



**RETIREE PLAN
JANUARY 2025**

JANUARY 1, 2025

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. Copies of these documents are also available upon request from the SASMI office at 3180 Fairview Park Drive, Suite 150, Falls Church, VA 22042 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.

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.

Union Trustees

John Daniel
Donald Dunn
Kolby Hanson
Eric Meslin

Management Trustees

Dan Monahan
Hank Artlip
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Sal Tortorici

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 originally set up to stabilize employment and earnings in the Sheet Metal Industry and to protect you against related loss or interruption of earning power during periods of unemployment or to assist with the cost of travelling in response to a job call in another area. It does this by providing certain benefits to covered sheet metal workers. Since its inception, SASMI has expanded its active benefits to include income replacement for time spent at wellness benefits and for sick leave or while out in relation to a pregnancy. For Retirees there

is a Retiree HCRA (Health Care Reimbursement Account) and for both Actives and Retirees there is a life insurance benefit. Most recently for active participants the SASMI Trust Fund has added an active HRA.

In compliance with ERISA, 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. **This part of the booklet describes the benefits for Retirees.**

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 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 retired Employees are paid directly and solely from assets of the SASMI Retiree Employee Plan. None of the benefits actually provided by SASMI are insured, and no SASMI benefits are vested. They may be amended, changed, 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 or other agreements.

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Retiree Benefits

- **Service Based HCRA (“SBHCRA”—began 2010 to replace Retiree Health benefit)**
- **Retiree Health Care Reimbursement Account (“HCRA”—began 2010)**
- **HCRA—B**
- **Death Benefit from the Active Plan (effective January 1, 2022)—not available to participants only in HCRA B**

I. General Eligibility (For Benefits Other Than HCRA-B)

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 requirements:

1. You must have worked in Covered Employment as set out in the eligibility rules for the specific benefit.
2. You must have met all the requirements (including cessation of work) 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 or eligible for a Social Security Disability Benefit.
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).
4. Your Home Local Union Contract requires contributions to SASMI (not including HCRA B) at the time of your retirement.

* 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, prior to termination of eligibility in the Active Plan, you had a combination of five (5) or more Years of Service under the Active Plan, and if your Local Union Contract continues to require contributions to SASMI (not including HCRA-B), you will not lose eligibility for Benefits as a Retiree under this Plan, but Benefits will be based only on actual Years of Service contributed to the Active Plan.
2. Generally, if you have less than five (5) combined Years of Service under the Active Plan 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 or 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 their Spouse and Dependents are not eligible for payment of Benefits under this Plan for any time that the individual is a current Employee for an Employer in the Sheet Metal Industry. This includes if you continue to work and begin drawing a voluntary or mandatory (because of your age) in-service pension.
- 4. Returning to Active Employment after Retirement.** If you return to Active Employment after Retirement then your eligibility for Retiree Plan HCRA benefits is suspended until you again meet the eligibility requirements (retirement). If you retire and return to work multiple times, you are only eligible one time for a recalculation of additional HCRA benefits after returning to work after retirement. Retirees who return to work are eligible for “non-deduct” benefits but not for “deduct” benefits including un/underemployment and welfare benefits.



II. Service Based HCRA

The Service Based HCRA replaced 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 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 have at least five (5) years of 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 did not receive 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, then your Service Based HCRA will be deposited into a combined account.

- If, at the time of your retirement, your Employer was not contributing to SASMI (SASMI – B alone does not count) either because the Employer ceased contributing or the obligation to contribute was removed from the CBA then you are not eligible for this retiree benefit.

III. 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, a SMART Local Union Defined Benefit (or, if none, Defined Contribution) Pension Fund or a Social Security Disability Benefit; 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.
- You have at least two (2) Years of Future Service Credit.

The amount of the SASMI HCRA Benefit is calculated (as set out below) based on the contributions made on your behalf and the benefits you received (or were entitled to) from SASMI under the Active Plan.

Calculation of the HCRA Benefit

Effective for Retirees who were active in 2023 or after and who retire January 1, 2024 or after, the calculation of the HCRA amount has been changed. If you ceased active participation prior to January 1, 2023 or retired before January 1, 2024 refer to earlier SPDs and plan documents. The Fund Office can provide you with those documents.

