# Plumbers & Steamfitters Local 486
# Severance & Annuity / 401k Fund

## Board of Trustees Meeting

## May 24, 2018

# *PLUMBERS & STEAMFITTERS LOCAL 486*
# *SEVERANCE & ANNUITY/401k FUND*
## *AGENDA*
### *MAY 24, 2018*

A. ROLL CALL

B. READING OF THE MINUTES - April 30, 2018

C. ADMINISTRATION REPORTS

1. Fund Balance Report - April 30, 2018
2. Fund Schedules - April 30, 2018
3. Fund Bills To Be Approved & Paid – May 24, 2018
4. Administrative Cash Balance - April 30, 2018
5. Summary Balance Report – April 30, 2018

D. UNFINISHED BUSINESS

1. Delinquent Contractors
2. Non Discrimination Testing
3. Draft Payroll Audit Policy

E. NEW BUSINESS

1. Deaths: Sherry Skabisky – 4/28/2018, age 78
   Deatta Griffin – 5/06/2018, age 79
2. Terminations: See attached list
3. Reciprocal Distributions: See attached list
4. EPS Distributions: See attached list
5. Survivor Benefits: See attached list
6. Loans: Charles Dancy – Medical Fund Self Payment - $1,650.00
7. Hardships: Michael Purcell – Purchase of Principal Residence - $16,408.81
8. Questions
9. Date of Next Meetings: June 28, 2018 & July 26, 2018 both at 10:00 AM

**Plumbers & Steamfitters Local 486**
**Severance & Annuity/401k Fund**
**911 Ridgebrook Road**
**Sparks, Maryland 21152-9451**
**Toll Free Telephone (888) 494-4443**
**www.associated-admin.com**

Trustees Attending: R. Bennett, A. Gannon, III, G. Glab, T. Herbert, R. Horton, W. Welsh, J. Wontrop

Others Attending: K. Bradley, D. Jensen, D. Welch

The Trustees met on April 30, 2018 at the office of the Administrative Manager.

A. The Minutes of the meeting of March 22, 2018 were approved as presented.

B. The Fund Cash Balance and Schedules, Fund Bills to Be Approved and Paid, Administrative Cash Balance, and the Summary Balance Report were accepted. Trustees receiving compensation recused themselves from the votes relating to their payments.

C. Unfinished Business

1. Ms. Bradley reported on the current delinquencies, including Bay Area Mechanical, M&E Sales and Verticon. Bay Area reported to Fund Counsel that they have cash flow issues. Mr. Welsh stated he would be meeting soon with Verticon regarding their delinquencies.

2. At the previous meeting, Mr. Rolf Mogstad of MassMutual discussed non-discrimination testing under the Plan for 2017 and the re-test for the years 2002-2016. He presented a summary of the results of the re-testing by year and the effect on some participants. He discussed two options for correcting the discrepancy created by MassMutual using the incorrect testing method set forth in the Plan Document since 2002. Ms. Bradley noted that either correction method would require filing a Voluntary Correction Program (VCP) application with the Internal Revenue Service.

   As a follow up to that discussion, Ms. Bradley provided an overview of the Internal Revenue Code's nondiscrimination testing requirements under the actual deferral percentage test, and the available methods for correction of a potential failure of that test when the correction occurs more than 2-1/2 months after the end of the plan year in which the violation occurred. After reviewing the options, a motion was made to change the method of nondiscrimination testing in the Plan Document to the current year method and to file an application under the Voluntary Correction Program with the Internal Revenue Service under the Employee Plans Compliance Resolution System. MassMutual will pay the costs of preparation of the application by Fund Counsel and any filing fees associated with the application. The motion passed unanimously.

D. New Business

1. Deaths: Keith Huber – 2/20/2018, age 38
   Carl Bowen – 3/7/2018, age 78
   Michael Fahey – 3/8/2018, age 63
   Brian Pinson – 3/14/2018, age 65
   Marlene Chaney – 3/17/2018, age 82
   Harold Walker – 3/26/2018, age 91
   Dolores Cross – 3/28/2018, age 94

2. The Trustees approved the attached Terminated Benefits.

3. The Trustees approved the attached Retirement Benefits.

4. The Trustees approved the attached Reciprocal Benefits.

5. The Trustees approved the attached EPS Distribution Benefits.

6. The Trustees approved the attached Survivor Benefits.

7. There were no new Loans to approve.

8. There were no Hardship Withdrawals to approve.

9. At the previous meeting, Mr. Mogstad reported State Street bank was being replaced by Reliance Trust Company as custodian of the Fund assets because State Street will no longer offer custodial services.

   A new Administrative Services Agreement with MassMutual and the Reliance Trust Company custodial agreement, both reviewed and approved by Fund Counsel, were distributed to the Trustees. A motion was made to sign both documents and approved unanimously. The documents were then signed and executed.

10. A Draft Payroll Audit Policy was presented to and discussed with the Trustees. The Trustees will review and provide comments for discussion at the next Board meeting.

