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# PLUMBERS AND PIPEFITTERS LOCAL 501

## NORTHERN ILLINOIS BENEFIT FUNDS

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1295 Butterfield Rd., Aurora, IL 60504-8879 • Ph (630) 978-4600 • Fax (630) 978-4616 • email: benefitfunds@ualocal501.org

### NORTHERN ILLINOIS BENEFIT FUND SUMMARY PLAN DESCRIPTION MATERIAL MODIFICATION

#### I INTRODUCTION

The Trustees of the Northern Illinois Benefit Fund ("the "Plan") wish to provide you with disclosures about the Plan which are not fully contained in the current Summary Plan Description and which are required under federal law.

This is a summary of the involved Plan provisions. It is presented to you as an addition to the Summary Plan Description. If you have any questions about it, contact the Plan's Administrator. A copy of the Plan is available for your inspection. If there is any discrepancy between the Plan and this Summary of Material Modification, the provisions of the Plan will control.

#### II GENERAL INFORMATION

There is certain information you may need to know about changes in the Plan, disclosures concerning the Plan, and with respect to the Plan Administrator. This information is presented below.

1. The disclosures concern matters which reflect the current provisions of the Plan.
2. The name, address and telephone number of the Plan Administrator are:

Board of Trustees  
Northern Illinois Benefit Fund  
1295 Butterfield Road  
Aurora, IL 60504  
(630) 978-4600

3. The Plan Administrator keeps the records for the Plan and is responsible for its administration. The Administrator will answer any questions you may have about the Plan.

#### III SUMMARY OF CHANGES AND DISCLOSURES

1. The items in this Summary of Material Modifications represent disclosures concerning the Plan which reflect current Plan provisions and which are required to be specifically disclosed in a Summary Plan Description under amended regulations issued by the Department of Labor. Certain of these provisions concern the identity and roles of the union and employer association which created and who appoint the joint labor-management Board of Trustees, together with a detailed description of rights to receive information concerning collective bargaining agreements and the identity of employers and unions who sponsor the Plan. A new second paragraph is inserted in the "Plan Sponsorship and Administration"

section of the Summary Plan Description, at the bottom of page 93 of the current Summary Plan Description, which reads as follows:

The Union which founded the Board of Trustees and which appoints the Union members of the Board of Trustees is Plumbers & Pipefitters Local 501, U.A., 1295 Butterfield Road, Aurora, IL 60504-8879. The Employer Association, which founded the Board of Trustees and which appoints the Employer members of the Board of Trustees is Plumbing and Mechanical Contractors Association of Northern Illinois, 603 Rogers Street, Suite 2, Downers Grove, IL 60515. A complete list of the employers and the employee organizations sponsoring the Fund may be obtained by participants and beneficiaries upon written request to the Board of Trustees and is available for examination by participants and beneficiaries, as required by DOL regulations 29 C.F.R. §§ 2520.104b-1 and 2520.104b-30. Participants and beneficiaries also may receive from the Board of Trustees, upon written request, information as to whether a particular employer or employee organization is a sponsor of the Plan and, if the employer or employee organization is a Plan sponsor, the sponsor's address. Because this Plan is maintained pursuant to collective bargaining agreements, a copy of any agreement under which this Plan is maintained may be obtained by participants and beneficiaries upon written request to the Board of Trustees and is also available for examination by participants and beneficiaries in accordance with DOL regulations 29 C.F.R. §§ 2520.104b-1 and 2520.104b-30. This right includes a "superseded" collective bargaining agreement if such agreement controls any duties, rights or benefits under the Plan.

2. Another requirement is for the Trustees to provide you with information concerning the Plan's "type," and the role of various entities, including insurers, in the administration of the Plan. The section "Accumulation of Assets/Payment of Benefits" on page 94 of the current Summary Plan Description will now be entitled "Type of Plan/Accumulation of Assets/Payment of Benefits," and shall read:

The Northern Illinois Benefit Fund is classified as a welfare benefit plan, providing benefits of the type described in the following paragraph. Employer contributions and dependent self-payments are received and held in trust by the Trustees pending the payment of benefits, insurance premiums and administrative expenses.

The Fund provides medical, surgical, hospital, disability, dental/orthodontia, vision and retiree death benefits on a self-insured basis. When benefits are self-insured, the benefits are paid directly from the Fund to the claimant or beneficiary. The self-insured benefits payable by the Fund are limited to the Fund assets available for such purposes. Although, as described earlier in this Summary Plan Description, Blue Cross re-prices PPO claims involving medical, surgical and hospital benefits, Delta Dental processes claims involving dental/orthodontia benefits, and VSP processes claims involving vision benefits, the services of these companies are in the nature of claims processing and/or limiting the amount the Fund must pay providers, and all benefits paid remain self-insured.