1. Calculation of Years of Service

Future Service Credit is given for each Stabilization Period after the Stabilization Period in which you gained initial eligibility and remained a SASMI participant (does not include Plan B only). 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.

2. Calculation of Percentage To Be Applied Based on Years of Service

The multiplier for calculating the HCRA benefit is determined by calculating a percentage factor equal to 100% plus 1.67% times the Years of Future Service Credit ($0.835\% \times \text{the number of Stabilization Periods}$). Note, the percentage used to calculate your benefit cannot exceed 200%.

3. Amount of Contributions Used to Calculate HCRA

The amount of contributions used in the calculation is determined by taking the dollar value of all contributions received by SASMI (not including contributions to Plan B HCRA).

4. Calculation of HCRA Benefit

- (a) Total contributions calculated in step 3 are multiplied by the applicable percentage calculated in step 2 above.
- (b) From the amount in (a) the value of all prior deductible Benefits received from the Active Plan is subtracted.

Benefits paid include severance benefits for which an individual is eligible even if the benefit is not yet applied for or, if it is applied for but the check is not cashed, as well as severance benefits which are lost based on a failure to timely apply. For individuals who retire January 1, 2016, or later, SASMI benefits paid do not include Severance Benefits which would have been paid but for which a Retiree is not eligible because of a transfer to a non-SASMI SMART 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.

- (c) **For individuals who retire after July 1, 2023, any amounts left in the Active HRA remain available after retirement in their HCRA account.**

5. Interest Credit

Effective July 1, 2023, and on an annual basis thereafter, an Interest Credit will be applied to HCRA accounts with both (1) average balances of \$1,000 or more in the prior calendar year and (2) balances above \$0 on June 30 of the year in which the Interest Credit is applied.

Interest credits have been valued at 3% since the interest benefit began in 2023. However, the Trustees may increase or decrease the interest credit amounts in the future. These adjustments to interest credits will generally only be applied prospectively.

IV. 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 in Covered Employment for an Employer who contributed to Plan B HCRA on your behalf;
2. You are not 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).
3. You must have met all the requirements (including cessation of work) for a pension from the Sheet Metal Workers' National Pension Plan or another Defined Benefit (or, if none, Defined Contribution) pension plan maintained pursuant to a SMART Collective Bargaining Agreement or other Contract as defined in the Plan Document.
4. 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.

5. You have at least one (1) year of Future Service Credit (435 Hours) as defined for this Plan B HCRA. (This condition is waived if you retire with a regular HCRA or Service Based HCRA benefit).

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. If a Retiree begins receiving this Benefit and dies prior to using all of it, then the surviving Spouse may continue to use it for the remainder of their life. If a Retiree dies before applying for this Benefit, then the surviving Spouse or qualified dependent may apply and receive it. 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 have been valued at 3% since the benefit began in 2017. However, 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 II) or a HCRA (part III) then the amounts from this Plan B HCRA account will be combined with the other HCRA account.

Termination of employment does not impact your eligibility for this benefit or the amount of your benefit.

V. What the HCRA (Including HCRA-B) Covers and How to Apply for Benefits

A. How to Initially Apply for HCRA Benefits

You must file an initial application to set up an account for Retiree Health Care Reimbursement Account (HCRA) Benefits which will be funded based on your SASMI contribution history, the benefits you received as a participant in the Active Plan, and your Years of Service Credit. The calculated

amount of your benefit will then be credited to your HCRA account. The application must be filed with SASMI on the SASMI application form in use at the time of the application. Applications are available online 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 before the date of the first credit to your HCRA account, generally six (6) months after Retirement, and will not be paid for claims incurred prior to the establishment of your HCRA account.

After your HCRA Benefit account is established, there are two ways for you to receive benefits: (1) you may use your WEX Debit card to pay the provider directly, or (2) you can pay a HCRA reimbursable Medical Expense and then submit a reimbursement claim form. After your death your eligible Spouse or eligible adult Dependent(s) or representative of an eligible minor Dependent may use your remaining HCRA for eligible Medical Expenses.

