

NEW YORK CITY DISTRICT COUNCIL OF CARPENTERS BENEFIT FUNDS

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SUMMARY OF MATERIAL MODIFICATIONS

NEW YORK CITY DISTRICT COUNCIL OF CARPENTERS WELFARE FUND

To: Active and Retired Participants of the New York City District Council of Carpenters Welfare Fund and their Eligible Dependents

From: Board of Trustees

Date: June 2019

Re: **NYCDCC Welfare Fund Disqualifying Employment Rules**

This Summary of Material Modifications (“SMM”) is intended to notify you of important changes to the New York City District Council of Carpenters Welfare Fund (the “Welfare Fund”). Please read this SMM carefully and share it with your family. You should keep it with your Welfare Fund Summary Plan Description (“SPD”) and other SMMs. The effective date of the changes is July 1, 2019.

Change in Disqualifying Employment Rules Effective July 1, 2019

The Welfare Fund’s Disqualifying Employment Rules, which are described in the SMM dated September 2014, provide that certain types of work will result in the loss of your Welfare Fund Retiree coverage (“Retiree Welfare coverage”). **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 New York City and Vicinity District Council of the United Brotherhood of Carpenters and Joiners of America (the “District Council”) for an employer who is not required to contribute to the Welfare Fund on your behalf.** The changes to the Disqualifying Employment Rules are described below.

1. A Permanent Loss of Retiree Welfare Coverage Occurs if You Work Two or More Months in Disqualifying Employment.

Pursuant to the September 2014 SMM, if you work in Disqualifying Employment in any three (3) months after your Retiree Welfare coverage has commenced – regardless of whether the months are consecutive and regardless of the number of hours worked per month – you will permanently lose your eligibility for Retiree Welfare coverage. **Effective July 1, 2019, if you work in Disqualifying Employment in any two**

(2) months, you will permanently forfeit your Retiree Welfare coverage. It does not matter whether the two months are consecutive or not, and it does not matter how many hours you work in a month. If you work in Disqualifying Employment for just one hour in any two months, you will permanently lose your Retiree Welfare coverage.

2. Disqualifying Employment Before Commencement of Retiree Welfare Coverage Results in Ineligibility for Retiree Welfare Coverage.

If you work in Disqualifying Employment in any two (2) 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 in a month. If you work in Disqualifying Employment for just one hour in any two months on or after July 1, 2019 before becoming eligible for Retiree Welfare coverage, you will permanently lose your eligibility for Retiree Welfare coverage. You will be required to provide information about your employment history when you apply for Retiree Welfare coverage, including, but not limited to, Social Security Administration and Internal Revenue Service records. Failure to provide the requested information will result in the denial of your application for Retiree Welfare coverage.

The Welfare Fund's Disqualifying Employment Rules, with the above changes, are restated in their entirety on the following pages.

Questions?

We have updated the "Frequently Asked Questions" ("FAQs") about the effect of post-retirement employment on your benefits for both the Welfare Fund and the New York City District Council of Carpenters Pension Fund. Digital versions of the FAQs are available on the Benefit Funds' website at www.nyccbf.com/member/welfare/ and www.nyccbf.com/member/pension/.

Because telephone conversations and other oral statements can easily be misunderstood, and given the significant effect that Disqualifying Employment can have on your benefits, the Fund Office will **not** provide any advice or respond to any inquiries 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**

Welfare Fund's Disqualifying Employment Rules

Definition of Disqualifying Employment under the Welfare Fund

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.

No Minimum Number of Hours Allowed in Disqualifying Employment under the Welfare Fund

There is no minimum number of hours that you may work in Disqualifying Employment without it impacting your Welfare Fund coverage. If you work *even one hour* in Disqualifying Employment, you are subject to these rules.

The first month that you work in Disqualifying Employment.

If you work in Disqualifying Employment one time, 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 worked 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 day in Disqualifying Employment in July, and two 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 months even though the two months were not consecutive and even though you only worked three days in those two 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.

Notice Requirements

In order for the Welfare Fund to review the effect of any potential employment on your coverage, you must advise the Welfare Fund in writing of the employment prior to commencing the employment. You may obtain a Reemployment Questionnaire by contacting the Fund Office. From time to time, we may ask you to provide information about your employment. We may request Social Security Administration or Internal Revenue Service records to verify the accuracy of the information you give us. Failure to provide the requested information will result in your 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.

Eligibility for Retiree Coverage After a Permanent Forfeiture

If you permanently forfeit your eligibility for Retiree Welfare 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 eligibility.

Disqualifying Employment *Before* Commencement of Retiree Welfare Coverage Results in Ineligibility for Retiree Welfare Coverage

If you work in Disqualifying Employment in two (2) or more months 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 in a month. 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. Failure to provide the requested information will result in denial of your application for Retiree Welfare coverage.

Appeal Procedures

If you wish to appeal the Welfare Fund’s determination that you engaged in Disqualifying Employment, 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.

Work in Covered Employment Following Retirement

The SPD’s rules regarding the effect of a return to Covered Employment on your Retiree Welfare coverage remain in effect and are not changed by this SMM.