

**SOUTHWESTERN ILLINOIS LABORERS'  
ANNUITY PLAN  
Summary Plan Description**

**Effective January 1, 2019**

Southwestern Illinois Laborers' Annuity Fund  
100 North 17<sup>th</sup> Street  
Belleville, Illinois 62226  
(618) 233-4121  
(618) 233-4737 [Fax]  
[www.swilaf.org](http://www.swilaf.org)

**BOARD OF TRUSTEES**

**UNION TRUSTEES**

Mr. Eric Oller  
Mr. Gregory Kipping  
Mr. Travis Craig

**EMPLOYER TRUSTEES**

Mr. Eugene Keeley  
Mr. Kirk Sonnenberg  
Mr. David Baxmeyer

**FUND ADMINISTRATOR**

Mr. Rick Schewe  
100 North 17<sup>th</sup> Street  
Belleville, Illinois 62226  
(618) 233-4121  
(618) 233-4737 [Fax]

**LEGAL COUNSEL**

Britt W. Sowle, Esq.  
Cavanagh & O'Hara, LLP  
101 West Vandalia Street, Suite 245  
Edwardsville, Illinois 62025

**ACTUARY AND CONSULTANT**

The Segal Company

**AUDITOR**

Romolo & Associates  
For Further Information or Benefit Application Forms  
Call or Write or Visit the Annuity Fund Office

## **A Message from the Board of Trustees of the Southwestern Illinois Laborers' Annuity Plan**

The Board of Trustees of the Southwestern Illinois Laborers' Annuity Plan are pleased to provide you with this Summary Plan Description booklet for the Annuity Plan. The Annuity Plan, also referred to in this booklet as the "Plan" or "Fund", has been amended as of August 1, 2014, to comply with the requirements of federal law. This booklet replaces and supersedes any prior booklets describing the Annuity Plan.

This booklet incorporates the most important features of the Amended Plan. We have tried to describe the Annuity Plan's provisions in an understandable manner. However, this is only a Summary of the Annuity Plan and is not intended, nor should it be viewed, as a substitute for the Annuity Plan. If the terms of this Summary and the Annuity Plan are found to be in conflict, the Restated Rules and Regulations will govern.

Please read this booklet carefully and share it with your family. It is important that you and your family are aware of your retirement benefits. It is also very important to make sure your beneficiary designations are up-to-date. We also suggest that you keep this booklet available for future reference.

We would like to stress that only the Board of Trustees or someone specifically authorized by the Board of Trustees may interpret the Annuity Plan, or tell you about your rights and benefits. For example, if an individual Trustee, a local union or district council official, or business representative, or an employer makes representations about your rights, you should not rely on that information. If you have questions or if you require any additional information regarding the Annuity Plan and how it affects your rights and benefits, you should contact the Administrator, in writing.

The success of this Annuity Plan depends as much on your interest and commitment as it does on our administration of it. We hope that you will share our pride in this Annuity Plan, which was designed to reward your years of service to the construction industry.

Sincerely,

**BOARD OF TRUSTEES**

## **IMPORTANT TO REMEMBER**

This explanation of the Annuity Plan for the Southwestern Illinois Laborers' Annuity Fund is not more than a summary description of the most important provisions of the Plan. Nothing in this explanation is intended to interpret, extend, or to change in any way the Annuity Plan Document. Your rights can only be determined by referring to the complete text of the Annuity Plan Document.

