.

**SECTION 39. SHEET METAL INDUSTRY.** The term “Sheet Metal Industry” means any and all types of work within the trade jurisdiction of the Sheet Metal, Air, Rail and Transportation Workers, Sheet Metal Division (“SM”), as described in its Constitution or an amendment thereto; or any other work to which a worker has been assigned, referred, or can perform because of skills and training as a sheet metal worker.

**SECTION 40. STABILIZATION PERIOD.** The term “Stabilization Period” means January 1 through June 30 (Stabilization Period A) or July 1 through December 31 (Stabilization Period B) of any calendar year.

**SECTION 41. STATE SYSTEM.** The term “State System” means a state agency as defined in 26 U.S.C. §3306(e) and the unemployment fund under its administration.

**SECTION 42. SUPPLEMENTAL COLLECTIVE BARGAINING AGREEMENT/PROVISIONAL PARTICIPATION AGREEMENT.** The term “Supplemental Collective Bargaining Agreement” or “Provisional Participation Agreement,” means an agreement which includes the following provisions:

(a) The Employer shall make Contributions to SASMI or a Local Fund at the rate and in the manner required by the Trust Agreement and rules of Trustees, and

(b) The Local Union and the Employer agree to adopt the Trust Agreement and Plan.

**SECTION 43. SUPPLEMENTAL UNEMPLOYMENT BENEFIT.** The term “Supplemental Unemployment Benefit” means payments under Article III.

**SECTION 44. TEMPORARY DISABILITY.** The term “Temporary Disability” means a Disability of eighteen (18) months or less.

**SECTION 45. TRAVEL BENEFIT.** The term “Travel Benefit” means payments under Article VI.

**SECTION 46. TRUST AGREEMENT.** The term “Trust Agreement” means the Agreement and Declaration of Trust establishing the Fund, including any amendments, modifications and restatements thereof.

**SECTION 47. TRUSTEES.** The term “Trustees” means the Trustees of the Fund, collectively, and shall include their predecessors and successors and their agents or delegees when acting as fiduciaries under ERISA.

**SECTION 48. UNDEREMPLOYMENT.** The term “Underemployment” means unemployment or work by an Employee under a Contract in the Sheet Metal Industry below his Group Hours for a Stabilization Period.

**SECTION 49. UNDEREMPLOYMENT BENEFIT.** The term “Underemployment Benefit” means payments under Article IV.

**SECTION 50. WELFARE BENEFIT.** The term “Welfare Benefit” means payments under Article V or Health Benefits under prior Plan documents (Rules and Regulations).

**SECTION 51. YEARS OF SERVICE.** The term “Years of Service” means an Employee’s Future Service Credit and Past Service Credit. For purposes of the Severance Benefit, there are no Years of Service after December 31, 2009.

## **ARTICLE II** **ELIGIBILITY**

**SECTION 1. INITIAL ELIGIBILITY.** An Employee must satisfy the initial eligibility rules of the Plan before payment of Benefits will be provided under the Plan. An Employee’s initial eligibility commences upon the completion of 1,200 Hours within any twelve (12) consecutive months, 2,000 Hours within any twenty-four (24) consecutive months, or 2,800 Hours within any period of time. Such initial eligibility shall entitle an otherwise qualified Employee to the payment of Benefits provided he meets all other requirements for such benefits.

**SECTION 2. RENEWAL OF ELIGIBILITY.** After acquiring initial eligibility and losing eligibility, an Employee may again become eligible upon the completion of 1,200 Hours within any twelve (12) consecutive months, 2,000 Hours within any twenty-four (24) consecutive months, or 2,800 Hours within any period of time after the first date Contributions were made for his work after a termination of eligibility.

**SECTION 3. RECYCLING OF ELIGIBILITY.** An Employee who has received Benefits (other than Travel Benefits) in one (1), two (2) or three (3) Stabilization Periods may recycle his eligibility by completing 1,200 Hours within any twelve (12) consecutive months, 2,000 Hours within any twenty-four (24) consecutive months, or 2,800 Hours within any period of time after the last Stabilization Period in which Benefits were received and by not receiving any Benefit for the Stabilization Periods in which the Hours are worked.

**SECTION 4. CONTINUATION OF ELIGIBILITY WHEN NOT WORKING UNDER A CONTRACT.** The eligibility of an Employee for Benefits is maintained and continued when he is not working under a Contract under the following circumstances.

- (a) An Employee who accepts a full-time position, either elected or appointed, with any Local Union or the International Union shall not lose eligibility. An Employee will not be considered available for work and eligible for Benefits while employed nor thereafter unless he returns to work under a Contract in the Sheet Metal Industry or is available for and seeking work under a Contract within one-hundred twenty (120) calendar days following the termination of his employment with the Local Union or the International Union. The Employee may be eligible for a Severance Benefit if he has a Severance as a result of termination of work with the Local Union or International Union.
  
- (b) An Employee with a Temporary Disability because of an accident, injury or illness shall continue eligibility and qualification for Welfare Benefits only. Eligibility will be lost if the Employee does not return to Covered Employment within eighteen (18) months of the accident, injury or illness.
  
- (c) An Employee who enters Qualified Military Service and returns to work under a Contract in the Sheet Metal Industry or is available for and seeking work under a Contract within the time limits required by law following his discharge from Qualified Military Service shall be considered to have earned those Years of Service immediately prior to returning to work under a Contract (or being available for said work). An individual will not be eligible for Benefits from this Plan while in military service unless so required by applicable federal law.
  
- (d) An Employee will not lose eligibility where the Contract of the Local Union under which the Employee had been working terminated and the Local Union has again become a party to a Contract within a reasonable period of time from termination, as determined by the Trustees.
  
- (e) An apprentice Employee who participates in his Home Local Union's Youth to Youth apprentice training program and resumes employment or is available for and seeking work under a Contract within one month of termination of his participation in such Youth to Youth Program shall not lose eligibility.
  
- (f) An Employee who becomes an Owner of a business in the Sheet Metal Industry with a Contract does not lose eligibility. An Employee will not be considered available for work and eligible for Benefits while he is an Owner nor thereafter unless he returns to work under a Contract in the Sheet Metal Industry or is available for and seeking work under a Contract in the Sheet Metal Industry within one-hundred twenty (120) calendar days following the termination of work as an Owner. The Employee may be eligible for a Severance Benefit if he has a Severance as a result of termination of work as an Owner of a business in the Sheet Metal Industry with a Contract. An Employee who becomes an Owner of a business with a Contract requiring contributions to HCRA B does not maintain eligibility under this paragraph.

**SECTION 5. OWNERS AND RELATIVES.** Notwithstanding anything else in the Plan, an Owner or Relative of an Owner is not eligible for Benefits unless he satisfies the requirement of this section as well as the basic eligibility requirements.

(a) An Employee who is an Owner of a business in the Sheet Metal Industry and performs work under the Employer's Contract is not eligible unless his Employer makes Contributions on the Minimum Hours or the number of hours he actually works in Covered Employment, whichever is greater. The Employer must pay Contributions based upon an hourly rate equal to or greater than the regular wage rate on which the amount of Contributions is calculated for the highest paid journeyman under the Employer's Contracts.

(b) An Employee whose spouse is an Owner of the Employee's Employer and who performs Covered Employment is not eligible unless the Employer makes Contributions on the Minimum Hours or the number of hours actually worked in Covered Employment, whichever is greater.

(c) An Employee whose Relative(s) is an Owner of his Employer and who performs Covered Employment is not eligible unless:

(1) the Employer informs SASMI that such Employee is a Relative who can be terminated or laid off, and

(2) the Employer makes Contributions for the Minimum Hours or the number of hours he actually works in Covered Employment, whichever is greater.

(d) The Trustees may grant exemptions for payment of Contributions for an Owner if the following conditions are satisfied. Exemptions may be granted with respect to a business entity (whether a corporation, sole proprietorship, partnership or other form of organization) or a combination of business entities that are owned and/or controlled by an Owner or a member of his immediate family.

