

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

Board of Trustees Meeting

July 26, 2018

PLUMBERS & STEAMFITTERS LOCAL 486
SEVERANCE & ANNUITY/401k FUND
AGENDA
JULY 26, 2018

A. ROLL CALL

B. READING OF THE MINUTES - June 28, 2018

C. ADMINISTRATION REPORTS

1. Fund Balance Report - June 30, 2018
2. Fund Schedules - June 30, 2018
3. Fund Bills To Be Approved & Paid – July 26, 2018
4. Administrative Cash Balance - June 30, 2018
5. Summary Balance Report – June 30, 2018

D. UNFINISHED BUSINESS

1. Delinquent Contractors
2. VCP – Fourth Amendment
3. MassMutual Notice of Amendment

E. NEW BUSINESS

1. Deaths: William Emerich – 6/24/2018, age 80
Timothy Eyring – 6/30/2018, age 49
Elizabeth Hilker – 7/03/2018, age 88
John Heffner – 7/11/2018, age 59
2. Terminations: See attached list
3. Retirement Distributions: See attached list
4. Reciprocal Distributions: See attached list
5. Survivor Benefits: See attached list
6. Loans: None
7. Third Amendment - Partial Retirement
8. Beneficiary Waiver
9. Delinquency Policy
10. Questions
11. Date of Next Meetings: Aug. 23, 2018 & Sep. 27, 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, J. Wontrop

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

The Trustees met on June 28, 2018 at the office of the Administrative Manager.

Chairman Wontrop called the regular meeting to order at 10:05 a.m.

- A. The Minutes of the meeting of May 24, 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 M&E Sales, Stone Services, South Mountain Mechanical and Verticon. Ms. Bradley reported that claims were made against Stone Services' and Verticon's bonds. A Motion was made and passed unanimously to file a claim on M&E Sales' bond if delinquent contributions are not received.

Ms. Bradley reported that the Fund's auditor was seeking approval to travel to West Virginia to perform a payroll audit on Borlie Mechanical, for which fieldwork could be completed in one day. The company was hesitant to send payroll data and other information to the auditor via email. The Trustees approved the travel.
 - 2. Ms. Bradley stated that she sent the draft Voluntary Correction Program (VCP) application to MassMutual for review and comment.
 - 3. The Trustees approved the Payroll Audit Policy that was reviewed and

discussed at previous meetings. A Motion was made to adopt the policy effective today.

D. New Business

1. Deaths: Patricia Beck – 5/28/2018, age 78
Paul Trautner – 6/19/2018, age 93
2. The Trustees approved the attached Terminated Benefits.
3. The Trustees approved the attached Retirement Benefits.
4. The Trustees approved the attached EPS Distribution Benefits.
5. The Trustees approved the attached Survivor Benefits.
6. The Trustees approved the following Loans:
Adam Bertsch – Eviction - \$7,942.00
7. Ms. Bradley presented Abato, Rubenstein & Abato, P.A.'s engagement letter agreement with the Plumbers & Steamfitters Local 486 Severance & Annuity/401(k) Fund as Counsel commencing July 1, 2018 through June 30, 2020, and continuing year to year thereafter. The retainer is \$13,200 per year, paid in quarterly installments Non-retainer work will be charged at \$275.00 per hour. A Motion to approve the engagement letter was made and passed unanimously.
8. Mr. Jensen distributed MassMutual's notice of Amendment to the Administrative Services Agreement which listed changes to certain fees they provide. The changes are effective September 1, 2018. The Trustees tabled discussion of the notice until the next meeting at which Rolf Mogstad of MassMutual will be present.
9. Mr. Jensen reported that BBR Mechanical (BBR) requested waiver of liquidated damages for work months of February and March 2018, which were remitted late. BBR did pay the interest due on the late remittances. A Motion was made and passed unanimously to waive the liquidated damages based on the circumstances presented in the request.