**ONLY THE BOARD OF TRUSTEES IS AUTHORIZED TO INTERPRET THE ANNUITY PLAN DESCRIBED IN THIS BOOKLET. NO EMPLOYER, UNION REPRESENTATIVE, INDIVIDUAL TRUSTEE, NOR ANY OTHER PERSON IS AUTHORIZED TO INTERPRET THE RULES AND REGULATIONS OF THE ANNUITY PLAN - NOR CAN SUCH PERSON ACT AS AN AGENT TO THE BOARD OF TRUSTEES.**

Under the Annuity Plan, the Board of Trustees, or persons acting for it, such as an appeal committee, have sole authority to make final determinations regarding any application for benefits provided by the Plan and the interpretation of the Plan, the Trust Agreement, and any other regulations, procedures, policies or administrative rules adopted by the Board of Trustees. Decisions of the Board of Trustees, or, where appropriate, decisions of those acting for the Board of Trustees in such matters, are final and binding on all persons dealing with the Board of Trustees, or the Plan, or claiming a benefit from the Plan. If a decision of the Board of Trustees, or those acting for the Board of Trustees, is challenged in court, it is the intention of the Board of Trustees, the parties to the Trust Agreement, and the Fund, that such decision is to be upheld unless it is determined to be arbitrary or capricious.

This booklet should explain the provisions of the Annuity Plan. However, if you have any questions, or would like to receive additional information, please feel free to communicate with the Board of Trustees in writing, at the Fund Office. The Fund Office is located at the following address:

Board of Trustees  
Southwestern Illinois Laborers' Annuity Fund  
100 North 17<sup>th</sup> Street  
Belleville, Illinois 62226  
(618) 233-4121

# **SOUTHWESTERN ILLINOIS LABORERS' ANNUITY PLAN**

## **QUESTIONS AND ANSWERS ABOUT THE ANNUITY PLAN**

The questions and answers which follow are meant to give you an outline of how the Annuity Plan works. It is not possible to cover all the Plan provisions in these questions and answers, but they will give you an overview of the program. The Plan Rules and Regulations govern a participant's rights to benefits. You should refer to the full text of these rules in order to determine your rights under the Annuity Plan. The full text of the rules is located in the Annuity Plan Document.

### **WHAT WAS THE EFFECTIVE DATE OF THE ANNUITY PLAN?**

The Annuity Plan became effective as of August 1, 1987. It was established under the same Agreement and Declaration of Trust which established the Southwestern Illinois Laborers' Annuity Fund.

### **HOW DO I KNOW IF I AM A PARTICIPANT IN THE ANNUITY PLAN?**

After you commence to work for an employer who is signatory to a Collective Bargaining Agreement or Participation Agreement requiring an Annuity Plan contribution to be made on your behalf, you will become a Participant in the Plan upon completion of two hundred (200) hours of work or upon \$200.00 in contributions credited to your Individual Account. At this point, you are entitled to the full value of your account upon retirement, disability, death, or separation from service.

### **WHO PAYS CONTRIBUTIONS INTO THE ANNUITY PLAN?**

The contributions to the Annuity Plan are contributed by employers who have signed a Collective Bargaining Agreement with the Laborers' International Union of North America, an affiliated Local Union, or other entities (including a Local Union

or any related Funds) who have signed other agreements that require contributions to the Plan. No employee contributions are permitted.

### **WHO PAYS THE COST OF THE ANNUITY PLAN?**

The entire cost of the Annuity Plan is paid for by employer contributions. The minimum employer contribution rate is defined within your employer's collective bargaining agreement with the Union or participation agreement with the Annuity Plan. No employee contributions are permitted.

### **WHO ADMINISTERS THE ANNUITY PLAN?**

The Plan is administered by its Board of Trustees. As Plan Administrator, the Trustees interpret the Plan to determine what benefits and when benefits are payable to the Participants if they retire, die, become disabled, suffer qualifying hardship or otherwise terminate employment. They are also responsible for keeping the Plan's records and answering any questions you may have about the Plan, and your benefits and rights under the Plan.

### **HOW MUCH IS THE ANNUITY BENEFIT?**

The amount of the annuity benefit for each Participant is the amount in each Participant's Individual Account at the time the Participant qualifies for payment of the annuity. Generally, it is the sum of all contributions made over the years to a Participant's Individual Account, plus the interest earned, minus a charge for administration expenses.

