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Among the proudest achievements of the Laborers' International Union of North America is the many multi-employer health and welfare plans that provide medical, disability, and death benefits, as well as a variety of other benefits, to protect the health and financial security of laborers and their families. But for these plans, a great many laborers would not enjoy these valuable protections because of the mobile, project-by-project employment patterns that typify several industries in which our members work. Our health and welfare plans enable our members to maintain benefit coverage as they move from job-to-job with participating employers, and even during periods of unemployment.

Most of our plans were established on a local level at a time when employment outside of a laborer's home jurisdiction was unusual. Times have changed. It is now common in many areas for laborers to work in multiple jurisdictions.

While this cross-jurisdiction mobility has increased the work opportunities, it has revealed a weakness in the health and welfare plan coverage of our members. Members are unable to gain benefit eligibility or are losing eligibility because they work under the jurisdictions of various health and welfare plans from time-to-time, even though the contributions generated by their employment would be sufficient to maintain coverage if all of their work was performed under one plan.

To remedy this tragedy, the 1991 International Union Convention resolved that the International Union should develop and foster a national reciprocal arrangement under which the health and welfare plans sponsored by this Union would form a protective network for our members. The fundamental fraternal principles of our Union demand no less. The fiduciary responsibilities of Trustees demand that this protection be extended to all plan participants.

To implement that Convention resolution, the General Executive Board, with input from health and welfare plan officials and professional advisors, developed a draft reciprocal agreement and sent it to all affiliates for review and comment. After reviewing the comments received, and making several modifications in response, the General Executive Board issued the "National Reciprocal Agreement for Health and Welfare Plans in the United States" in October 1993.
To foster the effective and uniform administration of the National Reciprocal Agreement, as well as to promote the adoption of that Agreement by all Laborers' health and welfare plans; the International Union is issuing this Handbook. We strongly encourage the Trustees and Administrators of all participating plans to read and use this Handbook.

We also urge that all Trustees, Administrators, and plan professionals approach the implementation of the National Reciprocal Agreement with a cooperative, accommodating spirit, ever-mindful of our purpose to maximize the benefit coverage for laborers and their families consistent with the contributions made on their behalf.

As always, we encourage input from participating plans and affiliates on the National Reciprocal Agreement and its administration. This Agreement is an evolutionary document. If problems arise, we want to be able to correct them so that the web of protection afforded by the Agreement will be as effective as possible. Feel free to contact our offices.

Fraternally yours,

Terence M. O'Sullivan
General President

Armand E. Sabitoni
General Secretary-Treasurer
EXPLANATION OF THE
NATIONAL RECIPROCAL AGREEMENT

OVERVIEW

The National Reciprocal Agreement ("NRA") is designed to help the laborer who is unable to gain benefit eligibility, or is losing eligibility, because he/she has performed work under the jurisdictions of several Laborers' health and welfare funds that have agreed to and signed the NRA. These health and welfare are called "Participating Funds." A laborer who works outside the jurisdiction of his/her Local Union will generally have employer contributions made on his/her behalf to the health and welfare fund located in the jurisdiction where the work is performed. However, at times the laborer may not be eligible for benefits under the health and welfare fund to which contributions are being made. The NRA provides mechanisms by which contributions received by one fund on behalf of a laborer will be transferred to his/her home fund where the transfer would make him/her eligible for payment of a particular benefit claim or where the laborer has properly requested a transfer of all contributions.

There are two different types of reciprocity provided under the NRA: **Point-of-Claim Reciprocity** and **Transfer-of-Contributions Reciprocity**.

All Participating Funds must agree to the **Point-of-Claim Reciprocity** rules, and do so automatically by signing the NRA. Generally, these rules provide that when a laborer works outside the jurisdiction of his/her Local Union's health and welfare fund ("Home Fund") and is not eligible for benefits from the health and welfare fund in whose jurisdiction the work is performed ("Local Fund"), the laborer would continue to participate in and file benefit claims with his/her Home Fund. If the laborer loses eligibility for benefits from his/her Home Fund, the Home Fund would obtain a transfer of contributions made to the Local Fund on the laborer's behalf if such a transfer would restore the laborer's eligibility for benefits.

The **Transfer-of-Contributions Reciprocity** rules are optional and apply only to and between those Participating Funds, which have expressly agreed to adopt them. These rules provide that a laborer who is working in the jurisdiction of a Local Fund which recognizes Transfer-of-Contributions Reciprocity, like his/her Home Fund, can request that the Local Fund transfer all contributions received on his/her behalf to his/her Home Fund so that the laborer would continue to participate in and file all benefit claims with his/her Home Fund.

These reciprocity rules require a considerable amount of coordination between the Administrators of Local Funds and Home Funds. In order to facilitate this coordination between Funds, some sample forms for implementing the NRA have been included in this Handbook. Administrators are strongly encouraged to use these forms.
HOME FUND

A laborer's "Home Fund" must be identified for the proper application of the NRA. For purposes of the NRA, "Home Fund" means the Participating Fund in which:

(1) the members of the laborer's Local Union participate; and

(2) the laborer has established eligibility for benefits.

If a laborer changes his/her Local Union membership, his/her Home Fund will change to the Participating Fund in which his/her new Local Union's members participate. (See the discussion below about changes in Home Funds.)

If the laborer is not a member of a Local Union or is not eligible for benefits from a Participating Fund, "Home Fund" means the Participating Fund that has received the largest amount of contributions on the laborer's behalf during the twelve (12) month period immediately preceding the date on which the claim was incurred.

FOR EXAMPLE: A laborer who is a member of Local Union X has not worked in several months and is no longer eligible for benefits in the Local Union X Health & Welfare Fund. After the laborer returns to work, he incurs a claim. During the twelve (12) months prior to incurring the claim, he had $12,000 of contributions paid on his behalf to two Participating Funds -- $10,000 of contributions were paid to the Local Union X Health & Welfare Fund and $2,000 of contributions were paid to the Local Union Y Health & Welfare Fund. The Local Union X Fund is his "Home Fund" even though he is not eligible for benefits thereunder. This is because that Fund received the largest amount of contributions on his behalf during the 12-month period immediately preceding the date on which his claim was incurred. His membership in Local Union X alone does not establish the Local Union X Fund as his Home Fund because he is not eligible under this Fund. If he was eligible under Local Union X Fund, this would be his Home Fund regardless of the amount of contributions.

LOCAL FUND

A laborer's "Local Fund" must also be identified for the proper application of the NRA. For purposes of the NRA, "Local Fund" means a Participating Fund, other than the laborer's "Home Fund," in whose jurisdiction the laborer is working.
OPERATION OF POINT-OF-CLAIM RECIPROCITY

The Point-of-Claim Reciprocity rules are designed to generally provide a laborer who has worked outside of the jurisdiction of his/her Home Fund and who has incurred a benefit claim three possibilities for coverage and payment of the claim:

(1) A Local Fund in whose jurisdiction he/she has been working will pay the claim if the laborer is eligible under that Fund's rules, regardless of whether he/she may also be eligible under his/her Home Fund. OR

(2) If the laborer is not eligible under such a Local Fund, but he/she is eligible for the claimed benefits under his/her Home Fund, the Home Fund will pay the claim under that Fund's rules. OR

(3) If the laborer is not eligible for the claimed benefits under either the Local Fund or his/her Home Fund, but a transfer of contributions received for him/her by the Local Fund would restore his/her eligibility under the Home Fund, the contributions will be transferred to the Home Fund and that Fund will pay the claim under its rules.

A laborer working outside of the jurisdiction of his/her Home Fund should submit his/her benefit claims in accordance with these rules:

(1) If he/she is eligible under the Local Fund, he/she should submit claims to the Local Fund, regardless of whether he/she is also eligible under his/her Home Fund.

(2) If he/she is not eligible under the Local Fund, but he/she is eligible for the claimed benefits under his/her Home Fund, he/she should submit claims to the Home Fund.

(3) If he/she is not eligible for the claimed benefits under either the Local Fund or the Home Fund, he/she should submit claims to his/her Home Fund. That Fund's administrator will contact the Local Fund(s) in whose jurisdiction the laborer worked to determine whether a transfer of contributions would restore the laborer's eligibility under the Home Fund and, if it would, arrange for the transfer and pay the claim in accordance with that Fund's rules.

FOR EXAMPLE: Local Union X Health & Welfare Fund is a Participating Fund. A member of Local Union X works outside the jurisdiction of the Local Union X Fund from April 1995 through June 1995. Contributions for his work during this period are made by his
employer to the Local Union Y Health & Welfare Fund, which is also a Participating Fund.

Situation (1): The member incurs a claim in April 1995 when he is not yet eligible for benefits from the Local Union Y Fund (the "Local Fund"), but he is eligible for benefits under the Local Union X Fund (his "Home Fund"). In this situation, he would submit his claim to his Home Fund, the Local Union X Fund and that Fund will pay the claim in accordance with its rules.