11. Dates of the next meetings:
    May 24, 2018 at 10:00 a.m.
    June 28, 2018 at 10:00 a.m.

Adjournment: 11:55 a.m.

Respectfully submitted,

David J. Jensen
Secretary for the Meeting

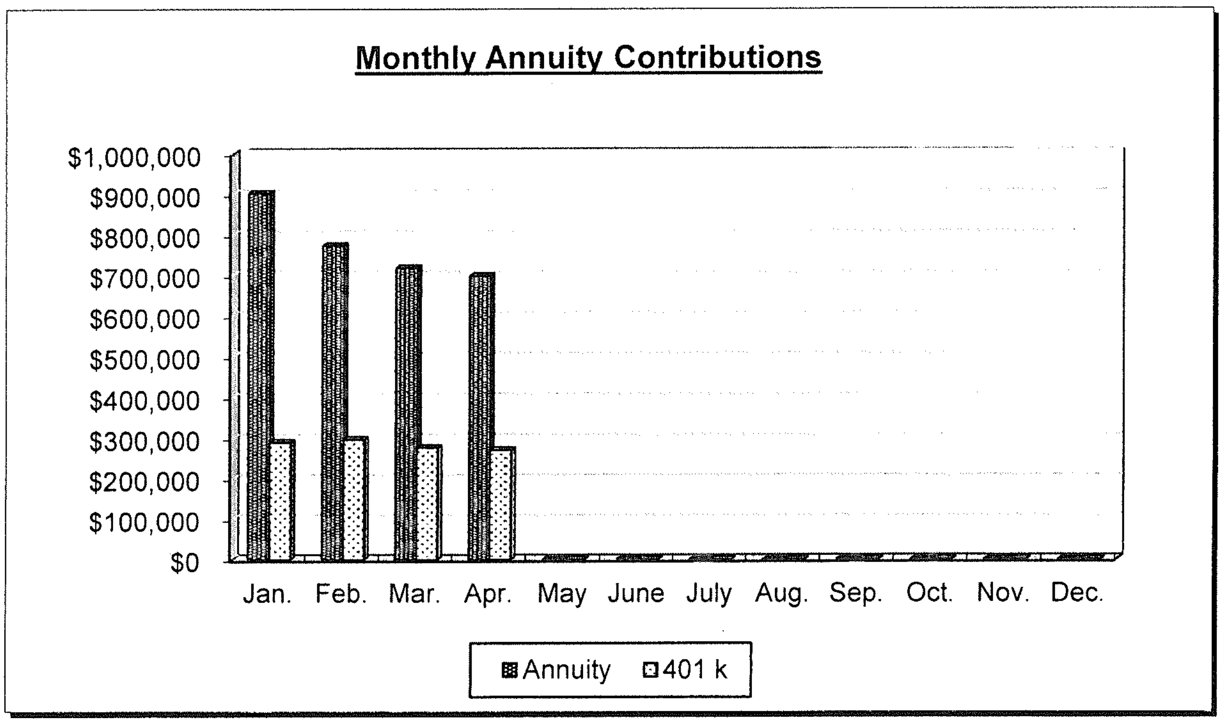
PLUMBERS & STEAMFITTERS LOCAL UNION
486 SEVERANCE & ANNUITY/401k FUND
CASH BALANCE REPORT
FOR THE FOUR MONTHS ENDED APRIL 30, 2018

| **Receipts:** | Curr. Month | | Year To Date |
|---|---|---|---|
| Employer Contributions | $699,005.27 | | $3,004,200.70 |
| 401k Contributions | 271,829.44 | | 1,138,775.13 |
| Less Reciprocals | (7,590.11) | | (40,062.29) |
| Return of Overage | 0.00 | | 0.00 |
| Rollovers | 0.00 | | 90,970.85 |
| Investment Income - MassMutual | 468,298.44 | | (41,222.85) |
| Interest Income - Annuity Loans | 1,072.62 | | 3,418.60 |
| MassMutual Fee Credit | 0.00 | | 0.00 |
| | $1,432,615.66 | | $4,156,080.14 |
| **Disbursements:** | | | |
| Benefit Payments | $598,830.46 | | $2,608,453.01 |
| Loan Fees | 70.00 | | 330.00 |
| Investment Consulting | 3,000.00 | | 12,000.00 |
| Administration | 11,240.45 | | 42,551.86 |
| Audit Fee | 0.00 | | 600.00 |
| Conference Expenses | 4,516.86 | | 11,886.86 |
| Dues | 0.00 | | 0.00 |
| Fiduciary Liability Insurance | 0.00 | | 24,798.96 |
| Fidelity Bond | 0.00 | | 0.00 |
| I R S Filing Fee | 0.00 | | 0.00 |
| Legal Fees & Expenses | 11,152.47 | | 16,126.20 |
| Meeting Expenses | 0.00 | | 0.00 |
| Office Expenses | 171.13 | | 788.52 |
| Postage | 0.00 | | 3,769.96 |
| Printing | 0.00 | | 5,575.05 |
| Programming | 0.00 | | 0.00 |
| SPD Publishing | 0.00 | | 1,518.00 |
| U.A. Reciprocal Program | 0.00 | | 280.65 |
| Vendor Search Fees | 0.00 | | 0.00 |
| Wire Fees | 30.00 | | 120.00 |
| Trustee Fees - Robert Bennett | 470.48 | | 1,881.92 |
| Total Disbursements | $629,481.85 | | $2,730,680.99 |
| **Increase (Decrease) In Fund Balance** | $803,133.81 | | $1,425,399.15 |
| Balance - December 31, 2017 | | | $242,800,638.48 |
| Balance - April 30, 2018 | | | $244,226,037.63 |
| FUND BALANCE CONSISTING OF: | | | |
| Bank of America Checking | | 0.01% | $28,938.37 |
| MassMutual Investments | | 99.91% | 243,993,803.27 |
| Annuity Loans Receivable | | 0.08% | 203,295.99 |
| | | 100.00% | $244,226,037.63 |