(1) An exemption, if granted, shall apply only to the Owner(s) who is/are the subject of an application.

(2) The Owner must be a common law employee of an Employer for whom the exemption is granted, not an independent contractor or subcontractor.

(3) The Owner must work with the tools on a regular daily basis.

(4) The Owner or a member of his immediate family must be the chief operating officer of the company.

(5) An Employer or Owner submitting a request for exemption under this rule shall submit the request, in writing, to the Administrator and thereafter provide the

Administrator all relevant information that the Administrator shall require to determine whether an exemption shall remain in force.

(6) The exemption from the requirement that Contributions be paid for an Owner shall not be effective until approved, in writing, by SASMI.

(7) Notwithstanding any other provision set forth in the Plan, an exemption from the requirement that an Owner make Contributions to SASMI shall be effective for a period of no less than twelve (12) months. The Employer or Owner shall be responsible for submitting a request in writing, for removal of the exemption no sooner than 30 days prior to the date the Employer or Owner wish to again make contributions to SASMI on the Employee's behalf.

(e) Notwithstanding the foregoing or any other provision of the Plan, an Employee whose Relatives are Owners of his Employer and who performs work under the Employer's Contract will be eligible for Supplemental Unemployment Benefits, Underemployment Benefits and Welfare Benefits only if the Employee satisfies the eligibility requirements of this Article II and the following additional requirements:

(1) The Employee has no ownership interest in the Employer; and

(2) The Employee is the only Employee of the Employer, other than Owners, at the time of termination or layoff; and

(3) The Supplemental Unemployment Benefits, Underemployment Benefits and Welfare Benefits for the Employee do not exceed the Contributions paid by the Employer for the Employee's work.

**SECTION 6. GENERAL LIMITATIONS ON BENEFIT ELIGIBILITY.** Benefits are not vested nor guaranteed in any way.

(a) Trustee Changes. The Trustees may, in their discretion, increase or decrease the Group Hours and other eligibility requirements, reduce the duration of Benefits or reduce the amount of Benefits, or waive eligibility or qualification restrictions in special circumstances, as the Trustees, in their discretion, deem consistent with the financial and actuarial integrity of SASMI. This discretion extends to reducing benefits for those who are unemployed and receiving benefits as well as to future eligibility for payment.

(b) 200% of Contributions. In addition and notwithstanding this or any other rule set forth in the Plan, an Employee who receives Benefits that exceed two times the total amount of Contributions (excluding any Contributions to HCRA Plan B) paid for his work shall not be eligible to receive additional Benefits, except as provided by the Trustees.

(1) Unless otherwise provided by the Trustees, the rule in this subsection (b) shall not prevent payment of Benefits in the following circumstances.

(A) An Employee shall not lose eligibility unless he or she has exhausted at least one cycle of eligibility, but must re-establish or recycle eligibility to continue to receive Benefits.

(B) An Employee who has received less than \$20,000.00 in previous Benefits shall not lose eligibility under this subsection (b).

(C) An Employee with an outstanding Welfare Benefit balance of less than 380 multiplied by his Average Hourly Wage will remain eligible for Welfare Benefits only up to 380 hours, provided that the Employee has received less than \$50,000.00 in Benefits.

(2) Notwithstanding the rule in this subsection (b), that Benefits may be paid up to 200% of Contributions, in those cases where the Participant has already received Benefits equal to or in excess of \$100,000, additional Benefits will only be paid up to 100% of Contributions. For example,

- if a participant had \$70,000 in Contributions then he or she would not be eligible for benefits after a payment resulting in at least \$100,000 in benefits (2x Contributions would be \$140,000 but this individual is capped at \$100,000), and
- if a participant had \$140,000 in Contributions then he or she would not be eligible for benefits after a payment resulting in at least \$140,000 in benefits.

(c) An Employee may submit a written appeal seeking restoration of his eligibility for Benefits.

(1) In determining the appeal, the Trustees may consider factors such as the availability of work opportunities to the Employee, the efforts of the Employee to seek and obtain employment in the industry and any other relevant factors or criteria, including conduct by the Employee that impact on his ability to obtain employment.

(2) The Trustees shall have the sole and complete discretion in granting or denying such appeals and may, in its discretion, establish limitations on, or rules that will govern, the receipt of future Benefits by the Employee.

**SECTION 7. PARTIAL TERMINATION OF ELIGIBILITY FOR BENEFITS.** An Employee shall cease to be eligible for Supplemental Unemployment Benefits, Underemployment Benefits and Welfare Benefits in the following circumstances.



(a) Four (4) Paid Periods. An Employee has received Supplemental Unemployment Benefits, Underemployment Benefits or Welfare Benefits for any four (4) Stabilization Periods, without recycling or re-establishing eligibility, regardless of the period of time in which such four (4) Stabilization Periods occur.

(b) 18-Month Lapse in Contributions. No Contributions are required and made for work as an Employee for a period of eighteen (18) consecutive months, except as set forth in Article II, Section 4. The Plan may disregard amounts paid for minimal hours or work to continue eligibility. The Employee shall be required to reestablish eligibility under Article II, Sections 2 and 3.

### **ARTICLE III**

#### **SUPPLEMENTAL UNEMPLOYMENT BENEFITS**

**SECTION 1. QUALIFICATION.** An Employee qualifies for benefits under this Article for a Stabilization Period for which all of the following conditions are met.

(a) The Employee is involuntarily unemployed during the applicable Stabilization Period.

(b) The Employee was available for and sought suitable work in the Sheet Metal Industry in his Home Local Union at all times during such Stabilization Period and until receipt of payment.

(c) The Employee did not refuse an offer or opportunity of suitable work or work in the Sheet Metal Industry on referral from his Home Local Union during the Stabilization Period.

(d) The Employee demonstrated a willingness to travel reasonable distances on referral from his Home Local Union to secure suitable work in the Sheet Metal Industry.

(e) The Employee was involuntarily unable to work the number of Group Hours applicable to his Home Local Union during such Stabilization Period, other than by reason of Temporary Disability for the entire Stabilization Period.

(f) The Employee has received a State System unemployment check for the Stabilization Period or would have been eligible for such benefits but for a waiting period, exhaustion of benefits or insufficient wage credits under the State System.

(g) The Employee submits an application in accordance with procedures established by the Trustees.

(h) The Employee is eligible for Benefits under Article II and has not lost eligibility under Article II, Sections 6 or 7, and does not terminate participation nor lose

qualification for Benefits under Article X at any time during such Stabilization Period or before receipt of payment.

**SECTION 2. AMOUNT OF BENEFIT.** The benefit payable under this Article shall be calculated in accordance with (a) and (b) below, but shall not exceed the maximum set out in (c) below.

(a) The basic benefit equals the Average Hourly Wage on which Contributions were remitted in the Employee's Home Local multiplied by the Group Hours for the Employee.

(b) The basic benefit will be reduced by Industry Hours for the Stabilization Period and the amount of all Welfare Benefits paid on behalf of such Employee (for Stabilization Period 1991-A and later Stabilization Periods) that have not yet been deducted from such Employee's Benefits.

(c) The maximum benefit is the lesser of one hundred ninety (190) times the Average Hourly Wage or the amount of the Employee's average earnings used in computing his State System benefits.

**SECTION 3. ADVANCE PAYMENT.** An Employee may receive an advance payment of Supplemental Unemployment Benefits as follows:

(a) The Employee has been unemployed for a period of 60 consecutive days, within the Stabilization Period.

(b) The unemployment of the Employee is confirmed by the Employee's Home Local Union business manager or agent or other appropriate person, including a State System, as the Administrator or Trustees may determine.

(c) The Employee is eligible for Benefits under Article II and has not lost eligibility under Article II, Sections 6 or 7, and has not forfeited eligibility or qualification for Benefits under Article X before receipt of payment.

(d) The Employee has registered at and has reported to an employment office maintained by a State System.