### **WHAT IS AN INDIVIDUAL ACCOUNT?**

An Individual Account is the account established for each Participant into which are deposited all employer contributions for the participant and the amount of investment earnings less administration expenses applicable to the Individual Account. An Individual Account is established for you as of the first Valuation Date after you have worked at least 200 hours with an employer or \$200.00 in your Individual Account contributing to this Plan on your behalf. At that time all contributions previously made on your behalf are credited to your account.

## **WHAT ARE THE VALUATION DATES?**

The Valuation Date is July 31 of each year. All factors (contributions, investment income, changes in market value of investments and administration expenses) for determining the value of your Individual Account are calculated as of each Valuation Date.

## **HOW WILL I KNOW HOW MUCH IS IN MY INDIVIDUAL ACCOUNT?**

Once a year you will receive a statement showing the value of your Individual Account as of the last Valuation Date, plus the total amount of employer contributions received on your behalf since the last Valuation Date plus a proportionate share of the net gross investment yield earned by the Plan since the last Valuation Date minus your equal share of the cost of administration expenses incurred by the Plan since the last Valuation Date. If you do not receive a statement, or if it is lost, you can contact the Fund Office to get information on the amount in your Individual Account. This statement is expected to be mailed between October and December following the July 31 Valuation Date.

## **HOW MUCH DOES IT COST TO PARTICIPATE IN THE ANNUITY PLAN?**

Each year all Participants with Individual Accounts equally share in the administrative expenses required to operate the Annuity Plan. In other words, the total yearly administrative expenses are divided by the number of Participants in the Annuity Plan, and the resulting amount is what will be deducted from each Participant's Individual Account. The yearly statement you receive after the July 31 Valuation Date will reflect your equal share of the administrative expenses.

If the Annuity Plan does not possess your personal information or the personal information of your Beneficiary, such as dates of birth or current addresses, it may be necessary for the Plan to pay a third-party company to find this information. The reasonable expense for the third-party company to perform these services may be charged to your Individual Account. As a result, it is extremely important that complete and return all enrollment materials and beneficiary forms. In addition, always notify the Fund Office if you have moved or changed your mailing address.

## **HOW WILL THE ANNUITY PLAN ASSETS BE INVESTED?**

The Trustees are responsible for holding and investing all trust fund assets. The Trustees seek the highest investment yields consistent with safe financial management. The investment earnings that will be credited will include both interest and changes in the market value of the Plan's total investments as of any Valuation Date. The Trustees intent to make every effort to invest these funds to produce favorable earnings for Participants. But, the investments results are not guaranteed. If the market value of the Plan's total investments are lower than the total amount in all Individual Accounts as of any Valuation Date, the value of each Individual Account will be reduced proportionately.

## **WHEN WILL I RECEIVE PAYMENTS FROM THE ANNUITY PLAN?**

In general, you are eligible to receive the amount in your Individual Account when:

1. You are receiving a pension from a LIUNA affiliated Pension Plan, or
2. You become totally and permanently disabled. If you become totally and permanently disabled, then you may apply to receive your total Account Balance regardless of your age. You will be considered to be totally and permanently disabled if the Trustees determine, on the basis of medical evidence, that you are permanently incapable of working due to a physical or mental disability. You must also have earned at least one year of service (at least 200 hours of service or \$200.00 in contributions paid into the Fund on your behalf during any Plan Year prior to becoming disabled); or
3. You have had no employer contributions to the Annuity Plan made on your behalf for 12 consecutive months, or
4. You have left covered employment and entered the Armed Forces of the United States for a period of at least 90 days, or
5. You reach age 70 ½ regardless as to whether you are working in covered employment. (Federal law requires that the distribution begin by April 1 following the end of the year in which you reach age 70 ½.)
6. In the event of a financial hardship which makes a distribution necessary in light of a participant's immediate and heavy financial need, a Participant may apply for an in-service withdrawal of a portion of the Participant's Individual Account.



