

UPPER PENINSULA PLUMBERS' & PIPEFITTERS' FRINGE BENEFIT FUNDS

UP Plumbers' & Pipefitters' Health & Welfare Fund
UP Plumbers' & Pipefitters' Pension Fund
UP Plumbers' & Pipefitters' Defined Contribution Plan
UP Plumbers' & Pipefitters' Educational Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

June 2018

To: ALL PLAN PARTICIPANTS, BENEFICIARIES AND ALTERNATE PAYEES
OF THE UPPER PENINSULA PLUMBERS' & PIPEFITTERS' FRINGE BENEFIT FUNDS

Dear Plan Participants:

We have attached the following Important Notices and Annual Reports for your review:

- 2017 Summary Annual Report for the Health & Welfare Fund Pages 2-3
- Notice on Privacy Practices Page 4 - 8
- Notice on Medicare Part D – Prescription Drug Coverage Pages 9-10
- Notice concerning Women's Health and Cancer Rights Page 11
- 2017 Summary Annual Report for the Defined Contribution Plan Pages 12 –13

If you have any questions, please contact the Fund Office.

Sincerely,

Boards of Trustees

**TO: PLAN PARTICIPANTS OF UPPER PENINSULA PLUMBERS' & PIPEFITTERS'
HEALTH & WELFARE FUND**

RE: SUMMARY ANNUAL REPORT FOR THE PLAN YEAR ENDED JUNE 30, 2017

Dear Plan Participant:

This is a summary of the Annual Report of the Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund, Sponsor Identification Number 38-6111803, Plan No. 501, a self-insured fund, for the period July 1, 2016 through June 30, 2017. The Annual Report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund has committed itself to pay certain medical, surgical and other health care claims incurred under the terms of the Plan.

INSURANCE INFORMATION

The Plan has a contract with Blue Cross Blue Shield of Michigan Medicare Advantage and Delta Dental of Michigan to pay certain dental claims, and health care claims for Plan Participants who are on Medicare, incurred under the terms of the Plan. The total premiums paid for the Plan year ending June 30, 2017 were \$133,492, and \$97,539, respectively.

BASIC FINANCIAL STATEMENT

The value of Plan Assets, after subtracting Liabilities of the Plan, was \$4,122,665 of June 30, 2017, compared to \$4,629,772 as of July 1, 2016. During the Plan Year, the Plan experienced a decrease in its Net Assets of (\$507,107). This decrease includes unrealized appreciation or depreciation in the value of the Plan Assets; that is, the difference between the value of the Plan Assets at the end of the year and the value of the Assets at the beginning of the year or the cost of Assets acquired during the year. During the current Plan Year, the Plan had Total Income of \$3,928,403, including Employer Contributions of \$3,284,751, Employee Contributions of \$339,003, Earnings from Investments of \$303,479, and other income of \$1,170.

Plan Expenses as of June 30, 2017 were \$4,435,510. These expenses included \$470,176 in administrative expenses (see Schedule A on following page) and \$3,965,334 in benefits paid to or on behalf of Participants and Beneficiaries. A total of 291 persons were Participants in or Beneficiaries of the Plan at the end of the Plan Year.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have a right to receive a copy of the full Annual Report or any part thereof, on request. The items listed below are included in that Report:

1. An Accountant's report;
2. Assets held for investment;
3. Transactions in excess of 5 percent of Plan Assets;

4. Financial information and information on payments to service providers; and
5. Insurance information, including sales commissions paid by insurance carriers.

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of the Board of Trustees, Upper Peninsula Plumbers' and Pipefitters' Health and Welfare Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275, Toll Free (800) 342-1730 or (517) 321-7502. The charge to cover copying costs will be \$5.25 for the full Annual Report or twenty-five cents per page for any part thereof.

You also have the right to receive from the Plan Administrative Manager, on request and at no charge, a Statement of the Assets and Liabilities of the Plan and accompanying notes, or a Statement of Income and Expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Plan Administrative Manager, these two statements and accompanying notes will be included as part of that Report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the Report, because these portions are furnished without charge.

