

The Labor Association of Wisconsin, Inc.
Health Benefit Trust

**CONSTITUTION
AND
BY-LAWS**

Revised: August 3, 2017

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ARTICLE I

NAME

This Trust shall be known as the **Labor Association of Wisconsin, Inc. Health Benefit Trust**, hereinafter referred to as the "Trust".

ARTICLE II

GOVERNING BODY

The Trustees of the Trust hereinafter referred to as the "Board" or "Trustee(s)" having the majority of the Board elected by the general membership, is the governing body of the Trust.

ARTICLE III

MEMBERSHIP

- A. Member in Good Standing: A member in good standing is one who satisfies all of the requirements of the Trust and is in conformance with the Constitution and By-laws of the Trust.
- B. Eligible Member: Members of the Association who are in good standing and qualify for the Health, Dental, Vision or Home Health Care Insurance Benefit shall be paid pursuant to the guidelines set forth in the Trust.
- C. Participant Responsibility: It is the responsibility of the participant to provide payment to the Trust in a timely manner. Failure to pay the monthly fee to the Trust in a timely manner may forfeit the participant's eligibility for a benefit from the Trust.
- D. Eligible Voters: Eligible voters are those participants that belong to a full service local of the Labor Association of Wisconsin, Inc. and "Trustees" of "The Trust".

ARTICLE IV

AMOUNT OF SUBSIDY PAID BY THE TRUST

- A. Monthly Subsidy: The monthly subsidy paid by the Trust Fund to each participant shall be determined prior to November 1st by the Association Trustee(s) and shall be applicable for the next following calendar year. Participants who are eligible to draw a benefit from the Trust Fund must notify the Board of their intent to commence drawing from the Trust in writing no later than October 1st of the year

prior to their intended commencement to draw from the Trust identifying the target date. The monthly benefit paid to participants shall be authorized by the Trustee(s) pursuant to the calculations, formula and guidelines established by the Trust. Participants who do not advise the Board of their intent to draw from the Trust in writing prior to October 1st of the year prior to their intended commencement date may jeopardize receiving their Trust allotment on the date requested by the participant.

- B. Eligibility for Benefits: For participants to be eligible for the full benefit, they must contribute to the Trust for a period of at least one hundred and twenty (120) consecutive months (10 years). There will be no benefit to any participant for the first twenty four (24) months of contributions. Therefore, any participant who has contributed to the Trust more than twenty four (24) months (2 years) but less than one hundred and twenty (120) consecutive months (10 years) shall receive a prorated portion of the full benefit allocated by the Board. The proration shall be based on increments equal to a full year paid into the Trust. After contributing for one hundred and twenty (120) consecutive months, participants will receive one hundred percent (100%) of the designated payout. Provided, however, participants who pay into the Trust over one hundred and twenty (120) consecutive months shall be credited with one (1) bonus month of benefits for each three (3) consecutive months of contributions; i.e. Twelve (12) consecutive months = four (4) bonus months, twenty four (24) consecutive months = eight (8) bonus months, etc. These bonus months will be available to the participant to be used prior to commencing the one hundred and twenty (120) month base allotment or the bonus months may be used after the one hundred and twenty (120) month base allotment. The utilization of the bonus months must be in conjunction with the one hundred and twenty (120) month benefit and the participant will make the election as to whether the months will be applied prior to, after, or a combination of both.
- C. Death of Participant/Drawing from the Trust: Benefits from the Trust expire after ten (10) years or the Participant dies, except that, if the participant has a designated beneficiary, the designated beneficiary may continue to have the subsidy paid on the designated beneficiary's behalf until the deceased participant's benefits would have otherwise expired. The designated beneficiary of the deceased participant is also entitled to any bonus months earned by the participant that have not been used. In the event that there is no designated beneficiary on file, the spouse of the deceased will be entitled to the above option.

- D. Death of a Participant/Prior to Drawing From the Trust: A participating member of the Trust dies prior to receiving any benefits from the trust, the designated beneficiary shall be eligible to take over the remaining payments that the participant would have otherwise been responsible for and on the date that the participant would have been eligible to draw from the Trust, the designated beneficiary shall be eligible for the benefits as if the participant were still alive which would include any bonus months. No affiliate fee is required under this provision. In the event that there is no designated beneficiary on file, the spouse of the deceased will be entitled to the above option.