## **WHAT ARE THE HARDSHIP WITHDRAWAL OPTIONS AVAILABLE UNDER THE ANNUITY PLAN?**

As mentioned above, the Annuity Plan does permit in-service withdrawals from a Participant's Individual Account. Such in service hardship withdrawal shall be limited as follows:

- a. A Participant shall be limited to three (3) in-service withdrawal(s) during his/her lifetime;
- b. The in-service withdrawal cannot exceed the sum needed to satisfy the immediate and heavy financial need plus the ten percent (10%) Federal excise tax due on the withdrawal;
- c. The minimum amount which may be withdrawn is \$1,000; and
- d. The maximum amount which may be withdrawn shall be limited to 50% of the amount in the Participant's Individual Account of the Valuation Date most recently preceding the date of the withdrawal.

A hardship shall only qualify as a demonstrable financial hardship if the withdrawal is needed:

1. To pay medical expenses described in Section 213(d) of the Code that are incurred by the Participant, the Participant's spouse, or the Participant's dependent children. Eligible medical expenses are those not covered by any existing health insurance coverage and deductible for federal income tax purposes. In addition, any hardship withdrawal sought by a Participant for payment of medical expenses shall require the following:
  - Complete copies of the outstanding medical expenses that reflect any applicable deductions for insurance coverage. All outstanding medical expenses must be dated within two (2) months or less of the date the Participant submits a completed hardship withdrawal form to the Fund Office; and
  - Deductibles and co-payments required by existing health insurance will not be considered an eligible medical expense.
2. The purchase (excluding mortgage payments) of a principal residence for the Participant. Any hardship withdrawal sought by

a Participant to purchase a primary residence must be supported by evidence of the intended purchase, including but not limited to a signed purchase contract and documentation from the lender, if applicable, that the hardship withdrawal will be utilized for a down payment or otherwise applied towards the purchase;

3. Payment of tuition, related education fees and room and board expenses for the next twelve (12) months of post-secondary education for the Participant, the Participant's spouse, or the Participant's children or dependents. The term "post-secondary education" means any educational institution or program that requires a high school diploma or General Educational Development (GED) certificate for enrollment purposes;
4. To prevent the eviction of the Participant from the Participant's principal residence, or to prevent foreclosure on the mortgage of the Participant's principal residence. Any hardship withdrawal sought to prevent eviction or foreclosure must be supported by a dated and signed copy of the foreclosure or eviction notice and, if applicable, a complete copy of the Participant's rental agreement, contract for deed, or other such instrument establishing the terms of the Participant's tenancy; and
5. Payment of burial or funeral expenses for a Participant's deceased parent, spouse, children, dependent(s) or primary beneficiary. Any hardship withdrawal sought for payment of burial or funeral expenses must be supported by documentation reflecting the amount sought for distribution.

Any Participant seeking an in-service withdrawal for financial hardship will be required to certify and attest in writing that other available sources of funds, apart from the hardship withdrawal, have been exhausted. All Participants will further be required to certify and attest that the content of the hardship withdrawal forms/applications submitted to the Fund, including supporting documentation, are accurate and true to the best of the Participant's knowledge. The Annuity Plan

may require additional documentation beyond the above examples to support a hardship application.

### **WHAT FORMS OF PAYMENT ARE AVAILABLE?**

Each Participant or Beneficiary may elect a form of payment from the Participant's Individual Account. The form of payment of benefits available under the Fund are as follows:

1. A lump sum payment.
2. A Direct Rollover of an eligible rollover distribution to an eligible retirement plan.
3. A one-time partial distribution of up to 50% of the Participant's Individual Account if the Participant has satisfied the requirements for a Vested Benefit in accordance with this Summary Plan Description and Section 7.1(a) (i), (ii), or (iii) of the Plan Document.

### **WHAT IF I DIE BEFORE RECEIVING MY ANNUITY BENEFIT?**

If you die before you begin receiving your annuity benefit and you are married, a Surviving Spouse Benefit will be paid to your surviving spouse.