10.Dates of the next meetings:
July 26, 2018 at 10:00 a.m.
August 23, 2018 at 10:00 a.m.

Adjournment: 12:55 p.m.

Respectfully submitted,

David J. Jensen
Secretary for the Meeting

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

Receipts:	<u>Curr. Month</u>	<u>Year To Date</u>
Employer Contributions	\$790,988.73	\$4,640,405.41
401k Contributions	324,491.04	1,809,734.60
Less Reciprocal	(10,949.27)	(58,853.87)
Return of Overage	0.00	0.00
Rollovers	0.00	94,966.55
Investment Income - MassMutual	530,891.95	4,056,387.45
Interest Income - Annuity Loans	200.54	3,819.63
MassMutual Fee Credit	150,000.00	150,000.00
	<u>\$1,785,622.99</u>	<u>\$10,696,459.77</u>
Disbursements:		
Benefit Payments	\$282,130.07	\$3,056,247.59
Loan Fees	0.00	380.00
Investment Consulting	3,000.00	18,000.00
Administration	11,422.28	63,257.88
Audit Fee	0.00	5,600.00
Conference Expenses	0.00	11,886.86
Dues	0.00	875.00
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	0.00	16,126.20
Meeting Expenses	0.00	0.00
Office Expenses	186.60	1,156.78
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	309.99	590.64
Vendor Search Fees	0.00	0.00
Wire Fees	45.00	195.00
Trustee Fees - Robert Bennett	470.48	2,822.88
Total Disbursements	<u>\$297,564.42</u>	<u>\$3,212,800.80</u>
Increase (Decrease) In Fund Balance	<u>\$1,488,058.57</u>	<u>\$7,483,658.97</u>
Balance - December 31, 2017		\$242,800,638.48
Balance - June 30, 2018		<u>\$250,284,297.45</u>

FUND BALANCE CONSISTING OF:

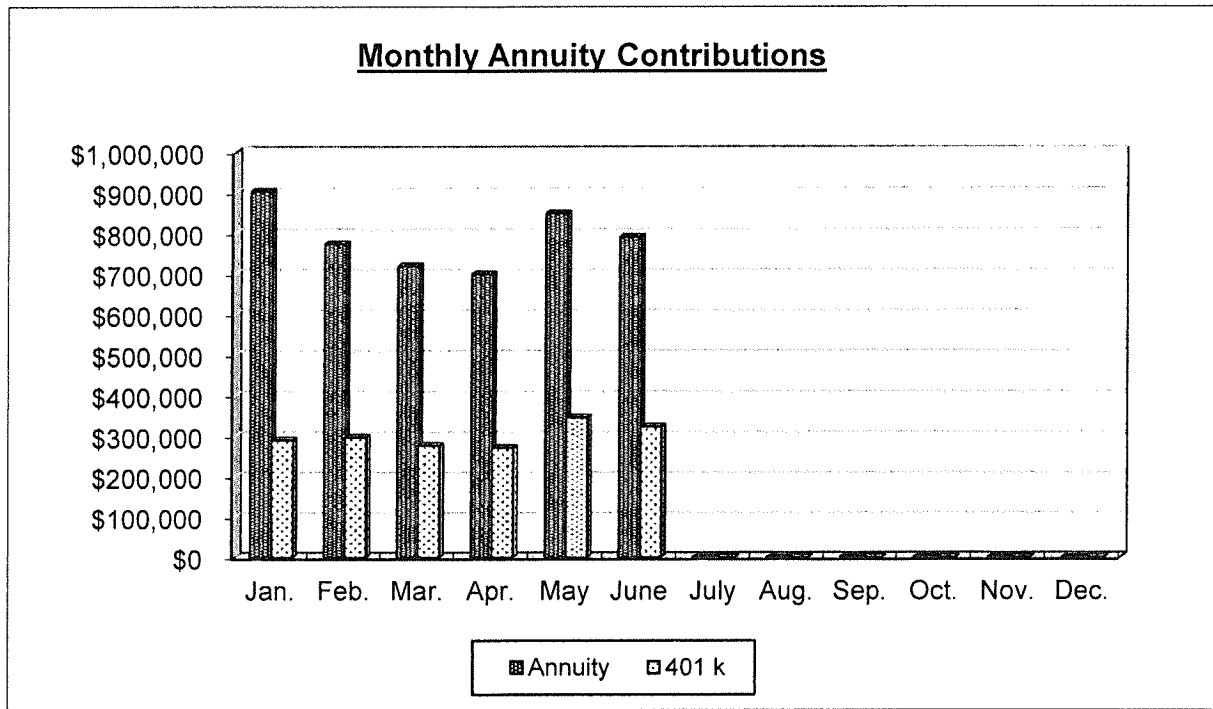
Bank of America Checking	0.06%	\$144,663.14
MassMutual Investments	99.87%	249,952,494.59
Annuity Loans Receivable	0.08%	187,139.72
	<u>100.00%</u>	<u>\$250,284,297.45</u>

