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## **WHAT IS A SUMMARY PLAN DESCRIPTION?**

This Summary Plan Description is a summary of the information contained in the official text of the Plan and sets forth certain rights that Plan Participants are entitled to under the Employee Retirement Income Security Act (“ERISA”).

The purpose of this Summary Plan Description is to provide you with a summary of the information about your Plan and the benefits available to you. If the terms, conditions and provisions of this Summary Plan Description differ in content from that of the Plan, then the Plan shall govern.

The following series of questions and answers outline the major provisions of the Plan.

## **WHAT IS A 401(k) PLAN?**

A 401(k) Plan is an arrangement established under Internal Revenue Code § 401(k), whereby you are permitted to elect to have your employer reduce your current salary and have the reduced amount contributed on your behalf to a tax qualified trust. The portion of your salary contributed is not taxed currently. In other words, that portion of your salary is “tax deferred” since you earn it now but you are not taxed on it until you receive it at a later date.

In addition, your employer has agreed to make a 3% contribution for you, if you are eligible pursuant to the collective bargaining agreements. The employer’s contribution is also tax deferred.

The Plan is maintained pursuant to one or more collective bargaining agreements that describe certain obligations a contributing employer may have to the Plan. Copies of any such agreement may be obtained by you or your beneficiary upon written request to the Fund Manager, and is available for examination at the Fund Office.

## **WHAT IS THE ADVANTAGE OF A 401(k) PLAN?**

The main advantage is you do not pay current income taxes on the assets in this Plan because you do not receive the money until later. This deferral applies not only to taxes paid to the Federal government but to New York State. In addition, any investment return on your contributions accumulate on a tax deferred basis. Your money is held in a tax qualified trust, free from the claims of your creditors, except under certain circumstances permitted by law.

### **WHEN AM I ELIGIBLE TO PARTICIPATE?**

You are eligible to become a Participant in the Plan on the date you first perform covered employment for a participating employer under one or more collective bargaining agreements.

### **HOW MUCH CAN I DEFER?**

You may elect to defer up to twenty-two percent (22%) of your compensation (in 1% increments) and the exact percent to be deferred will be determined at your option. Your compensation for these purposes is your gross pay. When you sign up for the Plan you will be given an enrollment form in which you will elect the amount of your compensation to be deferred ("Salary Deferral"). Afterward, your employer will deduct from your wages the amount you have elected and will contribute this amount to the Plan, in addition to any Employer contribution that is made on your behalf pursuant to the collective bargaining agreement, up to the maximum deferral permitted by the Internal Revenue Service during the year, subject to the Plan limitations.

### **CAN I SUSPEND OR CHANGE THE RATE OF MY SALARY DEFERRAL?**

If you want to increase, decrease or suspend your Salary Deferral to the Plan, you must give written notice to the employer and the Fund. This can be done only once during a Plan Year for each employer. Notice must be given at least 30 days prior to the deferral.

### **WHAT IS DONE WITH THE MONEY CONTRIBUTED?**

Your Salary Deferral and Employer Contributions are forwarded to a trust and invested by the Trustees for the exclusive benefit of the Participants in the Fund.

### **HOW IS MY ACCOUNT BALANCE CALCULATED?**

The method of calculation for your Account shall be based upon the following as defined herein: (a) Your Average Monthly Balance, (b) Net Income (c) Expenses and, if applicable (d) Retention and (e) Special Administrative Fees:

- (a) Average Monthly Balance: The balance of your account on the last day of each month of a calendar year with the total divided by twelve before adjustments for net investment return and expenses.
- (b) Net Income: A proportionate share of earnings, less administrative costs, applied to your account. Any account that has a zero balance on December 31 will not be credited with earnings.

(c) Expenses: All items of administrative costs and charges other than investment expenses incurred during the year. Each Account shall be charged with these expenses based on the average monthly balance of Employer Contributions credited to the Account. Anything herein contained to the contrary notwithstanding, each Account will be charged with a \$50 Administrative Charge each Plan Year. The remaining balance shall be the "net value" of your Account at the end of the calendar year. Retired Participant's not utilizing ACH direct deposit for monthly distributions will be charged \$20 for each Fund check issued.

