



## **RETIREE PLAN**

**STABILIZATION AGREEMENT OF THE SHEET  
METAL INDUSTRY (SASMI)  
Summary Plan Description (SPD)**

**AS OF JULY 1, 2018**

**SUMMARY PLAN DESCRIPTION**

## TO ALL RETIRED SASMI PARTICIPANTS

This Summary Plan Description (SPD) contains short descriptions of the benefits provided under both the Active SASMI Plan of Benefits and the Retiree Plan of Benefits. More complete descriptions of the benefits can be found in the Active and Retiree Rules and Regulations (Plan Documents) which are available on the SASMI website [www.SASMI.org](http://www.SASMI.org). Copies of these documents are also available upon request from the SASMI office at 8403 Arlington Boulevard, Suite 310, Fairfax, Virginia 22031-4601 and for inspection at the various local union offices that participate in SASMI.

Application forms and information about your personal benefits can also be found on the SASMI website, [www.SASMI.org](http://www.SASMI.org).

If you have questions about the website, the benefits, or your eligibility and benefits you can write to the Fund at the address above or call SASMI at 1-800-858-0354. You may not rely on statements or writings from anyone other than the SASMI Administrator or the Trustees as a group with respect to your SASMI benefits.

If there is any discrepancy between this Summary Plan Description and the Rules and Regulations or Trust Agreement, the Rules and Regulations or Trust Agreement will control. The SASMI Trustees reserve the right to amend the governing documents at any time with respect to any and all benefits including those already approved for payment.

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## **WHAT IS SASMI?**

The National Stabilization Agreement of the Sheet Metal Industry Trust Fund (more commonly known as the “SASMI Trust Fund”) is an independent trust fund set up to stabilize employment and earnings in the Sheet Metal Industry and to protect you against related loss or interruption of earning power. It does this by providing certain benefits to covered sheet metal workers.

The Trustees of the SASMI Trust Fund have created separate plans for active employees (the “Active Employee Plan”) and retirees (the “Retiree Plan”) under the umbrella of the SASMI Trust Fund. In this booklet “SASMI” refers to the trust fund and its two plans – one for active employees and one for retirees, together or separately.

## **WHO RUNS SASMI?**

SASMI is governed by a Board of Trustees half of whom are selected by the union and half of whom are elected by participating contractors. The Trustees are the legal plan sponsor and plan administrator of SASMI and have full control over its terms and operations.

SASMI operates under a trust agreement which requires that all fiduciary decisions be made in the best interest of SASMI participants. Its day-to-day operations are carried out under the supervision of an Administrator who is appointed by the Trustees. The Trustees make all policy decisions and the final determination regarding benefit appeals. The SASMI Trustees have the sole and absolute discretion to interpret and apply the provisions of the Rules and Regulations and other SASMI documents.

## **HOW ARE BENEFITS FUNDED?**

SASMI is financed by employer contributions and, to some extent, investment income. All contributions to the SASMI Trust Fund are made by employers in accordance with their collective bargaining or related agreements with SMART or local unions of SMART.

All of the SASMI benefits for active employees are paid directly and solely from assets of the SASMI Active Employee Plan. None of the benefits actually provided by SASMI are insured and no SASMI benefits are vested. They may be amended or terminated at any time before you are paid based on available money or any other concerns of the Trustees. In addition to providing benefits, assets are used to pay the administrative expenses of the Fund.

The assets of the SASMI Trust Fund and Plan are handled in accordance with the rules of the SASMI Trust Agreement, ERISA, and other federal laws. The SASMI office will provide you, upon written request, with information regarding which employers are contributing to SASMI for work by sheet metal workers working under collective bargaining agreements.

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## **RETIREE BENEFITS**

- Retiree Health Premium Reimbursement (“Retiree Health” – began 2002)
- Service Based HCRA (“SBHCRA” – began 2010 to replace Retiree Health benefit)
- Retiree Health Care Reimbursement Account (“HCRA” – began 2010)
- HCRA – B

### **I. GENERAL ELIGIBILITY**

#### **A. Initial Eligibility**

To be eligible for any Benefit under this Plan, in addition to any additional requirements for a specific Benefit, you must satisfy the following requirement:

1. You must have worked in Covered Employment as set out in the eligibility rules for the specific benefit.
2. You must be eligible for a pension from the Sheet Metal Workers’ National Pension Plan or another Defined Benefit\* pension plan maintained pursuant to a SMART Collective Bargaining Agreement or other Contract as defined in the Plan Document.
3. You must not be a current employee with an employer in the Sheet Metal Industry so as to impact the status of the Retiree Plan as a Retiree Only Plan under ERISA § 732(a).

