

Summary of Material Modifications

November 2017

As the Trustees of the Local Union No. 9, I.B.E.W. and Outside Contractors Health & Welfare Plan (the Plan), our priority is to provide you and your families with comprehensive benefits that are affordable for you, our contractors and the Plan. In order to continue meeting our objective, we have elected to make some Plan changes. The **changes** and their effective dates are explained in this notice.

Please review this Summary of Material Modifications (SMM) carefully and share it with your family. You should keep it with your Summary Plan Description ("SPD") and other SMMs.

The first change is to the Hour Bank provisions in the Continuation Coverage section of the SPD. As a result of the change, a deceased participant's surviving Spouse and Dependent children may elect to continue coverage under this Plan by using the deceased participant's remaining Hour Bank, if any, until the Hour Bank is exhausted. This continuation of coverage will run concurrently with the surviving Spouse's and Dependent children's right to COBRA Continuation Coverage. The change, effective October 1, 2017, is highlighted in yellow below.

CONTINUATION COVERAGE

HOURLY BANK

When you work and your employer makes contributions to the Fund on your behalf, any hours you work during a Working Quarter that are in excess of 360 will be reserved in your Hour Bank for future use toward continuing eligibility. Your Hour Bank total may not exceed 2,880 hours.

If you do not work the 360 hours required to be eligible during the corresponding Working Quarter, any hours that you are short will be automatically applied from your Hour Bank and your Hour Bank will be reduced by those hours.

If you should die and you still have hours remaining in your Hour Bank, your surviving Spouse and Dependent children may elect to continue coverage under this Plan until your Hour Bank has been exhausted. Your surviving Spouse's and Dependent children's election for continuation coverage by using your remaining Hour Bank runs concurrently with their right to COBRA Continuation Coverage due to your death.

Your surviving Spouse and Dependent children will not be eligible for COBRA Continuation Coverage if they elect to continue coverage by using your remaining Hour Bank if your remaining Hour Bank is sufficient to continue coverage for the number of months that would have been available under COBRA Continuation Coverage due to your death. If your remaining Hour Bank is sufficient for less

than the number of months of continuation coverage provided under COBRA due to your death, your surviving Spouse and Dependent children will only be eligible for COBRA Continuation Coverage for the remainder of the months that would have been available under COBRA due to your death.

The second change is to the Self-Payment for Pensioners provisions in the Continuation Coverage section of the SPD. The change is intended to clarify that a Retired Employee who elects an Extension Option to continue Active Employee coverage will only be eligible for the Death Benefit under the Local Union No. 9, IBEW and Outside Contractors Retired Employees Health and Welfare Plan. The change, effective November 1, 2017, is highlighted in yellow below.

CONTINUATION COVERAGE

SELF-PAYMENT OPTION

Pensioners—Employees who qualify for a pension under the Local No. 9, IBEW and Outside Contractors Pension Fund and who begin receiving the monthly benefit from that fund, and whose Hour Bank balance is greater than zero (0) as of their Annuity Starting Date (as defined by said pension plan), are eligible to continue their coverage under the Plan up to 48 consecutive months (immediately following the last Coverage Quarter for which they worked 360 hours or continued coverage using the Self-Payment Option) or up to age 65, whichever comes first; this is called the "Extension Option," and you have the option of determining how long your Extension Option will run within those parameters.

When you choose an Extension Option to continue your coverage under this Plan upon your retirement, your classification as a "retired Employee" will not be changed. Your participation in the Retired Employees Plan will continue during your Extension Option period. Although you will be a participant in this Plan and the Retired Employees Plan at the same time and both plans provide a Death Benefit, you will only be eligible for the Death Benefit under the Retired Employees Plan, even if you die during your coverage Extension Option period.

The third change is to the "Qualifying Events" subsection under the "COBRA Continuation Coverage" section of the SPD. The change, effective October 1, 2017, reflects that the exhaustion of a deceased participant's Hour Bank is a qualifying event. The changes are highlighted in yellow below.

COBRA CONTINUATION COVERAGE

QUALIFYING EVENTS

You do not have to show that you are insurable for COBRA Continuation Coverage. It is offered if you or your Spouse or Dependents lose coverage because of a qualifying event.

If you are an Employee, you will be entitled to elect COBRA Continuation Coverage if one of the following qualifying events results in a loss of Plan coverage for you:

- ▲ Your hours of employment are reduced; or
- ▲ Your employment ends for any reason other than your gross misconduct.

If you are a covered Spouse, you will be entitled to elect COBRA Continuation Coverage if one of the following qualifying events results in a loss of Plan coverage for you:

- ▲ Your spouse-Employee dies and you do not elect to continue coverage by using your spouse-Employee's remaining Hour Bank;
- ▲ Your spouse-Employee's hours of employment are reduced;
- ▲ The Employee stops making self-payments;
- ▲ Your spouse-Employee's employment ends for any reason other than his or her gross misconduct;
- ▲ Your spouse-Employee becomes entitled to Medicare; or
- ▲ You divorce or become legally separated from your spouse-Employee.