(e) The Employee has received a State System unemployment check for the Stabilization Period or would have been eligible for such benefits but for a waiting period, exhaustion of benefits or insufficient wage credits under the State System.

(f) The Employee submits an application for advance payment in accordance with procedures established by the Trustees.

(g) The amount of the advance cannot exceed ninety-five (95) times the Average Hourly Wage of the Employee or, in the discretion of the Administrator, a higher amount

not in excess of 190 times the Average Hourly Wage. If the Employee has outstanding Welfare Benefits, the Employee will not be entitled to advance payment of benefits.

(h) An Employee who receives an advance payment of supplemental unemployment benefits in a Stabilization Period will be deemed to have applied for and received an Underemployment Benefit for that Stabilization Period. An Employee who has received an advance payment of supplemental unemployment benefits in a Stabilization Period in an amount greater than the amount that is ultimately payable as an Underemployment Benefit in that Stabilization Period will be deemed to have applied for and received an Underemployment Benefit for a later Stabilization Period(s) and such excess payment shall be deducted from future Benefit payments until it is reimbursed to SASMI.

**SECTION 4. LIMITATIONS ON SUPPLEMENTAL UNEMPLOYMENT BENEFITS.** An Employee shall cease to be eligible for supplemental unemployment benefits and forfeit any Benefits which would otherwise have been payable upon a loss of eligibility, termination of participation or loss of qualification as and to the extent provided in Articles II and X.

#### **ARTICLE IV UNDEREMPLOYMENT BENEFITS**

**SECTION 1. QUALIFICATION REQUIREMENTS.** An Employee qualifies for benefits under this Article for a Stabilization Period for which he satisfies the following conditions.

- (a) The Employee was available for and sought suitable work in the Sheet Metal Industry in his Home Local Union at all times during such Stabilization Period and until receipt of payment.
- (b) The Employee did not refuse an offer or opportunity of suitable work or work in the Sheet Metal Industry on referral from his Home Local Union during the Stabilization Period.
- (c) The Employee demonstrated a willingness to travel reasonable distances on referral from his Home Local Union to secure suitable work in the Sheet Metal Industry.
- (d) The Employee was involuntarily unable to work the number of Group Hours applicable to his Home Local Union during such Stabilization Period, including an absence due to non-occupational Temporary Disability for the entire Stabilization Period.
- (e) The Employee submits an application in accordance with procedures established by the Trustees.
- (f) The Employee is eligible for Benefits under Article II and has not lost eligibility under Article II, Sections 6 or 7, and does not terminate participation nor lose qualification for Benefits under Article X at any time during such Stabilization Period or before receipt of payment.

**SECTION 2. AMOUNT OF BENEFIT.** The benefit payable under this Article shall be calculated in accordance with (a), (b) and (c) below but shall not exceed the maximum set out in (d) below.

(a) The basic benefit equals the Average Hourly Wage multiplied by the Group Hours for the Employee.

(b) The basic benefit will be reduced by: (1) Industry Hours for the Stabilization Period; (2) the amount of all Health Benefits paid on behalf of such Employee (for Stabilization Period 1991-A and later Stabilization Periods) that have not yet been deducted from such Employee's Benefits and (3) the amount of Supplemental Unemployment Benefits paid for the Stabilization Period.

(c) The Underemployment Benefit shall be adjusted as follows.

(1) The Underemployment Benefit shall be reduced by one twenty-sixth (1/26th) for each week an Employee is not available for and/or seeking suitable work in the Sheet Metal Industry due to Disability, vacation (of more than two (2) weeks per year), strike or lockout, or other voluntary unemployment.

(2) The Underemployment Benefit payable shall be reduced by one fifty-second (1/52) of the amount of Underemployment Benefit otherwise payable to the Employee for each week in the Stabilization Period during which the Employee was not available for and/or not seeking suitable work in the Sheet Metal Industry due to Temporary Disability.

(3) The Underemployment Benefit payable to an Employee with a non-occupational Temporary Disability during the entire Stabilization Period is limited to half (50%) of the amount otherwise payable under the foregoing rules, excluding Temporary Disability adjustments.

(d) The maximum benefit is one-hundred-ninety (190) times the Average Hourly Wage.

**SECTION 3. LIMITATIONS ON UNDEREMPLOYMENT BENEFITS.** An Employee shall cease to be eligible for Underemployment Benefits and forfeit any Benefits which would otherwise have been payable upon a loss of eligibility, termination of participation or loss of qualification as and to the extent provided in Articles II and IX.

## **ARTICLE V** **WELFARE BENEFITS**

**SECTION 1. QUALIFICATION REQUIREMENTS.** An Employee qualifies for Benefits under this Article in a Stabilization Period for which all of the following conditions are met.

- (a) An Employee is available for suitable work but does not work the number of hours necessary to be credited for the minimum contribution to continue his participation in the health plan in his Home Local Union or either has exhausted his hours or does not have sufficient hours in his credit or reserve bank to meet the participation requirements of the health plan of the Home Local Union.
- (b) The Employee's lack of eligibility under the health plan of his Home Local Union is certified by the Employee's Local Union business manager or agent or other appropriate person as the Trustees may determine.
- (c) The Employee is not eligible for health coverage in the jurisdiction of any Local Union.
- (d) The Employee is eligible for Benefits under Article II and has not lost eligibility under Article II, Sections 6 or 7, and does not terminate participation nor lose qualification for Benefits under Article X at any time during such Stabilization Period or before receipt of payment.
- (e) The Employee did not refuse an offer or opportunity of suitable work or work in the Sheet Metal Industry on referral from his Home Local Union during the Stabilization Period.

**SECTION 2. AMOUNT OF BENEFIT.** SASMI shall pay benefits under this Article in the following manner.

- (a) SASMI will pay the Home Local Union health plan in which the Employee is or was an Employee the difference between the monthly minimum of hours required to continue health insurance and related welfare benefit coverage for the Employee and his family and the number of hours credited to the Employee by the plan for the month or by reason of a credit or reserve bank.
- (b) Payment will be made based on a certification by the Home Local Union health plan that the Employee no longer has sufficient hours to maintain eligibility. The Home Local Union health plan will/may submit applications in accordance with procedures established by the Trustees or Administrator.
- (c) The payment under this Article cannot exceed the maximum amount payable as an Underemployment Benefit for the Stabilization Period.
- (d) No payment will be made unless the amount paid will provide health coverage for the Employee and/or his family. No payment will be made if an Employee has waived coverage under his Home Local Union health plan under applicable law, including the IRC. No Payment will be made in excess of an amount an employer would have to pay in order to maintain coverage.

**SECTION 3. RECOVERY/COORDINATION OF BENEFITS.** The amount of the payment under this Article will reduce any Supplemental Unemployment Benefit or Underemployment Benefit to which the Employee is or becomes entitled for the current or any future Stabilization Period.

**SECTION 4. LIMITATIONS ON WELFARE BENEFITS.** An Employee shall cease to be eligible for welfare benefits and forfeit any Benefits which would otherwise have been payable upon a loss of eligibility, termination of participation or loss of qualification as and to the extent provided in Articles II and X.

## **ARTICLE VI** **TRAVEL BENEFITS**

**SECTION 1. QUALIFICATION REQUIREMENTS.** An Employee qualifies for Benefits under this Article for a Stabilization Period for which all of the following conditions are met.