*\* If there is no Defined Benefit Pension Plan, then the Fund will accept a Defined Contribution Plan.*

#### **B. Eligibility if You Ceased Work in Covered Employment or Ceased Participation in the Active Plan before Retirement**

1. If, on termination of Covered Employment, you have a combination of five (5) or more Years of Service under either the Active Plan and Plan B HCRA you will not lose eligibility for Benefits as a Retiree under this Plan, but Benefits under each Plan will be based only on actual Years of Service contributed to the Active and/or Plan B HCRA (the Retiree Plan).
2. Generally, if you have less than five (5) combined Years of Service under the Active Plan and Plan B HCRA on termination of Covered Employment, you will lose all credit for Years of Service before the termination. There are, however, situations where eligibility can be retained or restored. For details, see the Plan Document.
3. If you accept a full-time position, either elected or appointed, with any Local Union or the International Union you shall be considered to have earned those Years of Service in Covered Employment immediately prior to Retirement.
4. If you become an Owner of a business in the Sheet Metal Industry with a Contract you shall be considered to have earned those Years of Service in Covered Employment immediately prior to Retirement.

#### **C. General Rules on Benefit Eligibility**

1. No Vesting. Benefits are not vested nor guaranteed in any way. The Trustees reserve the right, in their sole and absolute discretion to amend, modify or terminate any or all of the provisions of the Plan. Benefits to current and future Retirees may be reduced or eliminated at any time.
2. Plan Changes. The Trustees may, in their discretion, increase or decrease eligibility requirements, reduce the duration of Benefits, 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 retired and receiving benefits as well as to future eligibility for payment.
3. Work Restriction. The Retiree Plan is a Retiree Only Plan under ERISA § 732(a), therefore, an individual and his or her Spouse and Dependents are not eligible for payment of Benefits under this Plan for any time that the individual is a current employee.

## **II. RETIREE HEALTH PREMIUM BENEFIT**

*NOTE: The Retiree Health Premium Benefit has been combined into the Service Based HCRA benefit for individuals who retired on or after January 1, 2010.*

You may be eligible for the Retiree Premium Benefit if you retired from a contributing employer, on or after February 1, 2002 and met all the following criteria:

- At the time of retirement, you were at least
  - 62 years of age with 25 Years of Service, or
  - 55 years of age with 30 Years of Service;
- You are eligible for and receiving a pension from the Sheet Metal Workers National Pension Fund or a SMART Local Union Defined Benefit (or if none, Defined Contribution) Pension Fund;
- You had at least five (5) years of SASMI eligibility (Future Service Credit) immediately preceding the date of retirement; and
- You had not received more in non-Severance Benefits than the amount of contributions received on your behalf.

If you are receiving this benefit, instead of the Service Based HCRA, you may receive up to \$100/month for a maximum of 120 months (10 years) as reimbursement for health care premiums. This benefit can only be used to reimburse premiums. Upon receiving proof of payment of the premiums, the reimbursement is processed at the end of every calendar quarter.

In the event of your death prior to the end of the duration of this benefit, your surviving spouse may continue to be eligible to receive the benefit for the remainder of the 120 months.

## **III. SERVICE BASED HCRA**

The Service Based HCRA replaces the Retiree Health Premium Benefit for members who retired January 1, 2010 or later.

You may be eligible for the Service Based HCRA if you retired from a contributing employer, on or after January 1, 2010 and meet the following criteria:

- You had at least 25 years of service at the time of retirement; and
- You are eligible for and receiving a Normal, Early or Disability pension from the Sheet Metal Workers National Pension Fund or a SMART Local Union Defined Benefit (or, if none, Defined Contribution) Pension Fund; and
- You must have at least five (5) years of SASMI eligibility (Future Service Credit) immediately preceding the date of retirement or had Contributions received totaling 3500 hours in the 5 years immediately prior to retirement; and
- You must have not received more in non-Severance Benefits than the amount of contributions received on your behalf.

If you are eligible you can receive up to \$12,000 as a deposit into a HCRA account administered by SASMI. If you are eligible for a HCRA account under Part III below your Service Based HCRA will be deposited into a combined account.

## IV. HEALTH CARE REIMBURSEMENT ACCOUNT (HCRA)

You are eligible for the HCRA Benefit, if you meet the following criteria:

- You ceased work with all SASMI Employers on or after January 1, 2010;
- You are eligible for and receiving a pension from the Sheet Metal Workers National Pension Fund or a SMART Local Union Defined Benefit (or, if none Defined Contribution) Pension Fund; and
- You meet one of the following age requirements
  - If you have retired on an Early Retirement you have at least ten (10) Years of Service at the time of retirement;
  - If you have retired on a Normal Retirement you have at least five (5) Years of Service at the time of retirement; or
  - If you have been found eligible for Social Security Disability or a disability pension with the NPF or a local SMART Pension Plan you have at least ten (10) Years of Service.

