

Local 702 Annual Benefit Fund

SUMMARY PLAN DESCRIPTION

November 1, 2020

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GENERAL INFORMATION

1. **Name of Plan:** Local 702 Annual Benefit Fund.
2. **Plan Sponsor and Plan Administrator (Fund Office):** The Board of Trustees of the Local 702 Annual Benefit Fund, 106 North Monroe Street, West Frankfort, Illinois 62896. Telephone: (618) 932-2102.

The Board of Trustees consists of four members, two (2) appointed by International Brotherhood of Electrical Workers, Local 702 (the "Local Union"), one (1) appointed by Southern Illinois Division, Illinois Chapter, National Electrical Contractors Association, Inc., and one (1) appointed by the American Line Builders Chapter, National Electrical Contractors Association, Inc. The Trustees maintain an office at the above address to handle the day-to-day business of the Plan.

The current Trustees are:

Employer Trustees

Ron Martin, President
Martin Electric Company
1005 East Ninth Street
Johnston City, Illinois 62951

David R. Rowland
Journeyman Lineman
6318 State Hwy 148
Mulkeytown, IL 62865

Employee Trustees

James H. Sanchez, President
IBEW Local 702
106 North Monroe Street
West Frankfort, Illinois 62896

Mike Lustig, Business Representative
IBEW Local 702
106 North Monroe Street
West Frankfort, Illinois 62896

3. **Plan Numbers:** EIN: 37-1039499. Plan No. 501.
4. **Type of Plan:** A welfare plan intended as a vacation benefit and to meet undue financial hardship, primarily from unemployment, as determined by the Trustees.
5. **Type of Administration:** The Plan is administered by the Board of Trustees.
6. **Service of Legal Process:** The Agent upon whom legal process may be served is Mike Lustig, IBEW Local 702, 106 North Monroe Street, West Frankfort, Illinois 62896. Service may also be made upon any other Plan Trustee.
7. **Collective Bargaining Agreements:** The Plan is maintained pursuant to the provisions of the Inside Wireman and the Residential Wireman collective bargaining agreements between the Local Union and the Southern Illinois Division, Illinois Chapter, National Electrical Contractors Association, Inc., the Outside collective bargaining agreement between the Local Union and the American Line Builders

Chapter, National Electrical Contractors Association, Inc. and the South-Central Illinois Telecommunications collective bargaining agreement between Central Illinois and Illinois Chapter of the National Electrical Contractors Association, Inc. and the South-Central Illinois Telecommunications Council of the International Brotherhood of Electrical Workers.

8. **Fiscal Year and Work Plan Year:** The end of the Fiscal Year for this Plan is December 31. The Work Plan Year for benefit calculation purposes runs from October 1 through September 30 of the following year.
9. **Source of Money to Support Plan:** Each employer contributes to the Plan the amount required by the collective bargaining agreement to which he is subject. Under the current Inside Wireman Agreement, employers deduct 10% per working hour weekly from each employee for the Plan; under the current Residential Wireman Agreement, the deduction is at the rate of 7%; under the current Outside Agreement, the deduction is at the rate of 7%; and under the South-Central Illinois Telecommunications Agreement, the deduction is at the rate of 3%. The employer treats this amount as after tax wages subject to income tax, social security withholding, and other employment taxes. The Trustees maintain for each Plan Participant an individual record of the money deducted from his wages and received by the Plan.
10. **Contributing Employers:** Upon written request to the Plan Administrator, a Plan Participant or Beneficiary will be informed as to whether a particular employer is a contributing employer.
11. **Funding Medium for Asset Accumulation:** All contributions and all income are due the Trustees of the Local 702 Annual Benefit Fund and are the property of the Trustees. The contributions and income comprising the Trust Fund may be used only to pay benefits to employees and reasonable expenses of administration of the Plan.
12. **Plan Documents Available:** Plan Documents are available for inspection at the Fund Office. Plan Documents include the Trust Fund Agreement; regulations adopted by the Trustees for the administration of the Plan; collective bargaining agreements under which the Plan is maintained; reports filed with the Federal Government describing this Plan and its financial status; and, this Summary Plan Description. The Summary Plan Description and the Plan Document are the same document. These documents will also be made available for inspection at the offices of any contributing employer, where fifty or more covered employees work, within ten (10) days after receipt of a written request at the Fund Office; you should notify your employer in writing, and he in turn should put the request in writing.

Upon written request to the Fund Office, a Participant or his Beneficiary is entitled to a copy of any Plan document or portion of such document. There may be a small

charge for the cost of reproducing the requested copy; you will be advised of that cost.