If you die before you begin receiving your annuity benefit and you are not married, or both you and your spouse have agreed in writing to a beneficiary other than your spouse, your annuity benefit will be paid to your designated beneficiary in a lump sum.

If you die before you begin receiving your annuity benefit, and you are not married and have not designated a beneficiary, your annuity benefit will be paid to your estate.

If you die and your designated beneficiary is longer living, then your annuity benefit will be paid to any alternate beneficiary you have designed, or if no alternate beneficiary has been designated, to the estate of the deceased beneficiary.

If you are married and you have designated someone other than your spouse to receive your benefits, you and your spouse must complete a Waiver of Pre-Retirement Surviving Spouse Benefit form before a Notary Public.

## **WHAT HAPPENS TO MY CONTRIBUTIONS IF I AM CALLED UP FOR MILITARY SERVICE?**

If you enter into qualified military service (as defined under the Uniformed Services Employment and Reemployment Act referred to as USERRA) and return to Covered Employment within certain timeframes and satisfy other conditions of USERRA, then you will not be treated as having a break in service for purposes of participation, vesting and accrual of benefits. Please contact the Fund Office for additional details regarding USERRA and your benefits during qualified military service.

## **CAN I WORK IN COVERED EMPLOYMENT AND RECEIVE THE MONEY FROM MY INDIVIDUAL ACCOUNT WHILE I AM STILL WORKING?**

In most instances, you cannot work in covered employment and receive your Annuity fund monies. However, if you are still working in covered employment under the Fund for which contributions are being made on your behalf when you reach age 70 1/2, payment of your monies from the Fund must begin in accordance with Federal law. You can continue working in covered employment after this date. However, at least annually, the Fund will, as required by Federal law, pay you a portion of the monies in your Individual Account. For more information on how this will affect you, contact the Fund Office.

## **WHAT HAPPENS TO MY BENEFIT IF I AM DIVORCED?**

The plan is required by law to comply with the terms and conditions of a qualified domestic relations order. Therefore, if a Qualified Domestic Relations Order requires payment of a Participant's benefit, or a part of that benefit, to an alternate payee such as a former spouse or other dependent, the Trustee must comply. However, The Trustees may not recognize qualified domestic relations order if such orders a distribution outside of the plan of benefits contained in this Summary Plan Description or the Plan Document.

## **HOW DO I DESIGNATE A BENEFICIARY?**

A Beneficiary Designation form (which is available at the Fund Office for your completion) should be completed and returned to the Fund Office if you have not already completed a form for the Annuity Fund, or if you desire to change a previous beneficiary designation. If you are married, and you designate someone

other than your spouse as beneficiary, you and your spouse must also complete the Waiver or Preretirement Surviving Spouse Benefit section of the Beneficiary Designation Form before a Notary Public and then submit the fully completed Beneficiary Designation Form to the Fund Office.

### **WHAT IF I LEAVE THIS INDUSTRY OR MOVE TO ANOTHER PART OF THE COUNTRY BEFORE RETIREMENT?**

You are still entitled to receive the money in your Individual Account but not right away. In order to show that you have permanently separated from the coverage of the Plan, you must not work in Covered Employment (where contributions are made on your behalf to the Southwestern Illinois Laborers' Annuity Fund) for at least twelve (12) consecutive months. At the end of the 12-month period, you are entitled to receive the money in your Individual Account as of that date and after making proper application.

### **WHAT HAPPENS IF I GO TO WORK IN EMPLOYMENT COVERED BY ANOTHER ANNUITY PLAN?**

The Southwestern Illinois Laborers' Annuity Fund may have entered into reciprocal agreements with other Laborers' Annuity Funds to allow Participants to authorize the transfer of contributions back to their "Home Fund" when they work under the jurisdiction of other Laborers' annuity funds that have signed this agreement. For a list of the Funds that have signed this agreement, contact the Fund Office.