*NOTE: At least 2 years of service need to be Future Service Credits.*

The amount of the SASMI HCRA Benefit is calculated based on the contributions made on your behalf offset by the benefit payments you received from SASMI under the Active Plan.

### Calculation of the HCRA Benefit

#### **1. Calculation of Years of Service**

- (a) Past Service Credit is given for each year of SMWIA membership before gaining initial SASMI eligibility.
- (b) Future Service Credit is given for each Stabilization Period, after the Stabilization Period in which you gained initial eligibility, and remained a SASMI participant. You get Future Service Credit for a Stabilization Period if you are credited with SASMI contributions for at least 100 hours during that Stabilization Period.

The maximum combined number of Years of Service (Past and Future) is 37.5. In calculating the maximum Years of Service a maximum of 23 years of Past Service Credit will be considered.

#### **2. Calculation of Percentage to be Applied to Years of Service**

Each year of Past Service is credited at 1% (or ½% per Stabilization Period).

Future Service is credited at 4% per year (or 2% per Stabilization Period).

The percentage used to calculate your benefit can be a maximum of 150% ( $37.5 \times 4 = 150$ ).

Effective with years of Future Service Credit earned starting with Stabilization Period 2018-A the multiplier will be increased from 4% to 4.5%. This is a prospective change that does not impact the multiplier used for prior years of Future Service Credit, does not change the multiplier for years of Past Service Credit, and does not change the maximum percentage of 150%.

#### **3. Calculation of HCRA benefit:**

- (a) Total contributions are multiplied by the applicable percentage calculated in step 2 above.
- (b) From the amount in (a) the value of all prior Benefits received from the Active Plan are subtracted.

For individuals who retire January 1, 2016 or later, SASMI benefits paid do not include Severance Benefits for which a Retiree is not eligible because of a transfer to a non-SASMI Local Union provided that the individual continued to accrue credit in a SMART local or national pension for at least five (5) years after the transfer and there was not a failure to timely apply. For example, if a Retiree loses eligibility for a Severance because of transfer to a Local Union that does not have a Contract requiring contributions to SASMI and continued to work in that Local for at least five years then that unavailable Severance Benefit will not be used when adjusting the HCRA benefit.



## **V. PLAN B HCRA (2017)**

### **A. Eligibility**

You qualify for benefits under the Plan B HCRA if all of the following conditions are met.

1. You worked for an Employer who contributed to Plan B HCRA on your behalf;
2. You are otherwise eligible for Benefits;
3. At the time of retirement, you are age 50 or totally disabled from any occupation as shown by a SMART Disability Pension or Social Security.
4. You have at least one (1) year of Future Service Credit (435 Hours) as defined for this Plan B HCRA.

For purposes of Plan B HCRA, Future Service Credit is defined as the period (measured in calendar years) during which you were employed by an employer(s) who made Plan B HCRA contributions on your behalf for the required number of hours of work. A Year of Future Service Credit is earned when you worked at least 435 hours with paid contributions to Plan B HCRA in a Calendar Year.

No Retiree or person claiming through a Retiree shall have any right, title or interest in SASMI, its assets or Benefits until the Retiree is qualified and receives payment. Benefits under the Plan are not vested and may be amended or modified by the Trustees at any time before payment.

### **B. Amount of Benefit**

The Benefit is the total of contributions paid by your employers on your behalf to the Plan B HCRA plus the addition of interest credits.

Interest credits will be applied at the end of each Calendar Year in which you have Plan B HCRA contributions. In Calendar Years in which you have no hours of Plan B HCRA contributions no additional interest credits will be applied; the amount of your Benefit will remain the same as it was at the beginning of that Calendar Year.

Interest credits are valued at 3% in 2017, but the Trustees may increase or decrease the interest credit amounts in the future. These adjustments to interest credits will generally only be applied prospectively.

Upon retirement and application for benefits, interest credits for the year in which you retired and applied for benefits will be applied and the final Benefit balance determined. If, in addition to the Plan B HCRA benefit, you are eligible for a Service Based HCRA (see part III) or a HCRA (part IV) then the amounts from this Plan B HCRA account will be combined with the other HCRA account.

## **VI. WHAT THE HCRA COVERS AND HOW TO APPLY FOR BENEFITS**

### **A. Eligible HCRA Medical Expenses**

The Retiree Health Care Reimbursement Accounts may be used for reimbursement of:

1. expenses incurred on or after your retirement;
2. which are not otherwise compensable by (or the responsibility of) an insurance carrier, a group health plan or other third party; and
3. which would be deductible under IRC Section 213 (without regard to any percentage of income limitation), however, the Plan does not reimburse lodging expense (under IRC Section 213(d)(2) or otherwise), transportation or travel, meals, construction, repair, alteration or renovation of residential or other premises, and legal fees even if deductible in whole or in part under IRC Section 213.