UNAUDITED FINANCIAL REPORT

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

Contributions:

	Month	Year To Date
Nov. 2017 & Prior Hours	\$247.89	\$137,914.25
Dec. 2017 Hours	301.25	1,129,820.28
Jan. 2018 Hours	1,298.26	1,048,845.11
Feb. 2018 Hours	4,029.92	1,014,594.66
Mar. 2018 Hours	865.12	1,079,088.53
Apr. 2018 Hours	24,309.84	1,050,416.24
May 2018 Hours	1,084,427.49	1,084,427.49
	<u>\$1,115,479.77</u>	<u>\$6,545,106.56</u>



PLUMBERS & STEAMFITTERS LOCAL UNION 486
SEVERANCE & ANNUITY/401k FUND
BILLS AND DISBURSEMENTS TO BE APPROVED AND PAID
July 26, 2018

1.	Plumbers & Steamfitters Joint Funds Administration @ 20% Plus Direct Costs - June 2018	9,915.83
2.	Associated Administrators, LLC Lunch - July 26, 2018	Blank
3.	Segal Marco Advisors Investment Consulting - June 2018	3,000.00
4.	Reciprocal Transfers Plumbers Local 5 Annuity Fund - June 2018 Steamfitters & Pipefitters Local 489 Annuity Fund - June 2018 Steamfitters & Pipefitters Local 602 Annuity Fund - June 2018	Blank Blank Blank
5.	Abato, Rubenstein and Abato, PA Professional Services Rendered April, May & June, 2018	9,039.17
6.	IFEBP Conference Registration Robert A. Bennett Jr. Conference Registration and Hotel Deposit Robert A. Bennett Jr. Airfare	1,965.00 485.96
7.	United States Treasury Voluntary Correction Program	3,500.00

Accounting for June 2018 Checks

Associated Administrators, LLC Lunch - June 26, 2018 Refreshments - June 26, 2018	264.89 16.28
Reciprocal Transfers Plumbers Local 5 Annuity Fund - May 2018 Steamfitters & Pipefitters Local 489 Annuity Fund - May 2018 Steamfitters & Pipefitters Local 602 Annuity Fund - May 2018	3,007.90 2,201.32 5,740.05