You also have the legally protected right to examine the Annual Report at the main office of the Plan (Board of Trustees, Upper Peninsula Plumbers' and Pipefitters' Health and Welfare Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275), at any location where the Annual Report is available for examination and at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

Sincerely,

BOARD OF TRUSTEES
UPPER PENINSULA PLUMBERS' AND PIPEFITTERS HEALTH & WELFARE FUND

Schedule A – Administrative Expenses for the Health and Welfare Fund:

Contract fee	\$190,616	Printing and miscellaneous	\$7,642
Administrative manager's fee*	\$129,344	Consultant fees	\$4,800
Legal fees	\$73,738	Trustee and fiduciary	
Audit fee	\$12,600	liability and bonding	\$4,732
Trustee meeting and conference expense	\$11,213	Summary annual report	\$2,747
Lockbox and bank service charges	\$10,329	Member communications	\$1,836
Actuarial fees	\$9,000	Payroll audit fees	\$1,652
Investment expenses	\$8,527	Form 5500 and 990	
		preparation fee	\$1,400
			<u>\$470,176</u>

* - Includes rent, equipment, staffing, postage, computer services, etc.

NOTICE OF PRIVACY PRACTICES

Your Information. Your Rights. Our Responsibilities.

This notice describes how medical information about you may be used and disclosed and how you can get access to this information. **Please review it carefully.**

Your Rights

You have the right to:

- Get a copy of your health and claims records
- Correct your health and claims records
- Request confidential communication
- Ask us to limit the information we share
- Get a list of those with whom we've shared your information
- Get a copy of this privacy notice
- Choose someone to act for you
- File a complaint if you believe your privacy rights have been violated

Your Choices

You have some choices in the way that we use and share information as we:

- Answer coverage questions from your family and friends
- Provide disaster relief
- Market our services and sell your information

Our Uses and Disclosures

We may use and share your information as we:

- Help manage the health care treatment you receive
- Run our organization
- Pay for your health services
- Administer your health plan
- Help with public health and safety issues
- Do research
- Comply with the law
- Respond to organ and tissue donation requests and work with a medical examiner or funeral director
- Address workers' compensation, law enforcement, and other government requests
- Respond to lawsuits and legal actions

Your Rights

When it comes to your health information, you have certain rights. This section explains your rights and some of our responsibilities to help you.

Get a copy of health and claims records

- You can ask to see or get a copy of your health and claims records and other health information we have about you. Ask us how to do this.
- We will provide a copy or a summary of your health and claims records, usually within 30 days of your request. We may charge a reasonable, cost-based fee.

Ask us to correct health and claims records

- You can ask us to correct your health and claims records if you think they are incorrect or incomplete. Ask us how to do this.
- We may say “no” to your request, but we’ll tell you why in writing within 60 days.

Request confidential communications

- You can ask us to contact you in a specific way (for example, home or office phone) or to send mail to a different address.
- We will consider all reasonable requests, and must say “yes” if you tell us you would be in danger if we do not.

Ask us to limit what we use or share

- You can ask us not to use or share certain health information for treatment, payment, or our operations.
- We are not required to agree to your request, and we may say “no” if it would affect your care.

Get a list of those with whom we’ve shared information

- You can ask for a list (accounting) of the times we’ve shared your health information for six years prior to the date you ask, who we shared it with, and why.
- We will include all the disclosures except for those about treatment, payment, and health care operations, and certain other disclosures (such as any you asked us to make). We’ll provide one accounting a year for free but will charge a reasonable, cost-based fee if you ask for another one within 12 months.

Get a copy of this privacy notice

You can ask for a paper copy of this notice at any time, even if you have agreed to receive the notice electronically. We will provide you with a paper copy promptly.

Choose someone to act for you

- If you have given someone medical power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your health information.
- We will make sure the person has this authority and can act for you before we take any action.

File a complaint if you feel your rights are violated

- You can complain if you feel we have violated your rights by contacting us using the information on page 1.
- You can file a complaint with the U.S. Department of Health and Human Services Office for Civil Rights by sending a letter to 200 Independence Avenue, S.W., Washington, D.C. 20201, calling 1-877-696-6775, or visiting www.hhs.gov/ocr/privacy/hipaa/complaints/.
- We will not retaliate against you for filing a complaint.

Your Choices

For certain health information, you can tell us your choices about what we share. If you have a clear preference for how we share your information in the situations described below, talk to us. Tell us what you want us to do, and we will follow your instructions.

In these cases, you have both the right and choice to tell us to:

- Share information with your family, close friends, or others involved in payment for your care
- Share information in a disaster relief situation

If you are not able to tell us your preference, for example if you are unconscious, we may go ahead and share your information if we believe it is in your best interest. We may also share your information when needed to lessen a serious and imminent threat to health or safety.

In these cases we *never* share your information unless you give us written permission:

- Marketing purposes
- Sale of your information

Our Uses and Disclosures

How do we typically use or share your health information?

