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**TEAMSTERS LOCAL UNION NO. 731  
SCHOLARSHIP FUND**

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*Summary Plan  
Description*

# TEAMSTERS LOCAL UNION NO. 731 SCHOLARSHIP FUND

## BOARD OF TRUSTEES

### Union Trustees

Terrence J. Hancock  
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Richard J. Clarson, CEBS

### Comptroller

Michael Wainscott, CPA

### Fund Office

Local 731, I.B. of T Health & Welfare/Pension Funds  
1000 Burr Ridge Parkway, Suite 301  
Burr Ridge, IL 60527  
Telephone: (630) 887-4150  
Fax: (630) 887-4155

### Fund Accountants

Calibre CPA Group  
MacNeill Accounting & Consulting, LLP

### Legal Counsel

Dowd, Bloch, Bennett, Cervone,  
Auerbach & Yokich

### Fund Consultant

Trust Fund Benefit Consultants, LLC

The Board of Trustees, with the assistance of Professional Advisors, determines the benefits to be provided to all Participants in this Plan. The Trustees retain the right to change the Plan consistent with applicable laws and regulations and as is necessary in an effort to best serve all Participants of the Fund.

## **Section I – Eligibility**

### **You must meet all of the following criteria:**

- 1) You must be a Member who is a participant in one of the following health plans on the date the application is submitted to the Fund (a “Participant”):
  - Health and Welfare of the Excavating, Grading and Asphalt Craft Local No. 731
  - Local No. 731, I.B. of T., Health and Welfare Fund

**Note:** If on the date the application is submitted to the Fund you are laid-off and have not incurred a break in seniority as defined by your craft, you satisfy this requirement even if you have lost eligibility in the above plans.

- 2) You must work for an Employer who is contributing to the Scholarship Fund (check your “Collective Bargaining Agreement” or contact the Fund Office).
- 3) The applicant must be one of the following (a) the child of a Participant, or (b) a grandchild of Participant.
- 4) Except as provided below, the applicant must be accepted to attend, or enrolled in, a post-secondary educational institution as a full-time student, defined as taking 12 or more credit hours (or its equivalent for institutions that do not utilize credit hours) per year.
- 5) The applicant must submit a timely application and all required documentation to the Fund Office prior to the deadline set by the Trustees.

**Please note:** If your child or grandchild is awarded a Scholarship and is not a dependent covered under one of the three health plans listed above or loses dependent status in the Plans, the Fund is required to treat the Scholarship as taxable income to you and will report the value of the Scholarship on an IRS form 1099.

### **Excluded from Eligibility:**

The applicant cannot be an immediate family member of:

- 1) An Employee or Officer of Local 731, I.B. of T,
- 2) An Owner or Employee of a Contributing Employer who does not perform bargaining unit work,
- 3) Plan Trustee, or
- 4) Fund Office Staff.

## **Section II – Scholarship Amount**

The amount of the Scholarships and the use of Fund assets to administer the Scholarship program shall be determined in the following manner:

- 1) The Trustees shall periodically allocate a portion of the Fund's assets to provide Scholarships, the amounts of which will be based on Employer contributions for such benefits and administrative costs of the program. The Trustees, in their sole discretion, shall determine the number of awards, the amount of the awards and the manner and form of any benefit.
- 2) The Trustees have delegated authority to a Selection Committee to select the recipients of the Scholarships. The composition of the Selection Committee is determined by the Trustees.
- 3) The Trustees shall use a portion of the Employer contributions allocated to the Scholarship Fund for the payment of the administrative expenses related to the benefits, including, but not limited to, retaining members to serve on the Selection Committee.

### **Currently, the amounts of the Scholarships are as follows:**

- Four (4) awards at \$5,000.00 per year for four (4) years (max. total of \$20,000.00)
- Six (6) awards at \$7,500.00 per year for four (4) years (max. total of \$30,000.00)
- Two (2) awards at \$10,000.00 per year for four (4) years (max. total of \$40,000.00)
- One (1) award at \$15,000.00 per year for four (4) years (max. total of \$60,000.00)
- Special Needs Scholarship (see Section V)

## **Section III – Scholarship Criteria**

The Selection Committee, in its discretion, will select recipients of the Scholarships on the basis of the following criteria:

- Academic record,
- Standardized test scores,
- Leadership record,
- Community service and volunteer activities,
- Character,
- Career goals,
- Financial need.

All eligibility determinations will be made in a reasonable and uniform fashion but necessarily include judgment from experience in evaluating the likelihood of college success, the best use of limited resources and the proper weight to be given to the Scholarship consideration factors. The Selection Committee may consider all facts and circumstances and has full discretion to determine whether a scholarship should be awarded. The decisions of the Selection Committee and Appeals Committee (on any appeal) are final and binding and shall not be judicially reviewed except as required by applicable law.

