

North Central Illinois Laborers' Health
and Welfare Fund
Retiree-Only
Health Reimbursement Account Plan

**Summary Plan Description
and Plan Document
2015 Edition**

Effective February 1, 2015

**North Central Illinois Laborers' Health and Welfare Fund
Retiree-Only Health Reimbursement Account Plan**

A MESSAGE FROM THE BOARD OF TRUSTEES

Important terms used throughout this booklet are capitalized and defined in the Plan. Please keep this booklet with your other important papers and share this information with your Spouse. If you have questions about information in this booklet, you should contact the Fund Office.

IMPORTANT NOTICE AND REMINDER

THE PURPOSE OF THIS HEALTH REIMBURSEMENT ACCOUNT (ALSO REFERRED TO IN THIS BOOKLET AS "HRA" OR "PLAN") IS TO PROVIDE A SUBSIDY FOR THE COST OF COVERAGE OF A SEPARATE HEALTH INSURANCE POLICY DESIGNATED BY THE TRUSTEES.

THIS HRA DOES NOT PROVIDE COVERAGE FOR MEDICAL BENEFITS AND DOES NOT PAY FOR MEDICAL BENEFITS.

EACH OF THE PROVISIONS OF THIS HRA APPLIES ONLY TO THE SUBSIDY PROVIDED BY THIS HRA AND NOT TO THE BENEFITS OR COVERAGE UNDER THE SEPARATE HEALTH INSURANCE POLICY.

TELL YOUR SPOUSE ABOUT THIS BOOKLET AND WHERE IT IS LOCATED. PLEASE NOTIFY THE FUND OFFICE PROMPTLY IF YOU CHANGE YOUR ADDRESS. ONLY THE FULL BOARD OF TRUSTEES IS AUTHORIZED TO INTERPRET THE SUBSIDY DESCRIBED IN THIS BOOKLET.

NO EMPLOYER, THE UNION, NOR ANY REPRESENTATIVE OF ANY EMPLOYER OR UNION, IN SUCH CAPACITY, IS AUTHORIZED TO INTERPRET THIS PLAN, NOR CAN ANY SUCH PERSON ACT AS AGENT OF THE TRUSTEES.

THE TRUSTEES RESERVE THE RIGHT TO AMEND, MODIFY OR DISCONTINUE ALL OR PART OF THIS PLAN WHENEVER, IN THEIR JUDGMENT, CONDITIONS SO WARRANT. YOU WILL BE NOTIFIED IN WRITING OF ANY PLAN CHANGES.

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SECTION 1: ELIGIBILITY AND HEALTH REIMBURSEMENT ACCOUNT SUBSIDY

1.01 General Provisions and Eligibility.

A. Eligibility

You are eligible for an HRA subsidy if:

- You retire from Covered Employment as defined in Section 2.02;
- You are at least 53 years of age (or such other subsequent age in order to be eligible to retire from the Central Laborers' Pension Fund);
- You have at least 10 years of consecutive active participation in the North Central Laborers' Health and Welfare Fund's Active Plan as an Eligibility A Employee and the Central Laborers' Welfare Fund (only years before July 1, 2003 will be credited for purposes of coverage under the Central Laborers' Welfare Fund); and
- Your coverage under the North Central Laborers' Health and Welfare Fund's Active Plan terminates.

You are also considered eligible for an HRA subsidy (50% of the HRA subsidy for eligible Spouses) if you had Eligibility A Employee coverage under the North Central Laborers' Health and Welfare Fund's Active Plan and you:

- Retire due to disability (as defined by the Central Laborers' Pension Plan), on or after March 1, 2002 and you are not eligible for Medicare;
- Are a Spouse (who has reached age 53) of a Participant who became disabled on or after March 1, 2002 who is eligible for Medicare;
- Are a Spouse (who has reached age 53) of a former Eligibility A employee under the North Central Laborers' Health and Welfare Fund's Active Plan who was eligible for Medicare before leaving employment, or became eligible for Medicare while running out active coverage, or the four quarters of Self-Payments, so that the employee never became eligible for an HRA subsidy, but met all of the other requirements for eligibility set forth above;
- Are a surviving Spouse (who has reached age 53) of a Plan Participant who dies while eligible for an HRA subsidy; or
- Are a surviving Spouse (who has reached age 53) of a Participant who was not retired on or after March 1, 2002, but who died and at the time of his or her death:
 - ♦ Was an eligible active Participant of the North Central Illinois Laborers' Health and Welfare Fund's Active Plan and was covered as an Eligibility A Employee;
 - ♦ Was at least 53 years of age; and
 - ♦ Had at least 10 years of consecutive active participation in the North Central Laborers' Health and Welfare Fund's Active Plan as an Eligibility A Employee and the Central Laborers' Welfare Fund (only years before July 1, 2003 will be credited for purposes of coverage under the Central Laborers' Welfare Fund).