(d) Retention: Lump sum distributions of \$2,000 dollars or more may be subject to a 20% retention until the Plan is valued at year end.

(e) Special Administrative Fees:

- Hardship Withdrawal Fee \$50.00
- New Loan Fee \$50.00
- Returned Check Fee \$25.00
- Loan Default Fee \$50.00
- Active Termination Withdrawal Fee \$50.00
- QDRO Withdrawal Fee \$50.00
- QDRO Review Fee \$350.00

### **WHAT IS VESTING AND WHEN DOES THIS HAPPEN FOR ME?**

Vesting occurs when you acquire a nonforfeitable right to your benefit even if you separate from service. You are 100% vested in the amount that you defer from your salary and the amount that is contributed on your behalf by your employer at all times.

### **WHEN CAN I RECEIVE A DISTRIBUTION FROM THE FUND?**

In general, you may receive a distribution from the Fund when you become eligible at early or normal retirement age under the Plan. Your Early Retirement Date is the first day of the month coincident with or next following your 55th birthday. Your Normal Retirement Date is the first day of the month coincident with or next following your 65th birthday. You are also eligible for a distribution when you become disabled. Under the Plan, disability occurs when you are permanently incapacitated such that you can no longer be gainfully employed in the Electrical Industry.

Even if you do not qualify for a distribution under Early or Normal Retirement you may receive a distribution from the Fund if you have not worked for a contributing Employer for at least twelve (12) consecutive months. The Trustees may pay out the value of your Account in one lump sum if such value does not exceed \$1,000. If the value of your Account at such time exceeds \$1,000, you shall be eligible to apply for a distribution of your Account.

## **WHAT DISTRIBUTION OPTIONS ARE AVAILABLE TO ME?**

When you reach your Early Retirement Date or Normal Retirement Date, with your spouse's consent, you will be entitled to receive all of the contributions which have been allocated to your Account plus their earnings in one lump sum. Upon your election, benefits may be payable over a period certain not extending beyond your life expectancy or over a period certain not extending beyond the joint life and last survivor expectancy of you and your designated beneficiary. In the event you designate a beneficiary other than your spouse, your spouse must consent in writing to said designation.

Other than hardship withdrawals, if the distribution or withdrawal qualifies, you may direct that such amount be rolled over directly into an IRA account, or another qualified plan which accepts rollover contributions to avoid current taxation and penalties.

## **PENALTIES ON WITHDRAWAL AND EARLY DISTRIBUTIONS**

In an effort to encourage savings for retirement purposes, certain penalties are charged against any withdrawal or distribution from a qualified plan. The IRS imposes a nondeductible 10% additional tax on the entire taxable amount of the withdrawal or distribution. This tax is in addition to any income tax you might be liable for on the withdrawal or distribution. The additional tax applies to hardship withdrawals and distributions due to termination from Plan participation.

Under the Plan, the additional 10% tax does not apply to the following:

A distribution or withdrawal after you have reached age 59 <sup>1/2</sup>;

A distribution to your beneficiary due to your death;

A distribution to you due to your total and permanent disability;

A distribution to you if you have reached age 55 (early retirement under the Plan) and actually do retire;

A withdrawal because of medical expenses, but only to the extent deductible under the tax law;

A payment to an alternate payee due to a Qualified Domestic Relations Order.

## **WHAT HAPPENS TO MY ACCOUNT IF I DIE?**

If you die, your beneficiary will receive all of your Account in accordance with the

chosen method of payment.

### **WHO CAN I DESIGNATE AS MY BENEFICIARY?**

You have the right to designate one or more beneficiaries at any time by delivering a written designation to the Fund. Any written designation shall become effective only upon its receipt and acceptance as to form by the Trustees.