#### **Section IV – Award and Payment of Scholarships**

If awarded a Scholarship by the Selection Committee, the recipient must satisfy all of the following criteria in order for the Scholarship benefits to continue to be paid:

- The recipient must maintain at least a “B” average (cumulated), or its equivalent
- The recipient must maintain full-time status, defined as taking 12 or more credit hours (or its equivalent for institutions that do not utilize credit hours) per year at a post-secondary educational institution.

The Fund will distribute the Scholarships to the applicable post-secondary educational institution on behalf of the recipients. The Scholarships are limited to payment of the student’s out-of-pocket expenses for tuition, books and laboratory fees that are not paid by another source. The Scholarships may also be used for room and board provided that such expense is paid directly to the institution’s bursar’s office. Room and board will NOT be paid to any other entity.

If there are any remaining Scholarship funds at the time the recipient obtains an undergraduate degree, the recipient can use those funds toward the cost of post-graduate studies. The full-time status requirement will not be applied to post-graduate studies.

Scholarship funds expire if they are not utilized within ten (10) years from the date of the award.

#### **Section V – Special Needs Scholarship**

The Trustees have delegated authority to the Selection Committee to award a Special Needs Scholarship in an amount not to exceed \$30,000.00 total. The Special Needs Scholarship is a Scholarship for a special needs student of any age. The applicant is not be required to be a full-time student enrolled in or attending a post-secondary educational institution.

The amount, number and duration of any Special Needs Scholarships will be determined by the Selection Committee in their sole discretion. The Fund will pay up to a maximum total of \$30,000.00 toward bona fide education-related expenses for the individual or individuals who may be awarded a Special Needs Scholarship. The Selection Committee has the discretion to award one (1) Special Needs Scholarship up to a maximum total of \$30,000.00 or two (2) or more Special Needs Scholarships (e.g., two \$15,000.00 awards, three

\$10,000.00, etc.) provided that the maximum total does not exceed \$30,000.00. The education-related expenses are not limited to tuition, books and laboratory fees and may include expenses for any item needed by the student in connection with his or her education. The Selection Committee may evaluate the following factors in awarding a Special Needs Scholarship:

- Extent of disability,
- Character,
- Demonstrated motivation to overcome great odds,
- Whether requested assistance would be unavailable from other sources,
- Financial need.

All eligibility determinations will be made in a reasonable and uniform fashion but necessarily include judgment from experience in evaluating the needs of the applicants, the best use of limited resources and the proper weight to be given to the Special Needs Scholarship consideration factors. The Selection Committee may consider all facts and circumstances and has full discretion to determine whether a Special Needs Scholarship should be awarded. The decisions of the Selection Committee and Appeals Committee (on any appeal) are final and binding and shall not be judicially reviewed except as required by applicable law. Scholarship funds expire if they are not utilized within ten (10) years from the date of the award. (Unless otherwise noted in this Section V, the criteria for regular Scholarships in Sections II, III and IV shall not be applicable to the Special Needs Scholarship.)

## **Section IV – Appeals**

### **Right of Appeal of Denied Application**

Each applicant, whose application for a Scholarship has been denied, in whole or in part, shall have the right to an appeal for a full and fair review of the determination, in accordance with the procedures set forth below.

The Appeals Committee of the Board of Trustees shall hear the appeal unless there are special considerations that warrant the full Board of Trustees to hear the appeal.

### **Time to File a Request for Appeal and Full and Fair Review of the Denial**

An applicant, or his/her authorized Representative, whose application was denied must request an appeal and a full and fair review of the denial, in whole or in part, of his application for benefits by filing a plain short written statement, delivered in person, or by U.S. Registered or Certified Mail, to the Fund Office within sixty (60) days of the date of receipt by the applicant of notice of the denial of his/her claim for benefits.

Upon receipt of such written request, the appeal shall immediately be forwarded by the person employed by the Trustees in such a capacity for submission of the appeal to the Appeals Committee, together with all files, papers, documents, materials and information relevant and pertaining to the application for benefits, and the determination made thereon.

The Appeals Committee, on receipt of the request for review made by the applicant, shall review the appeal and provide for a decision within sixty (60) days, unless special circumstances exist requiring an extension of time, in which event the applicant shall be notified of the reasons for the extension and the decision shall be rendered not later than one hundred and twenty (120) days from the date of receipt of the written request for review.

### **Right to Counsel and Document Review**

The applicant shall have the right to counsel or other representation in submitting an appeal. Prior to any hearing date, upon reasonable notice to the Trustees, the applicant, by himself/herself, or by counsel, shall have the right:

- To review all pertinent documents, information and other materials relevant to his claim for benefits.
- To submit to the Appeals Committee, in writing, issues and comments for its consideration.

The Appeals Committee shall have the right to counsel, the services of the auditors and other professional employees retained by the Trustees of the Local No. 731, I.B. of T. Health and Welfare Fund to assist in the making of the full and fair review required hereunder.