We typically use or share your health information in the following ways.

Help manage the health care treatment you receive

We can use your health information and share it with professionals who are treating you.

Example: A doctor sends us information about your diagnosis and treatment plan so we can arrange additional services.

Run our organization

- We can use and disclose your information to run our organization and contact you when necessary.
- We are not allowed to use genetic information to decide whether we will give you coverage and the price of that coverage. This does not apply to long term care plans.

Example: We use health information about you to develop better services for you.

Pay for your health services

We can use and disclose your health information as we pay for your health services.

Example: We share information about you with your dental plan to coordinate payment for your dental work.

Administer your plan

We may disclose your health information to your health plan sponsor for plan administration.

Example: Your company contracts with us to provide a health plan, and we provide your company with certain statistics to explain the premiums we charge.

How else can we use or share your health information?

We are allowed or required to share your information in other ways – usually in ways that contribute to the public good, such as public health and research. We have to meet many conditions in the law before we can share your information for these purposes. For more information see: www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/index.html.

Help with public health and safety issues

We can share health information about you for certain situations such as:

- Preventing disease
- Helping with product recalls
- Reporting adverse reactions to medications
- Reporting suspected abuse, neglect, or domestic violence
- Preventing or reducing a serious threat to anyone's health or safety

Do research

We can use or share your information for health research.

Comply with the law

We will share information about you if state or federal laws require it, including with the Department of Health and Human Services if it wants to see that we're complying with federal privacy law.

Respond to organ and tissue donation requests and work with a medical examiner or funeral director

- We can share health information about you with organ procurement organizations.
- We can share health information with a coroner, medical examiner, or funeral director when an individual dies.

Address workers' compensation, law enforcement, and other government requests

We can use or share health information about you:

- For workers' compensation claims
- For law enforcement purposes or with a law enforcement official
- With health oversight agencies for activities authorized by law
- For special government functions such as military, national security, and presidential protective services

Respond to lawsuits and legal actions

We can share health information about you in response to a court or administrative order, or in response to a subpoena.

Our Responsibilities

- We are required by law to maintain the privacy and security of your protected health information.
- We will let you know promptly if a breach occurs that may have compromised the privacy or security of your information.
- We must follow the duties and privacy practices described in this notice and give you a copy of it.
- We will not use or share your information other than as described here unless you tell us we can in writing. If you tell us we can, you may change your mind at any time. Let us know in writing if you change your mind.

For more information see: www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/noticepp.html.

Changes to the Terms of this Notice

We can change the terms of this notice, and the changes will apply to all information we have about you. The new notice will be available upon request, on our web site, and we will mail a copy to you.

**IMPORTANT NOTICE FROM UPPER PENINSULA PLUMBERS' & PIPEFITTERS'
HEALTH & WELFARE FUND
ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE**

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

These are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund has determined that the prescription drug coverage offered by the Fund is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

WHEN CAN YOU JOIN A MEDICARE DRUG PLAN?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th through December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

WHAT HAPPENS TO YOUR CURRENT COVERAGE IF YOU DECIDE TO JOIN A MEDICARE DRUG PLAN?

If you do decide to join a Medicare drug plan, your current Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund coverage will be affected. If you decide to join a Medicare drug plan and drop your current Fund coverage, be aware that you and your dependents will not be able to get this coverage back.

WHEN WILL YOU PAY A HIGHER PREMIUM (PENALTY) TO JOIN A MEDICARE DRUG PLAN?

You should also know that if you drop or lose your current coverage with Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

FOR MORE INFORMATION ABOUT THIS NOTICE OR YOUR CURRENT PRESCRIPTION DRUG COVERAGE...

Contact the Fund Office at (800) 342-1730 for further information. Note: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund changes. You also may request a copy of this notice at any time.

FOR MORE INFORMATION ABOUT YOUR OPTIONS UNDER MEDICARE PRESCRIPTION DRUG COVERAGE...

