Ensuring that members have the personal and professional support they need to strengthen the long-term care industry

For information on all of our Funds, visit www.1199SEIU Funds.org
Letter from the Executive Directors

This report highlights the 2013 accomplishments of our 1199SEIU Home Care Benefit, Pension and Training Funds. It includes details about the work that we do throughout the year to care for home care workers and retirees – over 40,000 lives in all – and to strengthen the long-term care industry.

The highlights in the following pages are just a part of the work we do every day to provide 1199SEIU home care workers with health coverage, job skills and extra financial support in their retirement. We hope you enjoy reading about our work in 2013 and learning about how our members have taken advantage of the benefits we provide.

Sincerely,

Mitra Behroozi
Benefit and Pension Funds

Deborah King
Training and Employment Funds
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Benefit and Pension Funds

Deborah King
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1199SEIU National Benefit Fund for Home Care Employees

Highlights

In 2013, our 1199SEIU National Benefit Fund for Home Care Employees provided nearly 26,000 low-wage home care workers with accessible, affordable health and quality-of-life benefits, from medical, hospital, mental health, dental, vision and prescription benefits to wellness and social assistance programs.

COST OF COVERAGE

2011: Third-party plan, health coverage only
$6,355 per member

2013: Self-administered plan, health coverage plus ancillary benefits
$5,595 per member

SCHEDULE OF BENEFITS

In 2013, we spent $147.7 million on our members’ coverage.

<table>
<thead>
<tr>
<th>Type</th>
<th>Cost 2011</th>
<th>Cost 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital</td>
<td>$48.7 Million</td>
<td>$43.0 Million</td>
</tr>
<tr>
<td>Medical</td>
<td>$39.5 Million</td>
<td>$37.6 Million</td>
</tr>
<tr>
<td>Prescription</td>
<td>$26.8 Million</td>
<td>$26.8 Million</td>
</tr>
<tr>
<td>Dental</td>
<td>$3 Million</td>
<td>$3.2 Million</td>
</tr>
<tr>
<td>Surgical</td>
<td>$10.5 Million</td>
<td>$14.4 Million</td>
</tr>
<tr>
<td>Lab &amp; X-ray</td>
<td>$14.4 Million</td>
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</tr>
<tr>
<td>Anesthesia</td>
<td>$4.3 Million</td>
<td>$4.3 Million</td>
</tr>
<tr>
<td>Vision</td>
<td>$0.3 Million</td>
<td>$0.3 Million</td>
</tr>
<tr>
<td>*Other</td>
<td>$0.2 Million</td>
<td>$0.2 Million</td>
</tr>
<tr>
<td>Total 2013</td>
<td>$147.7 Million</td>
<td>$147.7 Million</td>
</tr>
</tbody>
</table>

* "Other" includes Earned Income Tax Credit (EITC), citizenship and wellness programs; and retiree activities. Totals do not include claims incurred but not yet paid.

Note: For detailed information, please request Milliman’s Actuarial Report from the Fund.

ENSURING THE BEST VALUE FOR QUALITY CARE

1199SEIU home care members have a choice of two health plans: one focused around patient-centered medical homes, where members have no co-pays when using their selected health center for care (Plan A: Member Choice Home Care Select); and one that offers a broader range of providers, but requires co-pays for services (Plan B: Panel Provider). These options allow our Fund to explore new ways to help ensure our members receive high-quality, coordinated and cost-effective care.

MAXIMIZING OUR HEALTHCARE DOLLARS

Our tailored cost containment programs help to ensure our limited resources pay for the most effective and efficient care by maximizing savings while maintaining members’ access to necessary services. When members follow the program rules, like using generic and preferred drugs, ordering three-month supplies of long-term medications and visiting preferred providers, they protect themselves from unnecessary out-of-pocket costs while stretching their Fund’s healthcare dollars. The Fund’s actuaries predict that programs in effect through 2013 would save the HCBF $5.53 million between 2012 and the end of 2015.