B. Loss of Eligibility

Your eligibility to receive an HRA subsidy ends on the earliest of the date you:

- Reach age 65 and become eligible for Medicare;
- Become eligible for Medicare because of a total and permanent disability;
- Perform or return to work for a Contributing Employer who is obligated, pursuant to the terms of a collective bargaining agreement or other written agreement, to remit contributions to the North Central Illinois Laborers' Health and Welfare Fund on your behalf for work you perform;
- Do not make a timely premium payment to the Designated Policy for medical coverage.

Your Spouse's eligibility continues until your Spouse:

- Remarries;
- Becomes eligible for Medicare because of age or total and permanent disability; or
- Does not make a timely premium payment to the Designated Policy for medical coverage.

1.02 Subsidy Funding, Reimbursement for Expenses and Opt-Out.

A. Timing of Subsidy Credits.

The HRA will be credited with a subsidy amount for you if you are eligible for the subsidy as described in Section 1.01 above.

The subsidy will be credited monthly to reimburse the Designated Policy premium payments that you incur up to the amount of your monthly HRA Subsidy Allowance as determined in Section 1.02.

For Example:

Bob retired at age 54 with 15 years of consecutive active participation in March and incurred expenses for the Designated Policy premium. The amount of Bob's subsidy will be available to him each subsequent month to pay for a portion of the cost of his premium for the Designated Policy as long as Bob continues to satisfy the eligibility requirements set forth in this Plan to receive an ongoing HRA subsidy.

B. Amount Credited.

You may earn a maximum of 30 HRA Subsidy Credits in your lifetime. During active employment, you begin earning HRA Subsidy Credits after 500 hours have been reported on your behalf during a calendar year. You are credited with a maximum of one HRA subsidy credit for 1,000 or more hours for which contributions have been paid on your behalf in a calendar year. You may not earn more than one HRA subsidy credit during each calendar year.

For purposes of determining the amount of your HRA Subsidy Credits, "hours of work" include hours you worked in Covered Employment and hours reported and paid to the Central Laborers' Pension Fund. The HRA will assist you in determining your hours of work for which you earn HRA Subsidy Credits, but you ultimately have the obligation and burden to provide the Plan with proof of your hours worked.

HRA Subsidy Credits are calculated as follows:

If you work this number of hours in a calendar year...	You earn HRA Subsidy Credits of...
Less than 500 contribution hours	0.0
500 – 599 contribution hours	0.5
600 – 699 contribution hours	0.6
700 – 799 contribution hours	0.7
800 – 899 contribution hours	0.8
900 – 999 contribution hours	0.9
1,000+ contribution hours	1.0

Your HRA Subsidy Credits are multiplied by the HRA Subsidy Amount in order to determine your total monthly HRA Subsidy Allowance that you will receive from the Plan to apply to your premium payment to the Designated Policy for medical coverage.

The amount of the HRA Subsidy Amount is set forth in the Appendix hereto.

For Example:

(This example is based on rates as of January 1, 2015.)

Ned's initial retirement began July 1, 2015 and he accumulated 22.8 HRA Subsidy Credits before he retired. For 2015, the amount of the HRA Subsidy Amount is \$20.00 per HRA Subsidy Credit. Ned's total monthly HRA Subsidy Allowance is \$456 (\$20.00 x 22.8 HRA Subsidy Credits). The total monthly HRA Subsidy Allowance is then applied to the monthly premium payment to the Designated Policy for medical coverage. If Ned's PPO Plan cost is \$1,468.33 per month for family coverage, his premium payment would be \$1,012.33 each month after his total monthly HRA Subsidy Allowance is applied to his premium payment (\$1,468.33 - \$456.00).

Notwithstanding the foregoing, the amount credited will be determined based on the cost of premiums as defined in Section 2.01.

C. Reimbursement for Expenses.

After you submit a claim form and the Fund verifies that you are eligible for an HRA subsidy, the HRA will make reimbursements by forwarding your total monthly HRA Subsidy Allowance to the Third Party Administrator of the Designated Policy, on a monthly basis, as long as you are eligible for an HRA subsidy and the Fund receives proof that you have paid your premium to the Designated Policy (or that you have an obligation to pay your premium to the Designated Policy). The Third Party Administrator of the Designated Plan will then pay the premium cost of the Designated Policy directly to the insurer on your behalf.

You must submit an HRA subsidy reimbursement form along with any additional bills, invoices, other statements, or such other proof required by the HRA in order to receive reimbursement for the Eligible Expenses identified in Section 1.03.

Please remember that in order for your Eligible Expenses to be reimbursed from your HRA, you cannot receive reimbursement for these expenses from any other source or take a tax deduction on these expenses.

D. Opt-Outs.

You may choose to permanently opt-out of the HRA and forfeit your right to reimbursement at any time by notifying the Fund Office in writing. Any unused subsidy as of the date the Fund Office receives notice of such opt-out will be permanently forfeited.