B. HCRA Payments for Eligible Medical Expenses

1. HCRA Accounts may be used for reimbursement of expenses which are not otherwise compensable by (or the responsibility of) an insurance carrier, a group health plan or other third party and 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; and
2. Eligible medical costs can be reimbursed as follows:
 - a) Payments for prescription drugs and other HCRA eligible items, for example over-the counter medications and bandages, should be paid for at the pharmacy directly with your WEX Debit card. In general, no additional documentation will be needed. Note: The WEX card will only work at the pharmacy not at the general checkout register of the drug store or other facility housing the pharmacy.
 - b) Amounts due to non-pharmacy medical providers such as doctors and facilities for deductibles, co-payments, co-insurance or other patient responsibility should also be paid for directly with your WEX Debit card. Certain co-payment amounts will not require additional documentation; however, for most payments you must upload additional documentation supporting the payment (e.g., EOB, invoice) after using the WEX Debit card. If you fail to provide the supporting documentation, then the payment will be deemed an overpayment, and you will need to refund your account. The documentation is required to establish the medical provider, the patient, the date of service, and the nature of the service. This information is required by the IRS.
 - c) There are certain medical expenses for which you cannot use the WEX Debit card such as some durable medical equipment (walkers, medically necessary canes, tub seats) purchased from a non-medical provider such as Target or Amazon. For these types of expenses, you can claim reimbursement by filing a SASMI form for reimbursement. Payments can be electronically transferred to you.
 - d) If your Local Union Welfare Plan allows you to do so, you can set up for automatic payment of your retiree premiums from your HCRA account. If your welfare fund is not able to do this, then you may submit claims for reimbursement.



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.

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.

C. Limitations on HCRA Claims

- 1.** If you file a claim that exceeds your 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 incurred prior to your retirement date or 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 their 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.
- 5.** An administrative fee of \$5 per month will be applied to any HCRA account that has a balance of \$60 or less and has had no claims or reimbursement requests for 12 months.

VI. Death Benefit (Not Available to Retirees Only in HCRA-B)

This is the only Active Benefit that you continue to be eligible for after Retirement. This eligibility does not make you an active participant in the Active Plan.

A. Qualification

Your dependents are eligible for this Death Benefit if all of the following conditions are met:

1. You were eligible for Active Benefits immediately prior to Retirement on or after January 1, 2020 and for Retiree Benefits (HCRA) upon retirement;
2. You would have been eligible for the Active Employee Death Benefit if you had died the day before you retired;
3. You die on or after January 1, 2021;
4. An application is filed within one (1) year of your death and in accordance with procedures established by the Trustees;
5. Your Active Benefits do not exceed the contributions paid on your behalf; and
6. Your death occurs within the first five (5) years after your retirement and, based on your Years of Future Service Credit, there is a benefit payable to your beneficiaries as set out below.

B. Amount of Benefit

The benefit payable shall be a portion of the death benefit that would have been paid as an Active Benefit had you died the day before retirement reduced by the length of time since retirement as follows:

BENEFIT BASED ON TIME SINCE RETIREMENT					
Years of Future Service Credit	first 12 months (year 1) after retirement	months 13-24 (year 2) after retirement	months 25-36 (year 3) after retirement	months 37-48 (year 4) after retirement	months 49-60 (year 5) after retirement
5 – 9.5	\$5,000	\$0	\$0	\$0	\$0
10 – 14.5	\$10,000	\$5,000	\$0	\$0	\$0
15 – 19.5	\$20,000	\$13,333	\$6,667	\$0	\$0
20 – 24.5	\$30,000	\$22,500	\$15,000	\$7,500	\$0
25 – 29.5	\$40,000	\$32,000	\$24,000	\$16,000	\$8,000
30 or More	\$50,000	\$40,000	\$30,000	\$20,000	\$10,000

C. Exclusions

Benefits will not be paid in connection with your death if it is caused by or results from an injury that was received while committing an assault or felony.

You will cease to be eligible for the Retired Employee Death Benefit and forfeit any Benefits which would otherwise have been payable upon a loss of eligibility for Retiree Benefits or a termination of participation for any reason other than an exhaustion of your HCRA account.