Situation (2): The member incurs a claim in June 1995, at which time he is no longer eligible for benefits from the Local Union X Fund (his Home Fund) and he has not yet earned eligibility for benefits under the Local Union Y Fund (the Local Fund). In other words, he is not eligible under either Fund. In this situation, the member would submit his claim to his Home Fund. That Fund, with the cooperation of the Local Fund, would determine whether a transfer to the Home Fund of contributions made on his behalf to the Local Fund would reinstate his eligibility under the Home Fund so that the June 1995 claim could be paid by the Home Fund. If such a transfer would reinstate his eligibility, the Local Fund will transfer contributions to the Home Fund.

PROCEDURES FOR POINT-OF-CLAIM RECIPROCITY

A. Plan Rules

Each Participating Fund must incorporate into its plan rules the Point-of-Claim Reciprocity rules set forth in Exhibit A of the NRA. Variations to the format of the rules are permitted, but only to the extent necessary to conform to the format of the particular Fund's rules and the variations do not alter the substance of the NRA rules.

B. Notice To Participants

Each Participating Fund is expected to provide notice to its current and future participants about the NRA and the Fund's participation in it. The notice should strongly encourage each participant who works outside of the Fund's jurisdiction to maintain contact with the administrative offices of his Home Fund and of the Local Fund in whose jurisdiction he/she is working so that the NRA's application can be more easily determined.
C. **Claims Handling**

(1) The administrator of the Participating Fund with which a laborer files a claim is primarily responsible for investigating and determining the proper application of the NRA to the claim. The administrator is expected to contact and coordinate with the administrator of the other Participating Fund(s) in whose jurisdiction the laborer has worked to the extent necessary or appropriate to implement the NRA with regard to the claim.

(2) If the laborer submits a claim to the Local Fund, that Fund's administrator first determines whether the laborer is eligible under the Local Fund for the benefits claimed. For purposes of determining eligibility, the date on which the claim was incurred is used. If the administrator determines that the laborer is eligible for the claimed benefits under the Local Fund, the Local Fund will pay the claim in accordance with its rules without regard to whether the laborer is also eligible under his/her Home Fund.

If the administrator determines that the laborer is not eligible for the claimed benefits under the Local Fund, the administrator contacts the laborer's Home Fund to determine whether the laborer is eligible for the claimed benefits under the Home Fund or whether a transfer of contributions from the Local Fund to the Home Fund would make the laborer eligible under the Home Fund. If the laborer is eligible under the Home Fund, the Local Fund's administrator will forward the claim to the Home Fund for payment under that Fund's rules and will notify the laborer of this action. If the laborer is not eligible under the Home Fund for the claimed benefits, but a transfer of contributions to the Home Fund would make him/her eligible, the Local Fund will make the transfer in accordance with the procedures described herein, forward the claim to the Home Fund for payment, and notify the laborer of this action. If a transfer would not make the laborer eligible under the Home Fund for the claimed benefits, the Local Fund is not required under the Point-of-Claim Reciprocity rules to transfer any contributions, except where the laborer worked under more than one Local Fund and a transfer of contributions from all of his/her Local Funds would be sufficient to restore his/her eligibility under the Home Fund.

(3) If the laborer submits a claim to his/her Home Fund, that Fund's administrator will contact the administrator of the Local Fund in whose jurisdiction the laborer is working to determine whether the laborer is eligible under the Local Fund for the claimed benefits. Again, eligibility is determined as of the date on which the claim was incurred. If he/she is so eligible under the Local Fund, the Home Fund's administrator will forward the claim to the Local Fund for payment in accordance with the Local Fund's rules and will notify the laborer of this action.
If the laborer is not eligible under the Local Fund, but is eligible for the claimed benefits under the Home Fund, the Home Fund will pay the claim in accordance with its rules and so notify the laborer.

If the laborer is not eligible for the claimed benefits under either the Local Fund or the Home Fund, the administrator of the Home Fund will determine in cooperation with the Local Fund's administrator whether a transfer of contributions from the Local Fund to the Home Fund would make the laborer eligible for the claimed benefits under the Home Fund. If such a transfer would make him eligible for the claimed benefits, the Local Fund will transfer contributions to the Home Fund in accordance with the procedures described herein. If such a transfer would not make the laborers eligible under the Home Fund, these Point-of-Claim Reciprocity rules do not require a transfer of contributions, except where the laborer worked under more than one Local Fund and a transfer of contributions from all of his/her Local Funds would be sufficient to restore his/her eligibility under the Home Fund.

(4) If the laborer has been working in the jurisdiction of two or more Local Funds, the administrator of the Local Fund or the Home Fund to which the claim is submitted by the laborer will follow these procedures with respect to each of these Participating Funds. That is, the administrator will contact each other such Fund and investigate whether the laborer has eligibility under any of these Funds with regard to the claimed benefits. If the laborer has such eligibility under only one Local Fund, the claim will be sent to and paid by that Local Fund in accordance with its rules, without regard to whether the laborer also has eligibility under his/her Home Fund. If he/she has eligibility under two or more Local Funds with regard to the claimed benefits, the claim will be sent to the Local Fund in whose jurisdiction he/she was working when the claim was incurred and paid in accordance with that Fund's rules. Of course, the laborer must be kept informed about which Fund has his/her claim.

D. Transfer of Contributions

(1) Under these Point-of-Claim Reciprocity rules, transfers of contributions are required only from a Local Fund to a Home Fund, only if the laborer is not eligible for the claimed benefits under the Local Fund, and only if such a transfer would make the laborer eligible for the claimed benefits under the Home Fund (by itself or in combination with other Local Fund transfers).

(2) The amount of contributions to be transferred by a Local Fund is all contributions received by that Fund on behalf of the laborer for work he/she performed through the month during which the claim was incurred, with one exception. The exception is that a
Local Fund need not transfer any contributions that have been the basis for the payment of insurance premiums or claims on behalf of the laborer.

(3) If a laborer has more than one Local Fund -- that is, he/she has been working in the jurisdiction of more than one Local Fund -- a transfer of contributions will be made first from the Local Fund in whose jurisdiction he/she was working at the time that the claim was incurred. If these contributions are not sufficient to restore eligibility in the Home Fund, contributions will be transferred from the other Local Funds in reverse order of the laborer's Fund coverage until a sufficient amount of contributions to restore eligibility in the Home Fund has been transferred.

(4) A transfer of contributions should be made as quickly as possible so that a claim can be processed and paid in a timely manner. A transfer must be made within thirty (30) days after a written request for a transfer is received, absent extraordinary circumstances.

(5) Once contributions are transferred, the credit attributable to those contributions under the transferor Fund's rules is cancelled and will not be counted for any purpose by that Fund. In other words, the Local Fund that transfers contributions to the Home Fund will not be required to take those contributions or the credit attributable to those contributions into account in determining whether the laborer or his/her beneficiaries are eligible for benefits from the Local Fund in the future. The contributions transferred will be credited by the transferee Fund in accordance with its rules.

**FOR EXAMPLE:** A laborer had coverage under his Home Fund but lost this coverage when he left to work in the jurisdictions of some other health and welfare funds that are Participating Funds under the NRA. Specifically, he worked in the jurisdiction of Local Fund X for two months (March and April) and his employer contributed $200 to Local Fund X for the work performed by the laborer during these two months. The laborer then worked under the jurisdiction of Local Fund Y for a month (May) and his employer contributed $50 to Local Fund Y for the work performed by the laborer during this month. While working under Local Fund Y in May, the laborer incurred a claim.

**Situation (1):** Assume that the laborer has attained eligibility under Local Fund Y. In this situation, the claim is paid by Local Fund Y.

**Situation (2):** Assume that the laborer attained eligibility under Local Fund X and still has eligibility at the time that his claim is incurred. He has not yet attained eligibility under Local Fund Y. In this situation, the claim is paid by Local Fund X, even though he is then working under the jurisdiction of Local Fund Y.
Situation (3): The laborer is not eligible under either Local Fund X or Local Fund Y at the time that the claim is incurred. However, the Home Fund would restore the laborer's eligibility for the month (May) when the claim was incurred if it received $70 in contributions for each of three months (March, April and May) since he left the Home Fund's coverage -- that is, a total of $210 in contributions. Local Fund X will transfer $200 in contributions it received to the Home Fund, and Local Fund Y will transfer $50 in contributions it received to the Home Fund. Upon receiving this $250 in contributions, which exceeds the $210 minimum that the Home Fund needed to restore the laborer's eligibility, the Home Fund pays the claim. Local Fund X and Local Fund Y need no longer give the laborer credit for his service and employer contributions during March, April and May.

Situation (4): Assume the same facts as Situation (3) except that Local Fund X used the contributions made during March and April on behalf of the laborer to pay premiums to the insurance company which insures benefits provided by the Fund. (Assume also that premiums are required on behalf of all laborers who worked regardless of whether they had attained eligibility for benefits.) In this situation, Local Fund X is not required to transfer any of the $200 in contributions to the Home Fund for the laborer. Because the $50 in contributions received by Local Fund Y alone would not restore the laborer's eligibility under his/her Home Fund, Local Fund Y is not required to transfer any contributions to the Home Fund.