1.03 Eligible Expenses.

Eligible Expenses are limited to the cost of the healthcare insurance premium for coverage under the Designated Policy as provided in Section 2 for retirees, as long as such cost is not paid by any other source. No other medical expenses will be considered eligible expenses under this HRA.

1.04 Payment of the Subsidy Upon the Participant's Death.

If you are eligible for the HRA Subsidy Amount on the date of your death, your surviving Spouse may be eligible for 50% of the HRA account subsidy that you were entitled to. Any remaining subsidy amount that is not used in this manner will be forfeited on the date that is two calendar years from the date of your death. If you die and there is no surviving Spouse, any HRA Subsidy Amount credited to you, if any, will be forfeited. However, if the Fund receives a request from an authorized representative or a legally appointed representative of your estate within 180 days of the date of your death for Eligible Expenses incurred by you immediately preceding your death, the Fund may issue a reimbursement directly to the provider in an amount up to the remaining subsidy credited to you.

SECTION 2: OTHER REQUIREMENTS

2.01 Designated Policy.

The Trustees of the Plan reserve the right to select a health insurance policy in which you may enroll. This policy will be known as the “Designated Policy.” A portion of your premium costs for the Designated Policy coverage for yourself and your eligible Spouse will be provided from this HRA directly to the insurer of the Designated Policy on your behalf. Only the premium costs of the Designated Policy (up to the amount of your HRA subsidy) will be reimbursable from this HRA. If you have questions about the Designated Policy, the contact information for the insurer is included in the Schedule attached as an Appendix.

2.02 Covered Employment.

If you are working in Covered Employment as defined herein, you are not eligible for a subsidy from this HRA. “Covered Employment” is defined to include work you perform for an employer who is obligated, pursuant to the terms of a collective bargaining agreement or other written agreement, to remit contributions on your behalf to the North Central Illinois Laborers’ Health and Welfare Fund’s Active Plan for work you perform.

You are not eligible to receive your HRA subsidy during periods you are working in Covered Employment even though you may still be entitled to receive your pension benefit payments from the Central Laborers’ Pension Fund or other pension fund. This Plan does not permit you to return to work in Covered Employment for less than 40 hours even though your pension plan may permit you to do so.

To receive reimbursements from this HRA, you must sign a form prior to each Plan Year (or as otherwise requested by the Plan) stating that you are not working in Covered Employment. You also must notify the Plan, in writing, before you return to Covered Employment. It is your responsibility to notify the Plan when you return to Covered Employment. Reimbursement from the HRA is forfeited for any month in which you work in Covered Employment. A retiree who has returned to work will again be eligible to receive reimbursement from this HRA upon termination of work in Covered Employment and after the Plan receives adequate and satisfactory verification that the retiree has actually retired and is no longer working in Covered Employment.

For Example:

John retired on May 1, 2015, and began receiving a total monthly HRA subsidy of \$456.00. John returned to work for XYZ Construction Company in a position that is considered Covered Employment. John worked 20 hours in November, 10 hours in December, and 120 hours in January. Because John is not able to work in Covered Employment and receive his monthly HRA subsidy, John is not eligible to receive the monthly HRA subsidy for the month of November, December, or January or any other month that John performed any work in Covered Employment. John’s HRA subsidy for the months of November through January is forfeited. John will again be eligible to receive a monthly HRA subsidy when he ceases working in Covered Employment.

In order to receive an HRA subsidy, you will be required to periodically verify and certify that you are not working in Covered Employment. If you receiving an HRA subsidy during any time period you are also engaged in Covered Employment, then you must pay back any amount that you received from this HRA during such time period. If you fail to repay the HRA, your HRA subsidy will be terminated

effective as of the date you began working in Covered Employment and during the time period that you are working in Covered Employment. Further, the Trustees may offset any HRA subsidy you received while working in Covered Employment from any subsequent HRA subsidy that you or your eligible Spouse may be eligible to receive upon termination of Covered Employment.

2.03 Eligible Spouse

When you attain age 65, you are no longer eligible for reimbursement from this HRA. However, under certain eligibility rules shown in Section 1.01, a Spouse may be considered eligible for an HRA subsidy (50% of the HRA subsidy that you were entitled to).

SECTION 3: SUBSIDY CLAIMS AND APPEALS PROCEDURES

3.01 General Information.

A. *Exhaustion of Remedies.*

You must exhaust all of the Subsidy Claims and Appeals Procedures of this Plan before you bring any action in court or administrative action for the subsidy. After you have exhausted all of the procedures in this section and if you are dissatisfied with the written decision of the Board of Trustees on review, you may institute legal action.

If your appeal is denied, no legal action can be brought with respect to an HRA subsidy Claim under this Plan after 90 days from the date of decision on appeal.

B. *Discretionary Decision Making Authority of the Trustees.*

The insurer of the Designated Policy has full authority to determine all questions of coverage and benefits under that policy.