### **Notice of Decision on Appeal**

Each decision made by the Appeals Committee shall be in writing, in plain and concise language understandable by the applicant, and shall set forth the reason, or reasons, for the decision made and any pertinent provisions of the Plan upon which such decision is based.

### **Trustee Discretion for Grant of Appeal on Preliminary Review**

Notwithstanding the foregoing, if upon preliminary examination and review of the appeal, the Trustees are of the opinion that it is required to reverse the determination of denial previously made and to grant to the applicant a Scholarship in accordance with the application, its opinion, reduced to writing, shall be immediately forwarded to the applicant, and the hearing shall be cancelled. In addition to notice to the applicant, the Trustees shall direct the commencement of payment of the Scholarship, in accordance with the appeal decision.

### **Right of Rehearing of Decision on Appeal**

The decision on the appeal shall be subject to reconsideration thereon for a period of thirty (30) days from the date of its rendition, and thereafter it shall be final, conclusive and binding upon the applicant and all other persons.

## **Section V - Statement of Rights Under Employee Retirement Income Security Act of 1974**

As a Participant in the Local 731, I.B. of T., Welfare Funds, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

### **Receive Information about Your Plan and Benefits**

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and Union Halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (DOL Form 5500 Series and IRS Form 990) and updated summary plan description. The Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's Annual Financial Report. The Plan Administrator is required by law to furnish each participant with a copy of the Summary Annual Report.

### **Assistance with Your Questions**

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

### **Prudent Actions by Plan Fiduciaries**

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other Plan Participants and Beneficiaries. No one, including your Employer, your Union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Scholarship or exercising your rights under ERISA.



## **Enforce Your Rights**

If your Scholarship application is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to this decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance: if you request a copy of Plan documents or the latest Annual Report from the Plan and do not receive them within thirty (30) days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110.00 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a Scholarship application which is denied or ignored, in whole or in part, you may file suit in a State or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court.

If it should happen that Plan Fiduciaries misuse the Plan's assets, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

## **Section VI – Administrative Information**

This section provides information about how the Plan is administered.

**Name of Plan** - The Scholarship Fund is part of the Local No. 731, I.B. of T., Health and Welfare Fund.

**Board of Trustees** - A Board of Trustees is responsible for the operations of the Plan. The Board of Trustees consists of an equal number of Employer and Union Representatives selected by the Employers and Teamsters Local Union No. 731, which have entered into Collective Bargaining Agreements which relate to the Plan. The office of the Board of Trustees is located at 1000 Burr Ridge Parkway, Suite 301, Burr Ridge, IL 60527. Telephone: (630) 887-4150 / Facsimile: (630) 887-4155.

**Plan Sponsor and Administrator** - The Board of Trustees is both Plan Sponsor and Plan Administrator. The Trustees have delegated many day-to-day functions of the Fund to a salaried Administrator.

**Identification Number** - The number assigned to this Plan by the Board of Trustees pursuant to instruction of the Internal Revenue Service is 36-2392752.

**Agent for Service of Legal Process** - The Administrator is the Plan's Agent for service of legal process. Accordingly, if legal disputes involving the Plan arise, any legal documents should be served upon the Administrator at the Fund Office or upon any individual Trustee.

**Collective Bargaining Agreements** - This Plan is maintained pursuant to Collective Bargaining Agreements between the contributing Employers and Local Union No. 731. The Fund Office will provide you, upon written request, information as to whether a particular Employer is contributing to the Plan on behalf of Employees working under the Collective Bargaining Agreements.

**Plan Assets** - All assets are held in Trust by the Board of Trustees for the purpose of providing benefits to eligible Participants and defraying reasonable administrative expenses.

**Plan Year** - The records of the Plan are kept separately for each Plan Year. The Plan Year begins on January 1 and ends on December 31.

**Type of Plan** - This is under a Health and Welfare Plan maintained for the purpose of providing benefits to eligible Participants.

**Eligibility and Benefits** - The types of benefits provided and the Plan's requirements with respect to eligibility, as well as circumstances that may result in disqualification, ineligibility, or denial or loss of any benefits, are described in this booklet.

**Amendment and Termination of Plan** - It is the intention of the Trustees that this Plan will continue to provide benefits indefinitely. However, if unforeseen circumstances or Federal Laws require, this Plan will be terminated in accordance with the applicable provisions of federal law. In the event of the termination or partial termination of the Plan, the rights of all affected Employees to benefits earned to the date of such termination or partial termination (to the extent funded as of such date) shall be nonforfeitable.

**Copies of the Scholarship Fund Application are acceptable**

**For additional copies of the Scholarship Fund Application,  
visit the Funds' website at [www.ibt731funds.org](http://www.ibt731funds.org) and download a copy**

**or**

**contact the Fund Office at (630) 887-4150**