- (a) The Employee is from a Home Local Union which is party to a Contract, other than a Contract requiring contributions to HCRA B, on the date of the referral for travel to any area with a manpower shortage and a referral is made thru the SMART Job Bank prior to the travel. In certain situations, at the discretion of the Trustees, if a referral was made between Local Unions prior to the official SMART Job Bank posting, such referral and travel shall be eligible for benefits, but only if the referral was made within 15 days of the SMART Job Bank posing. For jobs between different Local Unions, the Employee must be referred to the area in which the manpower shortage exists through the SMART Job Bank.
- (b) The Employee is underemployed or threatened with Underemployment in his Home Local Union.
- (c) The Plan and Trustees determine that a manpower shortage exists in an area as the work force in the area is insufficient to provide the manpower necessary for present or immediate future job requirements.
- (d) The manpower shortage shall be certified to SASMI by a Local Union and an Employer in an area participating in SASMI or a Local Fund, a Local Union and an Employer within a single Local Union's territorial jurisdiction or a Local Union or the International Union and an Employer within the Local Union's jurisdiction which are party to an collective bargaining agreement which is not a Contract.
- (e) A Contract or a Supplemental Collective Bargaining Agreement/ Provisional Participation Agreement has been executed for the area of work.
- (f) The Employee travels to the area in which the manpower shortage exists and accepts and completes employment with an Employer for a period of sixty (60) working days within a period of eighty-four (84) consecutive calendar days or the duration of the

job, whichever is shorter. If travel is less than one thousand (1,000) miles, the Employee must only complete thirty (30) working days within a period of forty-two (42) consecutive calendar days or the duration of the job, whichever is shorter. If travel is at least ninety (90) miles one-way from the Employee's home but within the jurisdiction of his Home Local Union, the Employee must only complete ten (10) working days within fourteen (14) consecutive calendar days. No benefits are payable for travel which is less than ninety (90) miles one-way.

(g) The Employer in the area in which the manpower shortage exists guarantees, in advance, that each Employee approved for benefits under this Article who travels to the work area will be offered employment and paid wages, unless discharged for good cause, for at least sixty (60) working days within a period of eighty-four (84) consecutive calendar days. If travel is less than one thousand (1,000) miles, the Employer must only guarantee thirty (30) working days within a period of forty-two (42) consecutive calendar days. If travel is at least one hundred (100) miles one-way from the Employee's home but is within the jurisdiction of his Home Local Union, the Employer must only guarantee ten (10) working days within fourteen (14) consecutive calendar days. If traveling between a SASMI Contract and a non SASMI Contract the distance required needs to be greater than two-hundred (200) or more miles, one way, and outside his Home Local Union.

(h) The Employee's Home Local Union and the Local Union or related health funds to which the Employee is traveling have both executed and each is currently a party to the National Reciprocal Health and Welfare Agreement for funds affiliated with the Local Union and International Union.

(i) The Employee submits an application in accordance with procedures established by the Trustees.

(j) The Employee is eligible for Benefits under Article II and has not lost eligibility under Article II, Sections 6 or 7, and does not terminate participation nor lose qualification for Benefits under Article X at any time during such Stabilization Period or before receipt of payment.

**SECTION 2. AMOUNT OF BENEFIT.** The benefit under this Article is the applicable amount under subsection (a) or (b) but not in excess of the limitations in subsections (c) through (f).

(a) SASMI will pay the mileage rate under subsection (b) plus the *per diem* rate of \$75/day up to a maximum of \$1,125 for related living expenses or reasonable travel expenses incurred for any one round trip job within or outside of the Employee's Home Local Union.

An Employee who travels to the jurisdiction of another Local Union that participates in SASMI (excluding a Local Union that participates in HCRA B), without a thirty (30) or sixty (60)-day guarantee of employment, who actually works for the

minimum period required under Section 1(f) of this Article and provides a layoff slip may receive payment of return mileage.

(b) The mileage rate is the allowable rate for mileage for non-taxable reimbursement of travel expenses established from time to time under the IRC.

(c) The total Travel Benefit may not exceed one thousand one hundred twenty five dollars (\$1,125.00) for travel after 2013 or, if lower, the allowable IRS *per diem* amount without accounting for expenses for the area in which the Employee works or a lower limit under the Plan in effect before 2014.

(d) The Travel Benefit will be reduced or eliminated where a contractor pays travel and/or living expenses, directly or indirectly, to employees.

**SECTION 3. LIMITATIONS ON TRAVEL BENEFITS.** An Employee shall cease to be eligible for travel benefits and forfeit any Benefits which would otherwise have been payable upon a loss of eligibility, termination of participation or loss of qualification as and to the extent provided in Articles II and X.

## **ARTICLE VII SEVERANCE BENEFITS**

**SECTION 1. QUALIFICATION REQUIREMENTS.** An Employee qualifies for benefits under this Article if all of the following conditions are met.

(a) The Employee is eligible for Supplemental Unemployment Benefits or Underemployment Benefits on or after July 1, 1992.

(b) The Employee has at least two (2) years of Future Service Credit before 2010.

(c) The Employee has a Severance from work in the Sheet Metal Industry on or after July 1, 1992.

(d) The Employee is eligible for Benefits and does not forfeit his eligibility nor his qualification for Benefits under the Plan as in effect on or before December 31, 2009, before receipt of payment other than by reason of Severance.

(e) An application is filed in accordance with procedures established by the Trustees.

**SECTION 2. AMOUNT OF BENEFIT.** The benefit under this Article is the sum of (a) plus (b) multiplied by (c) the product of which is reduced by (d).

(a) All of the Employee's years of Future Service Credit, as limited by Section 4 below, up to a maximum of thirty-five (35) years are multiplied by the percentage in the following chart opposite his total number of years of Future Service Credit:



| <b>Years of Future Service Credit</b> | <b>Percentage</b>  |
|---------------------------------------|--|
| 2 -2.5                                | 2%   |
| 6 – 9.5                               | 3%   |
| 10 – 35                               | 4% per year for first 20 years, plus<br>4.5% for years 21-30 and 5% for<br>years 31 through 35 |

- (b) The Employee's years of Past Service Credit are multiplied by one percent (1%). The years of Past Service Credit cannot exceed the lesser of twenty-three (23) years or twenty-five (25) less the years of Future Service Credit.
- (c) The total Contributions actually paid to the Plan, as limited by Section 4 below, for work by the Employee shall be determined.
- (d) The basic amount as determined in paragraph (c) shall be reduced by subtracting the total amount of all Benefits received under this and any prior Plan.
- (e) The Severance benefit cannot exceed twice the Gross Earnings (as defined in the Plan in effect on or before December 31, 2009) of the Employee from Employers in the calendar year before termination of service with the Employers.

**SECTION 3. PAYMENT.** Payment of the Severance benefit will be made as follows:

- (a) The Severance benefit shall be paid in a lump sum upon application after Severance and within twenty-four (24) months of termination of work with the Employers.
- (b) Any Severance Benefit paid to an Employee who returned to work prior to December 31, 2009, but not after January 1, 2010, in the Sheet Metal Industry shall be treated as an advance payment of Benefits. No Benefits will be paid to the Employee until the Severance Benefit payment has been deducted from future Benefits and reimbursed to SASMI.

**SECTION 4. SEVERANCE TERMINATION.** Notwithstanding anything else in this Article or Plan, the Severance Benefit will be frozen as of December 31, 2009, with no additional credit for Past Service Credit, Future Service Credit, or contributions after December 31, 2009. The Severance Benefit will be paid as and when provided under the terms of the existing plan, which has not been materially modified within the meaning of IRC Section 409A and the final Treasury Department regulations thereunder. It is the specific intent of this provision to eliminate the accrual of any Severance Benefit after December 31, 2009 that could be subject to IRC Section 409A. This Article and these Rules and Regulations shall be interpreted and applied accordingly.

**SECTION 5. DEATH OF EMPLOYEE.**

- (a) A Severance Benefit which would have been payable to a deceased Employee and for which he timely applied shall be paid to the Employee's beneficiary as set out on a

SASMI designation of beneficiary card filed with the Employee's Local Union. An Employee may change his designation of beneficiary from time to time. All beneficiary designations shall be made in the form and manner required by the Trustees who shall be the sole judges of the validity thereof.