ARTICLE V

TRUST ALLOCATION FORMULA

On or about November 1st of each year, the Trustee(s) shall determine the appropriate subsidy to be paid to eligible participants in the forthcoming year. The formula for determining such calculations shall be based on the following assumptions:

- A. Participants who reach age fifty-five (55) shall have their Allotment from the Trust computed based on their eligibility as of the first of the month following the month they turn fifty-five (55) years old. The participant may elect to continue paying into the Trust beyond the participants fifty-fifth (55th) birthday and at a future time, commence payment from the Trust, provided that he/she meets all of the other eligible criteria at the time of commencing payment from the Trust. The participant shall have, at the time of commencing payment from the Trust, his/her benefit calculated based on the year in which he/she elects to start withdrawing payment from the Trust. All eligible participants shall receive one hundred and twenty (120) consecutive months of benefits to be used towards the payment of health, dental, vision or Home Health Care insurance premiums or any combination thereof. The amount to be paid out shall be a fixed amount for each month of entitlement as set by the Board. The payments from the Trust start at age 55 or older, provided, however, any bonus months that are earned by the participant may be taken prior to the participants 55th birthday, provided, that they run consecutive to the one hundred and twenty (120) month base allotment.
- B. Interest will be calculated on each year's balance, using the interest rate formula established by the Board.

C. Insurance benefits are normally paid out each month to an eligible participant for health, dental, vision or Home HealthCare insurance premiums or as otherwise determined by the Board.

D. Payments into the Trust and benefits paid from the Trust will be computed for an eleven (11) year period, beginning with the year following the January 1st calculation date, and the balance in the fund after the end of that eleven (11) year period must be at least two hundred fifty percent (250%) of the amount projected to be paid out in benefits in the 11th year. The Trust balance for all the years of each computation will contain a projected payment into the Trust, estimated interest earned and projected benefits paid out for each year based on the conditions in existence on the January 1st calculation date. The Trustees, by majority vote, may modify the 250% balance requirement at the end of the eleventh year, provided that it cannot go any lower than 100% no higher than 500%. Any modifications to the percentage must be done at a regular board meeting or special meeting by a majority vote of the members of the Trustees present.

E. The projection chart will show the maximum amount that may be paid out from the Trust and does not necessarily reflect the actual amount which will be paid out. This amount is determined by the Trustees.

ARTICLE VI

BOARD OF TRUSTEES

1. **Officers:** The property, affairs, activities and concerns of the Trust shall be vested in the Board, consisting of a President, Vice-President, Secretary, Treasurer and three Trustees at large. The members of the Board shall, upon election, immediately assume their duties and shall continue in office until successors are elected. The positions of the President, Vice-President, Secretary and Treasurer shall be Trustees that shall be nominated by the Trustees and shall take office subject to being voted in by the Trustees at a regular or special meeting.

2. **Permanent Seats:** There shall be three (3) permanent seats on the Board of Trustees, who shall be employees of the Labor Association of Wisconsin Inc. The Labor Association of Wisconsin may designate one of their permanent seats to a person who is not an officer of the corporation provided they are a participant of the trust in good standing. The person selected by the Labor Association of Wisconsin shall serve in that capacity as long as he/she is authorized to do so.

3. **Elected Trustee:** A full term on the board of Trustees is a maximum of four (4) years, with a minimum term of one (1) year. The four (4) years terms shall be staggered with one elected trustee position to be up for election each fall. One seat will be up for the election each year for a four (4) year term. An exception would be if a board seat is vacated in the middle of a term in which case the unexpired term would be up for election or appointment by the President. The Trustees and all participants in the Trust from a full service local in good standing shall be allowed to cast their ballot for the person(s) of their choice. Only members of a full service local are eligible to run for a seat on the Board as a Trustee and to hold a seat on the Board.

Provided, however, the President with the concurrence of a majority of the Trustee's may appoint a member in good standing to fill a vacancy on the Board, which member may be an Affiliate member or a Wisconsin Public Employee Association (WPEA) participant.

Only one seat on the Board of Directors may be filled in this manner and shall be subject to annual review and appointment at the January Board of Director's meeting.

4. **Vacancies:** Whenever a vacancy occurs in the Board by death or otherwise, it shall be filled by an election or by appointment of the President at a quarterly meeting or special meeting confirmed by a majority vote of the Trustees present, provided there is a quorum to conduct business. The member(s) of a full service local receiving the most votes or is appointed by the President shall hold office for the length of the unexpired term. Appointments made by the President of an Affiliate member or WPEA member shall serve a term of one (1) year or less if appointed mid-year, and be subject to reappointment in January of each year for another one (1) year term.

5. **President:** The President shall be the principal executive officer of the Trust and subject to the control of the Board shall, in general, supervise and control all business and affairs of the Trust. The President shall preside at all general membership, Board meetings and special meetings.

6. **Vice President:** The Vice-President, in absence of the President or at the request of the President, shall perform the duties of the President as needed or requested.