Total 2013 Savings: $1.42 Million

BEYOND HEALTH BENEFITS

Our Fund offers a range of programs that help our members both on and off the job. Our robust Wellness/Member Assistance Program (MAP) Department* is designed to care for the “whole member,” with services that support both physical and emotional well-being. Members have access to health fairs, health education, nutrition, exercise and stress management workshops and a 24-Hour Nurse Helpline. We also offer one-on-one counseling and support for members struggling with personal issues that may put their jobs or health in jeopardy. Our Citizenship Program helps members apply for U.S. citizenship and our Tax Assistance Program helps ensure members can maximize their tax refunds by applying for the Earned Income Tax Credit (EITC). Beginning September 1, 2014, these programs are open to all 1199SEIU home care workers, regardless of whether they are eligible for health benefits.

*Provided by Worksite Medical Services, P.C.

2013 Monthly Benefit Cost Per Member

<table>
<thead>
<tr>
<th>Plan A:</th>
<th>Plan B:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$363</td>
<td>$430</td>
</tr>
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</table>

Citizenship:
478 members served, 208 new citizens

Tax Assistance (All Funds):
1,499

Wellness/MAP:
1,300
1199SEIU National Benefit Fund for Home Care Employees

Highlights

In 2013, our 1199SEIU National Benefit Fund for Home Care Employees provided nearly 26,000 low-wage home care workers with accessible, affordable health and quality-of-life benefits, from medical, hospital, mental health, dental, vision and prescription benefits to wellness and social assistance programs.

OUR COVERED LIVES

25,592 members covered in 2013

We make it a priority to manage our plan with an eye toward value. Since the Home Care Benefit Fund (HCBF) became self-administered and self-insured at the end of 2011, it has provided quality benefits at a cost below the amount that we paid two years ago for a third-party commercial plan.

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<td><em>Other</em></td>
<td>$0.2M</td>
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<td>0.0%</td>
</tr>
<tr>
<td>2013 Total</td>
<td>$147.7M</td>
<td>$122.6M</td>
<td>-17.1%</td>
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2012-2013 COST TREND

HCBF 6.3%* National -0.5%

*2013 Milliman Medical Index

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"I come from a country where we live with our parents and extended families and we take care of them. So, what I do as a home care worker is natural to me. I learned about the great educational benefits that the Fund offered at an in-service meeting my Union Organizer held at my agency. I heard about the opportunity to go to college and with Tuition Vouchers, I enrolled in the College of Staten Island. I also enrolled in the Home Health Aide Training Program to upgrade my skills and obtain my HHA certificate. Now I am one of the first recipients of the Basil Paterson Scholarship. With these programs, my dreams are becoming a reality. I don't have to tell you that working full time, going to school, writing papers, and doing internships while taking care of our loved ones is difficult. But in the end, it's worth it."

Luiza Kayumova, Stella Orton Home Care Agency
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1199SEIU Bill Michelson Home Care Education Fund

Highlights

Nearly 16,000 members served in 2013

The 1199SEIU Bill Michelson Home Care Education Fund meets a critical need in the rapidly changing and growing long-term care industry, helping home care workers build their skills and be more effective on the job. The Fund gives workers access to a wide range of programs and services so they can improve English language skills, earn GEDs, prepare for college entrance exams, attend college, take professional development courses and learn the more complex caregiving skills necessary to accommodate our rapidly aging population. Working together with labor and management, the Fund targets programs to directly meet the needs of the industry, workers and clients – improving workers’ quality of life, ensuring elderly, infirm and disabled New Yorkers receive quality care and building a stronger home care industry.

In 2013, the Fund launched the Basil Paterson Scholarship Program, committing an initial $120,000 to offer a full year of support to eight home care workers. The first round of scholarship awardees are pursuing advanced healthcare careers in nursing, radiology, biology and social work. The scholarship helps to cover tuition, college fees and books, and provides members with a cash stipend to meet the financial challenges of working while also attending school. Scholarship recipients also have access to the Fund’s tutoring and counseling services.

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1199SEIU Home Care Employees Pension Fund

Highlights

Less than one in five workers in the U.S. receives a defined pension benefit, and this type of benefit is even rarer among workers in the home care industry. Our 1199SEIU Home Care Employees Pension Fund provides 1199SEIU home care workers with extra financial support in their retirement – a defined pension benefit that provides a set monthly payment for life. With $319 million in assets, the Pension Fund currently pays out $12.5 million each year to more than 15,000 retirees and their beneficiaries.