(b) If the Employee's primary and successor beneficiary die prior to the death of the Employee, or if no beneficiary is designated, then any death benefit otherwise payable under this Section shall be paid in the following order:

- (1) to the Employee's surviving spouse;
- (2) if no spouse survives the Employee, to his children in equal shares;
- (3) if no children survive the Employee, to his parents in equal shares;
- (4) if no parents survive the Employee, to his brothers and/or sisters in equal shares;
- (5) If none of the persons enumerated in the foregoing listing of heirs survive the Employee, then the death benefit will be paid to the Employee's estate.

(c) In the event a deceased Employee would have qualified for the payment of a Severance Benefit but had not submitted an application and died within the time for application, an application may be filed by his beneficiary. Any benefit which is payable shall be paid to the designated beneficiary of the deceased Employee in accordance with the provisions of this section.

(d) This section shall not apply if and to the extent that it would be a material modification of the Severance Benefit as in effect at December 31, 2009 for purposes of IRC Section 409A and final Treasury Department regulations thereunder

**SECTION 6. TERMINATION OF ELIGIBILITY FOR SEVERANCE BENEFITS.** An Employee shall cease to be an Employee as defined by this Plan and/or will not be eligible for Severance Benefits which would otherwise have been payable under the circumstances provided in the Plan as of December 31, 2009, which is incorporated by reference.

## **ARTICLE VIII** **DEATH BENEFIT**

**SECTION 1. QUALIFICATION.** An Employee qualifies for Benefits under this Article if all of the following conditions are met.

- (a) The Employee is eligible for Active Benefits on or after January 1, 2010.

- (b) The Employee has obtained 5 years of Future Service Credit with a minimum or one (1) hour of paid Contributions after January 1, 2010. Eligible Active Employees that were unable to obtain 5 years of Future Service Credit due to death between January 1, 2010 and December 31, 2014 shall be deemed to have had the minimum required amount of Future Service to qualify if the Employee had at least five (5) years of Future Service Credit before 2010.
- (c) The Employee is eligible for Benefits under Article II and did not terminate participation nor lose qualification for Benefits under Article X at any time prior to death.
- (d) The Employee has not received Active Benefits exceeding the Contributions paid for his work.
- (e) The Employee has not received a Vacation Benefit.
- (f) Death occurs after January 1, 2010.
- (g) An application is filed within one (1) year of the Employee's death and in accordance with procedures established by the Trustees.

**SECTION 2. AMOUNT OF BENEFIT.** The benefit payable under this Article shall be determined by the Employee's years of Future Service Credit, as listed in the following chart. The benefit is only payable as listed below.

| <b>Years of Future Service Credit</b> | <b>Benefit Amount</b> |
|---------------------------------------|-----------------------|
| 5 – 9.5                               | \$5,000               |
| 10 – 14.5                             | \$10,000              |
| 15 – 19.5                             | \$20,000              |
| 20 – 24.5                             | \$30,000              |
| 25 – 29.5                             | \$40,000              |
| 30 or More                            | \$50,000              |

**SECTION 3. EXCLUSIONS.** An Employee shall cease to be eligible and shall not be covered for losses caused by, or that result from the following:

- (a) Intentionally self-inflicted while sane or insane;
- (b) While committing an assault or felony.

**SECTION 4. LIMITATIONS ON DEATH BENEFITS.** An Employee shall cease to be eligible for Death Benefits and shall forfeit any Benefits which would otherwise have been payable upon any of the following:

- (a) a loss of eligibility;
- (b) termination of participation;
- (c) loss of qualification as and to the extent provided in Articles II and X;
- (d) retirement.

**ARTICLE IX**  
**PRODUCTION AND INDUSTRIAL EMPLOYEES**

**SECTION 1. BENEFIT ADJUSTMENTS.** Notwithstanding anything to the contrary in these Rules and Regulations, the Benefits payable to an Employee of a Production or Industrial Employer shall be adjusted and paid as provided in this Article. To the extent this Article IX does not specify eligibility or other requirements the provisions set out elsewhere in these Rules and Regulations apply.

The separate schedule of benefits for Employees of Production or Industrial Employers in the SASMI Production or Industrial Rules and Regulations is terminated as of December 31, 2013 and the provisions herein shall apply thereafter.

**SECTION 2. INITIAL ELIGIBILITY.** The initial eligibility of an Employee of a Production and Industrial Employer commences upon the completion of 600 Hours within any twelve (12) consecutive months, 1,000 Hours within any twenty-four (24) consecutive months, or 1,400 Hours within any period of time. Such initial eligibility shall entitle an otherwise qualified Employee to the payment of Benefits provided he meets all other requirements for such benefits.

**SECTION 3. SUPPLEMENTAL UNEMPLOYMENT BENEFITS.** The maximum benefit under Article III cannot exceed ninety-five (95) times the Average Hourly Wage for eligibility based on work with and Contributions by a Production and Industrial Employer.

**SECTION 4. UNDEREMPLOYMENT BENEFITS.** The maximum benefit under Article IV cannot exceed ninety-five (95) times the Average Hourly Wage for eligibility based on work with and Contributions by a Production and Industrial Employer.

**SECTION 5. WELFARE BENEFITS.** The maximum benefit under Article V cannot exceed ninety-five (95) times the Average Hourly Wage for eligibility based on work and Contributions by a Production and Industrial Employer and must be paid only to a health plan maintained by the Employee's Production and Industrial Employer.

Notwithstanding the prior Production & Industrial Rules and Regulations, no payment shall be made to reimburse medical premiums or payments for health benefit coverage by an Employee after 2013.

**SECTION 6. TRAVEL BENEFITS.** There are no Travel Benefits under Article VI for Employees with eligibility based on work with and Contributions by a Production and Industrial Employer.

**SECTION 7. SEVERANCE BENEFITS.** An Employee shall only be eligible for Severance Benefits under Article VII based on work with and Contributions to SASMI by a Production or Industrial Employer as provided in the Production & Industrial Rules and Regulations as of December 31, 2009.

**SECTION 8. DISABILITY BENEFIT.** The disability benefit under the separate schedule of benefits for employees of Production or Industrial Employers in the SASMI Production or Industrial Rules and Regulations is terminated as of December 31, 2013.

**SECTION 9. DEATH BENEFIT.** The maximum benefit under this Article IX, Section 9, cannot exceed \$25,000. The benefit shall be determined by the Employee's years of Future Service Credit, as listed in the following chart.

| <b>Years of Future Service Credit</b> | <b>Percentage</b> |
|---------------------------------------|-------------------|
| 5 – 9.5                               | \$2,500           |
| 10 – 14.5                             | \$5,000           |
| 15 – 19.5                             | \$10,000          |
| 20 – 24.5                             | \$15,000          |
| 25 – 29.5                             | \$20,000          |
| 30 or More                            | \$25,000          |

**ARTICLE X**  
**LOSS OF QUALIFICATION**

**SECTION 1. PARTIAL LOSS OF BENEFITS.** Notwithstanding any other provision of the Plan, an Employee is disqualified from payment and forfeits all Supplemental Unemployment Benefits, Underemployment Benefits, Welfare Benefits and Travel Benefits which would otherwise have been payable for a Stabilization Period under the following circumstances.

(a) 10% of Group Hours. An Employee who, after receipt of two (2) Supplemental Unemployment Benefits or Underemployment Benefits, has failed either voluntarily or involuntarily to work at least ten percent (10%) of the applicable Group Hours in the Stabilization Period preceding the Stabilization Period for which the Employee is applying for Benefits is disqualified. This rule will not:

(1) apply to an Employee who fails to complete at least ten percent (10%) of the applicable Group Hours due to unemployment in the jurisdiction of his Home Local Union and works in the jurisdiction of a Local Union that does not participate in SASMI, provided the Employee receives a SASMI Travel Benefit for the non-SASMI work performed, nor

(2) result in loss of qualification for Travel Benefits or Welfare Benefits.

(b) Lack of Continued Training. An Employee who fails or refuses without sufficient cause to enroll in, attend, and complete a course of advanced training is disqualified if:

(1) the Employee's Home Local Union has a school or program for advanced journeyman training or upgrading skills of Employees,

(2) the Employee has received Supplemental Unemployment Benefits or Underemployment Benefits for a Stabilization Period, and

(3) the Trustees determine that such advance training is required.

