

NEW YORK CITY DISTRICT COUNCIL OF CARPENTERS BENEFIT FUNDS

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FREQUENTLY ASKED QUESTIONS ABOUT DISQUALIFYING EMPLOYMENT AND NYCDCC PENSION AND WELFARE BENEFITS

JUNE 2019

Your pension benefits from New York City District Council of Carpenters Pension Fund (the "Pension Fund") may be suspended if you perform certain types of work while receiving a pension. In addition, certain types of work performed either before you qualify for retiree health coverage from the New York City District Council of Carpenters Welfare Fund (the "Welfare Fund") or while you are receiving retiree health coverage from the Welfare Fund, will result in the permanent forfeiture of your health coverage. The purpose of these Frequently Asked Questions ("FAQs") is to explain the effect of certain types of employment on your benefits and to highlight the differences in the rules governing the Pension Fund and the Welfare Fund.

Because telephone conversations and other oral statements can easily be misunderstood and given the significant effect that certain employment can have on your benefits, the Fund Office will **not** provide any advice or respond to any questions on the telephone about the effect that any particular employment will have on your benefits, including, but not limited to, whether a particular type of employment constitutes Disqualifying Employment. Instead please submit such questions in writing to us at the following address:

**New York City District Council of Carpenters Welfare Fund
Attn: Welfare Department – Disqualifying Employment
395 Hudson Street, 9th Floor
New York, NY 10014**

PENSION FUND - DISQUALIFYING EMPLOYMENT RULES

Q-1. I am currently receiving a monthly pension from the Pension Fund. Is my pension affected if I return to work?

A-1. It depends on your age and the type of work that you perform.

Q-2. What are the rules regarding age?

A-2. The Pension Fund's Suspension of Benefits rules apply before you reach **age 70**. After age 70, these rules do not apply and you can engage in any type of work without having your pension benefit affected.

Q-3. What are the rules regarding the type of work that may affect my monthly pension benefit?

A-3. If you have not reached age 70, your monthly pension benefit will be suspended for each month in which you work **40 or more hours** in "**Disqualifying Employment**."

Disqualifying Employment means Covered Employment - i.e., work performed under a collective bargaining agreement ("CBA") between your employer and the New York City and Vicinity District Council of the United Brotherhood of Carpenters and Joiners of America (the "District Council") or under a participation agreement between the Pension Fund and your employer. Thus, for example, if you perform 40 or more hours of work per month that is covered by a CBA with the District Council, such work is considered Disqualifying Employment and will result in the suspension of your pension benefit. ***Disqualifying Employment also means*** any employment or self-employment within the collective bargaining jurisdiction of the District Council, even though there is no CBA in effect. For example, the construction of concrete formwork or core drilling for a non-union employer is Disqualifying Employment since such work falls within the collective bargaining jurisdiction of the District Council. ***To recap, any work that falls within the collective bargaining jurisdiction of the District Council, regardless of whether the employer has a CBA with the District Council, is Disqualifying Employment under the Pension Fund.***

If you work fewer than 40 hours per month in Disqualifying Employment, your pension is not affected, unless you are on a Disability Pension.

Hours worked in Covered Employment by employees of the New York City District Council of Carpenters Apprenticeship, Journeyman Restraining, Educational and Industry Fund (the "Apprenticeship Fund") for the purposes of the employee receiving job-required training, or traveling to such training, is not Disqualifying Employment and is disregarded in determining whether the Apprenticeship Fund employee is subject to a suspension of benefits.

Q-4. What is the Pension Fund's Suspension of Benefits Rule for Disability Pensioners?

A-4. If you are receiving a Disability Pension, your benefit will be suspended if you perform *any* work in Disqualifying Employment, as defined above. In other words, a Disability Pensioner

cannot perform *any* Disqualifying Employment while collecting a Disability Pension. This prohibition applies even if a Disability Pensioner works fewer than 40 hours per month.

Q-5. What should I do if I intend to work in Disqualifying Employment?

A-5. If you intend to work 40 or more hours in Disqualifying Employment in a month, you must notify the Fund Office in advance in writing so that your monthly benefit can be suspended. If you are receiving a Disability Pension, you must notify the Fund Office in advance if you intend to perform *any* work in Disqualifying Employment. Such notice will permit the Pension Fund to suspend your benefit while you are in Disqualifying Employment and avoid the need for a subsequent recovery of overpayments.

Q-6. What if I fail to notify the Fund Office of my Disqualifying Employment?

A-6. If you receive a pension benefit for a month for which it is later determined you were ineligible because of Disqualifying Employment, the overpayment will be deducted from future pension payments until the full amount has been repaid to the Pension Fund. The Pension Fund will withhold 100% of your first pension payment due upon resumption after a suspension and 25% of your pension amount (before deduction) of subsequent payments.

The Pension Fund will waive the penalty for a first-time violation; that is, if you fail to notify the Fund Office of your Disqualifying Employment one time, the penalty will be waived, and your benefits will not be suspended. Any subsequent violations will result in a suspension of your benefits.