Under the reciprocal agreement, the Fund under which you are currently a participant is called your "Home Fund". If you work outside your Home Fund in the jurisdiction of a Laborers' annuity fund that has signed this agreement, your employer will contribute to the annuity fund in the area in which you are working. However, if you sign the transfer request and the consent form (this form can be obtained from the Fund Office), the fund in whose jurisdiction you are working can then send the employer contributions to your Home Fund.

With respect to the transfer request and the consent form, you must make the request of the annuity fund and complete these forms within 90 days of the time you begin employment in the jurisdiction of that fund in order to have the contributions transferred. After 90 days, the right to transfer employer contributions expires unless the Trustees determine that there were extenuating

circumstances that prevented the timely filing of the transfer request. The amount transferred will be the amount of employer contributions actually received by the fund which covers the area in which you are working.

**IS THERE ANY WAY IN WHICH MY EMPLOYER CONTRIBUTIONS PAID FOR ME WILL NOT BE PAID TO ME OR MY DESIGNATED BENEFICIARY UNDER THE ANNUITY PLAN?**

Once you work 200 hours in covered employment or \$200.00 in your Individual Account for which contributions are paid into the Annuity Fund on your behalf, you are 100% vested and are entitled to the value of your Individual Account upon your retirement, disability, death, separation from service, or have entered the armed forces of the United States and have not worked in covered employment for at least 90 days.

However. In the event that no contributions have been made to your Individual Account for a period of 60 consecutive months and no application for payment of the Individual Account has been made during the 60 month period and the Trustees have been unable to locate you (or your beneficiary if you have died), then the Individual Account will be applied to the expenses of the Fund provided that if you or your beneficiary later file an application, you will be entitled to payment of the Account.

**HOW DO I APPLY FOR BENEFITS?**

A Participant who retires or terminates employment should request an application from the Fund Office. Except as otherwise provided under the Plan, payment cannot be made until an application is received at the Fund Office and approved by the Trustees who are responsible for making sure that all rules of the Plan are followed. For in-service distributions, please see the section of this Summary Plan Description entitled “**When Will I Receive Payments from the Annuity Plan?**”.

If you are applying for a total Disability benefit you must obtain and complete a disability claim form. Please call the Fund Office to obtain a disability claim form. You must complete the Participant’s section of the disability claim form. Your Physician should complete the Attending Physician’s section of the form. Failure to complete a claim form will cause a delay in payments. If you are unable to complete the form, your spouse or another individual may complete the form if they are designated to represent you. Please call the Fund Office for the designated

representative form. You must file the completed Disability claim form with the Fund office. The Fund Office will make a decision on your Disability claim and notify you within 45 days.

## **IF MY APPLICATION IS DENIED, DO I HAVE THE RIGHT TO APPEAL?**

The Fund must provide you with a notice of their initial determination about the claim within certain timeframes after they receive the claim. The notice must provide you with the following information:

- A. The specific reason or reasons for the denial of benefits or other adverse benefit determination;
- B. A specific reference to the pertinent provisions of the Fund upon which the decision is based;
- C. A description of any additional material or information that is needed to process the claim and an explanation of why the information is needed;
- D. A copy of the Fund's review procedures and time periods to appeal the claim, plus a statement that you may bring a lawsuit under ERISA following the review of the claim;
- E. A copy of any internal rule, guideline, protocol or similar criteria that was relied on or a statement that a copy is available to you at no cost upon request;
- F. A copy of the scientific or clinical judgment or statement that it is available to you at no cost upon request for disability claims that are denied due to:
  - i. Medical necessity;
  - ii. Experimental treatment; or
  - iii. Similar exclusion or limit.

You have the right to review documents relevant to the claim. A document, record or other information is relevant if:

- A. It was relied upon by the Fund in making the decision;
- B. It was submitted, considered or generated in the course of making the benefit determination (regardless of whether it was relied upon);
- C. It demonstrates compliance with the Fund's administrative processes for ensuring consistent decision-making; or

- D. It constitutes a statement of Fund policy regarding the denied treatment or service.