(c) Refused Work. An Employee who refuses, without sufficient cause, an offer or opportunity of suitable work or work referral from his Home Local Union during any Stabilization Period is disqualified.

(d) Disability. Except as provided in Article IV, Section 2(c)(3) and related provisions, an Employee with a Disability for an entire Stabilization Period is disqualified.

(e) Drug Testing. An Employee who fails, neglects or refuses to pass job-site drug testing requirements is disqualified from Supplemental Unemployment Benefits, Underemployment Benefits, and Travel Benefits, unless the Employee is enrolled in a *bona fide* employee assistance program.

**SECTION 2. LOSS OF ALL BENEFITS.** Notwithstanding any other provision of the Plan, an Employee is disqualified from payment and forfeits all Benefits which would otherwise have been payable under the following circumstances. An Employee who loses Benefits under this section shall cease to be an Employee in the Plan and must re-establish initial eligibility under Article II, Section 1.

(a) Individual Termination – Current Benefits. Eligibility for Benefits that would otherwise have been payable (other than a Severance or Death Benefit) unless allowed by Article II, Section 4, shall be lost immediately in the following circumstances.

(1) An Employee permanently ceases to be employed in the Sheet Metal Industry.

(2) An Employee accepts permanent employment outside the Sheet Metal Industry, whether or not he remains in his Home Local Union.

(3) An Employee becomes a partner or the sole proprietor of a business in the Sheet Metal Industry.

(4) An Employee becomes an Owner or Relative of an Owner of a business in the Sheet Metal Industry and does not satisfy the requirements of Article II, Section 5.

(b) Individual Termination – All Benefits. Eligibility for Benefits that would otherwise have been payable and all Past Service Credit and Future Service Credit shall be lost immediately in the following circumstances.

(1) An Employee accepts any employment in the Sheet Metal Industry from an employer who is not party to a collective bargaining agreement with the International Union or a Local Union.

(2) An Employee transfers to a Local Union with no Contracts or one with a Contract requiring contributions to HCRA B.

(c) Local Union Termination. Eligibility for Benefits that would otherwise have been payable and all Past Service Credit and Future Service Credit shall be lost immediately when the Employee's Home Local Union takes an action that terminates or will at some future date terminate the provisions of the Local Union's Contracts. This provision shall not apply to an Employee who transfers to a Local Union with a Contract or files an application for a Severance Benefit with SASMI before the Employee's Home Local Union takes action that terminates or will terminate at some future date the provisions of the Local Union's Contracts. The application shall be processed and, if a Severance Benefit would otherwise be made, paid thereon as if the action of the Employee's Home Local Union had not occurred. For purposes of this provision, a collective bargaining agreement requiring contributions to HCRA B is not a Contract.

(d) Offset. Any Benefits due an Owner or spouse of an Owner who fails to pay Contributions or other amounts to SASMI shall be reduced by the amount not paid and interest on that amount under Section 502(g) of ERISA. The same rule shall apply to any other Employee who is personally responsible for an Employer's failure to make payment to SASMI as required by Article XIII Section 3(c). The procedure set out in this section relates to the calculation of benefits, it is not a denial of benefits. This procedure may change the amount of an obligation, but it does not eliminate the existence of the Plan's obligation to pay the benefit as calculated, even if the calculated amount is \$0. The implementation and use of this procedure cannot be waived, released, discharged or otherwise modified in the calculation of any person's benefits without a specific reference to this plan section and to the plan benefit(s) to which the waiver, release, discharge, etc is meant to apply.

**SECTION 3. EFFECT OF TERMINATION AS EMPLOYER.** In the event that an employer's status as an Employer is terminated, then:

(a) notwithstanding any provision to the contrary in any collective bargaining agreement or other similar agreement to which the employer is a party, the employer shall cease to be an Employer under the Plan;

(b) any person employed by such former Employer shall cease to be an Employee and shall forfeit eligibility and lose qualification for any and all Benefits otherwise payable (other than a Severance and Death Benefit for which the Employee is and/or remains eligible and qualified); and

(c) all Hours and Contributions with the former Employer after the former Employer's termination date shall be disregarded.

**ARTICLE XI**  
**APPLICATION AND APPEAL**  
**PROCEDURES FOR BENEFIT PAYMENTS**

**SECTION 1. APPLICATIONS.**

- (a) Filing of Applications. An application for a Benefit shall be available from SASMI or other persons authorized by the Trustees and shall be filed with the SASMI office.
- (b) Application Information. An application for a Benefit shall be made in writing and shall include information deemed necessary by the Trustees such as wages, source and amount thereof, and such other information as the Trustees may reasonably require in order to determine whether the Employee or other claimant is entitled to a Benefit.
- (c) Fraudulent or Deceptive Statements. If the Trustees determine that an application for benefits has been intentionally falsified by an Employee, for the purpose of attempting to receive benefits not otherwise payable, the result will be disqualification from any Benefits payable and future Benefits for a period of one (1) year. If the falsification is committed by a representative of an Employee or other person, the person shall be subject to any available remedy under applicable law.

**SECTION 2. APPLICATION FOR SUPPLEMENTAL UNEMPLOYMENT BENEFIT OR UNDEREMPLOYMENT BENEFIT.** An application for a Supplemental Unemployment Benefit or Underemployment Benefit shall be made in writing in the form established from time to time by the Administrator, as approved and authorized by the Trustees. The application shall be postmarked and mailed to SASMI no later than April 1st or the first business day thereafter for Stabilization Period B and no later than October 1st or the first business day thereafter for Stabilization Period A.

**SECTION 3. APPLICATION FOR ADVANCE PAYMENT OF SUPPLEMENTAL UNEMPLOYMENT BENEFIT.** Application for advance payment of a Supplemental Unemployment Benefit shall be made in writing in the form established from time to time by the Administrator, as approved and authorized by the Trustees. The application shall be filed after the first month of the Stabilization Period for which the application is made. A separate application shall be filed for each monthly payment.

**SECTION 4. APPLICATION FOR WELFARE BENEFITS.** No application for Welfare Benefits is required from an Employee. The health plan of the Employee's Home Local Union shall apply for payment by certifying that the Employee is not eligible for coverage under uniform plan rules applicable to all Employees (with or without SASMI coverage) and billing SASMI for payment in writing in the form established from time to time by the Administrator, as approved and authorized by the Trustees. The application shall be postmarked and mailed to SASMI by the Home Local Union health plan within ninety (90) calendar days after the end of the period for which the Welfare Benefit is to be paid.



**SECTION 5. APPLICATION FOR TRAVEL BENEFITS.** Application for any of the Travel Benefits shall be made in writing in the form established from time to time by the Administrator, as approved and authorized by the Trustees. Such application shall be filed with SASMI by the Employee prior to traveling.

**SECTION 6. APPLICATION FOR SEVERANCE BENEFITS.** Application for a Severance Benefit shall be made in writing in the form established from time to time by the Administrator, as approved and authorized by the Trustees. The application shall be filed with SASMI by the Employee no later than twenty-three (23) months after the Employee terminates service with the Employers.

**SECTION 7. APPLICATION FOR DEATH BENEFITS.** Application for Death Benefits shall be made in writing in the form established from time to time by the Administrator, as approved and authorized by the Trustees. The application shall be filed with SASMI by the Employee's surviving spouse or dependent child(ren) no later than twelve months after death.

**SECTION 8. APPLICATION PROCESSING BY TRUSTEES.** An application or other claim for Benefits is complete when the Employee or other claimant has furnished the information required. SASMI then shall determine whether an Employee is entitled to such Benefit and, if so entitled, shall arrange for the payment of the Benefit as soon as practicable. SASMI and the Claims Committee may expedite handling of a claim and extend the deadline for a request for review of a claim as necessary to maintain a reasonable claims procedure under ERISA and applicable regulations.