The Trustees have full and exclusive authority to determine all questions of coverage and eligibility, methods of providing or arranging for the HRA subsidy, and all other related matters with respect to this Plan. They have full power to construe the provisions of this Plan Document/Summary Plan Description. Any such determination and any such construction adopted by the Trustees will be binding upon all of the parties hereto and beneficiaries of this Plan. No such determinations involved in or arising under the Trust Agreement or this Plan Document/Summary Plan Description will be subject to the grievance or arbitration procedure established in any collective bargaining agreement between the Contributing Employers and participating local Unions nor affects the rights and liabilities of any of the parties under such collective bargaining agreements.

In carrying out their respective responsibilities under the Fund, the Trustees and/or their delegates have discretionary authority to interpret the terms of this Plan; to interpret any facts relevant to the determination; and to determine eligibility and entitlement to the HRA subsidy under this Plan. The HRA subsidy under this Plan will be paid only if the Trustees and/or their delegates decide in their discretion that the applicant is entitled to them. Any interpretation or determination made under that discretionary authority will be given full force and effect, unless it can be shown that the interpretation or determination was arbitrary and capricious.

3.02 Filing Your Initial Claim for the HRA Subsidy.

A. *What is an HRA Subsidy Claim?*

A Claim for the HRA subsidy is a request for the subsidy under this Plan that you make in accordance with the Fund's reasonable subsidy Claims Procedures.

If you make a simple inquiry about this Plan's provisions without an HRA subsidy Claim form, the Fund will not treat your inquiry as an HRA subsidy Claim.

B. *Where to File an HRA Subsidy Claim.*

You must file your HRA subsidy Claim with the Fund Office at the following address:

North Central Illinois Laborers' Health and Welfare Fund
4208 W. Partridge Way, Unit 3
Peoria, Illinois 61615

3.03 Initial HRA Subsidy Claim Determination Timeframes.

A. Decision Timeframes.

The time period for making an initial decision on an HRA subsidy Claim starts as soon as the HRA subsidy Claim is filed in accordance with the Fund's reasonable filing procedures, regardless of whether the Fund has all of the information necessary to decide the HRA subsidy Claim. An HRA subsidy Claim may be filed by a participant, eligible Spouse, an authorized representative, or a legally appointed representative of the participant's estate in the event of his or her death.

Ordinarily, the Fund will notify you of the decision on your HRA subsidy Claim within 30 days from the later of the date the Fund receives the HRA subsidy Claim. The Fund may extend this period one time for up to 15 days, if the extension is necessary due to matters beyond the control of the Fund. If an extension is necessary, the Fund will notify you before the end of the initial 30-day period of the circumstances requiring the extension of time and the date by which the Fund expects to render a decision.

If an extension is needed because the Fund needs additional information from you to process your HRA subsidy Claim, the extension notice will specify the information needed. In that case, you will have 45 days from the time you receive the notification to supply the additional information. If you do not provide the information within that time, your HRA subsidy Claim will be decided based on the information that the Fund has at the time and may be denied. During the period in which you are allowed to supply additional information, the normal period for making a decision on the HRA subsidy Claim will be suspended. The deadline is suspended from the date of the extension notice until either 45 days, or until the date you respond to the request (whichever is earlier). The Fund then has 15 days to make a decision on an HRA subsidy Claim and notify you of the determination.

3.04 Notice of Initial Decision.

The Fund Office must provide you with a notice of the initial determination about your HRA subsidy Claim within certain timeframes after they receive your HRA subsidy Claim. The notice must provide you with the following information:

- A. The specific reason (s) for the denial of the HRA subsidy or other adverse HRA subsidy determination;
- B. A specific reference to the specific provisions of this Plan upon which the decision is based;
- C. A description of any additional material or information that is needed to process your HRA subsidy Claim and an explanation of why the information is needed;
- D. A copy of the review procedures and time periods to appeal your HRA subsidy Claim, and a statement of your right to bring a civil action under ERISA following an adverse subsidy determination on review; and
- E. If an internal rule, guideline, protocol or similar criteria was relied on in the process of making a decision on your HRA subsidy Claim, a copy of that internal rule, guideline, protocol, or similar criteria or a statement that a copy is available to you at no cost upon request.

3.05 Appeal Procedures.

A. Appeal Filing Deadline.

You have the right to a full and fair review if your HRA subsidy Claim is denied by the Fund. You must file your appeal in writing. You must make your request to the Fund Office within 180 days after you receive a notice of denial. Your application for appeal must be in writing and it must include the specific reasons you feel denial was improper. You may submit any document you feel appropriate, as well as submitting a written statement.

B. Appeal Process.

The appeal process works as follows:

1. You have the right to review documents relevant to your HRA subsidy Claim. A document, record or other information is relevant if:
 - a. It was relied upon by the Fund in making the decision;
 - b. It was submitted, considered or generated in the course of making the decision (regardless of whether it was relied upon); or
 - c. It demonstrates compliance with the Fund's administrative processes for ensuring consistent decision-making.
2. Upon request, you will be provided with the identification of medical or vocational experts, if any, that gave advice to the Fund about your HRA subsidy Claim, without regard to whether their advice was relied upon in deciding your HRA subsidy Claim.
3. A different person will review your HRA subsidy Claim than the one who originally denied the HRA subsidy Claim. The reviewer will not give deference to the initial adverse subsidy determination. The decision will be made based on a full and fair review of the record, including such additional documents and comments that you may submit.