You have the right to a full and fair review by the Board of Trustees if the claim for benefits is denied by the Fund. For all benefit denials other than a denial involving total disability benefits, you (or your authorized representative) must file a written appeal with the Fund Office no later than 180 days after you receive the notice of denial. The written appeal must include any and all supporting documentation. You may request to be present when the Board of Trustees decide your appeal. You also have a right to request and review pertinent documents and to submit comments in writing.

The Board of Trustees will decide the appeal within 60 days after receipt of the request for review unless circumstances warrant an extension of time, in which case the decision will be rendered within 120 days of the request for review. The decision on your appeal will be reduced to writing and mailed to you. The written decision will include the specific basis for the decision and specific references to Plan provisions on which the decision was based. The decision of the Board will be final and binding on all concerned.

If your application for total disability benefits is denied, you (or your authorized representative) must file a written appeal with the Fund Office no later than 180 days after you receive notice of the denial. The written appeal must include any and all supporting documentation. You also have the right to request and review pertinent documents and to submit documents in writing.

The Board of Trustees will decide the disability benefit appeal within 45 days after receipt of the request for review unless circumstances warrant an extension of time, in which case a decision will be rendered within 90 days of the request for review. The decision on your appeal will be reduced to writing and mailed to you within 5 days after the decision is made. The written decision will include the specific basis for the decision and specific reference to Plan provisions on which the decision is based and information about your rights under ERISA to file a civil action against the Annuity Fund. In addition, the written decision will explain the basis for any disagreement with (1) the views of any health care professional who treated you or vocational professional who evaluated your appeal (if applicable), (2) the views of medical or vocational experts who advise was obtained by the Annuity



Plan in connection with the denial of your appeal, and/or (3) the view of any disability determination made by the Social Security Administration (if applicable).

A different person will review the disability benefit claim than the one who originally denied the claim. The reviewer will not give deference to the initial adverse benefit determination. The decision will be made on the basis of the record, including such additional documents and comments that may be submitted by you.

If a Disability claim was denied on the basis of a medical judgment (such as a determination that the treatment or service was not medically necessary, or was under investigation or experimental), a health care professional who has appropriate training and experience in a relevant field of medicine will be consulted. You will be provided with identification of medical or vocational experts, if any, that gave advice to the Fund on the claim, without regard to whether their advice was relied upon in deciding the claim.

For all benefit claims you may not file a lawsuit to obtain benefits until after a review by the Fund Administrator of the Fund Office is requested and a final decision has been reached by the Board of Trustees, or until the appropriate time frame described above has elapsed since the request for review was filed and no final decision or notice that an extension will be necessary to reach a final decision has been received by you. Any lawsuit based on the denial of an appeal by the Board of Trustees must be filed within 2 years of the date your benefit claim is denied. You and the Plan have other alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact the local U. S. Department of Labor office or your State Insurance Regulatory Agency.

### **DO I HAVE TO PAY TAX ON THE MONEY IN MY INDIVIDUAL ACCOUNT?**

That depends. The money in your Individual Account is not considered taxable income until you are entitled to receive it. When you are entitled to receive the money in your Individual Account, it must be reported as taxable income. However, in some instances, you may be able to roll over the money in your Individual Account into your personal IRA or into another qualified retirement plan. A payment that is eligible for rollover can be taken in two ways. You can have all or

any portion of your payment either (1) paid in a direct rollover or (2) paid to you. This choice will affect the tax you owe.

If you choose a direct rollover:

1. Your payment will not be taxed in the current year and no Income tax will be withheld.
2. Your payment will be made directly to your IRA or, if you choose, to another qualified retirement plan that accepts your rollover, and
3. Your payment will be taxed later when you take it out of the IRA or the qualified retirement plan.