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

		<u>Y T D</u> <u>Budget</u>	<u>Current</u> <u>Month</u>	<u>Year To Date</u>	
Balance - January 1, 2018					\$14,470.88
Receipts:					
Medical Fund	54%	\$149,514	27,392.21	\$152,957.04	
Pension Fund	19%	61,426	11,759.59	65,421.07	
Annuity Fund	20%	59,255	11,422.28	63,257.88	
Credit Union	1%	2,830	496.03	2,836.84	
Training Fund	4%	11,318	1,984.11	11,347.35	
Dues Fund	1%	2,830	496.03	2,836.84	
Industry Fund	1%	2,830	496.03	2,836.84	
		<u>\$290,003</u>	<u>\$54,046.28</u>		<u>301,493.86</u>
					<u>\$315,964.74</u>
Expenses:					
Administration		\$273,726	45,620.92	\$273,725.48	
Audit		1,850	0.00	3,200.00	
Meeting Expenses		0	0.00	0.00	
Office		0	0.00	0.00	
Printing		1,000	0.00	200.16	
Postage		1,000	15.82	519.66	
Postage - Medical		3,750	788.45	3,188.39	
Rent		0	0.00	0.00	
Bank Service Charges		675	0.00	0.00	
Programming		0	0.00	0.00	
Record Destruction		0	0.00	0.00	
Employer Audits		8,000	1,896.25	21,459.60	
Total Expenses		<u>\$290,001</u>	<u>\$48,321.44</u>	<u>\$302,293.29</u>	
Interest Income		0	0.00	0.00	
Net Expenses		<u>\$290,001</u>	<u>\$48,321.44</u>		<u>302,293.29</u>
Balance - June 30, 2018					<u>\$13,671.45</u>

UNAUDITED FINANCIAL REPORT

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

Source	Beginning Balance	Contributions	Loan Activity	Forfeiture Allocation	Transfers	Withdrawals	Forfeiture	Withdrawals	Expenses	Other Activity	Investment Income	Ending Balance
Employer	\$ 42,073,158.35	\$ -	\$ 1,511.57	\$ -	\$ -	\$ (71,892.14)	\$ -	\$ -	\$ -	\$ -	\$ 115,708.60	\$ 42,118,486.38
Rollover	\$ 1,211,021.86	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,655.73	\$ 1,213,677.59
Deferred Salary	\$ 71,521,832.83	\$ 344,353.32	\$ -	\$ -	\$ -	\$ (17,730.67)	\$ -	\$ -	\$ -	\$ -	\$ 162,064.92	\$ 72,010,520.40
Restored Withdrawal	\$ 3,220.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.01	\$ 3,225.43
EPS	\$ 131,863,842.93	\$ 831,685.36	\$ 22,139.16	\$ -	\$ -	\$ (204,548.16)	\$ -	\$ -	\$ -	\$ 12,040.90	\$ 250,291.52	\$ 132,775,451.71
Money Purchase Pension	\$ 725,408.91	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166.17	\$ 725,575.08
Grand Total	\$ 247,398,485.30	\$ 1,176,038.68	\$ 23,650.73	\$ -	\$ -	\$ (294,170.97)	\$ -	\$ -	\$ -	\$ 12,040.90	\$ 530,891.95	\$ 248,846,936.59

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

<u>Delinquent Contractors:</u>	<u>Work Month</u>	<u>Amount</u>	<u>Date Received</u>
1. Bay Area Mechanical Services	Apr-18		
Bay Area Mechanical Services	May-18		
2. Excel Mechanical Contractors	May-18	\$4,722.96	7/13/2018
3. High Purity System, Inc.	May-18		
4. M&E Sales Inc	Mar-18	\$4,274.71	7/3/2018
M&E Sales Inc	Apr-18	\$3,786.91	7/5/2018
M&E Sales Inc	May-18	\$4,023.53	7/20/2018
5. Mechanical Systems, Inc.	May-18	\$7,084.10	7/2/2018
6. Modern Piping, Inc.	May-18		
7. R. M. Thornton, Inc.	May-18		
8. Shambaugh & Son, L.P.	May-18		
9. South Mountain Mechanical	Apr-18	\$2,166.29	7/12/2018
South Mountain Mechanical	May-18		
10. Statewide Mechanical, Inc.	May-18	\$2,610.98	7/6/2018
11. Stone Services, Inc.	Aug-16	\$4,764.51	Agreement
Stone Services, Inc.	Apr-18		
12. Verticon, Inc.	Feb-18		
Verticon, Inc.	Mar-18		
Verticon, Inc.	Apr-18		
Verticon, Inc.	May-18		

