

SAN FRANCISCO ELECTRICAL WORKERS HEALTH & WELFARE TRUST

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San Francisco Electrical Workers Health & Welfare Trust Summary of Material Modifications

THIS NOTICE DESCRIBES RECENT CHANGES TO THE PLAN'S LONG-TERM DISABILITY RULES - PLEASE REVIEW IT CAREFULLY

The San Francisco Electrical Workers Health & Welfare Plan (the "Plan") provides a \$400 monthly long-term disability ("LTD") benefit to Participants who become Totally Disabled before attaining age 65. The benefit is generally payable until age 65, though it may terminate earlier under certain circumstances that are described in the Summary Plan Description (SPD).

On December 1, 2011, the Plan's Board of Trustees approved two significant changes to the LTD benefit, effective February 1, 2012. They are:

1. ***Benefit Increased.*** The amount of the monthly LTD benefit is increased from \$400 to \$1,000.
2. ***Benefit Limited to 36 Months.*** The maximum duration of the LTD benefit is 36 months, subject to earlier termination as described in the SPD.

Exception. These changes increasing the monthly LTD benefit to \$1,000, and limiting them to 36 months, do not apply to those Participants who received an LTD benefit for January 2012, and who, as of January 31, 2012, have received more than 18 monthly LTD benefit payments. These Participants may continue to receive a monthly LTD benefit until age 65, subject to earlier termination as explained in the SPD.

Attached are the restated LTD benefit provisions of the SPD reflecting the new rules described in this Summary. If you have questions regarding this Summary, please contact the Plan Office at 720 Market Street, Suite 700, San Francisco, CA 94102, Tel. (415) 263-3670.

San Francisco Electrical Workers Health & Welfare Plan

SECTION VIII: LONG-TERM DISABILITY (LTD) BENEFITS

A. ELIGIBILITY

If you become Totally Disabled (as defined below), you will become eligible to receive long-term disability (LTD) benefits under the Plan if you satisfy (i) the contribution hours requirement, (ii) the Waiting Period requirement and (iii) the notice and proof requirements of this subsection.

1. Contribution Hours Requirement. You satisfy the contribution hours requirement if you have actually worked the following number of hours of Covered Employment in any one of the following time periods:

- (i) 250 hours during the 3 months immediately preceding disability;
- (ii) 500 hours during the 6 months immediately preceding disability;
- (iii) 750 hours during the 9 months immediately preceding disability;
- (iv) 1,000 hours during the 12 months immediately preceding disability;
- (v) 2,000 hours during the 24 months immediately preceding disability; or
- (vi) 3,000 hours during the 36 months immediately preceding disability.

For purposes of satisfying the hours requirement of this paragraph, you may determine the consecutive-month period on the basis of either calendar months that ended immediately before, or date-to-date months, the last of which ended on, the date preceding the date of your disability.

2. Waiting Period. You satisfy the Waiting Period requirement once you have been continuously and Totally Disabled for a period of 30 days (the "Waiting Period"). Total Disability will be deemed not to have commenced before both (i) the third day that precedes the first visit with a Physician or other certified licensed medical provider for diagnosis or treatment of the disabling condition and (ii) the day you stopped working as a result of the disabling condition. For example, if you stopped working on March 12 due to disability, but did not visit a Physician or other licensed medical provider for diagnosis or treatment until March 28, your disability will not be deemed to commence until March 25. The Waiting Period, therefore, will not be satisfied until April 24.

3. Notice and Proof Requirement. You satisfy the notice and proof requirement if you notify the Plan Office and submit an *Attending Physician's Statement* form (available from the Plan Office) no later than the later of (i) the 120th day following the date your Total Disability commenced or (ii) the date your hour bank reserve account is exhausted. Proof from your attending Physician or other medical provider that you continue to be Totally Disabled may be required by the Plan from time to time. The Board of Trustees may designate a Physician to make the disability determination. If you fail to furnish proof or if you refuse to be examined by a Physician (as designated and paid by the Plan), you will be deemed not to be Totally Disabled and any LTD benefits will cease.

4. Totally Disabled Defined. Totally Disabled means you are unable to perform the duties of an Inside Wireman for a reason other than that described in paragraph 5. The duties of

an Inside Wireman includes climbing, crawling, crouching and working in cramped quarters, and carrying wire and other loads up to 50 pounds. To be considered Totally Disabled, you must be under the care of a Physician or other licensed medical provider whose medical certification of disability is recognized by the State of California for state disability income purposes.

5. Exclusions. No LTD benefit payment will be paid with respect to a disability that was caused by:

- (i) an intentional self-inflicted injury if the injury is not otherwise covered by the Plan or is not the result of a medical condition,
- (ii) the Participant's commission of, or participation in, a felony; or
- (iii) an act of war (whether or not declared), insurrection, rebellion, or participation in a riot or civil commotion.

B. AMOUNT

Before February 1, 2012, the monthly LTD benefit payment was \$400. After January 31, 2012, the monthly LTD benefit payment is \$1,000, except as provided under the Grandfather Rule below.

Grandfather Rule: The amount of the monthly LTD benefit payment for a Participant who both received a benefit for January 2012 and more than 18 LTD benefit payments as of January 31, 2012, will continue to be \$400 after January 2012, subject to all the conditions otherwise set forth in this section.