**SECTION 9. NOTIFICATION TO CLAIMANT OF DECISION.** If a Benefit application is granted, the Administrator shall make payment to the claimant in accordance with the Plan. If a claim (as defined under Section 502 of ERISA) is wholly or partially denied, the claimant shall be so notified within ninety (90) days after receipt of the application or, in special circumstances and with notice to the claimant within 90 days, up to 180 days. A denial shall include the specific reason for the denial, specific references to the Plan provisions on which the denial is based, a description of any additional material or information necessary for the claimant to complete the claim, including an explanation of why such material is necessary, and an explanation of the Plan's claims review procedure.

**SECTION 10. CLAIMS COMMITTEE.** The Trustees may appoint a Claims Committee, consisting of two or more persons with equal representation of Employer and Union Trustees, to carry out their functions with respect to the claims and review procedure specified in this Article. The Claims Committee shall have scheduled quarterly meetings to consider requests for review.

**SECTION 11. REVIEW PROCEDURE.** A claimant who has received a notice that his application has been denied may request a review of such notice of denial within sixty (60) days of the notice or a longer period allowed by the claims regulations under Section 503 of ERISA for a specific claim. In addition, a claimant who has not received a decision on an application by the deadline may request a review of his request. The claimant shall request a review in a written application to the Trustees. The claimant may have the opportunity to review pertinent

documents and may submit issues and comments to the Trustees in writing. The claimant may have representation in connection with this review procedure.

**SECTION 12. DECISION ON REVIEW.** Upon receipt of a request for review, the Trustees or the Claims Committee shall render a decision at the next scheduled meeting of the Trustees or the Claims Committee scheduled at least 30 days after receipt of the request for review or as soon as possible thereafter after receipt of the request for review, or, in special circumstances and with notice to the claimant before the initial deadline, the next scheduled meeting of the Trustees or the Claims Committee. The decision of the Trustees or the Claims Committee shall be in writing and shall include the specific reason(s) for the decision and specific reference to the Plan provisions on which the decision is based. Requests for review shall be considered at least once during each quarter of each calendar year by the Trustees or the Claims Committee.

**SECTION 13. RECORDS.** SASMI shall maintain a record of all applications for Benefits, requests for review and responses thereto, as required by ERISA.

**SECTION 14. UNIFORM LIMITATIONS PERIOD.**

(a) A claimant has a duty to present a claim for payment to SASMI before other legal action. To the fullest extent allowed by applicable law, no administrative proceedings, arbitration, lawsuit or other legal action on a claim against SASMI or its fiduciaries without filing of an application for Benefits or other claim for payment with SASMI and timely completion of the claims procedure in this Article.

(b) Except to the extent otherwise required by applicable law, no administrative proceedings, arbitration, lawsuit or other legal action on such claim for Benefits or other requests for payment from SASMI or its fiduciaries in connection with a claim for Benefits or other payments from SASMI or its fiduciaries (including without limitation, monetary remedies or awards for failure to respond to a request for documents or retroactive payments) shall be instituted against SASMI or its fiduciaries more than one hundred eighty (180) days after the earliest of:

(1) the last date for timely request for review of a denied claim;

(2) the date of a written determination or response by the Plan to a timely request for review on a claim, or

(3) the last date for a timely response by the Plan to a request for review or other request under ERISA and applicable regulations.

(c) The Administrator or legal counsel to the Trustees may agree to extend any time limits for review or other proceedings in writing to a claimant.

**ARTICLE XII**  
**GENERAL**

**SECTION 1. BENEFIT OVERPAYMENTS.**

- (a) If the Trustees overpay an Employee or other person, the recipient shall be required to make repayment to SASMI upon receiving written notice of such obligation from the Trustees.
- (b) If the recipient shall fail to return such amount, the amount of overpayment and interest may be deducted from any future Benefits or payments with respect to an Employee.
- (c) The Trustees additionally may take legal action to recover from the Employee or other recipient of an overpayment. In any such action, the Employee or other recipient of an overpayment shall be obligated to pay reasonable attorney's fees and any other fees or costs related to recovery of the overpayment and interest on the overpayment.

**SECTION 2. BENEFIT DEDUCTIONS.** The Trustees may, as they deem prudent, deduct or withhold from the amount of any Benefit, as computed under the Plan:

- (a) any amount required to be withheld by the Trustees by reason of any law or regulation or final court decree, or
- (b) any amount for payment of taxes or otherwise to any federal, state or municipal government, and
- (c) any amounts required to be withheld or deducted from wages or benefits by the Employers.

The amount withheld or deducted shall, when paid to the appropriate recipient, discharge and release the obligation of the Plan to the Employee for any Benefit.

**ARTICLE XIII**  
**ADMINISTRATION OF THE PLAN**

**SECTION 1. POWERS AND AUTHORITY OF TRUSTEES.** The Trustees are the plan administrator of the Plan under ERISA and are appointed under the Trust Agreement. They shall have the powers and authority with respect to the Plan provided to them in the Trust Agreement and applicable law. The decision of the Trustees on any matter relating to the Plan shall be final and binding. The powers of the Trustees include sole and absolute authority to determine;

- (a) the standard of proof required in any case;
- (b) the application and interpretation of these Rules and Regulations;

- (c) entitlement to, duration, amount of, or limitations on qualification for or loss of benefit eligibility;
- (d) whether an Employee was available for and sought suitable work under a Contract in his Home Local Union at all times during a Stabilization Period, refused an offer or opportunity of suitable work or work referral from his Home Local Union during any Stabilization Period, was involuntarily unable to work during a Stabilization Period, and/or made application for Benefits in accordance with prescribed procedures; and
- (e) an Employer's contribution level and the number of Hours to be credited to an Employee.

**SECTION 2. NONALIENATION OF BENEFITS.** No attempt to subject a Benefit or portion thereof to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of any kind shall be valid and enforceable. The Trustees may terminate the interest of an Employee in the Benefit or a portion thereof and apply the amount of such benefit or portion thereof to or for the benefit of such Employee's spouse, children, parents or other relatives or dependents or designated recipient as the Trustees may determine and any such application shall be a complete discharge of all liability with respect to such Benefits.

**SECTION 3. FUNDING.**

- (a) An employer will pay Contributions to the Plan or Trust, for allocation to the Plan as directed by the Trustees, as required by law, a Contract, or the Trust Agreement and pay interest, liquidated damages and costs of collection (including audit and attorney fees) as required by the Contract, Trust Agreement or applicable law.
- (b) All Contributions are, and shall be considered as, Plan assets from the date on which the earnings on which the employer is obligated to pay contributions to Plan or Fund accrue, whether or not such contributions are collected or received by Plan or Fund, and shall be held by an employer in trust as a fiduciary for the Plan or Fund. No employer has any right, title, or interest to any sum payable by the employer to Plan or Fund, but not yet paid to Plan or Fund. Title to all Contributions paid and/or due and owing to Plan or Fund shall be vested in the Trustees.
- (c) In the case of an Employer that fails to make the Contributions to the Plan for which it is obligated, in accordance with the terms and conditions of a Contract, the Trust Agreement or another agreement, the Trustees may bring an action on behalf of the Plan pursuant to ERISA Section 502(g)(2) to enforce the employer's obligation. In any such action in which judgment is awarded in favor of the Plan, the employer shall pay to the Plan, in accordance with the court's award:

- (1) the unpaid contributions;
- (2) interest on the unpaid contributions;

- (3) liquidated damages
  - (4) reasonable attorney's fees and any other fees or costs related to the delinquency or collection including audit fees, and
  - (5) other appropriate legal and equitable relief.
- (d) Nothing in this section shall be construed as a waiver or limitation on the rights or ability of the Plan, Trustees or Union to enforce an employer's contribution obligation in any other type of proceeding.
- (e) The Trustees may refuse any monies tendered which they find inconsistent with the financial integrity or actuarial soundness of SASMI.