- 13. Statement of Rights Under ERISA:** As a Participant in the Local 702 Annual Benefit Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

Your Rights

ERISA provides that all Plan Participants shall be entitled to:

Examine, without charge, at the Fund Office and at other specified locations such as worksites and union halls, all documents governing the operation of the Plan, including insurance contracts, collective bargaining agreements, and copies of all documents filed by the Plan with the U.S. Department of Labor and available at the Employee Benefits Security Administration, such as the latest annual report (Form 5500 series).

Obtain, upon written request to the Plan Administrator, copies of all documents governing the operation of the Plan, including insurance contracts, collective bargaining agreements, the latest annual report (Form 5500 series), the Summary Plan Description, and other Plan information. 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 Action by Plan Fiduciaries

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interests of you and other Participants and beneficiaries. No one, including your employer, the Local 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 benefits 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. Specifically, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and consider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials 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 Plan Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in state or federal court.

If it should happen that the 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 the 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 in some cases may order you to pay these costs and fees, such as when the court finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator at the Fund Office. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the 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, D.C. 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.

14. **Gender:** Whenever a personal pronoun is used in the masculine gender (he, him, or his), it should be deemed to include the feminine (she, her or hers) also and vice-versa, unless the context clearly indicates the contrary.

ELIGIBILITY RULES AND BENEFITS

15. **Eligibility Rules and Benefits:** Participants eligible for Plan benefits are:
- (a) All persons who are represented by IBEW Local 702 and who are covered by the collective bargaining agreements listed in Section 7 above, and
 - (b) All full-time employees of IBEW Local 702 for whom the Local makes contributions to the Plan.

- 16. Amount of Annual Benefits:** The amount of the Annual Benefit payable to a Participant is equal to the employer contributions deducted from the Participant's wages received by the Plan during the Work Plan Year plus or minus a proportionate share of any net income or losses (from investments) of the Fund and the payment of administrative expenses as determined by the Trustees.

Annual Benefits based on employer contributions made during a Work Plan Year are payable beginning December 1 of the following Work Plan Year. See Section 23 for information on how to file a claim.

- 17. Benefits Are Not Payable Early Because of Termination of Employment:** Termination of employment under the collective bargaining agreements providing for contributions to the Plan does not entitle a Participant to payment of an Annual Benefit before December 1 of the next Work Plan Year, except in case of undue hardship, described in Section 18.

- 18. Hardship Benefit - One-Time Early Withdrawal:** If a Participant furnishes documentation satisfactory to the Trustees of undue financial hardship, the Trustees may authorize one early withdrawal ("Hardship Benefit") during the Work Plan Year. Financial hardship is based on primarily prolonged unavoidable unemployment, prospective home mortgage foreclosure, substantial medical expense, property loss from act of God, or other events causing severe financial distress.

Any Hardship Benefit paid will not be eligible for any portion of investment income that may be distributed for that Work Plan Year.

- 19. Death Benefits:** In the event of the death of a Plan Participant, and upon presentation of satisfactory proof of death to the Trustees, the Trustees will pay the deceased Participant's accrued benefit to the Beneficiary(ies) last designated in writing by the Participant on a Beneficiary card for the NECA-IBEW Pension Benefit Trust Fund (a plan sponsored by Local 702).

If no designated Beneficiary survives the Participant, or if no Beneficiary has been designated, the Trustees will pay the Participant's accrued benefit to the surviving member or members of the first of the following classes in which a class member survives the Participant:

- Class 1 - Participant's spouse;
- Class 2 - Participant's children, in equal shares; and if a child with descendants has died before Participant, descendants (usually the Participant's grandchildren) will be entitled to that deceased child's share;
- Class 3 - Participant's parents, in equal shares;

- Class 4 - Participant's brothers and sisters, in equal shares;
- Class 5 - Participant's estate.

If a claim is not filed at the Fund Office within one year of the date of the Participant's death, benefits will be forfeited. See Section 24.