E. Change In Home Funds

If a laborer changes his/her Home Fund, the new Home Fund and his old Home Fund will treat the claim as if the old Home Fund is a Local Fund under the rules described above. That is, if the laborer was eligible under the new Home Fund for the claimed benefits at the time that the claim was incurred, the new Home Fund will pay the claim in accordance with its rules. If the laborer was not eligible under the new Home Fund at the time that the claim was incurred, but he/she was eligible under the old Home Fund at the time that the claim was incurred, the old Home Fund will pay the claim in accordance with its rules. If the laborer is not eligible under either his/her new Home Fund or his/her old Home Fund, but a transfer of contributions from the old Home Fund to the new Home Fund would make the laborer eligible under the new Home Fund for the claimed benefits, the old Home Fund will transfer contributions to the new Home Fund.

The contributions to be transferred by the old Home Fund to the new Home Fund are contributions made on behalf of the laborer to the old Home Fund during the period that corresponds to the new Home Fund's eligibility period for the claim, except:
the old Home Fund need only transfer contributions attributable to the work performed by the laborer after he/she had lost eligibility for benefits from the old Home Fund, and

(2) the old Home Fund need not transfer contributions that earned the laborer "hours bank" credits that he retains under that Fund, or that were used to pay insurance premiums or actual benefit claims on behalf of the laborer.

FOR EXAMPLE: A laborer was a member of Local Union X and was eligible for benefits from the Local Union X Health & Welfare Fund through April 1995. The laborer moves and becomes a member of Local Union Y, and the Local Union Y Health & Welfare Fund becomes his new Home Fund. Eligibility under the Local Union X Fund, requires contributions of at least 70 hours at the $1.50 per hour rate in the month immediately preceding the month in which the claim was incurred. The laborer worked 55 hours in April 1995 and 65 hours in May 1995 for which contributions were made on his behalf to the Local Union X Fund. Contributions begin to be made on his behalf to the Local Union Y Fund in June 1995. Eligibility under the Local Union Y Fund's rules requires contributions of at least 50 hours at $1.50 per hour rate in the two months immediately preceding the month in which the claim is incurred. The laborer incurs a claim in June 1995.

The laborer would not be eligible for benefits under either his old Home Fund or his new Home Fund. However, if contributions made to the Local Union X Fund on his behalf in April and May 1995 were transferred to the Local Union Y Fund, the laborer would be eligible for the claimed benefits from the new Home Fund. A transfer of contributions will be made from the Local Union X Fund to the Local Union Y Fund which will pay the claim in accordance with its rules, unless the contributions have already been used by the Local Union X Fund to pay insurance premiums or benefit claims, or to establish "hours bank" credits which the laborer retains.

OPERATION OF TRANSFER-OF-CONTRIBUTIONS RECIPROCITY

(1) The Transfer-of-Contributions Reciprocity rules are optional and apply only between two Participating Funds that have expressly adopted them. As between two Participating Funds, only one of which has adopted the Transfer-of-Contributions Reciprocity rules, the Point-of-Claim Reciprocity rules apply.
(2) The Transfer-of-Contributions Reciprocity rules are designed to provide for the automatic transfer of contributions from the Local Fund in whose jurisdiction a laborer is working to his/her designated Home Fund if a timely and otherwise proper request is made by the laborer to the Local Fund. That is, all contributions made on behalf of the laborer are transferred by the Local Fund without regard to whether the laborer has incurred or submitted a claim. These rules provide that if a laborer works outside the jurisdiction of his/her Home Fund, he/she can request in writing that the Local Fund transfer all contributions paid on his/her behalf to his/her Home Fund. The laborer would continue to participate in and file all claims with his/her Home Fund.

PROCEDURES FOR TRANSFER-OF-CONTRIBUTIONS RECIPROCITY

A. Plan Rules

Each Participating Fund which elects this optional, supplemental form of reciprocity must incorporate into its plan rules the Transfer-of-Contributions Reciprocity rules set forth in Exhibit B of the NRA, as well as the Point-of-Claim Reciprocity rules set forth in Exhibit A of the NRA, to accommodate reciprocity with other Participating Funds that elect Transfer-of-Contributions Reciprocity as well as with Funds that recognize only Point-of-Claim Reciprocity. Variations to the format of the rules are permitted, but only to the extent necessary to conform to the format of a particular Fund's rules and the variations do not alter the substance of the NRA rules.

B. Notice to Participants

Each Participating Fund is expected to provide notice to its current and future participants about the NRA and the Fund's participation in it. The notice should include explanations:

(1) that the Participating Fund has expressly adopted the Transfer-of-Contributions Reciprocity rules in accordance with the NRA;

(2) that participants have the right, when working in the jurisdiction of another Participating Fund that has adopted Transfer-of-Contributions Reciprocity, to request that contributions made to the other Fund for them be transferred to their Home Fund; and

(3) of the procedures to be followed in requesting a transfer.

C. Request For Transfer By Laborer

Contributions will be transferred from a Local Fund in whose jurisdiction a laborer is working to his/her Home Fund only if he/she submits a written request for a transfer to the administrator of the
Local Fund not later than sixty (60) days after he/she begins to work in the jurisdiction. The request must acknowledge that the laborer agrees that his/her eligibility for benefits and all other participant rights will be determined solely under his/her Home Fund's rules. The request must also state that the laborer agrees to waive, with respect to both Funds and their fiduciaries, all claims relating to whether the transfer of contributions is in his/her best interests. A sample request form and explanation are included in this Handbook.

A request for a transfer is revocable by the laborer by submission to the Local Fund of a request that it cease transferring contributions to the laborer's Home Fund. The Local Fund should honor the revocation and cease transferring contributions as soon as possible, although the Local Fund may provide that the revocation will be effective only for contributions received more than 30 days after the revocation is received by the Local Fund's administrative office. The Local Fund can impose reasonable conditions on the revocation, including a requirement that the laborer waive any and all potential claims against the Local Fund and its fiduciaries relating to whether the revocation is in the best interests of the laborer and his/her dependents. If the Local Fund receives and honors a revocation, the Local Fund is expected to notify the Home Fund that contribution transfers for the laborer will cease. After a revocation is effective, the Point-of-Claim Reciprocity rules will apply to the laborer inasmuch as contributions for the laborer will have been received by his/her Home Fund as well as the Local Fund.

D. Transfer Of Contributions

Upon receipt of a laborer's timely request for a transfer of contributions to his/her Home Fund, a Local Fund will transfer all contributions received on the laborer's behalf, along with copies of the reports verifying these contributions, to the Home Fund designated by the laborer. All contributions made before the timely request was received and contributions received thereafter will be transferred to the Home Fund by the Local Fund on an ongoing basis unless and until a written revocation of the transfer request is received by the administrator of the Local Fund. Contributions should be transferred as soon as possible but no later than sixty (60) days following the end of the calendar month in which the Local Fund received the contributions, absent extraordinary circumstances.

The Local Fund is to transfer all contributions received on behalf of the laborer regardless of whether there is a difference between the contribution rates of the Local Fund and the Home Fund.

The Local Fund is responsible for the normal contribution collection and enforcement activities with regard to the contributions owed for a laborer requesting a transfer. Contributions owed by employers for such a laborer should be treated no differently than other contributions owed to the Local Fund with regard to collection activities.

SEPARATE RESPONSIBILITY
The NRA does not change a Participating Fund's rules regarding eligibility, except to the extent that a Fund is required to treat contributions transferred from another Participating Fund under the terms of the NRA as if they were contributed directly to the transferee Fund by an employer. Nor does the NRA require a Participating Fund to alter its rules regarding the nature, form, level or payment of benefits. Nor does the NRA make a Participating Fund responsible or liable for benefits payable by another Participating Fund. Rather, each Participating Fund is responsible solely for the benefits payable under that Fund's rules. No laborer or any other person can claim from one Participating Fund benefits that are payable from another Fund.

Any dispute between a laborer and a particular Participating Fund is to be resolved in accordance with that Fund's claims and appeals procedures. Ordinarily, a dispute between a laborer and one Participating Fund should not prevent another Participating Fund from processing and paying the benefits to which the laborer is entitled from it. However, it must be recognized that some disputes may prevent the payment of benefits by any Participating Plan until the dispute is resolved; such as a dispute with one Participating Fund over the amount of a laborer's work credit or employer contributions with that Fund. Such a dispute could affect whether a transfer of contributions would reinstate the laborer's eligibility in his/her Home Fund.

**FOR EXAMPLE:** Take a situation where a laborer who is working outside the jurisdiction of his Home Fund, has incurred a benefit claim and is not eligible for benefits from either his Home Fund or the Local Fund. The Home Fund seeks information from the Local Fund regarding the amount of contributions that have been contributed on the laborer's behalf in order ascertain whether the laborer's benefit eligibility can be reinstated with the Home Fund so that the claim can be paid. The laborer has a dispute with the Local Fund concerning the amount of contributions that should be transferred. The dispute may prevent the Home Fund from determining the laborer's eligibility for benefits if the laborer had less credited hours and contributions with the Local Fund than he needs to satisfy the Home Fund's eligibility rules.