UNAUDITED FINANCIAL REPORT

PLUMBERS & STEAMFITTERS LOCAL UNION
486 SEVERANCE & ANNUITY/401k FUND
SCHEDULES
FOR THE FOUR MONTHS ENDED APRIL 30, 2018

| **Contributions:** | Month | Year To Date |
|---|---|---|
| Nov. 2017 & Prior Hours | $1,849.20 | $131,904.73 |
| Dec. 2017 Hours | 1,668.24 | 1,129,519.03 |
| Jan. 2018 Hours | 6,824.19 | 1,043,086.64 |
| Feb. 2018 Hours | 33,606.73 | 1,002,549.93 |
| Mar. 2018 Hours | 926,886.35 | 926,886.35 |
| | $970,834.71 | $4,233,946.68 |



PLUMBERS & STEAMFITTERS LOCAL UNION 486
SEVERANCE & ANNUITY/401k FUND
BILLS AND DISBURSEMENTS TO BE APPROVED AND PAID
May 24, 2018

| | | |
|---|---|---|
| 1. | Plumbers & Steamfitters Joint Funds | |
| | Administration @ 20% Plus Direct Costs - April 2018 | 9,283.74 |
| 2. | Trustees Checks | |
| | R. Bennett @ $470.48 - Trustees Meeting - May 24, 2018 | 470.48 |
| 3. | Associated Administrators, LLC | |
| | Lunch - May 24, 2018 | Blank |
| | Refreshments - May 24, 2018 | Blank |
| 4. | Segal Marco Advisors | |
| | Investment Consulting - April 2018 | 3,000.00 |
| 5. | Reciprocal Transfers | |
| | Plumbers Local 5 Annuity Fund - April 2018 | Blank |
| | Steamfitters & Pipefitters Local 489 Annuity Fund - April 2018 | Blank |
| | Steamfitters & Pipefitters Local 602 Annuity Fund - April 2018 | Blank |
| 6. | International Foundation of Employee Benefit Plans | |
| | Tim Herbert - Hotel Deposit | 400.00 |
| 7. | National Coordinating Committee for Multiemployer Plans | |
| | Dues - June 2018 - May 2019 | 875.00 |
| 8. | Weyrich, Cronin & Sorra, LLC | |
| | Progress Billing #2 for the audit of year-end financial statements April 30, 2018 | 5,000.00 |

## Accounting for April 2018 Checks

| | |
|---|---|
| Associated Administrators, LLC | |
| Lunch - April 30, 2018 | 181.66 |
| Reciprocal Transfers | |
| Plumbers Local 5 Annuity Fund - March 2018 | 2,858.39 |
| Steamfitters & Pipefitters Local 489 Annuity Fund - March 2018 | 2,765.00 |
| Steamfitters & Pipefitters Local 602 Annuity Fund - March 2018 | 1,966.72 |

PLUMBERS & STEAMFITTERS LOCAL 486
M.C.A. of MD JOINT ADMINISTRATION
ADMINISTRATION CASH REPORT
FOR THE FOUR MONTHS ENDED APRIL 30, 2018