20. How Benefits May Be Lost or Reduced [The following are illustrative examples of how benefits may be lost or reduced]:

- Failure to Make Timely Application for Benefits. Benefits will be reduced and may be forfeited if a Participant or Beneficiary fails to make timely application. Under special circumstances the Trustees have the discretion to consider a delayed application. See Section 24.
- Credit Given Only for Contributions Paid. Benefits are calculated based on the contributions the employer actually forwards to the Plan on the Participant's behalf. Contributions on hours worked during the Work Plan Year which are not forwarded to the Plan during the Work Plan Year are not counted. If, however, those contributions are later forwarded to the Plan they will be counted during the Work Plan Year in which they are received.
- Benefits May Be Reduced for Administrative Expenses. Benefits may be reduced to the extent necessary to pay all administrative expenses of the Plan.
- Failure to Notify of Address. If a Participant or Beneficiary fails to maintain a correct mailing address with the Fund Office, communications affecting rights to benefits and other information about the Plan may not reach the employee or Beneficiary; that could result in loss of certain rights or opportunities.
- Benefit Changes. Existing benefits may be reduced or abolished, or the requirements for eligibility may be increased over those requirements in effect at the time this Summary Plan Description is printed. See Section 21.
- Plan Termination. If the Plan is terminated, whether by action by action of the Trustees, the Union and the Associations, or by requirements of any law, benefits may be reduced or otherwise changed, or benefits may be reduced if the assets of the Plan are insufficient to pay all benefits. See Section 22.

21. Plan Amendments: The Plan may be amended from time to time by a majority of the Trustees.

- 22. Plan Termination:** The Plan may be terminated with the written approval of all the Trustees when there is no longer in force a collective bargaining agreement requiring contributions to the Plan. In the event the Plan is terminated, after paying all the obligations of the Plan, the Trustees are to continue to apply the Trust Fund for the purposes of providing benefits to Participants and may transfer any remaining property in a manner which in their opinion will best effectuate the purposes of the Trust Fund. No part of the Trust Fund shall be used or diverted to purposes other than for the exclusive benefit of Participants and their beneficiaries. Under no circumstances may any portion of the Trust Fund be used to benefit the employers.

BENEFIT CLAIM PROCEDURES

23. Filing a Claim for Benefits:

- (a) Claims for Annual Benefits. To file a claim for Annual Benefits, a Participant or former Participant must complete a Local 702 Annual Benefit Fund Withdrawal Card and return the completed card to the Fund Office located at the address given in Section 2 of this Summary Plan Description. Blank cards are available from the office of the Trustees, a contributing employer, or any job steward.

Claims for Annual Benefits filed on or before December 1 will be payable on December 1. Claims for the Annual Benefit filed after December 1 will be payable on the first and third Friday of each month and must be filed at least two (2) business days in advance of those dates.

A Participant or former Participant must file a claim by the end of the Work Plan Year (September 30) in which the benefit is payable, otherwise the benefit may be forfeited. See Section 24.

- (b) Claims for Hardship Benefits. In addition to completing a Local 702 Annual Benefit Fund Withdrawal Card documentation, Participants seeking a Hardship Benefit must file documentation satisfactory to the Trustees of the undue financial hardship. Claims for the Hardship Benefit will be payable on the first and third Friday of each month and must be filed at least two (2) business days in advance of those dates.

- (c) Claims for Death Benefits. To file a claim for Death Benefits, a Beneficiary must file an application, on a form acceptable to the Trustees, with proof of death and the relationship of the Beneficiary to the deceased Participant. Claims for Death Benefits will be payable on the first and third Friday of each month and must be filed at least two (2) business days in advance of those dates. A Beneficiary must file a claim for Death Benefits within one year of the date of the Participant's death. See Section 24.

24. Delayed Claims for Benefits: ADMINISTRATIVE CHARGES AND FORFEITURE. If a Participant or Beneficiary fails to timely file a claim for benefits, the benefit will be subject to both of the following provisions:

- (a) Administrative Charge. For each year or part of a year that the claim is late, the benefit will be reduced by an administrative charge of \$50;
- (b) Forfeiture of Entire Benefit. If the Participant or Beneficiary does not file a claim for benefits within three months of the date of a certified letter from the Fund notifying the Participant of the pending forfeiture, the benefits will be forfeited and transferred to the general assets of the Fund to be treated as income or as otherwise determined by the Trustees.
- (c) Restoration of Forfeiture. If a Participant or Beneficiary submits evidence of good cause for the delay in filing a claim, the Trustees, in their sole discretion, may restore all or part of the forfeited benefit, less any administrative expenses. Payment of a restored forfeited benefit will be treated as an administrative expense of the Fund.

25. Claim Denial: If a claim for a benefit is wholly or partially denied, the claimant will receive a written notice stating: (a) the specific reason(s) for the denial; (b) specific reference to Plan provisions on which the denial is based; (c) a description of any additional information necessary to perfect the claim and an explanation of why it is needed; and (d) an explanation of the steps to be taken if the claimant wishes to appeal the claim denial.