**NRA ADMINISTRATION**

Implementation and administration of the NRA requires cooperation among all Participating Funds, including the timely transfer of contributions and exchange of information concerning matters such as covered employment, eligibility status, claims paid, contributions received, plan rules, and other matters. Each Participating Fund should promptly comply with all reasonable requests for information from other Participating Funds.

To facilitate the effective implementation of the NRA, the International Union plays a limited role under the NRA. The International Union, acting through its General President:
• receives from each Participating Fund a signed copy of the NRA;

• receives from Participating Funds notices of termination or withdrawal from the NRA;

• periodically publishes a list of all Participating Funds, their addresses, and whether they have elected to adopt the Exhibit B Transfer-of-Contributions Reciprocity rules; and

• renders non-binding interpretations of the NRA upon written request from a Participating Fund to foster the voluntary resolution of disputes.

The International Union does not interpret or administer the rules of any Participating Fund, nor determine any individual's eligibility for benefits or other rights under any Participating Fund. The International Union is not responsible for any violation of the NRA by any Participating Fund, and has no obligation to attempt to enforce the NRA against any Participating Fund that breaches the NRA. The NRA is an agreement by, between, and among all Participating Funds for the benefit of their participants and beneficiaries.

**NRA Disputes**

If any dispute between or among Participating Funds that arises out of, or relates to, the application of the NRA cannot be voluntarily resolved, the dispute shall be resolved through binding arbitration between the disputing Funds. The procedures for invoking arbitration are set forth in the NRA.
QUESTIONS AND ANSWERS ABOUT THE NATIONAL RECIPROCITY AGREEMENT FOR HEALTH AND WELFARE FUNDS

1. **QUESTION:** What benefit funds are eligible to participate in the National Reciprocal Agreement for Health and Welfare Funds ("NRA")?

   **ANSWER:** Any health and welfare fund sponsored by LIUNA or by an affiliated Local Union or District Council is eligible to participate in the NRA as a Participating Fund. This includes labor-management, multi-employer plans maintained under collective bargaining agreements between LIUNA, or Local Unions or District Councils affiliated with LIUNA, and employers. This also includes multi-trade health and welfare funds in which laborers participate pursuant to collective bargaining agreements between LIUNA, or Local Unions or District Councils affiliated with LIUNA, and employers.

2. **QUESTION:** How does an eligible health and welfare fund become a Participating Fund?

   **ANSWER:** The Board of Trustees of the Fund signs a copy of the NRA and submits it to the International Union, in care of the General President, at 905 16th Street, N.W., Washington, D.C. 20006. Copies of the NRA can be obtained from the same office.

3. **QUESTION:** How can one learn what health and welfare funds are Participating Fund?

   **ANSWER:** Periodically (at least annually) the International Union publishes a list of Participating Funds and addresses in the Union's magazine, The Laborer. The list will also indicate whether the Participating Funds have elected to adopt the Exhibit B Transfer-of-Contributions Reciprocity rules. The International will also provide periodically updated lists to all Participating Funds. Copies of the current list can be obtained by writing to the General President at the address given above.

4. **QUESTION:** Is any Participating Fund responsible or liable for any benefits earned under another Participating Fund?

   **ANSWER:** No. A Participating Fund is liable only for benefits payable under that Fund's rules.
5. **QUESTION:** Is a Participating Fund liable for any debts or obligations of another Participating Fund?

**ANSWER:** No.

6. **QUESTION:** Is a Participating Fund responsible or empowered to interpret the rules of another Participating Fund?

**ANSWER:** No.

7. **QUESTION:** Are the Trustees or Administrator of a Participating Fund fiduciaries with respect to another Participating Fund?

**ANSWER:** No. The Trustees and Administrator of one Fund have no discretionary authority or responsibility with respect to another Fund.

8. **QUESTION:** Who determines whether a laborer is eligible for benefits from a particular Participating Fund by operation of the NRA?

**ANSWER:** The Board of Trustees of the Fund, or its Administrator, is responsible for determining eligibility for benefits from the Fund. This determination is based upon the rules of the Fund, as amended to provide for reciprocity in accordance with the NRA. Any dispute between a laborer and a particular Participating Fund over his/her eligibility under the Fund's rules is to be resolved under the Fund's claims and appeals procedures.

9. **QUESTION:** Will the reciprocity rules contained in the NRA automatically apply to all Participating Funds?

**ANSWER:** No. The Participating Funds must formally amend their plans and rules to incorporate the Point-of-Claim Reciprocity rules contained in Exhibit A of the NRA. Moreover, Participating Funds that wish to recognize Transfer-of-Contributions Reciprocity must also amend their plans and rules to incorporate the Transfer-of-Contributions Reciprocity rules contained in Exhibit B of the NRA. The Transfer-of-Contributions Reciprocity rules will apply only between two Participating Funds that have formally adopted them; that is, only apply where a laborer's Home Fund and Local Fund have adopted the NRA's Transfer-of-Contributions Reciprocity rules. In all other circumstances, the Point-of-Claim Reciprocity rules will apply.
10. **QUESTION:** What are the major differences between the Point-of-Claim Reciprocity rules and the Transfer-of-Contributions Reciprocity rules?

**ANSWER:** The Transfer-of-Contributions Reciprocity rules apply only to those Participating Funds that have expressly adopted them. Under these rules, all contributions paid on behalf of a laborer to a Local Fund will, upon the laborer's proper request, be transferred to his/her Home Fund and he/she will continue to participate in and file claims with the Home Fund.

The Point-of-Claim Reciprocity rules apply to all Participating Funds. These rules become operational only when a laborer incurs a claim during periods of time when he/she is working outside the jurisdiction of his/her Home Fund. Once a claim is incurred, the Point-of-Claim Reciprocity rules determine which Fund, if any, will provide coverage to the laborer and pay the benefit claim. If the laborer is eligible under the Local Fund's rules, that Fund pays the claim. If the laborer is not eligible under the Local Fund, but is eligible under his/her Home Fund, the Home Fund pays the claim. Only if the laborer is ineligible under both Funds, but a transfer of contributions would make him/her eligible under the Home Fund, would contributions be transferred under these Point-of-Claims Reciprocity rules. In contrast to the Transfer-of-Contributions rules, these Point-of-Claim Reciprocity rules do not provide for contributions to be transferred unless and until a claim is submitted and the laborer is ineligible in the absence of a transfer.

11. **QUESTION:** What are the meanings of "Home Fund" and "Local Fund"?

**ANSWER:** For purposes of the NRA, "Home Fund" means the Participating Fund in which the members of the laborer's Local Union participate and the laborer has established his/her eligibility for benefits. If the laborer is not a member of a Local Union or is not eligible for benefits from a Participating Fund, "Home Fund" means that Participating Fund which has received the largest amount of contributions on the laborer's behalf during the 12-month period immediately preceding the date on which the claim was incurred or a transfer request was filed.

"Local Fund" means the Participating Fund, other than the laborer's "Home Fund", in whose jurisdiction the laborer is working.
12. **QUESTION:** Does the NRA apply to claims incurred by the dependents (e.g., spouse and children) of a laborer who is working outside of the jurisdiction of his/her Home Fund?

**ANSWER:** Yes, the NRA generally applies to claims incurred by the dependents/beneficiaries of laborers as well as the claims of the laborers themselves. In other words, the NRA treats the claims of laborers’ dependents and beneficiaries just like the laborers’ claims. However, whether a dependent's or beneficiary's claim is payable by any particular Participating Fund depends solely on that Fund's rules. For example, it is possible that a Participating Fund would cover and pay a laborer's personal claim, but not the claims of his/her dependents under its rules.

13. **QUESTION:** Under the Point-of-Claim Reciprocity rules, what contributions made on behalf of a laborer to a Local Fund must be transferred, upon request, to the laborer's Home Fund?

**ANSWER:** Generally, a Local Fund is required to transfer all contributions made on the laborer's behalf (through the month in which claim was incurred) for periods during which the laborer was ineligible for benefits under the Local. However, a Local Fund need not transfer contributions that already have been the basis for payment of insurance premiums or actual claims by the Local Fund on the behalf of the laborer.

14. **QUESTION:** Under the Point-of-Claim Reciprocity rules, what circumstances would entitle the laborer's Home Fund to a transfer of contributions from more than one Local Fund?

**ANSWER:** The Home Fund can obtain the transfer of contributions from all Local Funds in whose jurisdiction the laborer has performed contribution-generating work through the month in which the claim for which payment is sought was incurred. The Home Fund would first request the Local Fund in whose jurisdiction the laborer was working when the claim was incurred to transfer contributions. If the contributions from the first Local Fund are insufficient by themselves to establish the laborer's eligibility in the Home Fund, then the Home Fund would request a transfer of contributions from the other Local Fund(s) in reverse order of the laborer's Fund coverage until the laborer's eligibility for benefits can be reinstated and the benefit claim paid.
15. **QUESTION:** If the hourly contribution rates for a Local Fund are higher than the rates for the Home Fund, does the Local Fund have to transfer all of the contributions received or only an amount based upon the lower rates of the Home Fund?