If the beneficiary is other than your spouse, then your spouse must consent to the designation in writing, and the consent must be witnessed by a Notary Public or the Fund Manager or Assistant Fund Manager.

A beneficiary designation shall be effective only if the designated beneficiary survives the Participant. If there is no designated beneficiary on file with the Fund for a deceased Participant, the Trustees shall pay such monies to your spouse. If there is no spouse surviving, to the surviving children in equal shares. If there are no children surviving, then it shall be paid to your Estate.

### **CAN I MAKE A HARDSHIP WITHDRAWAL FROM MY ACCOUNT?**

You may only make a hardship withdrawal from your Account if you can prove to the Trustees that the withdrawal is necessary due to an extreme financial hardship. Extreme financial hardship includes, but is not necessarily limited to, the following situations encountered by you or your immediate family:

- Uninsured physician or hospital expenses;
- College educational expenses for the next 12 months;
- Purchase of a principal residence;
- Prevention of eviction from or foreclosure of a mortgage on Participant's principal residence.

Employer Contributions and interest or earnings on your Salary Deferral cannot be withdrawn for hardship.

Hardship withdrawal requests may be made to the Trustees only once each Plan Year, upon thirty days prior written notice. The Trustees' decision regarding the approval or denial of any hardship withdrawal is final and conclusive. You will be charged a Hardship Withdrawal Fee of \$50.00.

In the event of a hardship distribution, your Salary Deferral to this Fund will be suspended for six (6) months after receiving the hardship distribution from the Fund.

## LOANS

You are eligible for a loan if you had contributions made on your behalf by an Employer during the two (2) plan years preceding your loan application. No loan will be granted for less than \$1,000 dollars.

You may request a loan or the refinancing of a loan based on your Account once every twelve (12) months from the date of your previous loan, **not** once per Plan Year. The amount of the loan shall not exceed the following maximum amounts in your Account attributable to your Salary Deferral and any earnings thereon:

<u>Account Balance</u>	<u>Maximum Loan</u>
Under \$100,000	50% of Account balance
Over \$100,000	\$50,000

If you borrow money from the Plan, you have to sign a promissory note and agree to pay an interest at a rate comparable to the prevailing interest rate charged on similar type commercial loans by institutions in the business of lending money. Loans can be made for a term of up to five years, except a home loan which may be repaid over a longer period of time, amortized in monthly level payments. There are also certain fees that automatically will be deducted from your Account when you take a loan. The fees are as follows:

Loan Set-Up Fee	\$50
Notice of Default	\$50
Return Check Fee	\$25
Loan Refinance Fee	\$50

If an outstanding loan is refinanced through the Fund, it is to be treated as a second loan, and the \$50,000 maximum loan limit shall apply to the sum of the new loan and the portion of the old loan being paid off. The refinanced loan must be repaid by the original payment date of the loan being refinanced.

A loan shall not be considered paid if you default on the loan and the Fund treats it as a taxable distribution.

If you default on your loan, you will not be eligible for another loan from the Plan.

### WHAT IS A QUALIFIED DOMESTIC RELATIONS ORDER (“QDRO”)?

In general, ERISA and the Internal Revenue Code do not permit a participant to assign his or her interest in a pension plan to another person. Certain rules are intended to ensure that a Participant’s pension benefits are available to provide financial support during his or her retirement years. However, a limited exception to these rules permits

the assignment of your interest in the Plan to another person through a QDRO.

Under the QDRO exception, a domestic relations order may assign some or all of a Participant's pension benefits to a spouse, former spouse, child, or other dependent to satisfy family support or marital property obligations if and only if the order is "qualified" by the Fund. The Fund's procedures governing QDRO's are available at no charge from the Fund Office. You will be charged an initial \$50 QDRO withdrawal fee and \$350 for the QDRO's review by the Fund Office and Fund Counsel.

### **IS MY ACCOUNT INSURED BY THE GOVERNMENT?**

While the Pension Benefit Guaranty Corporation insures benefits for defined benefit pension plans, it does not insure this type of Plan.