C. Timing of Notice of Decision on Appeal.

Ordinarily, decisions on appeals involving these types of claims will be made at the next regularly scheduled meeting of the Board of Trustees following receipt of your request for review. However, if your request for review is received within 30 days of the next regularly scheduled meeting, your request for review will be considered at the second regularly scheduled meeting following receipt of your request. In special circumstances, a delay until the third regularly scheduled meeting following receipt of your request for review may be necessary. The Fund will advise you in writing in advance if this extension will be necessary. Once a decision on review of your HRA subsidy Claim has been reached, you will be notified of the decision as soon as possible, but no later than five business days after the decision has been reached.

3.06 Notice of Decision on Appeal.

The Fund will provide you with a written decision on any appeal of your HRA subsidy Claim. The notice of a denial of an HRA subsidy Claim on appeal will state:

- A. The specific reason(s) for the determination;
- B. Reference to the specific Plan provision(s) on which the determination is based;

- C. A statement that you are entitled to receive reasonable access to and copies of all documents relevant to your HRA subsidy Claim, upon request and free of charge;
- D. A statement of your right to bring a civil action under ERISA following an adverse subsidy determination on appeal; and
- E. If an internal rule, guideline or protocol was relied upon by the Fund, you will receive either a copy of the rule or a statement that it is available upon request at no charge.

3.07 Authorized Representatives.

An authorized representative, such as your Spouse, may complete the HRA subsidy Claim form for you if you are unable to complete the form yourself and have previously designated the authorized representative to act on your behalf. You may obtain a form from the Fund Office to designate an authorized representative. The Fund may request additional information to verify that this person is authorized to act on your behalf.

3.08 Subsidy Payment to an Incompetent Person.

Subsidy payments under the Fund may become payable to a person who is adjudicated incompetent or to a person who, by reason of mental or physical disability, in the opinion of the Trustees, is unable to administer such payments properly. In that event, the Trustees may make payments for the benefit of the incompetent person as they deem best. The Trustees will have no duty or obligation to see that the funds are used or applied for the purpose(s) for which paid if they are paid:

- A. Directly to such person;
- B. To the legally-appointed guardian or conservator of such person;
- C. To any Spouse, child, parent, brother or sister of such person for the welfare, support and maintenance of that person; or
- D. By the Trustees directly for the support, maintenance and welfare of such person.

If any question or dispute arises concerning the proper person or persons to whom any payment will be made under the Fund, the Trustees may withhold payment until a binding adjudication of the question or dispute is made. The resolution must be satisfactory to the Trustees in their sole discretion. Alternatively, the Trustees may pay the subsidy if they have been adequately indemnified to their satisfaction against any resulting loss.

3.09 Misstatement by Plan Participant.

If you make a misstatement in any application for an HRA subsidy or an HRA subsidy Claim, such a misstatement, except for a fraudulent misstatement, may not be used in any legal contest unless the Fund furnishes you with a copy of the document containing the misstatement.

SECTION 4: DEFINITIONS

4.01 Definition of Plan Terms.

This section contains definitions of terms used throughout this booklet. The terms are listed in alphabetical order.

- A. **Board of Trustees and/or Trustees** means the Trustees and Board of Trustees designated in the Trust Agreement, together with their successors designated and appointed in accordance with the terms of the Trust Agreement for the Fund. The Board of Trustees is the "administrator" of this Plan as that term is used in the Employee Retirement Income Security Act of 1974.
- B. **Contributing Employer** means an employer that, pursuant to the terms of a collective bargaining agreement or other written agreement acceptable to the Trustees, agrees to contribute to the Fund on behalf of individuals employed by the Employer.
- C. **Fund and/or Welfare Fund** means the North Central Illinois Laborers' Health and Welfare Fund.
- D. **Fund Office** means the office of the North Central Illinois Laborers' Health and Welfare Fund Retiree-Only Health Reimbursement Account Plan.
- E. **Spouse** means a person who is a husband or a wife of a marriage that was legally entered into in a jurisdiction that recognizes said marriage. This term shall also apply to same-sex couples who were legally married in a jurisdiction that recognizes same-sex marriages.
- F. **Union** means any locals or district councils that participate in the Fund.
- G. **Other Terms**

Additional Terms are defined within the Plan at the corresponding Section.

