

1199SEIU NATIONAL BENEFIT FUND FOR HEALTH AND HUMAN SERVICE EMPLOYEES

SUMMARY OF MATERIAL MODIFICATIONS

This Summary of Material Modifications describes changes that affect your welfare benefit plan and updates the Summary Plan Description (“SPD”) that was previously distributed to you. You should keep this summary with your current SPD until the booklet is updated to reflect the changes discussed herein.

Effective January 1, 2018, the 1199SEIU National Benefit Fund for Health and Human Service Employees (“Benefit Fund”) SPD is hereby amended by adding the following new subsection in Section III:

Paid Family Leave Benefits

Benefit Fund Paid Family Leave Benefits (partial salary replacement)

- Amount is based on your Average Weekly Wage (AWW)
- Maximum weekly benefit is no greater than the allowed percentage of the New York State Average Weekly Wage (SAWW)
- How long you can receive benefits is based on verified need, up to a maximum of 8–12 weeks within a 52-week period
- Your Benefit Fund coverage for all other benefits may continue while you are receiving Benefit Fund Paid Family Leave Benefits

Wage Class I: Member Only
 Wage Class II: Member Only
 Wage Class III: Member Only

The Benefit Fund determines your entitlement for Paid Family Leave Benefits—the amount and duration of the benefit, and whether your need is a “Qualifying Event”—in accordance with the eligibility provisions of New York’s Paid Family Leave Benefits Law (the “NYPFL Law”), as described below.

WHO IS COVERED

Once you are enrolled in the Benefit Fund and have been employed by a Contributing Employer for at least 26 weeks, you may receive Paid Family Leave Benefits in certain circumstances when you are unable to work because of a Qualifying Event. Your spouse and children are not eligible for this benefit.

WHEN YOUR BENEFITS BEGIN

Paid Family Leave Benefits may be used when you are unable to work due to the following Qualifying Events:

- To bond with a newly born, adopted, or fostered child during the first 12 months of birth or placement.
- To care for a sick family member with a serious health condition. Family members include spouse, domestic partner, child, parent, parent in-law, grandparent and grandchild. Self-care is excluded. Serious health condition means an illness, injury, impairment, or physical or mental condition that involves: inpatient care in a hospital, hospice or residential healthcare facility; or continuing treatment or continuing supervision by a healthcare provider.
- To take care of urgent needs that arise when a family member in the armed forces is called to service.

PLEASE NOTE: You cannot receive Paid Family Leave Benefits for partial work days or for any period in which you receive any other compensation, such as a pension (except for active members age 70 1/2 or older who are receiving a pension benefit), Disability Benefits, Workers’ Compensation Benefits, payments from the Social Security Administration as a result of a Disability Award or wages from any other employer. Before you stop working, call the Benefit Fund’s Disability Department at (646) 473-9200 to make sure you’re eligible for benefits.

YOUR PAID FAMILY LEAVE BENEFITS

Eligible members are entitled to Paid Family Leave Benefits in full work day or work week increments as follows:

| Effective date | Maximum Duration of Paid Family Leave | % of AWW or SAWW, whichever is less |
|-----------------|---------------------------------------|-------------------------------------|
| January 1, 2018 | 8 weeks | 50% |
| January 1, 2019 | 10 weeks | 55% |
| January 1, 2020 | 10 weeks | 65% |
| January 1, 2021 | 12 weeks | 67% |

The amount of your Paid Family Leave Benefit is based on your Average Weekly Wage (AWW) during the eight weeks prior to your Qualifying Event, up to the amount of the New York State Average Weekly Wage (SAWW). The duration of your Paid Family Leaves and Disability Leaves can never exceed a combined total of 26 weeks within a 52-week period.

IMPORTANT TAX NOTE

Paid Family Leave payments are considered taxable income. Taxes are not withheld from your payments and there is a FICA obligation. The payment will be reported in an IRS Form 1099 that you’ll receive from the Benefit Fund after the end of the year.

FILING YOUR PAID FAMILY LEAVE CLAIM

To get a Request for Paid Family Leave form, call the Benefit Fund’s Member Services Department at (646) 473-9200, or visit the Benefit Fund’s website at www.1199SEIUBenefits.org. You will also be required to submit supporting documentation from the government, from a licensed healthcare provider or as otherwise instructed by the Benefit Fund. The Benefit Fund will not be able to process your claim if you do not include all the information and documents required.

PROTECT YOUR HEALTH BENEFITS

While you are receiving Benefit Fund Paid Family Leave Benefits, you and your family are still eligible for the same Benefit Fund coverage you had before your Qualifying Event. It is important that the Benefit Fund receive your Request for Paid Family Leave form and required documentation within 30 days of your Qualifying Event. Otherwise, you may jeopardize your Paid Family Leave Benefit as well as your Health Benefits.

Here's why: The Benefit Fund determines your eligibility for benefits based on wage reports it receives from your employer. If you haven't received any wages, then your coverage may be suspended because the Benefit Fund does not know that you are out on Paid Family Leave.

WHEN YOU RETURN TO WORK

Call the Benefit Fund. You must let the Benefit Fund know when you go back to work after being on Disability Leave or Paid Family Leave. This way, the Benefit Fund can update its records and determine your eligibility for benefits.

IF YOUR PAID FAMILY LEAVE CONTINUES

If your Paid Family Leave continues beyond the maximum Paid Family Leave Benefit period, your coverage through the Benefit Fund will stop immediately. (See COBRA continuation coverage, Section I.K.)

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Effective January 1, 2018, the Benefit Fund SPD is hereby amended by adding the following to the Section VII.B:

APPEALING PAID FAMILY LEAVE CLAIMS

To appeal a denial of your Request for Paid Family Leave Benefits, you must follow the directions that are on the back of the denial notice. If you do not have this form, contact the Benefit Fund's Paid Family Leave program at (888) 447-9055.

This summary only highlights the key changes made to the 1199SEIU National Benefit Fund for Health and Human Service Employees. Summaries of material modifications together with the Summary Plan Description make up your official plan descriptions; please keep them together and refer to them as necessary. We have made every attempt to ensure the accuracy of the information in this summary and the Summary Plan Description. However, if there is any discrepancy between them and the Plan Document, insurance contracts or other legal documents, the legal documents will always govern. If you would like to review the Plan Document or have any questions, please contact the Fund's Member Services Representatives at (646) 473-9200.

The Fund believes it is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the "Affordable Care Act"). A grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted in 2010. Being a grandfathered health plan means that this plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for an external review process for claims appeals. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits. The Wage Class III plan is not a grandfathered health plan. Questions regarding which protections apply and which protections do not apply to a grandfathered health plan can be directed to the Plan Administrator at (646) 473-9200. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at (866) 444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

The plan sponsor of the 1199SEIU National Benefit Fund for Health and Human Service Employees reserves the right to amend or terminate the 1199SEIU National Benefit Fund for Health and Human Service Employees, or any part of it, at any time.