**ANSWER:** Generally, all contributions received by the Local Fund must be transferred, when a transfer is called for under the NRA, even though the Home Fund's hourly rates are lower (or higher) than the Local Fund's rates. The treatment of any "excess" or "short" contributions transferred will be determined under the Home Fund's rules.

16. **QUESTION:** Which Participating Fund has the contribution collection and enforcement responsibility?

**ANSWER:** The Fund to which the employer is obligated to contribute for the laborer involved has this responsibility. The contributions owed to a Fund for a laborer whose contributions are being transferred after receipt should be collected and enforced by the Fund in the same manner as all other contributions owed to the Fund by employers. However, a transferor Fund is only required to transfer contributions on behalf of the laborer, which the Fund has actually received.

17. **QUESTION:** If a Fund transfers contributions on behalf of a laborer to his/her Home Fund under the NRA, what happens to the eligibility or benefit credit, if any, that the contributions earned for the laborer under the transferor Fund?

**ANSWER:** The credits attributable to all contributions transferred by a Fund under the NRA may be deemed canceled and disregarded under the transferor Fund's rules. The transferee Fund's rules will determine what eligibility and benefit credit will be given to the laborer for the transferred contributions.

18. **QUESTION:** Can a laborer change his/her Home Fund? How does the NRA work if a laborer changes his/her Home Fund?

**ANSWER:** The NRA recognizes that a laborer's Home Fund may change, as when he/she transfers membership to another Local Union. If the laborer's Home Fund changes, he/she should file his/her benefit claims with the new Home Fund if eligibility has been established thereunder. If the laborer is not eligible for benefits from the new Home Fund, but is eligible for benefits from the Home Fund, he/she should file claims with the old Home Fund until his/her eligibility for benefits has been established in the new Home Fund. If a laborer is not eligible for benefits from either the new Home Fund or the old Home Fund, he/she
should file benefit claims with the new Home Fund. Upon receipt of a benefit claim, the new Home Fund would then seek a transfer of contributions from the old Home Fund if such a transfer would establish the laborer's eligibility under the new Home Fund so that the benefit claim could be paid.

19. **QUESTION:** Under the circumstances described in Question 18, what contributions would the old Home Fund, upon request, transfer to the new Home Fund?

**ANSWER:** Upon request from the new Home Fund, the old Home Fund would transfer the amount of contributions received by the old Home Fund that are attributable to the new Home Fund's eligibility period for the claim. However, the NRA does not require a transfer of contributions attributable to hours worked prior to the date on which the laborer lost eligibility for benefits from the old Home Fund nor contributions attributable to hours that are retained for the laborer's benefit in any "hours bank" arrangement under the old Home Fund.

20. **QUESTION:** Under the Point-of-Claim Reciprocity rules, how quickly should contribution transfers be made?

**ANSWER:** Transfers of contributions should be made as quickly as possible after a determination that the transfer is appropriate has been made. A transfer must occur within 30 days of receipt of a request for transfer absent extraordinary circumstances.

21. **QUESTION:** If a laborer working outside of his/her Home Fund's jurisdiction wants the Local Fund in whose jurisdiction he/she is working to transfer all contributions received on his/her behalf back to the Home Fund under the NRA, what must he/she do?

**ANSWER:** First, the laborer must determine if both his/her Home Fund and Local Fund have adopted the Transfer-of-Contributions Reciprocity rules of the NRA. If neither or only one of these Funds have adopted Transfer-of-Contributions Reciprocity, contributions made to the Local Fund on the laborer's behalf will be retained by the Local Fund unless and until the laborer incurs a claim and a transfer to his/her Home Fund is needed to gain coverage and payment of the claim. If both Funds have adopted Transfer-of-Contributions Reciprocity, the laborer would need to obtain a transfer request form from the Local Fund, complete the form, and submit it to the Local Fund no later than 60 days following the date on which he/she starts work in that Fund's jurisdiction. The request would acknowledge that the laborer agrees that his/her eligibility for
benefits and all other participant rights will be determined exclusively by the Home Fund's rules. Further, the request would state that the laborer agrees to waive all claims against the Home Fund and Local Fund, and their fiduciaries, relating to whether the transfer of contributions may be in his/her best interest.

22. **QUESTION:** If the Transfer-of-Contributions Reciprocity rules apply and a timely request for transfer of contributions has been made, when must the Local Fund transfer contributions to the Home Fund?

**ANSWER:** The Local Fund should transfer contributions received on behalf of the laborer, along with verifying reports, as quickly as possible after receipt. A transfer must occur within 60 days following the end of the calendar month in which the Local Fund receives the contributions, absent extraordinary circumstances.

23. **QUESTION:** What happens under the Transfer-of-Contributions Reciprocity rules if a laborer makes an otherwise proper transfer request to the Local Fund more than 60 days after he/she begins to work in the jurisdiction of the Local Fund?

**ANSWER:** If a proper transfer request is not submitted within the 60-day period, the Local Fund is not required to honor the request and transfer contributions to the Home Fund under the Transfer-of-Contributions Reciprocity rules. In these circumstances, the Point-of-Claim Reciprocity rules would apply with regard to the laborer; that is, a transfer would occur only if necessary to gain coverage and payment of a claim incurred by the laborer. Notwithstanding this, the Local Fund is free in its Board of Trustees' discretion, to grant an untimely transfer request in the best spirit of the NRA.

24. **QUESTION:** Can a laborer who has made a request for a transfer of contributions to his/her Local Fund under the Transfer-of-Contributions Reciprocity rules revoke that request?

**ANSWER:** Yes, by submitting to the Local Fund a written revocation of his/her transfer request in a form required by the Local Fund. The Local Fund should honor the revocation and cease transferring contributions as promptly as possible, although the Fund may provide that a revocation is effective only for contributions received more than 30 days after receipt of the revocation by the Fund's administrative office. The Local Fund is entitled to impose conditions for the revocation, including a waiver of all potential claims relating to the revocation against the Funds and their fiduciaries.
25. **QUESTION:** Does the NRA bar any Participating Fund from treating a laborer more favorably than required by the NRA?

**ANSWER:** No, so long as more favorable treatment by one Fund does not interfere with the rights and obligations of another Fund.

26. **QUESTION:** Where can a Participating Fund obtain information about the NRA or an interpretation of the NRA?

**ANSWER:** Information about the NRA can be obtained from the office of the General President of LIUNA, 905 16th Street, N.W., Washington, DC 20006, (202) 737-8320. Any Participating Fund can request a written interpretation of the NRA from the General President. However, such interpretations are discretionary and non-binding. The General President's interpretative role is intended to foster resolution of disputes among Participating Funds and to foster the effective, uniform administration of the NRA.
NATIONAL RECIPROCAL AGREEMENT FOR HEALTH AND WELFARE FUNDS IN THE UNITED STATES

The following is the text of the National Reciprocal Agreement as adopted in 1993. Each Participating Fund has signed a copy of this Agreement and submitted it to the International Union. The effective date of the Agreement varies for each Participating Fund.

Background

1. The signatory parties to this Agreement are jointly-trusted, labor-management health, welfare or insurance funds established by LIUNA or affiliates of LIUNA and employers of LIUNA members pursuant to agreements and declarations of trust and the Labor Management Relations (“Taft-Hartley”) Act. These funds were established to provide various health, welfare and insurance benefits to members of, and employees represented by, LIUNA or its affiliates within the funds' respective jurisdictions. The funds are primarily financed by employer contributions based on the hours worked or the gross wages of covered workers as required by collective bargaining agreements or other written agreements. The funds are regulated by the Employee Retirement Income Security Act ("ERISA") and by the Internal Revenue Code.

2. Employment is mobile in some of the industries covered by the health, welfare and insurance funds. This means that workers may be employed within the jurisdictions of several different Laborers' funds over the course of their working lives. Employer contributions on behalf of such workers may be made to several different funds. Such a division of employment and employer contributions may cause a worker to not gain or to lose benefit eligibility, even though the worker would have been eligible under at least one fund if the employer contributions made for him or her, and his or her hours of covered employment, were combined.

3. The boards of trustees of the funds signatory hereto believe that it would be in the best interests of the funds' participants and beneficiaries to participate in a reciprocal arrangement that would provide some relief for workers whose employment and employer contributions are divided among two or more health, welfare or insurance funds. This Agreement serves that purpose by providing for a mandatory reciprocal arrangement and a voluntary, supplemental reciprocal arrangement.

4. LIUNA has agreed to act as a non-discretionary administrator of this Agreement, as described herein. LIUNA has also agreed to encourage all Laborers' health, welfare and insurance funds to participate in this Agreement, recognizing that the decision to participate rests solely with the board of trustees of each fund.
Agreement

IN CONSIDERATION for the mutual and collective promises made herein and the mutual and collective benefits of this Agreement to the signatory funds and their participants, the sufficiency of which consideration is admitted, the signatory funds hereby agree and contract as follows:

Section 1: Definitions

The following definitions of terms shall govern the interpretation and application of this Agreement:

1.1: "Participating Fund" and "Fund" shall mean a health, welfare or insurance fund which is party to this Agreement by virtue of signing a copy of this Agreement and submitting it to the General President of LIUNA, and which has not terminated its participation in this Agreement in accordance with the terms hereof.