| | | YTD Budget | Current Month | Year To Date | |
|---|---|---|---|---|---|
| Balance - January 1, 2018 | | | | | $14,470.88 |
| **Receipts:** | | | | | |
| Medical Fund | 54% | $99,676 | 26,107.33 | $101,582.58 | |
| Pension Fund | 19% | 40,950 | 11,607.34 | 44,008.60 | |
| Annuity Fund | 20% | 39,503 | 11,240.45 | 42,551.86 | |
| Credit Union | 1% | 1,886 | 466.44 | 1,876.62 | |
| Training Fund | 4% | 7,545 | 1,865.76 | 7,506.49 | |
| Dues Fund | 1% | 1,886 | 466.44 | 1,876.62 | |
| Industry Fund | 1% | 1,886 | 466.44 | 1,876.62 | |
| | | $193,332 | $52,220.20 | | 201,279.39 |
| | | | | | $215,750.27 |
| **Expenses:** | | | | | |
| Administration | | $182,484 | 45,620.92 | $182,483.64 | |
| Audit | | 1,233 | 0.00 | 0.00 | |
| Meeting Expenses | | 0 | 0.00 | 0.00 | |
| Office | | 0 | 0.00 | 0.00 | |
| Printing | | 667 | 0.00 | 200.16 | |
| Postage | | 667 | 15.79 | 503.84 | |
| Postage - Medical | | 2,500 | 531.48 | 1,679.68 | |
| Rent | | 0 | 0.00 | 0.00 | |
| Bank Service Charges | | 450 | 0.00 | 0.00 | |
| Programming | | 0 | 0.00 | 0.00 | |
| Record Destruction | | 0 | 0.00 | 0.00 | |
| Employer Audits | | 5,333 | 0.00 | 15,058.25 | |
| Total Expenses | | $193,334 | $46,168.19 | $199,925.57 | |
| Interest Income | | 0 | 0.00 | 0.00 | |
| Net Expenses | | $193,334 | $46,168.19 | | 199,925.57 |
| Balance - April 30, 2018 | | | | | $15,824.70 |

UNAUDITED FINANCIAL REPORT

**PLUMBERS & STEAMFITTERS LOCAL 486**
**SEVERANCE AND ANNUITY/401K FUND**
SUMMARY BALANCE REPORT
APRIL 30, 2018

| Contract | Plan | Subscription | Source | Beginning Balance | Contributions | Loan Activity | Forfeiture Allocation | Transfers | Withdrawals | Forfeiture Withdrawals | Expenses | Other Activity | Investment Income | Ending Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 51580 | 1 | 1 | Employer | $ 41,526,479.63 | $ - | $ 1,760.10 | $ - | $ - | $ (90,472.70) | $ - | $ - | $ - | $ 69,352.05 | $ 41,507,119.08 |
| 51580 | 1 | 1 | Rollover | $ 1,191,147.53 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,813.93 | $ 1,193,961.46 |
| 51580 | 1 | 1 | Deferred Salary | $ 70,017,908.34 | $ 277,839.14 | $ - | $ - | $ - | $(214,378.20) | $ - | $ (70.00) | $ - | $ 150,480.41 | $ 70,231,779.69 |
| 51580 | 1 | 1 | Restored Withdrawal | $ 3,126.72 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 9.98 | $ 3,136.70 |
| 51580 | 1 | 1 | EPS | $ 128,661,819.76 | $ 710,789.65 | $ 2,081.56 | $ - | $ - | $(248,208.59) | $ - | $ - | $ - | $ 245,883.38 | $ 129,372,365.76 |
| 51580 | 1 | 1 | Money Purchase Pension | $ 767,203.95 | $ - | $ - | $ - | $ - | $ (45,770.97) | $ - | $ - | $ - | $ (241.31) | $ 721,191.67 |
| 51580 | 1 | 1 | Grand Total | $ 242,167,685.93 | $ 988,628.79 | $ 3,841.66 | $ - | $ - | $(598,830.46) | $ - | $ (70.00) | $ - | $ 468,298.44 | $ 243,029,554.36 |

PLUMBERS & STEAMFITTERS LOCAL UNION
486 SEVERANCE & ANNUITY/401k FUND
DELINQUENT CONTRACTORS
AS OF APRIL 30, 2018

| | **Delinquent Contractors:** | **Work Month** | **Amount** | **Date Received** |
|---|---|---|---|---|
| 1. | Bay Area Mechanical Services | Feb-18 | $3,283.42 | 5/21/2018 |
| | Bay Area Mechanical Services | Mar-18 | $4,364.44 | 5/21/2018 |
| 2. | BBR Mechanical Services | Mar-18 | $598.68 | 5/2/2018 |
| 3. | Capitol Refrigeration Inc | Mar-18 | $3,871.73 | 5/3/2018 |
| 4. | CKN Heating and Cooling | Mar-18 | | |
| 5. | Excel Mechanical Contractors | Mar-18 | $3,597.95 | 5/11/2018 |
| 6. | Kirlin Design Build | Mar-18 | $14,104.36 | 5/2/2018 |
| 7. | Kirlin Mechanical Service | Mar-18 | $1,103.41 | 5/2/2018 |
| 8. | Kirlin Mid-Atlantic LLC | Mar-18 | $95,558.94 | 5/2/2018 |
| 9. | M&E Sales Inc | Jan-18 | $4,460.21 | 5/4/2018 |
| | M&E Sales Inc | Feb-18 | | |
| | M&E Sales Inc | Mar-18 | | |
| 10. | Northern Bay Environmental Systems | Mar-18 | $7,576.81 | 5/2/2018 |
| 11. | Pepco Government Services | Mar-18 | | |
| 12. | South Mountain Mechanical | Feb-18 | | |
| | South Mountain Mechanical | Mar-18 | | |
| 13. | Statewide Mechanical | Mar-18 | $1,787.21 | 5/23/2018 |
| 14. | Stone Services, Inc. | Aug-16 | $2,996.95 | Agreement |
| | Stone Services, Inc. | Mar-18 | | |
| 15. | Truskey Inc | Mar-18 | | |
| 16. | Verticon Inc. | Jan-18 | | |
| | Verticon Inc. | Feb-18 | | |
| | Verticon Inc. | Mar-18 | | |
| 17. | Yandle Tubes Inc | Mar-18 | $408.33 | 5/15/2018 |