7. **Secretary:** The Secretary shall keep the minutes of all Board meetings. All minutes shall be kept in correct posture for examination by any participant of the Trust. The Secretary shall be responsible for maintaining records and files related to all business and affairs of the Trust, and handle any/all correspondence as directed by the Board. In the event the Secretary is absent from a meeting, the President shall appoint another Trustee to record the minutes. Copies of the minutes shall be provided to all participants of the Trust.

8. **Treasurer:** The Treasurer shall receive all monies of the Trust, giving his/her receipt therefore and hold them subject to the order and direction of the Board. He/she shall keep accurate and up to date account of receipts and disbursements and shall also furnish bond as directed by the Board. He/she shall report the state of the treasury at each Board meeting or special meeting and have his/her books in correct posture at all times and said books to be made available for examination by any member of the Board.

9. **Quorum:** A majority of the Board Members (4) shall constitute a quorum for the transaction of business at any meeting of the Board or special meeting.

ARTICLE VII

MEETINGS

1. **Schedule:** The meetings of the Board shall normally be held during the months of January, April, July and October in each year for receiving reports of the officers and the transaction of other business.

2. **Special Meetings:** The Board at its discretion may call Special Meetings. Notice of any special meeting is to be given in the same manner as for quarterly meetings. No business other than that specified in the notice shall be transacted.

3. **Meeting Agenda:** The order of business shall generally be as follows:

- a) Roll Call
- b) Reading the minutes from the previous meeting
- c) Treasurer's Reports
- d) Reports of Committees
- e) Unfinished business
- f) New business
- g) Set date for next meeting
- h) Adjourn

ARTICLE VIII

PENALTIES and/or IMPEACHMENT

1. **Penalties:** Any participant of the Trust who knowingly violates the Trust's Constitution and By-Laws may be subject to a penalty, suspension from the Trust, removal of any position held by the participant within the Trust, or any combination of the above. The Board will prefer specific charges and shall bring the matter to the attention of said participant in letter form. Said participant has ten (10) calendar days to answer said charges, and after ten (10) calendar days the matter will again be reviewed by the Board, and a penalty may be enacted at that time. The Board must carry a majority vote of four Trustees for this purpose.

2. **Impeachment:** In the case of a Board member being charged with a violation, it shall be handled as provided above except that if an extra vote is needed to break a tie, the President of the Board will cast the deciding vote. In the event the President is unable to cast the deciding vote for any reason whatsoever, the Vice President, or if the Vice President is unavailable, a Trustee designated by the President shall cast the deciding vote.

ARTICLE IX

APPEALS

A participant may appeal to the Board, any penalty that is handed down, provided that he/she petitions the Board in writing within ten (10) calendar days of the day he/she received the written notice of the Board's action. Any member who makes a timely request to have a meeting with the Board may be represented by anyone of his/her own choosing, provided however, the Trust shall not be required to expend any monies for the representation. If the employee does not make the appeal within ten (10) calendar days, the penalty, assessment or any other action taken by the Board shall stand as prescribed by the Board.

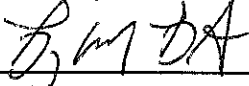
ARTICLE X

AMENDMENTS

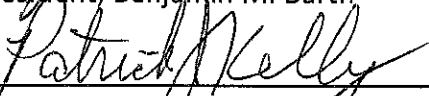
Alterations or Amendments to the Constitution and By-laws of the Trust shall be submitted in writing to the Board or from the Board, which alteration or amendment shall be read at a quarterly meeting or special meeting. The Alteration or Amendment proposed shall require a majority vote of those responding to the Alteration or Amendment in writing, provided they are eligible to vote as set forth in Article III paragraph D. The outcome of the vote shall be set forth in the minutes of the next regular or special meeting. All participants of the Trust shall receive a copy of the minutes of any regular or special meeting.

Approved on this 3rd day of August, 2017, this Constitution and By-Laws has now been formally adopted, and all the Trust Participants are bound by it.

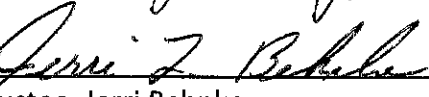
APPROVED, BOARD OF DIRECTORS:



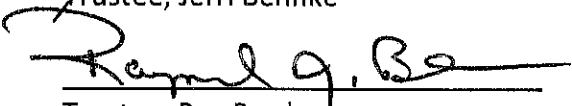
President, Benjamin M. Barth



Vice-President, Patrick J. Kelly



Trustee, Jerri Behnke



Trustee, Ray Borden



Trustee, Doug Nelson