1.2: "LIUNA" shall mean the Laborers' International Union of North America, acting only through its General President.

Section 2: Forms of Reciprocity

2.1: Each Participating Fund shall provide for "Point-of-Claim Reciprocity" by incorporating into its plan rules the rules set forth in the "Exhibit A" attached hereto. The uniform adoption of these rules will ensure reciprocity among all of the Participating Funds.

2.2: In addition to adopting the Exhibit A rules described in Section 2.1, any Participating Fund may elect to provide for "Transfer-of-Contributions Reciprocity" by also incorporating into its plan rules the rules set forth in the "Exhibit B" attached hereto.

2.3: As between two Participating Funds, neither of which has adopted the Exhibit B rules, the Exhibit A rules shall govern.

2.4: As between two Participating Funds, only one of which has adopted the Exhibit B rules, the Exhibit A rules shall govern.

2.5: As between two Participating Funds, both of which have elected to adopt the Exhibit B rules, the Exhibit B rules shall govern.
2.6: Each Participating Fund, which elects to adopt the Exhibit B rules, shall so designate in the place provided at the end of this Agreement.

2.7: Exhibit A and Exhibit B are an integral part of this Agreement. No Participating Health and Welfare shall modify, delete from, or add to, the Exhibit A rules or the Exhibit B rules. Nor shall any Participating Fund take any action that would have the effect of modifying the Exhibit A rules or the Exhibit B rules.

2.8: The operation of the Exhibit A rules for any Participating Fund shall be terminable only through the procedures described in Section 7 of this Agreement.

2.9: A Participating Fund which elects to adopt the Exhibit B rules may thereafter terminate the operation of the Exhibit B rules with respect to the Fund by submitting a written notice of such intention to LIUNA's General President at least ninety (90) days prior to the effective date of the termination so that the other Participating Funds can be notified of this change in the Fund's status as provided herein.

Section 3: Recognition and Cooperation

3.1: Each Participating Fund recognizes each other Participating Fund as party to this Agreement, and shall comply with this Agreement with respect to each other Participating Fund.

3.2: The effective operation of this Agreement requires cooperation among all Participating Funds including the timely exchange of contributions and information concerning matters such as covered employment, eligibility status, claims paid, contributions received, plan rules, and other matters related to implementation of the Agreement. Each Participating Fund shall so cooperate with all other Participating Funds and, in particular, shall promptly comply with all reasonable, written requests for information to implement this Agreement.

3.3: Each Participating Fund hereby certifies that it is, and will remain, tax-exempt under the Internal Revenue Code, and that its governing documents permit participation in reciprocity arrangements. Any Fund that loses its tax-exemption shall notify LIUNA and its participation in this Agreement shall be suspended until such time as its exemption is restored.
Section 4: Administration

4.1: Implementation and administration of this Agreement shall be primarily the responsibility of the Participating Funds.

4.2: LIUNA has agreed to assist in the administration of the Agreement by performing the following non-discretionary functions:

(a) receive and maintain custody of the copies of this Agreement executed by the Participating Funds;

(b) receive and maintain custody of termination notices from Participating Funds;

(c) publish, at least annually, in "The Laborer" magazine or some other LIUNA publication, a list of all Participating Funds including their addresses and whether they have elected to adopt the Exhibit B rules, as well as a list of all former Participating Funds which terminated their participation in this Agreement since the last such notice;

(d) periodically provide notice to all Participating Funds of newly participating Funds and of Funds which have terminated their participation in this Agreement; and

(e) through it’s General President, assist in the resolution of disputes concerning this Agreement as provided in Section 5 hereof.

4.3: All notices, copies of this Agreement, and other documents required to be submitted to LIUNA under this Agreement shall be submitted to:

General President
Laborers' International Union of North America
905 16th Street, N. W.
Washington, D. C. 20006,

unless and until notice of a different address is published in LIUNA's official membership publication (currently "The Laborer" magazine).

4.4: Each Participating Fund shall cooperate with all reasonable requests by LIUNA for information or assistance needed to perform its functions under this Agreement.
Section 5: Disputes

5.1: In the event of any dispute or controversy between two or more Participating Funds regarding the interpretation, implementation or application of this Agreement, the disputant Funds shall submit the dispute or controversy to LIUNA's General President for an advisory opinion or mediation. Any disputant Fund may invoke this process by sending a written notice describing the dispute or controversy to LIUNA's General President, and sending a copy of the notice to each other disputant Fund. The opinions of the General President shall not be binding on any Participating Fund. However, each Participating Fund which becomes involved in a dispute is expected to make every good faith effort to reach a voluntary resolution of the dispute on the basis of the General President's opinions or mediation efforts, considering that other means of dispute resolution may involve substantial cost and be otherwise contrary to the best interests of the Fund's participants.

5.2: If a dispute or controversy remains unresolved after exhaustion of the process described in Section 5.1 hereof, the disputant Funds shall resolve the dispute by final and binding arbitration under the Taft-Hartley trust fund arbitration rules of the American Arbitration Association or, if such rules are unavailable for any reason, under the commercial arbitration rules of the American Arbitration Association. Copies of all notices, decisions and awards relating to any such arbitration proceeding shall be sent by the disputant Funds to LIUNA's General President solely for use in administering this Agreement. In no event shall any arbitration decision or award that violates applicable laws or regulations be effective.

Section 6: Disclaimers

6.1: This Agreement shall not be construed as imposing on any Participating Fund the liabilities or obligations of any other Participating Fund. Each Participating Fund shall be solely liable for benefits and rights due under the terms of its plan rules.

6.2: Neither a Participating Fund nor its trustees shall be liable for the acts or omissions of any other Participating Fund or of any other Fund's trustees.

6.3: Neither LIUNA nor its General President shall be responsible or liable for any benefits or rights due from any Participating Fund to any person. Nor shall LIUNA or its General President be deemed to be a fiduciary with respect to any Participating Fund or to have discretionary authority with respect to the administration or management of a Participating Fund that would make him/her/it a fiduciary.
6.4: This Agreement shall not be enforceable by any participant or beneficiary of a Participating Fund, or by any individual claiming to be such or claiming benefits or rights through such a participant or beneficiary. However, nothing in this Agreement shall interfere with the operation of any Participating Fund's benefit claims procedure or the ability of any participant or beneficiary to enforce the terms of his/her Participating Fund's plan rules.

Section 7: Termination of Participation

7.1: A Participating Fund may terminate its participation in this Agreement by providing a written notice of such intention to LIUNA's General President at least ninety (90) days prior to the effective date of the termination so that the other Participating Funds can be notified of this change in the Fund's status in "The Laborer" magazine or otherwise. This shall be the exclusive means for termination.

Section 8: Effective Date and Duration

8.1: This Agreement shall become effective and operative when at least two (2) health, welfare or insurance funds become Participating Funds by signing a copy of this Agreement and submitting it to LIUNA's General President.

8.2: This Agreement shall remain in effect and operative so long as there are at least two (2) Participating Funds.

8.3: As to any particular Participating Fund, this Agreement shall be operative as of the effective date stated at the end of the copy of this Agreement signed and submitted by the Fund. As between two Participating Funds, this Agreement shall be operative as of the later of the two Funds' effective dates if those dates are different. If the effective dates are the same, this Agreement shall be operative as of that date.

Section 9: Effect on Other Reciprocal Arrangements

9.1: Any Participating Fund may maintain or enter into any other reciprocal agreement providing terms that are more favorable to the participants of the Fund than the terms of this Agreement.

9.2: This Agreement shall supersede any other reciprocal agreement between Participating Funds whose terms are less favorable to the participants of the Funds than the terms of this Agreement.
Section 10: Amendments

10.1: This Agreement may be amended only with the written consent of LIUNA and of at least two-thirds (2/3) of the Participating Funds, determined as of the date that an amendment is first proposed.

Section 11: Choice of Laws

11.1: This Agreement shall be interpreted, applied, and enforced according to federal law. To the extent that federal law is not applicable, the laws of the District of Columbia shall govern the interpretation, application, and enforcement of this Agreement.

11.2: The situs of this Agreement shall be the City of Washington, District of Columbia.

11.3: In the event that any provision of this Agreement is determined to be unlawful or void by a court of competent jurisdiction, such provision shall be severed and the remainder of this Agreement shall continue in force and effect to the extent possible.

11.4: No Participating Fund shall take any action that would render this Agreement or its application unlawful or void.

SIGNATURE PAGE

The below-named health, welfare or insurance fund, by and through its undersigned, duly-authorized labor trustee and employer trustee, hereby agrees to become a Participating Health and Welfare Fund under this LIUNA National Reciprocal Agreement for Health and Welfare Funds effective as of the date set forth below.

[TRUSTEES' SIGNATURE]
EXHIBIT A

Point-of-Claim Reciprocity

Section 1: Purpose

This Exhibit A sets forth the Point-of-Claim Reciprocity rules which Participating Health and Welfare Funds under the LIUNA National Reciprocal Agreement for Health and Welfare Funds in the United States must adopt to ensure reciprocity among all the Funds. Each Participating Health and Welfare Fund shall incorporate these rules into its plan rules.