The Benefit Plan is not an insurance policy and no benefits other than the Life Insurance and AD&D Insurance are provided by or through an insurance company. The Fund provides Life Insurance and Accidental Death and Dismemberment Insurance benefits through the Union Labor Life Insurance Company, 111 Massachusetts Avenue, N.W., Washington, D.C., 20001, telephone (202) 682-0900.

3. A further requirement is that the Trustees provide you with information concerning the Plan's network of providers participating in programs such as the Blue Cross Blue Shield PPO, Delta Dental (Delta Premier and Delta Preferred) and the VSP plan. The fourth paragraph on page 4 of the current SPD regarding the composition of the Blue Cross Blue Shield PPO is revised to read:

The list of providers in the BCBS PPO is provided automatically, without charge, to participants

as a separate document. In addition, for a current list of PPO providers, you may visit the BCBS website ([www.bcbsil.com](http://www.bcbsil.com)), or call the Fund Office if you need a hospital list, an I.D. card, if you want to find out if a doctor you want to use is in the BCBS PPO, or if you want to get the name of a BCBS PPO doctor in your area.

A new sentence is added at the bottom of the final paragraph on page 6, under the section "How to File a Claim for Dental Benefits," which shall read: "A list of providers in the Delta Dental (Delta Premier and Delta Preferred) network is provided automatically, without charge, to participants as a separate document."

In addition, a new sentence is added at the end of the paragraph on page 7 titled "When a VSP Doctor is Used," which provides: "A list of providers in the VSP network is provided automatically, without charge, to participants as a separate document."

4. Another requirement under the Regulations is for the Trustees to summarize for you Plan provisions governing the authority of the Plan sponsors or others to amend or terminate the Plan, and the effect of such amendment or termination upon benefits. With respect to both amendment and termination, the second paragraph under the provision "Trustee Interpretation, Authority and Right," on page 84, is changed to read as follows:

The Trustees have the authority to amend the Plan, which includes the authority to change eligibility rules and other provisions of the Plan and to increase, decrease or eliminate benefits. However, no amendment may be adopted which alters the basic principles of the Trust Agreement founding the Fund, is in conflict with collective bargaining agreement provisions applicable to contributions to the Fund, is contrary to laws governing multi-employer ERISA trust funds or is contrary to agreements entered by the Trustees. In addition, and as more fully explained in the "Plan Discontinuation or Termination" section, the Trustees or, the Union and Association by a written agreement, may terminate the Trust and this Plan of Benefits at any time. All benefits of the Plan are conditional and subject to the Trustees' authority to change or terminate them. The Trustees may adopt such rules as they feel are necessary, desirable, or appropriate and they may change these rules and procedures at any time.

With respect to termination, in the "Plan Discontinuation or Termination" section at the bottom of page 85 and top of page 86 of the Summary Plan Description, the following first paragraph is substituted for the current first paragraph:

The Plan of Benefits and the Trust Agreement under which the Plan was founded may be terminated under certain conditions, if there is no longer a collective bargaining agreement or participation agreement requiring contributions to the Fund or, if it is determined that the Fund is inadequate to carry out the purposes for which the Fund was founded. The Plan may be terminated at any time by a vote of the Trustees or by a written mutual agreement of the Union and the Employer Association to terminate the Trust, if the action is taken in conformity with applicable law. In such a case, benefits for covered expenses incurred before the termination date will be paid on behalf of covered persons as long as the Plan's assets are more than the Plan's liabilities. Full benefits may not be paid if the Plan's liabilities are more than its assets; and benefit payments will be limited to the funds available in the Trust Fund for such purposes. The Trustees will not be liable for the adequacy or inadequacy of such funds.

5. A new "Your Rights under ERISA" section has been added to substitute for the current section on page 92, with the exception of the final "How to Read or Get Plan Material" section found at the bottom of that Section. The restated Section reads:

As a participant in the Northern Illinois Benefit Fund 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 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 the law to furnish each participant with a copy of this summary annual report.

### **Comprehensive Group Health Plan Coverage**

Continue health care coverage for yourself, spouse or dependents if there is a loss of coverage under the plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review this Summary Plan Description and the documents governing the Plan on the rules governing your COBRA continuation coverage rights.

Reduction or elimination of exclusionary periods of coverage for preexisting conditions under your group health plan, if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health plan or health insurance issuer when you lose coverage under the Plan, when you become entitled to elect COBRA continuation coverage, when your COBRA continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a preexisting condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

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

### **Enforce Your Rights**

If your claim for a welfare 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, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support 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. 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 Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits 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 Pension and Welfare Benefits Administration. The Publications Hotline number is currently 1-800-998-7542.

**Summary of Material Modification**

**EIN: 36-2522076 PN: 001**

**June 2002**