**PLUMBERS AND STEAMFITTERS LOCAL 486 SEVERANCE & ANNUITY/401(K) FUND**
**CONTRIBUTING EMPLOYER PAYROLL AUDIT POLICY**

**Revised May 1, 2018**

WHEREAS, the Trustees of the Plumbers and Steamfitters Local 486 Severance & Annuity/401(k) Fund desire to reduce to writing their policy of auditing employers who contribute to the Fund in order to continue to meet the fiduciary responsibilities imposed on them by section 404 of the Employee Retirement Income Security Act of 1974, as amended (hereinafter "ERISA") to discharge their duties solely in the interests of the participants and beneficiaries of the Fund; and

WHEREAS, the Trustees believe it to be in the interests of said participants and beneficiaries and a requirement of their fiduciary duties to audit the records of contributing employers to ensure that contributions are being made in the required amounts on all employees for whom contributions are due in accordance with the applicable collective bargaining agreement and the controlling Trust Agreement; and

WHEREAS, the Trustees have previously established a Contributing Employer Payroll Audit Policy which provides for amendment by the Board of Trustees; and

WHEREAS, the Trustees wish to amend and restate the Contributing Employer Payroll Audit Policy at this time;

NOW, THEREFORE, Be It Resolved That:

It is the policy of the Fund to collect all employer contributions as they are due, and to make such diligent and systematic audit efforts as are appropriate under the circumstances to do so.

## Section 1
## General Payroll Audit Policy

The Trustees have the legal right to exercise all remedies allowable under the Fund's Agreement and Declaration of Trust, Participation Agreements, and under the Employee Retirement Income Security Act ("ERISA"), including, but not limited to:

1. The right to establish a date on which contributions are due;

2. The right to audit the financial records of the employers, including but not limited to payroll ledgers, federal and state tax returns, IRS Form 941 and such other books and records of the employers as are necessary for the auditor to reasonably determine that the proper contributions have been made;

3. The right to require that the delinquent employer pay the cost of an audit, interest, attorney's fees, and any other expenses incurred by the Fund in determining the amount of a delinquency and in collecting the delinquency;

4. The right to recover liquidated damages;

5. The right to take all other steps and to perform all other acts that are necessary to collect contributions due to the Fund in a timely and expeditious manner.

The procedures set forth herein shall be followed unless the Board of Trustees determines that they should be waived or modified in a particular instance.

## Section 2
## Payroll Audit Procedure

1. All contributions shall be payable on or before the last day of the calendar month for which they are made, which is the month following the month in which the hours are worked. For example, contributions due for hours worked in February are due by March 31. The failure of the employer to make the contributions during the time stated above shall be deemed a violation of the Agreement and Declaration of Trust, the Participation Agreement, and the related Collective Bargaining Agreement or other written agreement entered into between the employer and participating Union, and the employer shall be considered to be in default.

2. The Board of Trustees shall have discretion in determining which employers will be audited and the frequency of the audits. It is the aim and intent of the Trustees that each contributing employer will be audited on a rotating cycle no less than once every three (3) to five (5) years. In addition, special audits will be conducted of specific employers when directed.

3. Each employer that terminates its participation in the Fund or files a petition in bankruptcy shall, at the discretion of the Funds, be audited as soon as practicable.

4. Prior to conducting each audit, a letter will be sent to the employer advising the employer of the impending audit, citing the Trustees' authority to conduct the audit and describing the records required.

5. At the discretion of the Trustees, upon completion of the audit of an employer, the auditor will conduct an exit interview with the employer to discuss the auditor's findings. The auditor will issue a report to the employer with the payroll audit findings as soon as it is practical after the audit. The employer will be advised that it has ten (10) days within which to contact the auditor and discuss any objections it has to the auditor's findings. Once this time has elapsed, or the auditor has had an opportunity to resolve any objections to the auditor's satisfaction, the audit findings will be forwarded to the Trustees.

6. Upon receipt of the employer's reconciliation and consultation with the Fund's Payroll Auditor, or after the expiration of 30 business days without the requested payment, if there remains a dispute as to the results of the audit, the Fund's Third Party Administrator may refer the matter to the Fund's Counsel. Thereafter, the procedures set out in Section 3 of these Rules will be followed.

7. In the event an employer refuses to permit an audit upon request by the Fund, or if the employer refuses the Fund auditor access to pertinent records, then the Fund Third Party Administrator may refer the matter to Counsel.