	Terms	Section
1.	Active Plan	1.01
2.	Eligible Expenses	1.04
3.	Designated Policy	2.01
4.	Covered Employment	2.02
5.	HRA Subsidy Claim	3.02
6.	Adequate Separation	5.16
7.	Health Care Operation	5.17
8.	Payment	5.17
9.	Plan Year	5.10

SECTION 5: ADDITIONAL PLAN INFORMATION

5.01 Plan Name.

The North Central Illinois Laborers' Health & Welfare Fund Retiree-Only Health Reimbursement Account (also referred to as "HRA"), is adopted and effective on February 1, 2015, and may be amended from time to time.

5.02 Board of Trustees or Trustees.

A Board of Trustees is responsible for the operation of this Fund. The Board of Trustees consists of an equal number of Employer and Union representatives, selected by the Employers and the Unions, which have entered into collective bargaining agreements relating to this Plan. If you wish to contact the Board of Trustees, you may use the address and the telephone numbers below:

North Central Illinois Laborers' Health and Welfare Fund
4208 W. Partridge Way, Unit 3
Peoria, Illinois 61615
Toll Free: 866-692-0860
Phone: 309-692-0860
Fax: 309-692-0862

As of February 1, 2015, the Trustees of the Fund are:

Union Trustees	<u>Employer Trustees</u>
Ken Diehl	Daniel Aussem
Anthony Penn	Joe Cowan
John Penn	Mike Cullinan
Tim Schmidgall	Michael Fehr
Charlie Shempf	Dana Oaks
Michael W. Smith	Gary Stewart

5.03 Plan Sponsor and Administrator.

The Board of Trustees is the Plan Sponsor and Plan Administrator.

5.04 Plan Number.

The Plan number assigned to this Plan by the Board of Trustees pursuant to instructions of the Internal Revenue Service is 502.

The Employer Identification Number assigned to the Board of Trustees by the Internal Revenue Service is 30-0088171.

5.05 Agent for Service of Legal Process.

The Administrative Manager is the Plan's agent for service of legal process. Accordingly, if legal disputes involving this Plan arise, any documents may be served upon the Administrative Manager at the address shown in Section 5.02. The Administrative Manager is the individual responsible for the day-to-day management of the Plan.

5.06 Source of Contributions.

The subsidy described in this HRA booklet is provided through Employer contributions. The amount of Employer contributions and the Employees on whose behalf contributions are made are determined by the provisions of the collective bargaining agreements governing the North Central Illinois Laborers' Health and Welfare Fund.

5.07 Collective Bargaining Agreement.

The North Central Illinois Laborers' Health and Welfare Fund is maintained in accordance with collective bargaining agreements between Contributing Employers and Unions participating in this Fund. Other agreements may be in effect from time to time. The agreements specify the contributions required.

The Fund Office will provide you, upon written request, information as to whether a particular Employer is contributing to this Fund on behalf of participants working under a collective bargaining agreement or a list of participating Employers.

5.08 Trust Fund.

All assets are held in Trust for the general purpose of providing benefits such as the HRA subsidy to covered participants and defraying reasonable administrative expenses. All of the benefits paid from the Trust, including the HRA subsidy, are provided on a self-funded basis.

The Fund's assets are managed by professional asset managers selected by the Board of Trustees.

5.09 Discretionary Authority of Fund Administrator.

In carrying out their respective responsibilities under the Fund, the Trustees and/or their delegates have discretionary authority to interpret the terms of this Plan and to interpret any facts relevant to the determination, and to determine eligibility and entitlement to the HRA subsidy. The HRA subsidy under this Plan will be paid only if the Trustees and/or their delegates decide in their discretion that the applicant is entitled to the HRA subsidy. Any interpretation or determination made under that discretionary authority will be given full force and effect, unless it can be shown that the interpretation or determination was arbitrary and capricious.

5.10 Plan Year.

The records of the Plan are kept separately for each Plan Year. The Plan Year is the period of time that begins on July 1 and ends on June 30.

5.11 Type of Plan.

The retiree-only HRA is a welfare plan under the Employee Retirement Income Security Act and not an employee pension benefit plan. This Plan is a Retiree Only HRA that is maintained for the purpose of providing reimbursements for the cost of premiums incurred under the Designated Policy. Such reimbursements are included in the definition of "qualified medical expenses" under Section 213 of the Internal Revenue Code.

5.12 Gender.

Except as the context may specifically require otherwise, use of the masculine gender will be understood to include both masculine and feminine genders.

5.13 Assignment.

No participant or eligible Spouse entitled to any subsidy under this Plan shall have the right to assign, alienate or impair in any manner his legal or beneficial interest, or any interest in assets of the Fund, or of the subsidy under this Plan. Neither the Fund nor any of the assets thereof shall be liable for the debts of any participant or eligible Spouse entitled to any subsidy under this Plan, nor be subject to attachment or execution or process in any court action or proceedings.

5.14 Amendment and Termination.

You do not earn a vested right to the HRA subsidy, including amounts that are credited to your HRA. The Trustees expressly reserve the right, in their sole discretion, acting in accordance with the provisions of the Trust Agreement regarding Trustee acts, to amend or terminate this Plan in whole or in part at any time.