$12.5 million paid to 15,212 retirees in 2013

SOUND INVESTMENT STRATEGY

Our diversified investment strategy continues to help ensure our Fund’s continued stability and growth.

<table>
<thead>
<tr>
<th>Net Pension Returns</th>
<th>Pension Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 = ↑ 19.8%</td>
<td>2009 = $215.9 Million</td>
</tr>
<tr>
<td>2010 = ↑ 15.6%</td>
<td>2010 = $251.8 Million</td>
</tr>
<tr>
<td>2011 = ↑ 1.6%</td>
<td>2011 = $253.7 Million</td>
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<tr>
<td>2012 = ↑ 13%</td>
<td>2012 = $279.5 Million</td>
</tr>
<tr>
<td>2013 = ↑ 20.2%</td>
<td>2013 = $318.9 Million</td>
</tr>
</tbody>
</table>

Target Asset Allocations

<table>
<thead>
<tr>
<th>Equity</th>
<th>Fixed Income</th>
<th>Alternatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equity = 42.5%</td>
<td>Core Bonds = 12.5%</td>
<td>Real Estate = 10%</td>
</tr>
<tr>
<td>Int’l Equity = 10%</td>
<td>High Yield/Loan = 5%</td>
<td>Private Equity = 5%</td>
</tr>
<tr>
<td>Total Equity = 52.5%</td>
<td>Emerging Mkt Bonds = 5%</td>
<td>Hedge Funds = 10%</td>
</tr>
<tr>
<td></td>
<td>Total Fixed Income = 22.5%</td>
<td>Total Alternatives = 25%</td>
</tr>
</tbody>
</table>

Total = 100%
<table>
<thead>
<tr>
<th><strong>Our Funds’ 2013 Trustees</strong></th>
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<tbody>
<tr>
<td><strong>BENEFIT FUND</strong></td>
</tr>
<tr>
<td>Carolyn Brooks</td>
</tr>
<tr>
<td>1199SEIU United Healthcare Workers East</td>
</tr>
<tr>
<td>Appeals Committee, Collections Committee, Investment Committee</td>
</tr>
<tr>
<td>James Carey</td>
</tr>
<tr>
<td>Appeals Committee, Audit Committee, Collections Committee, Executive Committee, Investment Committee</td>
</tr>
<tr>
<td>Kwai (David) Ho</td>
</tr>
<tr>
<td>1199SEIU United Healthcare Workers East</td>
</tr>
<tr>
<td>Collections Committee</td>
</tr>
<tr>
<td>Bruce McIver</td>
</tr>
<tr>
<td>League of Voluntary Hospitals and Homes of New York Audit Committee, Cost Containment Committee</td>
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<tr>
<td>Harold Moorer</td>
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<tr>
<td>Rockaway Home Attendant Services</td>
</tr>
<tr>
<td>Investment Committee</td>
</tr>
<tr>
<td>Minerva Peña</td>
</tr>
<tr>
<td>1199SEIU United Healthcare Workers East</td>
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<tr>
<td></td>
</tr>
<tr>
<td><strong>PENSION FUND</strong></td>
</tr>
<tr>
<td>Carolyn Brooks</td>
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<tr>
<td>Gladys Confident</td>
</tr>
<tr>
<td>Home Care Services for Independent Living</td>
</tr>
<tr>
<td>Ivette Garcia</td>
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<tr>
<td>1199SEIU United Healthcare Workers East</td>
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<tr>
<td>Jean Hernandez</td>
</tr>
<tr>
<td>Family Care Services</td>
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<tr>
<td>Keith Joseph</td>
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<td>1199SEIU United Healthcare Workers East</td>
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<tr>
<td>Ling Ma</td>
</tr>
<tr>
<td>Chinese-American Planning Council, Inc.</td>
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<tr>
<td>Harold Moorer</td>
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<td>Rockaway Home Attendant Services</td>
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<td>Neteca Petgrave</td>
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<td>Rona Shapiro</td>
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<tr>
<td>Doris Spencer</td>
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<tr>
<td>FEGS Home Attendant Services</td>
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<td>Appeals Committee, Investment Committee</td>
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<tr>
<td>Louise Weathers</td>
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