8. In the event that a payroll audit reveals that an employer owes delinquent contributions to the Fund in excess of twenty-five percent (25%) of the contributions due for that period being audited, or in the event that the employer refuses, resists or impedes any payroll audit by the Fund, the employer shall also be required to pay and shall be liable for the Fund's costs of the payroll audit, and any costs of attempts to require the employer to comply with the Fund's procedures, including subsequent audits made necessary thereby.

9. Counsel shall thereafter demand that the employer make available such books and records as are necessary for the Fund's Payroll Auditor to conduct an audit. If the records are not made available as a result of Counsel's letter, the employer shall be liable for any attorney's fees incurred by the Fund in enforcing the Fund's right to review the employer's records. If necessary, upon approval of the Board of Trustees, Counsel shall institute legal action to enforce the Trustees' right to conduct a payroll audit and the employer shall be assessed all costs and attorney's fees incurred as a result of the employer's refusal to permit an audit or refusal to make available all pertinent records.

10. The Fund's Payroll Auditor shall prepare and submit a report of payroll audits to the Trustees at least semi-annually to the Board of Trustees, summarizing audits conducted, audits scheduled, and delinquent amounts due, if any. Notwithstanding the provisions of Section 2, paragraph 8 regarding an employer's liability for the cost of a payroll audit, the costs of the payroll audits conducted in accordance with this Policy shall be borne by all funds and related entities who are party to the Plumbers and Steamfitters Local 486 Joint Funds

Administration ("Joint Funds"), in the amounts set for in the Joint Funds' shared services allocation.

## Section 3
## Legal Action and Settlement

1. When an audit delinquency is turned over to the Fund's Counsel for collection, Counsel shall send a letter to the employer demanding payment of the delinquent contributions, interest and liquidated damages, and the costs of audit and collection, as computed by the Fund's Payroll Auditor.

2. The employer may, within 10 days after receipt of Counsel's letter, appeal in writing to the Board of Trustees of the Fund if the Employer claims that any amount assessed against it is not correct. If such written appeal is filed, it shall be duly considered by the Trustees at their next regular meeting. The decision of the Board of Trustees shall be final and binding.

3. In the event an employer fails to pay the delinquent contributions, interest and liquidated damages within 20 days after Counsel's demand for payment, Counsel is authorized to initiate legal action, unless Counsel recommends a different course of action based upon pertinent factors, which may include, but are not limited to, the following:

    a) the financial condition of the employer;

    b) the probability of collecting a judgment once it is obtained;

    c) the employer's past performance as a contributing employer;

    d) the amount of the delinquency;

    e) the length of time the delinquent amount has been owed;

    f) the likelihood that the costs of the suit will exceed the recovery; and

    g) any other factor that in the discretion of the legal counsel, may have a material bearing on the collection of the delinquent contributions.

4. Any recommendation by Counsel shall be made to the Board of Trustees. A legal action may be deferred pending action of the Trustees, and the Trustees reserve the right to accept, reject or modify any such recommendation.

5. A suit, arbitration, action, charge or other proceeding to enforce the obligation to make such contributions may be commenced by the Fund in its own name, by one or more of the Trustees on behalf of the Funds, and/or by the Union in its own name. However, no

proceeding by the Union for such contributions shall be compromised or settled or binding upon the Fund without the Fund's written consent.

6. Counsel is authorized to enter settlement negotiations (including the sending of a demand letter or other correspondence) with delinquent employers. Without further approval of the Board of Trustees, legal counsel may agree to the immediate payment of the full amount owed, but any settlement which waives or compromises the amount owed, including interest, liquidated damages, attorney's fees or costs, must be approved by the Board of Trustees.

7. Counsel has the authority to reject any proposal for settlement that contemplates payment of amounts due over a period of time, if its acceptance would result in collection of less than the total amount owed and if, in the attorney's opinion, it is unreasonable. Such rejection shall be subject to the Board of Trustee's subsequent review. The Trustees may approve a proposal to extend the time of payment or reduce the payment, in accordance with their fiduciary obligations.

8. The Board of Trustees reserves the right to accept or reject an employer's proposal to pay delinquent contributions, interest, liquidated damages, and attorney's fees over a period of time and to compromise any claim or delinquent account as recommended by legal counsel; provided, however, that any such decision to extend the time for payment, or to compromise the amount owed, complies with all applicable laws and regulations, including but not limited to Department of Labor Prohibited Transaction Exemption 76-1.

9. Settlements calling for payments over time or compromising the amount, including interest, liquidated damages, attorney's fees, or costs, must be in writing and signed on behalf of the Fund and the employer.

10. Notwithstanding, the procedures set out in this policy, the Board of Trustees may refer any delinquent account to Counsel at an earlier or later date than provided for herein where circumstances warrant that collection action be expedited or delayed.

11. The Trustees may, from time to time, appoint a subcommittee of Trustees to act on behalf of the Board of Trustees in connection with this policy.