**FOURTH AMENDMENT TO THE PLUMBERS AND STEAMFITTERS
LOCAL 486 SEVERANCE AND ANNUITY/401(K) PLAN**

WHEREAS, the Plumbers and Steamfitters Local 486 Severance and Annuity Plan was established on January 1, 1980; and thereafter amended; was restated on January 1, 1989; was thereafter amended; was merged with the Plumbers & Steamfitters Local 486 401(k) Plan effective January 1, 2002; was restated on February 26, 2002, effective January 1, 2001; was thereafter amended; was restated effective January 1, 2009; was thereafter amended; and was restated and amended effective January 1, 2014;

WHEREAS, the Board of Trustees, by virtue of Article IX, Section 9.01 of said Severance and Annuity/401(K) Plan, has the right to amend said Severance and Annuity/401(K) Plan;

NOW, THEREFORE, the said Severance and Annuity/401(K) Plan is amended as follows:

FIRST AND ONLY CHANGE

Effective January 1, 2002, Section 8.09 of Article VIII, entitled "Actual Deferral Percentage Limitation" shall be deleted, and a new section 8.09 shall be adopted as follows:

Section 8.09 Actual Deferral Percentage Limitation

- a. In General. Notwithstanding any other provision of the Plan, the current Plan Year's Actual Deferral Percentage ("ADP") for eligible Employees who are Highly Compensated Employees for the Plan Year and the prior year's ADP for eligible Employees who were not Highly Compensated Employees for the prior Plan Year must satisfy one of the following tests:
 1. The ADP for a Plan Year for eligible Employees who are Highly Compensated Employees who are not Highly Compensated for the current Plan Year, multiplied by 1.25; or
 2. The ADP for a Plan Year for eligible Employees who are Highly Compensated Employees for Plan Year shall not exceed the current Plan Year's ADP for eligible Employees who were not Highly Compensated Employees for the current Plan Year, multiplied by

2.0, provided that the ADP for Participants who are Highly Compensated Employees does not exceed the ADP for Participants who were not Highly Compensated Employees by more than 2 percentage points.

3. In calculating the ADP for purposes of Code section 401(k)(3), the ADP of a Highly Compensated Employee will be determined by treating all cash or deferred arrangements under Plans maintained by an Employer under which the Highly Compensated Employee is eligible to participate as a single arrangement, except as otherwise set forth in Treas. Reg. section 1.401(k)-1(g)(1).

IN ALL OTHER RESPECTS, the Plumbers and Steamfitters Local 486 Severance and Annuity/401(K) Plan, shall be, and hereby ratified and affirmed.

IN WITNESS WHEREOF, the Trustees of the Plumbers and Steamfitters Local 486 Severance and Annuity/401(K) Fund, herewith their signatures this 26th day of July, 2018.

EMPLOYER TRUSTEES

John Wontrop

Shannon S. Lenamon

Rodney Horton

Tim Herbert

UNION TRUSTEES

Will Welsh

Gary G. Glab

Andrew Gannon, III

Robert A. Bennett, Jr.

**Plumbers & Steamfitters Local 486
Severance & Annuity/401(k) Fund**

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ANNUITY BENEFITS TO BE APPROVED JULY 26, 2018

TERMINATED BENEFITS

xxx-xx-7033	JAY AUSTIN	ROLLOVER	\$ 32,670.67
xxx-xx-8039	DAVID BUFFORD	ROLLOVER	\$ 7,054.23
xxx-xx-0469	EDDIE NELSON	ROLLOVER	\$ 5,088.62
xxx-xx-4224	WARREN SULLIVAN	LUMP SUM	\$ 13,310.17
xxx-xx-1599	GREGORY WHEELER	LUMP SUM	\$ 3,535.00