Section 2: Definitions:

The following definitions shall govern the interpretation and application of these Exhibit A rules.

2.1: "Agreement" shall mean the LIUNA National Reciprocal Agreement for Health and Welfare Funds in the United States, and any amendments thereto.

2.2: "Participating Fund" and "Fund" shall mean a health, welfare or insurance fund that is party to the Agreement in accordance with the Agreement's terms.

2.3: "Employee" shall mean any employee on whose behalf contributions or other payments are required to be made to a Participating Fund by an Employer pursuant to a collective bargaining agreement or other written agreement with LIUNA or any affiliate of LIUNA.

2.4: "Employer" shall mean any employer signatory to a collective bargaining agreement or other written agreement with LIUNA or an affiliate of LIUNA requiring contributions or other payments by the employer to a Participating Fund.

2.5: "Home Fund" shall mean the Participating Fund determined to be an Employee's Home Fund in accordance with the rules set forth herein.

2.6: "Local Fund" shall mean a Participating Fund, other than an Employee's Home Fund, in whose jurisdiction the Employee is working.

2.7: "Local Union" shall mean a local union affiliated with LIUNA.

2.8: "LIUNA" shall mean the Laborers' International Union of North America, AFL-CIO.
Section 3: Determination of Employee's Home Fund

3.1: Each Employee shall have a Home Fund. An Employee's Home Fund shall be determined in accordance with this Section.

3.2: If the Employee is a member of a Local Union and he/she has established eligibility in a Participating Health and Welfare Fund in which his/her Local Union's members participate, that Fund shall be his/her Home Fund.

3.3: If an Employee is not a Local Union member, or if he/she has not established eligibility in a Participating Fund, his/her Home Fund shall be the Participating Fund (without regard to membership) which has received the largest amount of contributions on the Employee's behalf during the twelve (12) month period immediately preceding the date on which the claim was incurred.

3.4: If an Employee changes his/her membership from one Local Union to another Local Union, his/her Home Fund shall be immediately changed to the Participating Fund in which his/her new Local Union's members participate.

Section 4: Claims for Employees Outside of Home Fund Jurisdiction

4.1: If an Employee works outside of the jurisdiction of his/her Home Fund, his/her claims for benefits shall be treated in accordance with the rules set forth in this Section. Of course, an Employee who works only within his/her Home Fund's jurisdiction would have his/her benefit claims handled in accordance with the Home Fund's plan and rules.

4.2: If an Employee is working in the jurisdiction of a Participating Fund other than his/her Home Fund (that is, a Local Fund), but is not eligible for benefits from the Local Fund, he/she shall continue to file all benefit claims with his/her Home Fund for so long as he/she remains eligible under the Home Fund's rules.

4.3: If an Employee is working in the jurisdiction of a Participating Fund other than his/her Home Fund (that is, a Local Fund), and he/she is not eligible for benefits from his/her Home Fund, but he/she is eligible for benefits from the Local Fund, he/she shall file his/her benefit claims with that Local Fund for so long as he/she is eligible under that Local Fund's rules.

4.4: If an Employee is working in the jurisdiction of a Participating Fund other than his/her Home Fund (that is, a Local Fund), and he/she is not eligible for benefits from either the Home Fund or the Local Fund alone, the Employee shall file his/her benefit claims with his/her Home Fund. The Home Fund, upon receiving such a claim, shall contact the Local Funds in whose jurisdictions it knows the Employee has worked to determine if a transfer of contributions would
reinstate the Employee's eligibility in his/her Home Fund for the time when the claim was
incurred. If such a contribution transfer would make the Employee so eligible in his/her Home
Fund, the Local Funds shall transfer his/her contributions to the Home Fund in accordance with
Section 5.

Section 5: Transfer of Contributions

5.1: In the event that a transfer of contributions to an Employee's Home Fund is required by Section 4.4 above, the transfer shall occur in accordance with the rules set forth in this Section 5.

5.2: Upon a request by a Home Fund to a Local Fund in whose jurisdiction an Employee has worked, the Local Fund shall transfer all Employer contributions made on the Employee's behalf back to his/her Home Fund. The amount of contributions transferred shall be based on all of the Employee's contribution hours up to and including the month in which the claim was incurred for purposes of the Home Fund's plan. No transfer shall be made if the hours of contribution already have been the basis for payment of insurance premiums or for an actual claim payment by the Local Fund.

5.3: Contributions shall first be transferred from the Local Fund in whose jurisdiction the Employee was working when the claim was incurred. If those contribution hours are insufficient to establish the Employee's Home Fund eligibility, then contributions shall be transferred from all other Local Funds in reverse order of the Employee's employment until eligibility for the claim is established with the Home Fund.

5.4: Upon the transfer of contributions by a Local Fund in connection with an Employee's claim, the hours represented by such transferred contributions shall not be considered in a determination of eligibility for benefits from that Employee or his/her beneficiaries under that Local Fund's rules. However, subsequent hours worked in the Local Fund's jurisdiction, for which no contributions are transferred, shall be considered in the determination of the Employee's and beneficiaries' eligibility for benefits from the Local Fund.

Section 6: Change in Home Fund

6.1: In the event that an Employee's Home Fund changes as provided in Section 3, the Employee's benefit claims shall be filed with his/her new Home Fund if he/she is eligible under the new Home Fund's rules.

6.2: In the event that an Employee's Home Fund changes as provided in Section 3, and the Employee is not eligible for benefits from the new Home Fund, but the Employee remains eligible for benefits from his/her old Home Fund, his/her claims shall be filed with the old Home Fund.
6.3: In the event that an Employee's Home Fund changes as provided in Section 3, and he/she is not eligible for benefits from either his/her new Home Fund or his/her old Home Fund, but he/she would be eligible under the New Home Fund if contributions made on his/her behalf were transferred from the old Home Fund, the old Home Fund, upon request, shall transfer contributions to the new Home Fund, as follows.

(a) The contributions so transferred shall be such contributions as were made on the Employee's behalf to the old Home fund during the period of time that corresponds to the new Home Fund's eligibility period for the claim, except as provided in (b) and (c), below. That is, if the claim was incurred in June and the new Home Fund required two months of contributions prior to June in order to be covered for such a claim the old Home Fund shall transfer the contributions it received on the Employee's behalf during April and May.

(b) The old Home Fund need only transfer contributions for hours worked after the date on which the Employee lost eligibility for benefits from the old Home Fund.

(c) The old Home Fund need not transfer contributions relating to credits retained by the Employee in any "hours bank" arrangement with the old Home Fund.

Section 7: Transfer Period

7.1: All transfers of contributions required hereunder shall be made within thirty (30) days of request from the Home Fund or the new Home Fund, as appropriate.
EXHIBIT B

Transfer-of-Contributions Reciprocity

Section 1: Purpose

This Exhibit B sets forth the Transfer-of-Contributions Reciprocity rules which Participating Funds in the LIUNA National Reciprocal Agreement for Health and Welfare Funds may adopt to supplement the Exhibit A Point-of-Claim Reciprocity rules required for all Funds. These Exhibit B rules shall govern reciprocity only between two Participating Funds which both have adopted these rules. As between a Fund which has adopted these Exhibit B rules and a Fund which has adopted only the Exhibit A rules, the Exhibit A Point-of-Claim Reciprocity rules shall govern. These Exhibit B rules shall be incorporated into the plan rules of each Fund adopting Exhibit B.

Section 2: Definitions:

The following definitions shall govern the interpretation and application of these Exhibit B rules.

2.1: "Agreement" shall mean the LIUNA National Reciprocal Agreement for Health and Welfare Funds in the United States, and any amendments thereto.

2.2: "Participating Fund" and "Fund" shall mean a health, welfare or insurance fund which is party to the Agreement in accordance with the Agreement's terms.

2.3: "Employee" shall mean any employee on whose behalf contributions or other payments are required to be made to a Participating Fund by an Employer pursuant to a collective bargaining agreement or other written agreement with LIUNA or any affiliate of LIUNA.

2.4: "Employer" shall mean any employer signatory to a collective bargaining agreement or other written agreement with LIUNA or an affiliate of LIUNA requiring contributions or other payments by the employer to a Participating Fund.

2.5: "Home Fund" shall mean the Participating Fund determined to be an Employee's Home Fund in accordance with the rules set forth herein.

2.6: "Local Fund" shall mean a Participating Fund, other than an Employee's Home Fund, in whose jurisdiction the Employee is working.

2.7: "Local Union" shall mean a local union affiliated with LIUNA.
2.8: "LIUNA" shall mean the Laborers' International Union of North America, AFL-CIO.

Section 3: Determination of Employee's Home Fund

3.1: Each Employee shall have a Home Fund. An Employee's Home Fund shall be determined in accordance with this Section.

3.2: If the Employee is a member of a Local Union and he/she has established eligibility in a Participating Health and Welfare Fund in which his/her Local Union's members participate, that Fund shall be his/her Home Fund.