If you choose to have your benefit paid to you:

1. You will receive only 80% of the payment, because Federal law requires that the Fund withhold 20% of the payment and send it to the Internal Revenue Service as income tax withholding to be credited against your taxes.
2. Your payment will be taxed in the current year unless you roll it over (you may be able to use special tax rules that could reduce the tax you owe, however, if you receive the payment before age 59 1/2 you also may have to pay an additional 10% Federal excise tax).
3. You can roll over 100% of the payment by electing to have the Plan directly transfer the payment to your IRA or to another qualified retirement plan that accepts your rollover and the amount will not be taxed until you take it out of the IRA or other qualified retirement plan. Please note that if you elect to have the payment made directly to you instead of a direct transfer, the Plan must withhold 20% of the payment for income tax withholding purposes, and
4. 4. If you want to roll over less than 100% of the payment to an IRA or another qualified retirement plan that accepts your rollover, **you will be required to pay the 20% income tax withholding on the portion of the payment that is not directly transferred to your IRA or another qualified retirement plan.** (For example, if you roll over only 80% of your account balance into your IRA or qualified retirement plan through a direct rollover, you will be taxed on the 20% that was paid directly to you and not rolled over).

**Federal law requires the Fund office to provide you with a timely "Special Tax Notice Regarding Plan Payments" which describes your rights and obligations regarding rollovers and withholding requirements. You should always consult your tax professional regarding any withdraw of transfer of your annuity contributions.**

#### **IF I OWE MONEY, CAN I SIGN OVER MY RIGHTS TO MY INDIVIDUAL ACCOUNT?**

Generally, no. The Annuity Plan contains a provision forbidding any assignment, pledging or otherwise disposing of your annuity payments. However, if you are divorced and have a Qualified Domestic Relations Order, the Trustees must pay benefits as directed by the court.

#### **WHAT ARE MY BENEFITS IF THE PLAN TERMINATES?**

If the Plan terminates or if all employer contributions stop, you will receive that part of the total Plan assets (after Plan expenses) in the same ratio as your Individual Account bears to the total Individual Accounts of all participants.

#### **ADDITIONAL FUND INFORMATION**

All contributions to the Annuity Plan are made by employers in accordance with Collective Bargaining Agreements with Local Unions or the District Council affiliated With the Laborers' International Union of North America, AFL-CIO which require contributions to be paid to the Annuity Plan at fixed rates per hour worked. Contributions may also be accepted from Employers who have signed a participation agreement which such participation agreement has been approved by the Trustees.

Benefits are provided from the Annuity Plan's assets which are accumulated under the provisions of the Trust Agreement for the purpose of providing benefits to covered participants and defraying reasonable administrative expenses.

If you have any questions or problems as to benefit payments, you have the right to obtain answers from the Trustees who administer the plan. The same basic rights have now been incorporated In the Employee Retirement Income Security Act, which Congress adopted in 1974 for application to all benefit plans. These rights are as follows:

#### **Statement of Rights under Employee Retirement Income Security Act of 1974.**

As a participant in the Annuity 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:

***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 Employee Benefit Security Administration (formerly 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.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age 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 get 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 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. 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 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 Plan Administrator, you should contact the nearest office of the Employee Benefit Security Administration, U.S. Department of Labor, listed in your telephone

directory or the Division of Technical Assistance and Inquiries, Employee Benefit 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 Benefit Security Administration.

## **OTHER IMPORTANT INFORMATION**

The Employer Identification Number assigned to the Board of Trustees by the Internal Revenue Service is 37-1221230.

The number assigned to this Plan by the Board of Trustees pursuant to instructions of the Internal Revenue Service is 001.

### ***Agent for Legal Process***

Service of legal process may be made upon the Plan Administrator at the address above or on upon the Plan's Legal Counsel (listed below).

Britt W. Sowle, Esq.  
Cavanagh & O'Hara, LLP  
101 West Vandalia Street, Suite 245  
Edwardsville, Illinois 62025