C. COMMENCEMENT AND DURATION

If you are eligible for an LTD benefit under subsection A, your monthly LTD benefit will commence at the time and for the duration set forth below.

1. Commencement of Benefit. Your monthly LTD benefit will commence on the first day following the end of your Waiting Period, with the first payment made (if practicable) at the end of the month in which your Waiting Period ends.

2. Duration of Benefit

(a) *General Rule.* Subject to the Grandfather Rule described in subparagraph (b), and earlier termination as provided in subparagraph (c), the monthly LTD benefit will cease upon the earlier of (i) the date 36 monthly payments have been made (ii) the date the Participant attains age 65.

(b) *Grandfather Rule.* Subject to earlier termination as provided in subparagraph (c), a Participant receiving an LTD benefit payment under the Grandfather Rule in subsection B may continue to receive a monthly LTD benefit until attaining age 65.

(c) *Early Termination of LTD Benefit.* A Participant's LTD benefit will terminate before the time provided under subparagraph (a) and (b) as provided in this subparagraph.

(1) Shorter Benefit for Limited Recent Service. If you have not been continuously employed in Covered Employment during the 36-month period immediately

preceding your disability, your LTD benefit is limited to the number of calendar months during that 36-month period in which at least 120 hours of Employer Contributions were required to be made on your behalf. This rule applies to all Participants, including Participants subject to the Grandfather Rule in subsection B.

Covered Employment. Covered Employment, for purposes of this section, includes periods of registration on an IBEW Local 6 referral list. In addition, if you are an apprentice who began working in the industry less than 36 months before your disability, you will be deemed to have 36 continuous months of Covered Employment if you have been in continuous Covered Employment since you began work as an apprentice, including periods in which you were attending day school and on an employment rotation schedule established by the Joint Apprenticeship and Training Committee.

(2) No Longer Disabled. Your monthly LTD benefit will terminate upon the date you cease to be Totally Disabled or the date of your death. Your benefit will be appropriately prorated should your disability cease at any time other than the last day of a benefit month.

(3) After 12 Months Requires SSA Award or Physician Extension Request. LTD benefit payments will continue after 12 monthly payments only if (i) you have received a disability award from Social Security Administration (“SSA”) and have filed a copy of the award with the Plan Office, (ii) SSA has denied your disability award solely because you lacked a sufficient number of Social Security quarters of coverage, or (iii) your Physician or other medical provider sends a completed *Application For Extended Long-Term Disability Benefits* form to the Plan Office certifying that (1) your Physician or other medical provider believes you will be able to return to work within 6 months, (2) you are waiting for an SSA determination concerning your disability award application, or (3) it is unclear how long your disability will last (*e.g.*, the duration of your disability after a surgery may not be determinable until more time has passed after surgery to determine the surgery’s success).

[Note: Because the process of obtaining a disability award from SSA can often take a year or longer, you are encouraged to apply for a Social Security disability award as early in your disability as possible.]

(4) After 18 Months Requires SSA Award. LTD benefit payments will continue after 18 months (inclusive of the 12 months in subparagraph (d) above) only if (i) you have received a disability award from SSA and have filed a copy of the award with the Plan Office or (ii) you have satisfied all of SSA’s requirements for receiving a disability award, but have been denied an award solely because you lacked a sufficient number of Social Security quarters of coverage.

(5) Denial of SSA Award. LTD benefit payments will cease on the date that SSA has denied your application for a Social Security disability, unless you satisfied all of the requirements of the award other than having a sufficient number of Social Security quarters of coverage. You must notify the Plan Office of any denial of your SSA

application within 10 days of the date of the denial.

(6) Commencement of Pension Benefit. LTD benefit payments will cease as of the month preceding the month that contains your pension start date under any defined benefit pension plan covering members of an International Brotherhood of Electrical Workers local union.

D. SUCCESSIVE DISABILITIES

1. Connected Disabilities. A successive period of disability may provide for a monthly LTD benefit under this section that is determined without regard to the prior period of disability only if it is not connected to the prior period of disability. A successive period of disability will be considered as a continuation of, and thus connected with, a prior period of disability if it arises from (i) the same or related cause and is separated by less than 3 months of continuous Covered Employment or (ii) a different and unrelated cause and is not separated by a return to Covered Employment; but only if, in either case, the successive period of disability commences while you are either working in Covered Employment or receiving LTD benefits.

2. No Double Payment. Regardless of the number of successive periods of disability, no month of eligibility for benefits pursuant to paragraph 1 may support more than one benefit payment.

E. ADDITIONAL RULES

1. Pension Contributions. The Plan will contribute \$31.25 per month to the Northern California Electrical Workers Pension Plan for any month that an LTD benefit is paid to you (or an appropriately prorated amount for a partial month's LTD benefit payment).

2. Benefits Improperly Paid. Any benefit paid to a person not entitled thereto shall be owed by him or her to the Plan and must be repaid. Notwithstanding any other provision of this Plan, overpayments shall be deducted from future LTD benefits payable to the recipient unless the Board concludes that requiring such repayment would be inequitable.