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 your HCRA, you 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 remaining HCRA benefits 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

Applicable to both Active and Retiree Plans

I. Plan Identification Information

Name of Plan:

National Stabilization Agreement of the Sheet Metal Industry - Active Employee Rules and Regulations (the "Active Employee Plan")

Trustees:

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Washington, DC 20006

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Brad Snodgrass, Inc.
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Indianapolis, IN 46203

SASMI Office Administrator:

Kenneth Colombo, SASMI Administrator
3180 Fairview Park Drive, Ste. 150
Falls Church, VA 22042
Phone: (800) 858-0354 or (703) 739-7250
Fax: (703) 549-9613 (Business & Benefits Office)
www.sasmi.org, also available as a link on www.smwnbf.org

If you wish to obtain additional information about the plan, contact SASMI by writing to the SASMI Administrator at the above address.

Employer Identification Number: SASMI Board of Trustees: 52 1036457

Plan Number: 501

Plan Type: Employee welfare benefit plan

Person and Address for Service of Legal Process:

SASMI Administrator
3180 Fairview Park Drive, Ste. 150
Falls Church, VA 22042

Service of legal process may also be made on a Trustee.

SASMI may also invest in commingled investment vehicles. If these vehicles are considered to hold SASMI assets in their underlying investments, the fund will generally be listed on the Form 5500 for SASMI which can be retrieved from www.efast.dol.gov after it is filed.

II. IRS Lien/Levy or Other State Tax Liens

SASMI honors IRS and state tax liens and levies. If SASMI receives a lien or levy, directed to your benefits then your record is coded and future Benefits subject to the lien or levy that are due to you are paid to the appropriate agency on your behalf until the lien or levy is satisfied.

III. Can SASMI or Its Benefits Be Changed?

The Trustees have the power to amend or terminate the Plan at any time and in any fashion, even as to benefits already approved for payment. SASMI Benefits are not vested and may be amended or modified by the Trustees at any time.

No amendment or modification may reduce any benefits which have been approved for payment prior to amendment (so long as funds are available for payment of such benefits), cause a reversion of any of the plan assets to the Employers nor permit any of plan assets to be used for or diverted to any purpose other than the exclusive benefit of the plan participants and their beneficiaries and payment of administrative expenses.

A. Amendment

No amendment or modification may cause a reversion of any Plan assets to the Employers nor permit any Plan assets to be used for or diverted to any purpose other than the exclusive benefit of the Active Participants, Retirees, and other beneficiaries of the Plan and payment of administrative expenses.

B. Termination of Plan

Upon termination of the Plan, the assets then remaining in the Plan shall be used to pay expenses of administration and to pay Benefits to Active Participants or Retirees or other eligible persons, unless sooner exhausted. Thereafter, the Trustees shall determine the disposition of any remaining assets of the Plan in any fashion not inconsistent with the purposes of the Plan, and in accordance with ERISA Section 403(d)(2). Under no circumstances shall any money or assets remaining in the Plan be returned to or inure to the benefit of an Employer, a Local Union or the International Union.

C. Reciprocity and Alternative Contributions

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

D. Severability

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

IV. General Claim Application and Appeals Procedures

Note: Special Rules for Disability Claims are in part G, below.

A. Applications

- 1. Filing of Applications.** Applications for Benefit are available on the SASMI website www.sasmi.org, from SASMI, and other persons authorized by the Trustees. An application for a Benefit shall be made in writing and shall include information deemed necessary by the Trustees and filed with the SASMI Fund Office. Some benefits have applications which can be completed online, and more online applications will be added in the future. You can, however, always submit a paper application.

- 2. Fraudulent or Deceptive Statements.** If the Trustees determine that an application for benefits has been intentionally falsified for the purpose of attempting to receive benefits not otherwise payable, the result will be disqualification from any Benefits payable and future Benefits for a period of one (1) year. If the falsification is committed by a representative of a claimant, the person shall be subject to any available remedy under applicable law.
- 3.** Applications for benefits are generally due no later than 60 days after the end of the Stabilization Period for which the benefit is sought. Different deadlines, however, apply for some benefits, for example, the Maternity Benefit. Check the section dealing with the benefit.

B. Application Processing

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

C. Notification to Claimant of Decision

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

D. Claims Committee

The Trustees may appoint a Claims Committee, consisting of one or more persons, to carry out their functions with respect to the claims and review procedure specified in this Article. The Board of Trustees or the Claims Committee shall have regularly scheduled meetings at least once a quarter to consider requests for review.