RETIRED DISTRIBUTION

xxx-xx-4126	GARY BIDEN	ROLLOVER	\$ 322,383.02
xxx-xx-8731	ALVIN CURETON	LUMP SUM	\$ 11,873.17
xxx-xx-6881	STEVEN HENNING	ROLLOVER	\$ 330,524.79
xxx-xx-5503	STEVEN JOINER	LUMP SUM	\$ 55,000.00
xxx-xx-2937	JOHN LIVINGSTON	ROLLOVER	\$ 198,136.70
xxx-xx-2430	ARTHUR TWILLEY	LUMP SUM	\$ 2,933.01
xxx-xx-9541	JAMES WHITLOCK, JR	ROLLOVER	\$ 1,052,235.01

RECIPROCAL DISTRIBUTION

xxx-xx-7054	TIMOTHY JOHNSON	LUMP SUM	\$ 2,655.73
xxx-xx-6633	MICHAEL JONES	LUMP SUM	\$ 530.16
xxx-xx-2389	JEFFREY SMITH	LUMP SUM	\$ 9,614.81
xxx-xx-7942	GEORGE VEASEY, JR	LUMP SUM	\$2,111.57

SURVIVOR BENEFIT DISTRIBUTION

xxx-xx-7421	SUSAN DERLUNAS	LUMP SUM	\$ 12,488.06
xxx-xx-9651	(Deceased Participant – CHRISTOPHER GRIGGS)		

**THIRD AMENDMENT TO THE 2014 PLUMBERS AND STEAMFITTERS
LOCAL 486 SEVERANCE AND ANNUITY/401(K) PLAN**

WHEREAS, the Plumbers and Steamfitters Local 486 Severance and Annuity Plan was established on January 1, 1980; was thereafter amended; was restated on January 1, 1989; was thereafter amended; was merged with the Plumbers & Steamfitters Local 486 401(k) Plan effective January 1, 2002; was restated on February 26, 2002, effective January 1, 2001, and was thereafter amended; and was restated effective January 1, 2009; and was thereafter amended and restated effective January 1, 2014;

WHEREAS, the Board of Trustees, by virtue of Article IX, Section 9.01 of said Severance and Annuity/401(k) Plan, has the right to amend said Severance and Annuity/401(k) Plan;

NOW, THEREFORE, the said Severance and Annuity/401(k) Plan is amended as follows, effective July 1, 2018:

A new subsection (c) of Section 4.06 of Article IV shall be added and adopted, as follows:

Section 4.06 Optional Forms of Benefit

* * *

(c) In the event that a Participant is eligible to retire under Section 4.02 of this Plan Document, but does not meet the requirements for benefits provided under Section 4.03, Section 4.11, or Section 4.12 of this Plan Document, and chooses not to receive the full retirement distribution of his or her Accumulated Share at that time, then under those circumstances a Participant shall be entitled to elect to receive a portion of his or her Accumulated Share as a partial retirement, under the following conditions:

- (1) partial retirement shall be payable only from the EPS portion of the Accumulated Share;
- (2) partial retirement may be in any amount up to the full amount of the EPS portion of the Accumulated Share;
- (3) partial retirement may be payable in the form of a lump sum as set forth in Section 4.06(a)(3) herein, a direct rollover as set forth in Section 4.09 herein, or a combination thereof;

(4) a Participant shall be eligible for no more than two partial retirement distributions in a Plan Year;

(5) partial retirement shall be elected in accordance with the Plan's retirement application forms.

IN ALL OTHER RESPECTS, the Plumbers and Steamfitters Local 486 Severance and Annuity/401(k) Plan shall be, and is hereby, ratified and affirmed.

IN WITNESS WHEREOF, the Trustees of the Plumbers and Steamfitters Local 486 Severance and Annuity/401(k) Fund, herewith affix their signatures this 26th day of July, 2018.

EMPLOYER TRUSTEES

UNION TRUSTEES

Tim Herbert

Robert A. Bennett, Jr.

Rodney Horton

Andrew Gannon, III

Shannon S. Lenamon

Gary Glab

John M. Wontrop

William Welsh