Q-7. What should I do when I cease Disqualifying Employment?

A-7. You should notify the Fund Office when your Disqualifying Employment ends. Monthly pension payments will resume starting with the month following the last month for which benefits were suspended, with payments starting no later than the third month following the last month of suspension, as long as you give the Fund Office timely notice of the end of your Disqualifying Employment.

Q-8. What if I work six or more consecutive months in Disqualifying Employment?

A-8. After working six consecutive months in Disqualifying Employment, you will no longer be considered a pensioner and you will be required to complete a new pension application in order to commence your benefits. Please notify the Fund Office in writing when you are stopping Disqualifying Employment and the Fund Office will send you a new application to complete.

Q-9. Where can I obtain more information about the Pension Fund's Suspension of Benefits Rules?

A-9. The Pension Fund's Suspension of Benefits Rules are set forth in the Pension Fund's Summary Plan Description ("SPD") and Summary of Material Modifications ("SMM"). These documents are available on the NYCDCC Benefit Funds' website at www.nycbf.org. The Pension Plan Restatement, and amendments thereto, as well as the Return to Work Rules that are provided upon retirement also describe these rules.

Q-10. What are the appeal procedures if I believe my monthly benefit has been improperly suspended?

A-10. If you believe that your monthly pension benefit has been improperly suspended or if you disagree with the Pension Fund's determination that certain work is Disqualifying Employment, you may submit a written appeal to the Fund Office within 60 days from the date of the Pension Fund's notice advising of the suspension of your benefits or its determination that certain work constitutes Disqualifying Employment. Your appeal will be decided at the next meeting of the Appeals Committee of the Board of Trustees, unless your appeal is received by the Fund Office less than 30 days prior to the next regularly scheduled meeting in which case it will be decided at the second regularly scheduled meeting of the Appeals Committee following receipt of such appeal.

WELFARE FUND - DISQUALIFYING EMPLOYMENT RULES

Q-1. I am currently receiving Retiree health coverage from the Welfare Fund. Is my coverage affected if I return to work? How is my coverage affected?

A-1. Yes.

The first month that you work in Disqualifying Employment.

If you work in Disqualifying Employment one time while you are covered as a retiree, regardless of the number of hours you work, you will be responsible for reimbursing the Welfare Fund for the cost of any benefits provided to you and your dependents during that period.

If you work in Disqualifying Employment in a second month – regardless of whether the second month immediately follows the first month in which you work in Disqualifying Employment or occurs at any time thereafter and regardless of the number of hours you work per month – you will ***permanently*** lose your eligibility for Retiree Welfare coverage in addition to being responsible for reimbursing the Welfare Fund for the cost of any benefits provided to you and your family during your period of Disqualifying Employment. For example, if you work one (1) day in Disqualifying Employment in July, and two (2) days in Disqualifying Employment in September, you will permanently forfeit your eligibility for Retiree Welfare coverage in September because you worked in Disqualifying Employment in two (2) months even though the two (2) months were not consecutive and even though you only worked three (3) days in those two (2) months. This same rule would apply if your second month of Disqualifying Employment occurred in a different year than your first month of Disqualifying Employment.

Q-2. Does my age matter?

A-2. No. Unlike the Pension Fund's Suspension of Benefit rules, the Welfare Fund's Disqualifying Employment rules apply regardless of your age, even if you have reached age 70.

Q-3. Does the Welfare Fund have the same Disqualifying Employment Rules as the Pension Fund?

A-3. No. Although there are some similarities in the Pension Fund's Rules and the Welfare Fund's Rules, there are very important differences. Please read these FAQs carefully for more information about these differences.

Q-4. Do the Welfare Fund's Disqualifying Employment Rules affect coverage for my spouse and eligible dependents?

A-4. Yes. If you lose coverage under the Disqualifying Employment Rules, your spouse and eligible dependents will also lose coverage.

Q-5. What are the rules regarding the type of work that may affect my eligibility for Retiree coverage under the Welfare Fund?

A-5. Disqualifying Employment under the Welfare Fund means any work in the *states of New York and New Jersey* that falls under the trade jurisdiction of the District Council for an employer who is *not* required to contribute to the Welfare Fund on your behalf.

Q-6. Is there a minimum number of hours that I may work in Disqualifying Employment without affecting my eligibility for Retiree coverage under the Welfare Fund?

A-6. No. There is no minimum number of hours that you are permitted to work in Disqualifying Employment before you are subject to the Welfare Fund's Disqualifying Employment Rules. For the Pension Fund, as long as you do not work 40 or more hours per month in Disqualifying Employment as defined by the Pension Fund, your monthly pension benefit is not affected. In contrast, if you work one or more hours per month in Disqualifying Employment as defined by the Welfare Fund, you are subject to the Welfare Fund's Disqualifying Employment Rules.

Q-7. What should I do if I intend to work in Disqualifying Employment?