This Plan may be terminated under circumstances allowed by ERISA and the terms of the governing Trust Agreement. If the Trustees amend or terminate this Plan, they will notify you in writing of the changes that are made to your HRA subsidy.

5.15 HIPAA.

A. Privacy Policy.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that health plans protect the confidentiality of your private health information. A complete description of your rights under HIPAA can be found in this Plan's privacy notice. The privacy notice is available from the Plan Administrator.

This Plan and the Plan Sponsor, will not use or further disclose information ("protected health information") that is protected by HIPAA, except as necessary for treatment, payment, health plan operations and plan administration or as permitted or required by law. In particular, the Fund will not, without authorization, use or disclose protected health information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan. The Fund also hires professionals and other companies to assist it in providing health care benefits. The Fund will require all of its business associates to also observe HIPAA's privacy rules.

You will have certain rights with respect to your protected health information, including certain rights to see and copy the information, receive an accounting of certain disclosures of the information and, under certain circumstances, amend the information. You will also have the right to file a complaint with the

Fund or with the Secretary of the U.S. Department of Health and Human Services, if you believe your rights under HIPAA have been violated.

This Fund maintains a privacy notice that provides a complete description of your rights under HIPAA's privacy rules. Please contact the Fund Office if:

1. You need a copy of the privacy notice;
2. You have questions about the privacy of your health information; or
3. You wish to file a complaint under HIPAA.

B. HIPAA Security Procedures.

The Fund will comply with the security regulations issued pursuant to the Health Insurance Portability and Accountability Act of 1996, 45 C.F.R. Parts 160, 162 and 164 (the "Security Regulations"). The Board of Trustees shall, in accordance with the Security Regulations:

1. Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the protected health information ("PHI") that it creates, receives, maintains or transmits on behalf of the Plan.
2. Ensure that "Adequate Separation" is supported by reasonable and appropriate security measures. "Adequate Separation" means the Board of Trustees will use PHI only for Plan administration activities and not for employment-related actions or for any purpose unrelated to Plan administration. Any Employee or fiduciary of the Fund who uses or discloses PHI in violation of the Plan's security or privacy policies and procedures or this Plan provision shall be subject to the Plan's sanction policy.
3. Ensure that any agent or subcontractor to whom it provides PHI agrees to implement reasonable and appropriate security measures to protect the information.
4. Take appropriate action related to any Security Incident of which it becomes aware.

The above HIPAA Security Procedures do not apply to PHI (1) that the Plan receives pursuant to an appropriate authorization (as described in 45 C.F.R. § 164.504(1)(1)(ii) or (iii)) or (2) that qualifies as Summary Health information and that the Fund receives for the purpose of either (a) obtaining premium bids for providing health insurance coverage under the Plan or (b) modifying, amending or terminating the Plan (as authorized under 45 C.F.R. §164.508), Unless defined otherwise in the Plan booklet, all capitalized terms in this provision have the definition given to them by the Security Regulations which are incorporated herein by reference.

5.16 The Fund's Use and Disclosure of Your Protected Health Information.

A. How the Fund Uses and Discloses Your Protected Health Information.

The Fund will use your PHI to the extent and in accordance with the uses and disclosures permitted by HIPAA. Specifically, the Fund will use and disclose PHI for purposes related to health care treatment, payment of the HRA subsidy and Health Care Operations.

The Fund will use and disclose your PHI as required by law and as permitted by your authorization or the authorization of your beneficiary. The Fund will disclose PHI only as authorized, for example, for purposes related to administration of reciprocal benefit plans or workers compensation insurers.

B. Definition of Payment.

Payment includes activities undertaken by the Fund to determine or fulfill its responsibility for providing the HRA subsidy. These activities include, but are not limited to, the following:

1. Determination of eligibility for HRA subsidy benefits;
2. Adjudication of HRA subsidy Claims (including appeals and other payment disputes);
3. Disclosure to consumer reporting agencies related to collection of premiums or reimbursement (the following PHI may be disclosed for payment purposes: name and address, date of birth, Social Security number, payment history, account number and name and address of the provider and/or health plan); and
4. Reimbursement to the Fund.

C. Definition of Health Care Operations.

Health Care Operations include, but are not limited to, the following activities:

1. Quality assessment;
2. Population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, disease management, contacting of health care providers and patients with information about treatment alternatives and related functions;
3. Rating provider and Plan performance, including accreditation, certification, licensing or credentialing activities;
4. Underwriting, premium rating and other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits, and ceding, securing or placing a contract for reinsurance of risk relating to claims for health care (including stop-loss insurance and excess of loss insurance);
5. Conducting or arranging for medical review, legal services and auditing functions, including fraud and abuse detection and compliance programs;
6. Business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the entity, including formulary development and administration, development or improvement of methods of payment or coverage policies;
7. Business management and general administrative activities of the entity, including, but not limited to:
 - a. Management activities relating to implementation of and compliance with the requirements of HIPAA Administrative Simplification;
 - b. Customer service, including the provision of data analyses for policyholders, plan sponsors, or other customers;
 - c. Resolution of internal grievances; and

- d. Due diligence in connection with the sale or transfer of assets to a potential successor in interest, if the potential successor in interest is a covered entity or, following completion of the sale or transfer, will become a covered entity.