### **APPEALS PROCEDURE**

Each claim for any benefit disbursement under this Plan is reviewed under the direction of the Board of Trustees. The facts that are presented with the claim are considered, primarily, in evaluating it. Sometimes the Fund Office will not receive all the pertinent details when a claim is presented which could result in a denial of your claim. However, regardless of the reason for the denial, you are entitled to a review of your denied claim.

#### **Initial Adverse Benefit Determinations**

If your claim for benefits is denied in whole or in part for any reason, then within 90 days after this Plan receives your claim, this Plan will send you written notice of its decision, unless special circumstances require an extension, in which case the Plan will send you written notice of the decision no later than 180 days after the Plan receives your claim. If an extension is necessary you will be given written notice of the extension before the expiration of the initial 90-day period, which shall indicate the special circumstances requiring the extension of time and the date by which the Plan expects to render the benefit determination.

The Plan's written notice of its decision will include the specific reason or reasons for the adverse benefit determination; reference to specific plan provisions on which the determination is based; a description of any additional material or information necessary for you to complete your claim and an explanation of why such material or information is necessary (if applicable); and a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974 (ERISA) following an adverse benefit determination on review.

#### **Appeal of Adverse Benefit Determination**

If you are not satisfied with the reason or reasons why your claim was denied, then you may appeal to the Board of Trustees. To appeal, you must write to the Trustees within

60 days after you receive this Plan's initial adverse benefit determination. Your correspondence (or your representative's correspondence) must include the following statement: "I AM WRITING IN ORDER TO APPEAL YOUR DECISION TO DENY ME BENEFITS. YOUR ADVERSE BENEFIT DETERMINATION WAS DATED \_\_\_\_\_, 20\_\_." If this statement is not included, then the Trustees may not understand that you are making an appeal, as opposed to a general inquiry. If you have chosen someone to represent you in making your appeal, then your letter (or your representative's letter) must state that you have authorized him or her to represent you with respect to your appeal, and you must sign such statement. Otherwise, the Trustees may not be sure that you have actually authorized someone to represent you, and the Trustees do not want to communicate about your situation to someone unless they are sure he or she is your chosen representative.

You shall have the opportunity to submit written comments, documents, records and other information related to the claims for benefits. You shall also be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits. A document, record, or other information is relevant to a claim if it was relied upon in making the benefit determination; was submitted, considered, or generated in the course of making the benefit determination, without regard to whether such document, record, or other information was relied upon in making the benefit determination; demonstrates compliance with the administrative processes and safeguards required in making the benefit determination; or, in the case of disability pension claims only, constitutes a statement of policy or guidance with respect to the Plan concerning the denied benefit, without regard to whether such advice or statement was relied upon in making the benefit determination. The review will take into account all comments, documents, records and other information submitted or considered in the initial benefit determination.

#### Determinations on Appeal

The Trustees at their next regularly scheduled meeting will make a determination of the appeal. However, if the appeal is received less than thirty (30) days before the meeting, the decision may be made at the second meeting following receipt of the request. If special circumstances require an extension of time for processing, then a decision may be made at the third meeting following the date the appeal is made. Before an extension of time commences, you will receive written notice of the extension, describing the special circumstances requiring the extension. The Plan will notify you of the benefit determination no later than 5 days after the determination is made.

If your appeal is denied, the Plan's written notice of the Board's decision will include the specific reason or reasons for the adverse benefit determination; reference to specific Plan provision on which the determination is based; a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits; and a statement of your right to bring a civil action under Section 502(a) of the Employee

Retirement Income Security Act of 1974 (ERISA).

The Trustees' final decision with respect to their review of your appeal shall be final and binding upon you, since the Trustees have exclusive authority and discretion to determine all questions of eligibility and entitlement under this Plan. Nonetheless, if you disagree with the final decision of the Trustees with respect to your appeal, then you may start a legal action against this Plan.