## Section 4
## Remedies

The remedies available to the Fund are set forth in its Agreement and Declaration of Trust, Participation Agreements and under applicable law and include, but are not limited to, the following:

1. Interest owed by a delinquent employer shall be calculated at the rate of 10% compounded per annum, or the rate prescribed by Internal Revenue Code section 6621, whichever is greater.

2. Liquidated damages shall be calculated at the rate of 20% of the amount due.

3. Attorney's fees shall be assessed against a delinquent employer at the attorney's standard hourly rate, for all time spent by Counsel in collection efforts pursuant to Section 3 hereof.

4. The cost of the audit shall be assessed against the employer if the amount due, as determined by the audit, is in excess of twenty-five percent (25%) of the contributions due for the period being audited, or if the employer refuses, resists or impedes any payroll audit.

5. All costs actually incurred in court actions for collection of amounts shown due by an audit or to enforce the Trustees' right to audit the employer's payroll records shall be assessed against the delinquent employer, including but not limited to, filing fees, fees for service of process, copying charges, postage, and such other costs as would otherwise be charged to the Fund.

6. Nothing in this Section or Policy shall be construed as limiting the authority of the Trustees to compromise, settle or otherwise waive any right, payment or interest they possess consistent with the obligation to act in the best interests of the participants.

7. Failure to make payments in a timely manner may also result in the termination of the employer's participation in the Fund and/or the termination or suspension of benefits to the employer's employees. In such case, the employer shall be liable and responsible to pay benefits to the employees and participants directly and to indemnify and hold the Fund harmless for any claims arising out of such benefits. If the employer is in default, the Fund shall not be under any obligation to continue providing benefits for such employees, participants or beneficiaries for whom such contributions were to be made.

## Section 5
## Miscellaneous

1. The Trustees may amend, modify or revise this Policy or any of its procedures at any time, in their discretion.

2. All questions or disputes relating to the interpretation, meaning and/or application of this policy shall be finally and exclusively resolved by the Board of Trustees in the exercise of its discretion and in the performance of its fiduciary obligations to the Fund's participants and beneficiaries, in the protection of the financial integrity and soundness of the Fund and the efficient and effective administration of the Funds.

3. If an employer's contributions decline significantly (by 10% or more) from its preceding contributions, the Third Party Administrator shall contact the employer for an explanation of the decline. If the decline is not explained, the Third Party Administrator shall report the situation to the Board of Trustees at their next regularly scheduled meeting or earlier if more immediate action appears necessary.

4. Subject to the terms and conditions of this policy, an employer that makes a contribution to the Fund in excess of the amount required and under a mistake of fact or law may request a refund of the amount of such excess contributions. No refund of excess contributions shall be granted by the Fund without a written request for such refund having been received within 3 years after the date that such excess contributions were received by the Fund. If the Fund incurred a direct or indirect cost, expense or liability as a result of an excess contribution, any refund of such contribution shall be reduced by the full value of such cost, expenses or liability. The obligation to discover and delineate the amount of excess contributions within the time limits provided within the policy is the sole and exclusive responsibility of the employer. The request of the employer for refund of excess contributions must be in writing and shall not be effective until it is received by the Fund. The failure and/or refusal of the employer promptly and fully to comply with any or all of the provisions of this policy shall result in the denial of the request for the refund of excess contributions. As used in this policy, the term "refund" shall include the offset of previously-submitted excess contributions against currently due contributions ("credits"). As such, upon approval of the Trustees, an employer may be permitted to credit excess contributions, less the Fund's set-offs described in this policy, against current contributions only to the same extent and under the same terms and conditions as such employer may be entitled to a refund under this policy. Any employer attempt to recoup any excess contribution through a procedure other than the one described in this paragraph (for instance by the employer unilaterally taking a credit) shall result in the automatic forfeiture of the refund and the treatment of any credit taken by the employer as a delinquent contribution.

ADOPTED this ____ day of ____________________________, 2018, by the Board of Trustees of the Plumbers and Steamfitters Local 486 Severance & Annuity/401(k) Fund, as set forth below by the Recording Secretary for the Board of Trustees.

________________________________________

David J. Jensen, Account Executive and
Recording Secretary

**Plumbers & Steamfitters Local 486**
**Severance & Annuity/401(k) Fund**
911 Ridgebrook Road
Sparks, Maryland 21152-9451
Toll Free Telephone (888) 494-4443
www.associated-admin.com

## ANNUITY BENEFITS TO BE APPROVED MAY 24, 2018

### TERMINATED BENEFITS

| | | | |
|---|---|---|---|
| xxx-xx-5657 | BRIAN CASSIDY | LUMP SUM | $ 47,455.23 |
| xxx-xx-6784 | ALFRED GOMEZ | LUMP SUM | $ 1,206.68 |
| xxx-xx-2587 | STEVEN HUDSON | ROLLOVER | $10,262.15 |
| xxx-xx-6987 | PAUL MAZUREK | ROLLOVER | $ 3,506.77 |