The denial notice will be furnished to the claimant within ninety (90) days; if special circumstances require additional time, the claimant will be so advised with a statement of the reason for the delay and when a decision may be expected, not to exceed an additional ninety (90) days.

26. Appeal Procedure: A claimant may appeal a claim denial to the Board of Trustees by filing a written notice of appeal within sixty (60) days after receipt by the claimant of written notification of denial of a claim. The appeal must be filed in writing by the claimant or his duly authorized representative, at the office of the Board of Trustees.

The claimant or his duly authorized representative may (a) review pertinent documents relating to the claim and (b) submit issues and comments in writing.

27. Decision on Appeal: A decision by the Board of Trustees (or by a party designated by the Trustees to review the claim) will be made within sixty (60) days after the Trustees' receipt of the request for review. If special circumstances require an extension of time, the claimant will be notified; a decision will be rendered as soon as possible, but not later than one-hundred and twenty (120) days after receipt of the request for review.

The decision on review will be in writing and will include specific reasons for the decision and specific references to the Plan provisions on which the decision is based.

- 28. Where to File Claims, Appeals and Other Communications:** All claims, appeals, and other communications should be addressed to the Fund Office at the address given in Section 2 of this Summary Plan Description.
- 29. Restriction on Lawsuits:** If your appeal is denied, you have a right to bring a civil action under Section 502(a) of ERISA. No party may file a lawsuit against the Plan, the Trustees, their agents or employees unless the party has filed an appeal and followed the requirements of the appeal procedures in Sections 26 through 27 and the appeal procedure has been concluded. Any action by any Participant, Beneficiary, employer or other third-party relating to or arising under the Plan shall be brought only in the venue where the Plan is administered which is the United States District Court for the Southern District of Illinois.
- 30. Benefits Due to a Minor or to an Incompetent Person:** If a guardian has been appointed by a Court for a minor or for an incompetent Person no longer able to manage his own affairs, only that guardian should apply for benefits. No other person should apply for or accept benefits. If there is no court appointed guardian, the Trustees, in their discretion, may make payment to a person or institution providing care for the minor or the incompetent. Payments so made shall be a complete discharge of the Trustees' obligations and the Trustees shall not be responsible for seeing to the application of the money so paid.
- 31. Obligation to Furnish Information to the Trustees:** Participants, Beneficiaries and Employers are required to furnish the Trustees with such information as will aid the Trustees in the administration of the Plan and Trust, including, but not limited to, all pertinent data on employees for purposes of determining their status under this Plan. Employers are to file monthly reports with the Trustees on employees for whom contributions are due to the Plan, on forms provided by the Trustees, and permit inspection of their records by the Trustees.
- 32. Limited Assignment of Benefits:**
 - (a) No benefits or money payable from this Plan shall be subject to any manner of anticipation, alienation, sale, transfer, assignment, pledge, or encumbrance by any person claiming or entitled to benefits hereunder except as provided in paragraph (b) of this Section.
 - (b) Benefits payable under the terms of this Plan which would be payable to a Participant may, at the direction of the Participant, be payable to a named third party provided: (1) the Participant files with the Trustees a form to be provided by, or approved by, the Trustees directing the Trustees to pay all or a specified portion of the benefits due the Participant to a named third party; (2) the

payment to be made to the named third party shall be made only when or after the benefits would otherwise be payable to the Participant; and (3) any expenses incurred by the Plan in paying such benefits to a named third party in excess of the normal cost of paying the benefits directly to the Participant shall be deducted from the amount to be paid to the named third party or otherwise reimbursed to the Plan. No assignment may be made to an employer.

- 33. Plan Rules - Trustees Discretionary Authority:** The Trustees have the full discretionary authority to rule on all benefit claims and appeals and other issues related to the Plan including the interpretation of Plan documents and the resolution of issues of fact, and their decisions shall be final and binding. In the application and interpretation of this Summary Plan Description/Plan Document, the Trust Agreement, and forms and regulations, the decisions of the Board of Trustees shall be final and binding on all parties - including but not limited to Participants, former Participants, Beneficiaries, employers, the Associations, and the Local Union.
- 34. Limitations on Authority:** No agent, representative, officer, Employer, or other persons from the Union, any employer, the Associations, or any individual Trustee has authority to speak on behalf of this Plan. If you have any questions pertaining to this Plan, the administrative manager will try to assist you by referring you to the pertinent provisions of this Summary Plan Description or other Plan documents.

Neither the Plan Administrator nor anyone else may approve actions contrary to the Plan documents. Matters that are not clear and which require interpretation should be referred to the Board of Trustees.