E. Review Procedure

A claimant who has received a notice that his or her application has been denied may request a review of such notice of denial within one hundred eighty (180) days of the notice or a longer period allowed by the claims regulations under Section 503 of ERISA for a specific claim. In addition, a claimant who has not received a decision on an application by the deadline may request a review of his request. The claimant shall request a review in a written application to the Trustees. The claimant may have the opportunity to review pertinent documents and may submit issues and comments to the Trustees in writing. The claimant may have representation in connection with this review procedure.

F. Decision on Review

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

G. Claims and Appeals Involving a Determination of Permanent or Temporary Disability

The general rules applying to claims and appeals are modified as follows for claims and appeals which require a determination of Disability or Temporary Disability:

- Claims will be ruled on within 45 days after receipt of a completed application. In some cases, additional time may be needed, up to another 30 days. The Administrator or the Claims Committee may extend the time to resolve the claim for only two (2) additional 30-day periods.
- The denial of a claim or part of a claim will be provided in writing, in a culturally and linguistically appropriate manner, and will include the specific reason(s) for the denial; a reference to pertinent Plan provisions, specific internal rules, guidelines, protocols, standards or other similar criteria; an explanation of the basis for disagreeing with or not following any opinion provided by the Employee; a description of any additional information necessary to perfect the claim; and an explanation of the steps to be taken if the Employee wishes to appeal the denial.
- An Employee (or his authorized representative) may appeal any denial by filing a written request for review. The written appeal must be filed with the Administrator within 180 days from the date of receipt of the written denial. Use of the Plan's Appeal Procedure is mandatory.
- An Employee may submit in writing issues, comments and evidence for consideration by the reviewing party. An Employee may request copies of all documents, records, and other information relied on by the Administrator or the Claims Committee in making the adverse determination including any internal rule, guideline, protocol or other criteria. There is no charge to the Employee for these copies. The Employee may also supply additional medical or other information in support of their claim. If, in considering an appeal, the Trustees or the Claims Committee become aware of any new or additional evidence that was considered, relied upon, or generated by the Administrator or the Claims Committee in making the adverse determination or any new or additional rationale for making the adverse determination, copies of such new or additional evidence or rationale will be provided to the Employee, as soon as possible. The Employee will then have 30 days after receiving such new or additional evidence or rationale to submit a written response to the Trustees or the Claims Committee.

H. Records

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

I. Uniform Limitations Period

1. A claimant has a duty to present a claim for payment to SASMI before other legal action. To the fullest extent allowed by applicable law, no administrative proceedings, arbitration, lawsuit or other legal action on a claim against SASMI or its fiduciaries can proceed without filing of an application for Benefits or other claim for payment with SASMI and timely completion of the Fund's claims procedure.
2. Except to the extent otherwise required by applicable law, no administrative proceedings, arbitration, lawsuit or other legal action on such claim for Benefits or other requests for payment from SASMI or its fiduciaries in connection with a claim for Benefits or other payments from SASMI or its fiduciaries (including without limitation, monetary remedies or awards for failure to respond to a request for documents or retroactive payments) shall be instituted against SASMI or its fiduciaries more than one hundred eighty (180) days after the earliest of:
 - (a) the last date for timely request for review of a denied claim;
 - (b) the date of a written determination or response by the Plan to a timely request for review on a claim, or
 - (c) the last date for a timely response by the Plan to a request for review or other request under ERISA and applicable regulations.

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

J. Benefit Overpayments

If there is an overpayment or a payment on an ineligible claim that isn't repaid within 30 days of notice of the erroneous payment, then the payment will be reported to the IRS as a taxable event.

K. Benefit Deductions

The Trustees may, as they deem prudent, deduct or withhold from the amount of any Benefit, as computed under the Plan:

1. any amount required to be withheld by the Trustees by reason of any law or regulation or final court decree, or
2. any amount for payment of taxes or otherwise to any federal, state or municipal government.