3.3: If an Employee is not a Local Union member, or if he/she has not established eligibility in a Participating Fund (without regard to membership), his/her Home Fund shall be the Participating Fund which has received the largest amount of contributions on the Employee's behalf during the twelve (12) month period immediately preceding the date on which the claim was incurred.

3.4: If an Employee changes his/her membership from one Local Union to another Local Union, his/her Home Fund shall be immediately changed to the Participating Fund in which his/her new Local Union's members participate.

Section 4: Employee Request for Contributions Transfer

4.1: An Employee who is or will be working in the jurisdiction of a Participating Fund other than his/her Home Fund (that is, a Local Fund) may request that all contributions made on his/her behalf to that Local Fund be transferred to his/her Home Fund, and such request shall be honored by both Funds, provided:

(a) that both Funds have adopted these Exhibit B Transfer-of-Contributions Reciprocity rules in accordance with the Agreement; and

(b) that the Employee files a proper, timely request in accordance with the rules set forth herein.

4.2: The Employee's request shall be made in writing, signed and dated by the Employee and otherwise in such form as the Funds may reasonably require.

4.3: The Employee shall submit his/her request to the Local Fund in whose jurisdiction he/she is working within sixty (60) days following the date on which he/she commenced work in the
jurisdiction. However, the Local Fund's Trustees may extend this period in their absolute discretion. A copy of such request shall be sent to the Home Fund by the Local Fund.

4.4: By submitting such a request, the Employee agrees:

(a) that his/her eligibility for benefits and all other participant rights shall be governed exclusively by the terms of his/her Home Fund's plan and rules, and not by the terms of the transferring Local Fund's plan and rules;

(b) that he/she is waiving and releasing any and all claims against both Funds and their fiduciaries relating to whether the transfer of contributions is in his/her best interests; and

(c) that each of his/her beneficiaries, and each other person claiming through him/her, shall be deemed to have made the same agreements set forth in (a) and (b), above.

These agreements may be set forth in any request form required by the Funds to ensure that the Employee is aware of them.

4.5: An Employee who does not file a proper, timely request in accordance with the rules of this Section shall be treated as electing not to authorize a transfer of contributions under this Exhibit B. The Exhibit A Point-of-Claim Reciprocity rules shall apply to the Employee, and not the Exhibit B rules.

Section 5: Transfer of Contributions

5.1: Upon receipt from an Employee of a proper, timely request for a transfer of contributions to his/her Home Fund, the Local Fund shall collect the contributions which Employers are required to make on the Employee's behalf to the Local Fund and shall transfer those contributions to the Employee's Home Fund. All such contributions received by the Local Fund shall be transferred, regardless of any difference in contribution rates between the two Funds.

5.2: The Local Fund shall transfer the contributions to the Home Fund within sixty (60) days following the end of the calendar month in which the Local Fund received the contributions.

5.3: The Local Fund shall transfer, along with the contributions, such records or reports as are needed by the Home Fund to verify and credit the contributions.
Section 6: Home Fund Eligibility

6.1: The Board of Trustees of the Employee's Home Fund shall be solely responsible for determining the eligibility of the Employee and his/her beneficiaries for any benefits from the Home Fund.
FORM NO. 1: SAMPLE LETTER BETWEEN HOME AND LOCAL FUND ADMINISTRATORS REQUESTING CONTRIBUTION TRANSFERS UNDER POINT-OF-CLAIM RECIPROCITY

Re: Request for Transfer of Contributions in Accordance with LIUNA National Reciprocal Agreement

Dear Fund Administrator:

This Fund is the Home Fund of Mr. John Doe, SSN 333-33-3333. We understand that employer contributions were made to your Fund on behalf of Mr. Doe. We are writing to request a transfer of these contributions to this Fund in accordance with the LIUNA National Reciprocal Agreement for Health and Welfare Plans.

Mr. Doe has submitted to this Fund a benefit claim for medical services he received on June 1, 1999. Mr. Doe was not eligible for benefits under this Fund's rules at the time that his claim was incurred. However, we understand that contributions were made to your Fund on behalf of Mr. Doe during that period and that a transfer of those contributions to this Fund would make Mr. Doe eligible and enable this Fund to pay the claim in accordance with our rules.

The National Reciprocal Agreement's Point-of-Claim Reciprocity rules (specifically, Section 5 of Exhibit A) requires your Fund to transfer to this Fund all contributions made on behalf of Mr. Doe through June 1999 when his claim was incurred unless: (1) Mr. Doe was eligible for benefits from your Fund during that period; or (2) the contributions were used to pay insurance premiums or benefit claims for Mr. Doe or his beneficiaries. We understand that Mr. Doe was not eligible for benefits from your Fund during the period when his claim was incurred.

Please transfer the contributions to this office as soon as possible, but certainly within 30 days as provided by the National Reciprocal Agreement, so that we can promptly process Mr. Doe's claim. Please feel free to contact me if you have any questions.

Sincerely,

Jim Smith
Administrator
FORM NO. 2: SAMPLE EXPLANATION OF TRANSFER-OF-CONTRIBUTIONS RECIPROCITY RULES AND REQUEST

Dear Laborer:

You have asked whether this Fund will forward all employer contributions we receive on your behalf to your Home Health and Welfare Fund. We are writing to explain the conditions under which this Fund will transfer these contributions.

This Fund participates in the LIUNA National Reciprocal Agreement for Health and Welfare Plans which is intended to help laborers who work outside of their home jurisdictions to gain and maintain eligibility for health and welfare benefits. This Fund recognizes both forms of reciprocity provided under the National Reciprocal Agreement: "Transfer-of-Contributions Reciprocity" and "Point-of-Claim Reciprocity."

The Transfer-of-Contributions Reciprocity rules provide for this Fund to transfer all contributions we receive on your behalf to your home health and welfare fund ("Home Fund") only under certain conditions, as follows:

(1) Your Home Fund must also participate in Transfer-of-Contributions Reciprocity under the National Reciprocal Agreement.

(2) You must submit to this Fund's administrative office a written request for a transfer of all contributions on a form provided by this office.

(3) You must submit your request to this Fund's administrative office within 60 days after you begin work for which contributions are owed to this Fund by your employer.

(4) You must waive any and all claims against this Fund, your Home Fund, and the Funds' officials relating to whether a transfer of contributions to your Home Fund is in your or your dependents' best interests.

(5) You recognize that your and your dependents' eligibility for benefits, and all other rights, will be determined under your Home Fund's rules, and that you are waiving any rights under this Fund's rules.
If any of these conditions are not met, this Fund will not be able to transfer contributions on your behalf to your Home Fund under the Transfer-of-Contributions Reciprocity rules of the National Reciprocal Agreement. Instead, this Fund would apply the Point-of-Claims Reciprocity rules. Under these rules, a transfer of contributions is made only if, among other conditions, you or your dependents incur a claim for which you lack eligibility under both this Fund and your Home Fund and a transfer would provide eligibility for the claim under your Home Fund.

Please contact this office if you have any questions.

Sincerely,

Jim Smith
Administrator
FORM NO. 3: SAMPLE REQUEST FOR A TRANSFER OF CONTRIBUTIONS TO LOCAL FUND BY A LABORER

[NAME OF LOCAL FUND]
[ADDRESS]

Re: Request for Transfer-of-Contributions under the LIUNA National Reciprocal Agreement for Health and Welfare Plans

Dear Fund Administrator:

Within the last sixty days, I have begun work in a jurisdiction for which contributions are being made to your Health and Welfare Fund on my behalf. I request, pursuant to the Transfer-of-Contributions Reciprocity rules of the LIUNA National Reciprocal Agreement, that you transfer all contributions received by your Fund on my behalf to my Home Fund named below within sixty days following the end of the calendar month in which your Fund receives the contributions. I request also that you transfer, along with the contributions, contribution reports submitted by my employer[s] so that my Home Fund can verify and credit the contributions properly.

Please send the contributions to:

NAME OF HOME FUND ________________________________________

ADDRESS __________________________________________________

TELEPHONE NO. ____________________________________________

In making this request, I hereby acknowledge that my (and my dependents') eligibility for benefits and all participant rights shall be governed exclusively by the terms of my Home Fund's rules and not by your Fund's rules. I have made the judgment that a transfer of contributions to my Home Fund would be in the best interests of myself and my dependents. Accordingly, on behalf of myself, my dependents and anyone else claiming through me, I hereby waive any and all claims against the Home Fund, your Fund and their officials, and release the Home Fund, your Fund and their officials from any and all claims relating to whether the transfer of contributions is in my/their best interest.

I understand that I may revoke this request at any time by submitting to the Fund's administrative office a written request that the Fund cease transferring contributions to my Home Fund. I also understand that such a revocation may apply only to contributions received by your Fund on my
behalf more than 30 days after the Fund office receives my revocation, and that other conditions may apply.

Sincerely,

DATE: _______________________   _________________________

[SIGNATURE OF EMPLOYEE]

PRINT NAME _________________________________________________

SOCIAL SECURITY NO. ________________________________

ADDRESS ____________________________________________________

TELEPHONE NO. _____________________________________________

cc: [Home Fund's Administrator's Name]
    [Address]