**SECTION 4. CHOICE OF LAW.** All questions pertaining to validity, construction and administration of the Plan shall be determined in accordance with ERISA and, where reference to state law is necessary or appropriate, the law of the District of Columbia.

**SECTION 5. PRIVACY OF PROTECTED HEALTH INFORMATION.** In accordance with the HIPAA Privacy Rule, the Trustees and SASMI will only disclose Protected Health Information in accordance with the following rules:

- (a) Hybrid Entity. SASMI, which includes both the Active Plan and the Retiree Plan, is designated a "hybrid entity" as defined under 45 CFR §164.504. As such, the rules in subsections (b) to (n) below apply only with respect to the group health benefit operations of SASMI, directly or in relation to a Local Fund. The only benefit provided by the Active Plan that is related to health benefits is the payment of Premiums for participants who do not work sufficient hours to maintain coverage in their Health Plans, which in itself is not a group health benefit.
- (b) Unauthorized Use or Disclosure. Protected Health Information will only be used or disclosed as permitted or required by SASMI documents or as required by law.
- (c) Subcontractors and Agents. The Trustees and SASMI will require each agent and subcontractor to whom they provide Protected Health Information to agree to written contractual provisions that the agent or subcontractor will be subject to the same restrictions and conditions that apply to SASMI with respect to Protected Health Information.
- (d) Permitted Purposes. Protected Health Information will not be used or disclosed for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the employers who contribute to SASMI.
- (e) Reporting. The Trustees and SASMI will report and record uses or disclosures of Protected Health Information that are inconsistent with those permitted by law of which they become aware.

- (f) Protected Health Information Availability. Protected Health Information will be made available to Employees at the SASMI office so that Employees can inspect and copy their own individual Protected Health Information.
- (g) Protected Health Information Correction. Participants or beneficiaries eligible for health benefits will be permitted to amend or correct Protected Health Information that is incorrect or incomplete and SASMI will incorporate any such amendments or corrections provided by the Plan.
- (h) Accounting. The Trustees and SASMI will make Protected Health Information available to permit an accounting of disclosures;
- (i) Government Agencies. Internal practices, books and records relating to the use and disclosure of Protected Health Information will be made available to the Department of Health and Human Services for purposes of determining SASMI's compliance with HIPAA;
- (j) Return or Destruction of Protected Health Information. All Protected Health Information the Trustees and SASMI maintain in any form will be returned or destroyed if feasible, and no copies of such information will be retained, when such information is no longer needed for the purpose for which disclosure was made. If such return or destruction is not feasible, further uses and disclosures will be limited to those purposes that make the return or destruction of this information infeasible;
- (k) Minimum Necessary Standard. The Trustees and SASMI will use their best efforts to request only the minimum necessary type and amount of Protected Health Information needed to carry out the functions for which the information is requested.
- (l) Adequate separation. The Trustees will ensure that adequate separation exists between SASMI employees who perform functions related to its health care component and other employees of SASMI so that Protected Health Information will be used only for any group health benefit functions performed by SASMI. For purposes of establishing adequate separation, the Trustees will certify the employees or classes of employees that will have access to Protected Health Information for administrative purposes.
- (m) Non-compliance. Improper uses or disclosures of Protected Health Information may be reported to the privacy official of SASMI or the privacy official's designee for handling HIPAA violations.
- (n) Non-compliance by Business Associate. The Trustees and SASMI will not be liable for a breach of the HIPAA Privacy requirements by a business associate under HIPAA, except as required by law.

**SECTION 6. SECURITY OF PROTECTED HEALTH INFORMATION.** In accordance with the HIPAA Security Rule, the Trustees and SASMI, with respect to the group health benefit operations of SASMI, directly or in relation to a Local Fund, will safeguard Electronic Protected Health Information by:

(a) Administrative, Physical, and Technical Safeguards. Implementing administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that SASMI creates, receives, maintains, or transmits on behalf of the plan.

(b) Security of Adequate Separation. Ensuring that the “adequate separation” between a group health plan and other offices or plans of the union or employers described in the “Privacy of Protected Health Information” section is supported by reasonable and appropriate security measures.

(c) Subcontractors and Agents. Ensuring that any agent, including a subcontractor, to whom it provides Electronic Protected Health Information agrees to implement reasonable and appropriate security measures to protect such information.

(d) Reporting. Reporting any security incident of it becomes aware.

The provisions in Sections (a) through (d) above do not apply to Electronic Protected Health Information that a plan sponsor receives; (1) pursuant to 45 C.F.R. §164.504(f)(1)(ii) or (iii), or, (2) through a valid authorization in accordance with 45 C.F.R. §164.508.

The HIPAA security regulations, 45 C.F.R. Parts 160, 162, and 164, are incorporated herein by reference. Unless defined otherwise, all capitalized terms herein have the definition given to them by the Security Regulations. If any other provision(s) of the Plan conflicts with this Section, this Section shall control.

#### **ARTICLE XIV** **AMENDMENT AND TERMINATION OF THE PLAN**

**SECTION 1. AMENDMENT.** No Employee or person claiming through an Employee shall have any right, title or interest in SASMI, its assets or Benefits until the Employee is qualified and receives payment. The Benefits under the Plan are not vested and may be amended or modified by the Trustees at any time before payment. No amendment or modification may cause a reversion of any Plan assets to the Employers nor permit any Plan assets to be used for or diverted to any purpose other than the exclusive benefit of the Employees and their beneficiaries and payment of administrative expenses.

**SECTION 2. TERMINATION OF PLAN.** Upon termination of the Plan, the assets then remaining in the Plan shall be used to pay expenses of administration and to pay Benefits to Employees entitled thereto, unless sooner exhausted. Thereafter, the Trustees shall determine the disposition of any remaining assets of the Plan in any fashion not inconsistent with the purposes of the Plan, and in accordance with ERISA Section 403(d)(2). Under no circumstances

shall any money or assets remaining in the Plan be returned to or inure to the benefit of an Employer, a Local Union or the International Union.

**SECTION 3. RECIPROCITY AND ALTERNATIVE CONTRIBUTIONS.** The Trustees may, in their sole discretion, enter reciprocal agreements with other employee benefit plans or Local Unions which shall form part of this Plan or accept contributions from Employers at non-standard rates. Absent other direction of the Trustees, any and all Benefits under the Plan will be pro-rated and adjusted based on the amount of such contributions in relation to the standard SASMI contribution rate for a building trades journeyman for work covered by an alternative contribution.

**SECTION 4. TERMINATION OF STATUS AS EMPLOYER.** The Trustees may, in their sole discretion, terminate an employer's status as an Employer in the event that:

- (a) an employer ceases to pay contributions to SASMI at any time in violation of its Contract and/or the terms of the Plan and Fund documents;
- (b) the employer enters into a Contract, and then fails to renew such agreement, or enters into a collective bargaining agreement or other agreement which does not require the continuation of contributions to SASMI, or requires contributions at a reduced contribution rate; or
- (c) the employer fails to pay contributions at the minimum contribution rate as the Trustees may impose in order to preserve the actuarial soundness of SASMI and adequately to fund benefits provided under the Plan.

**SECTION 5. SEVERABILITY.** Should any provision in the Plan presently or hereafter in effect be deemed or held to be invalid under the provisions of ERISA, other applicable state or federal law or to impair SASMI's status as an organization exempt from federal income tax, such invalidity or impairment shall not adversely affect the other provisions of the Plan. The Plan shall be construed and shall be automatically amended (including creation of separate plans) to eliminate the invalidity or impairment, with such retroactive effect as is necessary or appropriate. If the invalidity or impairment shall make impossible or impractical the functioning of the Plan, the Plan shall terminate unless the Trustees shall approve a different course of action.



We have signed this document to evidence and memorialize our prior and current resolutions on \_\_\_\_\_, 2017, effective January 1, 2017.

UNION TRUSTEES

EMPLOYER TRUSTEES

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