D. The Fund's Disclosure of Protected Health Information to the Board of Trustees.

For purposes of this section, the Board of Trustees is the Plan Sponsor. With respect to PHI, the Plan Sponsor agrees to:

1. Not use or further disclose the information other than as permitted or required by this Summary Plan Description and Plan Document, or as required by law;
2. Ensure that any agents, including a subcontractor to whom the Plan Sponsor provides PHI received from the Fund, agree to the same restrictions and conditions that apply to the Plan Sponsor with respect to such information;
3. Not use or disclose the information for employment-related actions and decisions unless authorized by the individual;
4. Not use or disclose the information in connection with any other benefit or employee benefit plan of the Plan Sponsor unless authorized by the individual;
5. Report to the Fund any use or disclosure of the information of which it becomes aware that is inconsistent with the uses or disclosures provided for in this document;
6. Make PHI available to the individual in accordance with the access requirements of HIPAA;
7. Make PHI available for amendment and incorporate any amendments to PHI in accordance with HIPAA;
8. Make the information available that is required to provide an accounting of disclosures;
9. Make internal practices, books and records relating to the use and disclosure of PHI received from the Fund available to the Secretary of HHS for the purposes of determining compliance by the Fund with HIPAA;
10. If feasible, return or destroy all PHI received from the Fund that the Plan Sponsor still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made. If return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction infeasible.

Adequate separation between the Fund and the Plan Sponsor will be maintained. Therefore, in accordance with HIPAA, only the following Employees or classes of Employees will be given access to PHI:

1. The Plan Administrator; and
2. Staff designated by the Plan Administrator.

The persons described above will only have access to and will only use and disclose PHI for Plan administration functions that the Plan Sponsor performs for the Fund. If these persons do not comply with this Summary Plan Description and Plan Document, the Plan Sponsor will provide a mechanism for resolving issues of noncompliance, including disciplinary sanctions.

5.17 Statement of ERISA Rights.

As a participant in the North Central Illinois Laborers' Retiree-Only Health Reimbursement Account, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to the following rights.

A. Receive Information About Your Plan And the HRA Subsidy.

You have the right to:

1. Examine, without charge, at the Plan Administrator's office, all documents governing the Plan. These include insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Fund with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA).
2. Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan. These include insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may assess a reasonable charge for the copies.
3. Receive a summary of the Fund's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

B. Prudent Actions By Plan Fiduciaries.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The Trustees who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other participants and beneficiaries. Further, no one, including your Employer, your Union or any other person may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

C. Enforce Your Rights.

If your Claim for the HRA subsidy is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Plan documents or the latest annual report from the Fund and do not receive them within 30 days, you may file a lawsuit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have an HRA subsidy Claim, which is denied or ignored, in whole or in part, you may file a lawsuit in court. In addition, if you disagree with the Fund's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file a lawsuit in court. You must exhaust all the Plan's claims and appeals procedures before filing a lawsuit.

If it should happen that Plan fiduciaries misuse the Fund's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or file a lawsuit. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your HRA subsidy Claim is frivolous.

D. Receive Assistance With Your Questions.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or:

The Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

You may also find answers to your Plan questions, your rights and responsibilities under ERISA, and a list of EBSA field offices by contacting the EBSA:

- A. By calling (866) 444-3272;
- B. Sending electronic inquires to www.askebsa.dol.gov; or
- C. Visiting the website of the EBSA at www.dol.gov/ebsa.

APPENDIX

Schedule for HRA Subsidy.

HRA Subsidy Amount:

Beginning February 1, 2015, your HRA Subsidy Amount is \$20 multiplied by the number of your HRA Subsidy Credits.

If you have questions, please use this contact information:

For HRA subsidy questions, including questions about your eligibility for the HRA subsidy or the amount of your HRA subsidy, contact the Fund Office at:

North Central Illinois Laborers' Health and Welfare Fund
4208 W. Partridge Way, Unit 3
Peoria, Illinois 61615
Toll Free: 866-692-0860
Phone: 309-692-0860
Fax: 309-692-0862
Website: www.ncilhwhf.com

For questions about:

- **Payment of your HRA Subsidy Amount to the insurer for the Designated Policy**
- **How to enroll in the Designated Policy coverage**
- **Claims for benefits under the Designated Policy**
- **Medical, prescription drug, dental or vision coverage**

Contact the Designated Policy's Third Party Administrator ("TPA") at:

Midwest Laborers' Private Health Exchange
6815 Weaver Road, Suite 200
Rockford, Illinois 61114
Phone: 815-316-0645
Fax: 815-312-5761
Website: www.mlphe.com