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

L. Nonalienation of Benefits

No attempt to subject a Benefit or portion thereof to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of any kind shall be valid and enforceable. The Trustees may terminate the interest of a Claimant in the Benefit or a portion thereof and apply the amount of such Benefit or portion thereof to or for the benefit of such Claimant's Spouse,

Dependents or other appropriate recipient as the Trustees may determine and any such application shall be a complete discharge of all liability with respect to such Benefits.

M. Choice of Law

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

V. Privacy and Security

A. Privacy of Protected Health Information

In accordance with the HIPAA Privacy Rule in 45 C.F.R. Part 160 and Subparts A and E of Part 164, the Trustees and SASMI will only disclose Protected Health Information in accordance with the following rules:

- (a) **Hybrid Entity.** SASMI is designated a “hybrid entity” as defined under 45 CFR §164.504. As such, the rules in subsections (b) to (n) below apply only with respect to the group health benefit operations of SASMI, directly or in relation to another covered entity under HIPAA.
- (b) **Unauthorized Use or Disclosure.** Protected Health Information will only be used or disclosed as permitted or required by SASMI documents or as required by law.
- (c) **Subcontractors and Agents.** The Trustees and SASMI will require each agent and subcontractor to whom they provide Protected Health Information to agree to written contractual provisions that the agent or subcontractor will be subject to the same restrictions and conditions that apply to SASMI with respect to Protected Health Information.
- (d) **Permitted Purposes.** Protected Health Information will not be used or disclosed for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employers who contribute to SASMI.
- (e) **Reporting.** The Trustees and SASMI will report and record uses or disclosures of Protected Health Information that are inconsistent with those permitted by law of which they become aware.
- (f) **PHI Related to Reproductive Health Care.** SASMI will not use or disclose PHI for the purpose of investigating or imposing liability related to reproductive health care that is legally provided under state or federal law. SASMI will not use or disclose PHI potentially related to reproductive health care for health oversight activities, judicial and administrative proceedings, law enforcement purposes, or to coroners and medical examiners, without obtaining a valid attestation that the use or disclosure is not for a prohibited purpose.
- (g) **Protected Health Information Availability.** Protected Health Information will be made available to Active Participants and Retirees at the SASMI office so that they can inspect and copy their own individual Protected Health Information.
- (h) **Protected Health Information Correction.** Participants or others who are eligible for health

benefits will be permitted to amend or correct Protected Health Information that is incorrect or incomplete and SASMI will incorporate any such amendments or corrections provided by the Plan.

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

B. Security of Protected Health Information

In accordance with the HIPAA Security Rule in 45 CFR Part 160 and Subparts A and C of Part 164, the Trustees and SASMI, with respect to the group health benefit operations of SASMI, directly or in relation to another covered entity under HIPAA, will safeguard Electronic Protected Health Information by:

- (a) **Administrative, Physical, and Technical Safeguards.** Implementing administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that SASMI creates, receives, maintains, or transmits on behalf of a group health plan.
- (b) **Security of Adequate Separation.** Ensuring that the "adequate separation" between a group health plan and other offices or plans of the Union or Employers described in the "Privacy of Protected Health Information" section is supported by reasonable and appropriate security measures.

- (c) Subcontractors and Agents.** Ensuring that any agent, including a subcontractor, to whom it provides Electronic Protected Health Information agrees to implement reasonable and appropriate security measures to protect such information.
- (d) Reporting.** Reporting any security incident of which it becomes aware.
- (e)** The provisions in Sections (a) through (d) above do not apply to Electronic Protected Health Information that a plan sponsor receives; (1) pursuant to 45 C.F.R. §164.504(f)(1)(ii) or (iii), or, (2) through a valid authorization in accordance with 45 C.F.R. §164.508.
- (f)** The HIPAA Security Rule regulations 45 C.F.R. Parts 160, 162, and 164, are incorporated herein by reference. Unless defined otherwise, all capitalized terms herein have the definition given to them by the Security Rule. If any other provision(s) of the Plan conflicts with this Section, this Section shall control.

VI. Statement of Rights Under ERISA

SASMI is subject to various federal laws, including the Employee Retirement Income Security Act of 1974 (ERISA) and the Labor Management Relations Act of 1947. As a participant in SASMI you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and Union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.
- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

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 people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. 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 benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a SASMI benefit 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 plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit 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 administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court.

If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. 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 claim is frivolous.

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, 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, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.