### **YOUR RIGHTS UNDER ERISA**

As a Participant in the I.B.E.W. Local 25 401(k) Plan 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:

Examine, without charge, at the Fund Manager'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 Employee Benefits Security Administration.

Obtain, upon written request to the Fund Manager, 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 Fund Manager is required by law to furnish each Participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to obtain a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

### **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 pension benefit or exercising your rights under ERISA.

## **Enforce Your Rights**

If your claim for a pension 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 Fund Manager 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. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in 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 Fund Manager. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Fund Manager, 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.

## **CHANGES TO THE PLAN**

If it is necessary to make any changes to the Plan that will affect this description in any way, you will be given a detailed explanation of such changes. The Trustees reserve the right to amend, modify and/or terminate the Plan should, needs so dictate.

## **IMPORTANT NOTICE**

In the event there appears to be a conflict between the description of any Plan provision in this Summary Plan Description and its statement in the Plan itself, the language contained in the Plan (available at the Fund Office) is the official and governing language.

Nothing in this Summary Plan Description is meant to interpret, or extend, or change, in any way, the provisions expressed in the Plan. The Trustees reserve the right to amend or modify all or part of the Plan whenever in their judgment, conditions so warrant.

### **CAUTION**

This booklet and the personnel at the Fund Office are the authorized sources of plan information for you. The Trustees of the Fund have not empowered anyone else to speak for them with regard to the Plan. No employer, union representative, supervisor or shop steward is in a position to discuss your rights under the Plan with authority.

### **BASIC PLAN INFORMATION**

Listed below are names and addresses as well as other information, which you will need to, help you gain information concerning the Plan.

#### **Name and address of Plan Sponsor:**

Board of Trustees  
I.B.E.W. Local 25 401(k) Fund  
372 Vanderbilt Motor Parkway  
Hauppauge, New York 11788

**Employer I.D. # of Plan Sponsor:** 11-2744709

**Plan Number:** 003

**Name of Plan:** I.B.E.W. Local 25 401(k) Fund

**Type of Plan:** Defined Contribution

**Plan Year Ends:** December 31<sup>ST</sup>

#### **Name and address of Trustees:**

##### Union Trustees

Kevin M. Harvey  
I.B.E.W. Local 25  
370 Motor Parkway  
Hauppauge, NY 11788

Paul Heinzel  
I.B.E.W. Local 25  
370 Motor Parkway  
Hauppauge, NY 11788

John Guadagno  
I.B.E.W. Local 25  
370 Motor Parkway  
Hauppauge, NY 11788

James P. Malley  
I.B.E.W. Local 25  
370 Motor Parkway  
Hauppauge, NY 11788

Employer Trustees

John Casciano  
ASR Electrical Contracting Inc.  
207 Newtown Road  
Plainview, NY 11803

Michael Daly  
J.P. Daly & Sons  
88A Brook Avenue  
Deer Park, NY 11729

James T. Giorgio  
B & G Electrical Contr. of NY.  
7100 New Horizons Blvd.  
North Amityville, NY 11701

Keith Feldmann  
Eldor Contracting Corporation  
30 Corporate Drive  
Holtsville, NY 11742

A complete list of the employers and employee organizations sponsoring the Plan may be obtained by participants and beneficiaries upon written request to the Fund Manager and is available for examination at the Fund Office. You may also receive from the Fund Manager, upon written request, information whether a particular employer or employee organization is a sponsor of the Plan and if so, their address.

**Name, Address and Telephone Number of Fund Manager:**

Mr. John W. Gilday  
Fund Manager  
I.B.E.W. Local 25 401(k) Fund  
372 Vanderbilt Motor Parkway  
Hauppauge, New York 11788  
(631) 434-3344

**Agent(s) for Service of Legal Process;**

The person designated as agent for the purpose of accepting service of legal process on behalf of the Plan is the Fund Manager. Service of legal process may also be made upon any of the Trustees.

# NOTES

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