For more information about Medicare plans that offer prescription drug coverage it is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Sincerely,

UPPER PENINSULA PLUMBERS' & PIPEFITTERS' HEALTH & WELFARE FUND
Board of Trustees

**SAVE THIS LETTER AS IT IS YOUR MEDICARE PART D
CERTIFICATE OF CREDITABLE COVERAGE**

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

TO: PLAN PARTICIPANTS OF THE UPPER PENINSULA PLUMBERS' & PIPEFITTERS' HEALTH & WELFARE FUND

RE: WOMEN'S HEALTH AND CANCER RIGHTS

Dear Plan Participant:

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women's Health and Cancer Rights Act of 1998 ("WHCRA"). For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physical and the patient for:

- **All stages of reconstruction of the breast on which the mastectomy has been performed;**
- **Surgery and reconstruction of the other breast to produce a symmetrical appearance;**
- **Prostheses; and**
- **Treatment of physical complications of all stages of mastectomy including lymphedema.**

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under this plan. Therefore, the following deductibles and coinsurance apply:

	In-Network	Out-of-Network
Deductibles	\$1,500 per person \$3,000 per family	\$3,000 per person \$6,000 per family
Coinsurance	80% after deductible	60% after deductible

Please keep this notice with your Summary Plan Description. If you have any questions regarding these federal requirements, please contact the Fund Office at (800) 342-1730.

Sincerely,

BOARD OF TRUSTEES
UPPER PENINSULA PLUMBERS' & PIPEFITTERS' HEALTH & WELFARE FUND

TO: PLAN PARTICIPANTS OF UPPER PENINSULA PLUMBERS' & PIPEFITTERS' DEFINED CONTRIBUTION PLAN

RE: SUMMARY ANNUAL REPORT FOR THE PLAN YEAR ENDED JUNE 30, 2017

Dear Plan Participant:

This is a summary of the Annual Report for the Upper Peninsula Plumbers' & Pipefitters' Defined Contribution Plan, Sponsor Identification Number 38-3296005, Plan No. 001, for the period July 1, 2016 through June 30, 2017. The Annual Report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

BASIC FINANCIAL STATEMENT

Benefits under the Plan are provided by a Trust. Plan Expenses were \$567,714. These Expenses included \$126,650 in Administrative Expense (See Schedule A on following page), and \$441,064 in benefits paid to Participants and Beneficiaries. A total of 275 persons were Participants in or Beneficiaries of the Plan at the end of the Plan Year, although not all of these persons had yet earned the right to receive benefits.

The value of Plan Assets, after subtracting Liabilities of the Plan, was \$13,012,970 as of June 30, 2017, compared to \$11,106,376 as of July 1, 2016. During the Plan Year, the Plan experienced an increase in its Net Assets of \$1,906,594. This increase includes unrealized appreciation or depreciation in the value of the Plan Assets; that is, the difference between the value of the Plan Assets at the end of the year and the value of the Assets at the beginning of the year or the cost of Assets acquired during the year. During the current Plan Year, the Plan had Total Income of \$2,474,308 including Employer Contributions of \$724,988, employee contributions of \$46,848, Realized Loss of (\$1,988) from the sale of Assets, earnings from investments of \$1,704,336 and other Income of \$124.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have a right to receive a copy of the full Annual Report or any part thereof, on request. The items listed below are included in that Report.

1. An accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5 percent of Plan Assets; and
5. Insurance information, including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of the Board of Trustees, Upper Peninsula Plumbers' and Pipefitters' Defined Contribution Plan, 6525 Centurion Drive, Lansing, Michigan 48917-9275, Toll Free at (800) 342-1730 or (517) 321-7502. The charge to cover copying costs will be \$4.75 for the full Annual Report or twenty-five cents per page for any part thereof.

You also have the right to receive from the Plan Administrative Manager, on request and at no charge, a Statement of the Assets and Liabilities of the Plan and accompanying notes, or a Statement of Income and Expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Plan Administrative Manager, these two statements and accompanying notes will be included as part of that Report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the Report, because these portions are furnished without charge.

Additionally, you also have the legally protected right to examine the Annual Report at the main office of the Plan (Board of Trustees, Upper Peninsula Plumbers' and Pipefitters' Defined Contribution Plan, 6525 Centurion Drive, Lansing, Michigan 48917-9275), any location where the Annual Report is available for examination and at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

Sincerely

BOARD OF TRUSTEES
UPPER PENINSULA PLUMBERS' AND PIPEFITTERS' DEFINED CONTRIBUTION PLAN

Schedule A- Administrative Expenses for the Defined Contribution Plan:

Investment expenses	\$77,873
Legal fees	16,123
Administrative manager's fee*	13,860
Audit fee	7,100
Trustee and fiduciary liability	
Insurance and bonding	5,364
Printing and miscellaneous	2,946
Collection fees	1,113
Lockbox and bank service charge	969
Form 5500 preparation fee	700
Summary annual report costs	302
Meeting expenses	<u>300</u>
Total	\$126,650

* - Includes rent, equipment, staffing, postage, computer services, etc.