### RECIPROCAL DISTRIBUTION

| | | | |
|---|---|---|---|
| xxx-xx-3332 | ROGER DILLON | LUMP SUM | $ 713.96 |

### EPS DISTRIBUTION

| | | | |
|---|---|---|---|
| xxx-xx-8731 | ALVIN CURETON | LUMP SUM | $ 7,900.00 |
| xxx-xx-9527 | BRANDON HALL | LUMP SUM (Unemployment) | $ 35,000.00 |

### SURVIVOR BENEFIT

| | | | |
|---|---|---|---|
| xxx-xx-7863 | JEFFREY FORD, SR (Deceased Participant) | | |
| xxx-xx-6290 | KRIS BORDEN (Survivor) | LUMP SUM | $ 11,973.09 |

# APPLICATION FOR HARDSHIP WITHDRAWAL

## Plumber & Steamfitters Local 486 Severance and Annuity/401k Plan

911 Ridgebrook Road
Sparks, Maryland 21152-9451
888-494-4443

1. **Name** Michael Charles Purcell ______ ______________
   First Middle Last **Soc. Sec. No.**

2. **Address** 220 Palmetto Dr Edgewood MD 21040
   Number Street City State Zip Code

   **Telephone Number** 443-504-4410 **Date of Birth:** 5/17/1988

   **Amount of Withdrawal** $ 16,408.81 JJ
   **(Please note: Hardship Withdrawal Checks are made payable the establishment to whom the monies are owed and not to the Participant.)**

3. **Purpose of Hardship Withdrawal** (Check One)

[ ] A. Out-of-pocket expense for medical care (not covered by other insurance) incurred by you, a spouse, a dependent child or a parent you claim as a dependent on your federal tax return. Expenses must be at least $500.00 which was not reimbursed by benefits payable from the Plumbers & Steamfitters Local 486 Medical Fund or total disability beyond the 26 week maximum accident and sickness benefits. **(Attach proof of expense such as doctors' bills, hospital bills, etc.)**

[ ] B. Quarterly Medical Fund Self Payment

[✓] C. Cost directly related to the purchase of your principal residence **(Attach copies of documents supporting the Purchase)**

[ ] D. Expenses incurred in connection with the payment of tuition and/or room and board at an accredited educational institution **(Attach copy of invoices)**

[ ] E. Eviction & Foreclosure expenses - amount necessary to prevent the eviction from the participant's principal residence or foreclosure on the mortgage of that residence. **(Attach Court proof of Eviction or Foreclosure. ** if no court papers for Eviction, a letter from Landlord stating Eviction process with copy of your Lease.** Foreclosure - Notice from Mortgage Company Must be submitted.)**

[ ] F. Funeral expenses incurred due to the death of your spouse, child, parent or dependent, **(Attach a copy of the death certificate)**

[ ] G. Expenses for repair of damage of your principal residence that would qualify for a casualty deduction under IRC Section 165

3/25/18 X Michael Purcell
(Date) (Employee's Signature)

# APPLICATION FOR ANNUITY LOAN

## *Plumber & Steamfitters Local 486 Severance and Annuity/401k Fund*

***911 Ridgebrook Rd.***
***Sparks, MD 21152***
***(888)-494-4443***

1. **Name** DANCY Charles Michael **Date of Birth:** 12/09/55
Last First Middle

2. **Address** 8911 TALC DR 1A Balto. Md. 21237
Number Street City State Zip Code

**Phone:** 410-866-7685 **S.S #** ____________ **Amount To Borrow:** 1,450.00

3. **Purpose of Loan (Check One)** - **Annuity Loan checks are made payable to whom the monies are owed and not to the Participant directly.**

[ ] **A.** Out-of-pocket expense for sickness or injury for yourself and/or your dependents of at least $500.00 which was not reimbursed by benefits payable from the Plumbers & Steamfitters Local 486 Medical Fund or total disability beyond the 26 week maximum accident and sickness benefits. **(Attach proof of expense such as doctors' bills, hospital bills, etc.)**

[ ] **B.** Funeral expenses on the death of your spouse, child, parent, sibling or any person dependent upon you for support. **(Attach copies of bills and copy of death certificate.)**

[ ] **C.** Education expenses for yourself, your spouse or your dependent child at an accredited education or vocational school or institution or to maintain your dependent child at a school for physically or mentally handicapped children; check appropriate boxes. **(Attach copies of the bills from the school, college, etc.)**

[ ] tuition [ ] room and board
Name and address of educational institution:

______________________________

______________________________

Full Name of Student ____________ Age ________

Relationship to employee ______________________

[ ] **D.** Eviction & foreclosure expenses - amount necessary to prevent the eviction from the participant's principal residence or foreclosure on the mortgage of that residence. **(EVICTION: Attach court proof of the eviction or letter from Landlord signed and notarized. Also submit copy of the lease agreement). (FORECLOSURE: Attach foreclosure proof from Mortgage Company or submit court documents).**

[✓] **E.** Quarterly Medical Fund Self-Payment

APR 12 2018

AA LLC