You may apply to have SASMI pay certain recurring HCRA Medical Expense, such as premium payments, directly to a Trustee approved provider.

Eligible medical expenses include medical home services which satisfy the other rules upon presentation of adequate documentation of the medical expense under IRC rules and regulations.

### **B. How to Apply for HCRA Benefits**

You must file an initial application to set up an account for HCRA Benefits and begin credits to the account. The application must be filed with SASMI on the SASMI application form in use at the time of the application. Applications are available on line at WWW.SASMI.ORG and from the Fund Office or your Local Union Hall. The general rules related to claims, applications and appeals are in part VI of the General Information section at the end of the Active Summary Plan Description.

*NOTE: Benefits will not be paid before Retirement or the date of the first credit to your HCRA account, generally six (6) months after Retirement.*

After a HCRA Benefit account is established with a positive balance, to receive benefits you must submit a reimbursement claim form used by SASMI after you have paid a HCRA Medical Expense. After your death your eligible Spouse or eligible adult Dependent or representative of an eligible minor Dependent may submit claims for HCRA Medical Expenses.

### **C. How to Apply for HCRA Payments**

1. You can claim reimbursement from the account for HCRA Medical Expenses by filing a SASMI form for reimbursement and agreeing to have payments electronically transferred. HCRA Benefits require an initial application and separate claims forms.
2. Reimbursement will be made as soon as administratively possible up to the balance of the account. SASMI may collect and reimburse eligible claims for smaller amounts and reimburse quarterly or annually.
3. A claim for reimbursement of an HCRA Medical Expense must include a SASMI Claim Form and the documentation required to support a deduction of the expense as a medical expense deduction under IRC Section 213 (disregarding the limitation based on adjusted gross income in that section) and such other information as deemed necessary by the Trustees. A claim can be denied for failure to submit supporting documentation on a timely basis.

### **D. Limitations on HCRA Claims**

1. If you file a claim that exceeds a current balance, you will only be reimbursed up to the balance in the account.
2. Payment will only be made on application and submission of documentation of an HCRA Medical Expense that is sufficient to satisfy Internal Revenue Service requirements for payment of an unreimbursed medical expense that is not subject to federal income tax under the IRC.
3. Reimbursement will not be made for expenses submitted to SASMI more than two (2) years after the date that the expense was incurred (or a shorter period, if required by IRS rules).
4. Claims may only be submitted for HCRA Medical Expenses incurred for an eligible Retiree and his or her Spouse or Dependents. A non-disabled dependent child is covered until the end of the year (December 31) in which the child turns 27. A surviving Spouse may continue to submit claims after the death of the Retiree.

## **VII. GENERAL LIMITATIONS – RETIREE BENEFITS**

### **Suspension, Termination and Amendment of Benefits**

1. Benefits under this Article will terminate on payment of HCRA Medical Expenses equal to the full sum of your account. If there is a payment in excess of the amount available in the Retiree's HCRA, the recipient shall be required to make repayment to the Plan upon receiving written notice of such obligation from the Trustees. The Trustees additionally may take legal action to recover the amount from the Retiree or other recipient of an overpayment. In any such action, the Retiree 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.
2. The account and all benefits under this Article will be cancelled if there is no eligible living Retiree, Spouse or Dependent. After your death and the death of eligible Spouse, any remaining account balance will be split evenly among eligible Dependents for whom claims may be submitted until they no longer are eligible Dependents or the depletion of the account. There is no cash-out of an unused account balance or any benefits for an estate (except as allowed by IRC Section 213 for payment of expenses within one year of death) or anyone else in absence of an eligible living individual.
3. The account and benefits under this Article are not assignable. Except as expressly provided, SASMI will not pay a health care provider or anyone other than an eligible living Retiree, Spouse or Dependent.
4. The HCRA Benefit is intended to be and remain a "health reimbursement account" funded solely by Employer contributions under the current IRC and applicable regulations and rulings and will be interpreted, administered and revised accordingly.
5. Pursuant to IRS guidance, by participating in the HCRA, you are not eligible to enroll in a qualified health plan which is offered in the individual market through an Exchange established under the Affordable Care Act and receive premium assistance credits. Accordingly, you are permitted to permanently opt out of and waive future reimbursements from the HCRA at least annually. This opt-out feature is intended to ensure that you will not be precluded from claiming a Code § 36B premium tax credit. You may opt out by providing written notice to the Fund Office.

**GENERAL INFORMATION**

*See behind Active Plan*