A-7. You must notify the Welfare Fund in writing if you intend to work in Disqualifying Employment in advance of such Disqualifying Employment. Please provide notice 30 days in advance of such Disqualifying Employment, if possible, and, in all cases, notice must be given by no later than the first day of your Disqualifying Employment.

If you would like the Welfare Fund to determine the impact of any potential employment you are considering on your Retiree Welfare coverage, you should submit the Reemployment Questionnaire which can be obtained by contacting the Fund Office. From time to time, we may contact you and ask you to provide information about your post-retirement employment. We may also require Social Security Administration or Internal Revenue Service documents to verify the accuracy of the information you give us. Failure to provide the requested information will result in your Retiree Welfare eligibility being suspended pending your provision of such information.

Please keep in mind that compliance with your notice obligations is necessary to ensure that your coverage is timely terminated and that you do not become liable to the Welfare Fund for the cost of any benefits provided to you if you work in Disqualifying Employment. However, compliance with the notice obligations will not preclude termination of your coverage if you work in Disqualifying Employment.

Q-8. If I forfeit my eligibility for Retiree Welfare coverage, can I attain Welfare Retiree eligibility again?

A-8. If you permanently forfeit your eligibility for Welfare Retiree coverage, in order to become eligible again for Retiree Welfare coverage, you must return to Covered Employment and subsequently satisfy the eligibility requirements for Retiree Welfare coverage based solely on your work in Covered Employment following your Disqualifying Employment. Please refer to the section in the SPD entitled "Eligibility for Retirees" for additional information regarding Retiree Welfare eligibility.

Q-9. What if I work in Covered Employment while I am receiving coverage as a Retiree from the Welfare Fund?

A-9. If you return to Covered Employment, your Retiree Welfare coverage will continue for up to six months as long as you work at least 40 hours in each month. After six months in Covered Employment, you are no longer considered a Retiree eligible for Welfare coverage. There is a special rule for Disability Pensioners. If your Disability Pension is suspended because you recover, or you no longer qualify, your Retiree Welfare coverage will automatically continue for up to three months. It will continue for up to six consecutive months after the first three months if you work at least 40 hours in Covered Employment in each of those six months. During such six-month period, you will begin accumulating hours in your bank towards future eligibility. ***Please refer to your SPD for more details.**

Q-10. Does work in Disqualifying Employment *before* I start receiving Retiree Welfare coverage impact my eligibility for Retiree Welfare coverage?

A-10. Yes. If you work in Disqualifying Employment for two (2) or more months at any time on or after July 1, 2019 in the fifteen (15) years before you would otherwise be eligible for Retiree Welfare coverage, you will be permanently ineligible for Retiree Welfare coverage. It does not matter whether the months are consecutive or not, and it does not matter how many hours you work. This means that even if you only work in Disqualifying Employment for a few hours in any two (2) months before becoming eligible for Retiree Welfare coverage on or after July 1, 2019, you will permanently lose your eligibility for Retiree Welfare coverage.

For example, if you stop working in Covered Employment at age 52 after you have earned thirty (30) Vesting Credits with the Pension Fund and you subsequently work in Disqualifying Employment as defined by the Welfare Fund for the next three (3) years, you will not be eligible for Retiree Welfare coverage at age 55 because you worked in Disqualifying Employment as defined by the Welfare Fund between the ages of 52 and 55.

You will be required to provide information about your employment at the time you apply for Retiree Welfare coverage, including, but not limited to, Social Security Administration or Internal Revenue Service records to determine your eligibility for Retiree Welfare coverage. Failure to provide the requested information will result in a denial of coverage.

Q-11. What are the appeal procedures if I disagree with a determination that certain work is Disqualifying Employment or if I believe coverage has been improperly denied or terminated?

A-11. If you disagree with the Welfare Fund's determination that certain work is Disqualifying Employment or otherwise believe that your Welfare Retiree coverage has been improperly terminated or that the Welfare Fund has improperly denied your application for Welfare Retiree coverage, you must submit a written appeal to the Fund Office within 180 days from the date of the notice you receive from the Welfare Fund advising of its determination that certain employment constitutes Disqualifying Employment or that you are ineligible for Retiree Welfare coverage because you worked in Disqualifying Employment.

Your appeal should state your reasons for the appeal and include supporting documentation and a completed authorization for us to obtain information about your employment from your Employer. An authorization form can be obtained by contacting the Fund Office.

Your appeal will be decided at the next meeting of the Appeals Committee of the Board of Trustees, unless your appeal is received by the Fund Office less than 30 days prior to the next regularly scheduled meeting in which case your appeal will be heard at the second regularly scheduled meeting of the Appeals Committee following receipt of such appeal.

Q-12. Where can I obtain more information about the Welfare Fund's Disqualifying Employment Rules?

A-12. Please refer to the Welfare Fund SMM dated June 2019. These documents are available on the NYCDCC Benefit Funds' website at www.nyccbf.org.