For a covered Dependent child, the Dependent child will be entitled to elect COBRA Continuation Coverage if one of the following qualifying events results in a loss of Plan coverage for the child:

- ▲ The parent-Employee dies and you do not elect to continue coverage by using your parent-Employee's remaining Hour Bank;
- ▲ The parent-Employee's hours of employment are reduced;
- ▲ The Employee stops making self-payments;
- ▲ The parent-Employee's employment ends for any reason other than his or her gross misconduct;
- ▲ The parent-Employee becomes entitled to Medicare;
- ▲ The parents' divorce or become legally separated; or
- ▲ The child no longer meets the Plan's definition of a Dependent.

When a Qualifying Event occurs, your coverage will continue under the Plan through the end of the month in which the Qualifying Event takes place. The COBRA benefits for which you qualify and which you may elect will begin the first day of the month following the month in which the Qualifying Event occurred.

The fourth change is to the "Coverage Continues for 36 Months" subsection under the "COBRA Continuation Coverage" section of your SPD. Death Benefit under the Local Union No. 9, IBEW and Outside Contractors Retired Employees Health and Welfare Plan. The change, effective November 1, 2017, is highlighted in yellow below.

COBRA CONTINUATION COVERAGE

PERIODS OF COVERAGE

Coverage Continues for 36 Months. Your Spouse and/or Dependent children may elect COBRA Continuation Coverage for up to 36 months if coverage ends because of:

- ▲ Your death;
- ▲ Your Spouse's entitlement to health care coverage under Medicare;
- ▲ Your legal separation or divorce from your Spouse; or
- ▲ Your Dependent child no longer qualifying for Dependent coverage under the Plan.

Following your death, your surviving Spouse and Dependent children may elect to continue coverage by using your remaining Hour Bank. The continuation coverage will run concurrently with the COBRA Continuation Coverage under this section. If the continuation coverage from your remaining Hour Bank is less than the number of months of continuation coverage available under this section, your surviving Spouse and Dependent children will only be eligible for COBRA Continuation Coverage for the remainder of the months of COBRA Continuation Coverage that would have been available under this section due to your death.

When your COBRA Continuation Coverage ends, you will be provided with a Certificate of Creditable Coverage. The Certificate will specify the period you were covered under the Plan and additional information required by law. This may help reduce or eliminate any pre-existing condition limitation under a new group medical plan.

In addition, a Certificate of Creditable Coverage will be provided within 45 days after receipt of a request for such Certificate if that request is received by the Plan within two years after the later of the date coverage under this Plan ended or the date COBRA Continuation Coverage ended.

The fifth change is to the Death Benefit provisions of the SPD. The change is intended to clarify that a Retired Employee who elects an Extension Option to continue Active Employee coverage will only be eligible for the Death Benefit under the Local Union No. 9, IBEW and Outside Contractors Retired Employees Health and Welfare Plan. The change, effective November 1, 2017 is highlighted in yellow.

DEATH BENEFIT (ONLY APPLICABLE TO EMPLOYEES)

In the event of your death, the Plan pays a Death Benefit to your beneficiary. This section will not apply to a retired Employee who has elected an Extension Option to continue coverage under this Plan in accordance with the "Pensioner" subsection of the "Hour Bank" section under the "Continuation Coverage" heading.

The Smoking Cessation benefit listed in the Covered Medical Benefit Expenses section of the SPD and Prescription Drug Benefits section of the Schedule of Benefits section is revised effective November 1, 2017 to remove the lifetime limit on Smoking Cessation Medications. These changes, highlighted in yellow below, are effective November 1, 2017.

COVERED MEDICAL BENEFIT EXPENSES

Smoking Cessation expenses, including prescription or over-the-counter medications and/or program charges for smoking cessation programs, as noted in the *Schedule of Benefits*.

SCHEDULE OF BENEFITS FOR ACTIVE EMPLOYEES AND THEIR SPOUSES AND DEPENDENTS

PRESCRIPTION DRUG BENEFITS

Prescription Drug Benefits	Participating Pharmacy	Non-Participating Pharmacy
Smoking Cessation Medications		80%

A FINAL NOTE

Please keep this Summary of Material Modifications (SMM), which describes changes to information provided in the most recent SPD with your SPD for future reference. Only the provisions described in this letter are changing; no other Plan changes are being made at this time. If you have any questions about this change or your benefits, please contact the Fund Office at 708-449-9004.

This notice is a Summary of Material Modifications (SMM), within the meaning of Section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. This SMM describes important changes to the most recent Summary Plan Description/Plan Document for the Local Union No. 9, IBEW and Outside Contractors Active Employees Health and Welfare Plan effective as noted in this notice. Please keep this SMM with your Plan Document/SPD for future reference. An SMM is not the SPD, nor is it the Plan Document itself; rather, it is a supplemental document to your Plan Document/SPD. Please contact the Fund Office to request copies of the Plan Document/SPD or any SMM relating to the Plan.