

LOCAL 305

NATIONAL POSTAL MAIL HANDLERS UNION

A Division of the Laborers' International Union
of North America

AFL-CIO (LIUNA)

SICK PAY PLAN

AS AMENDED AND RESTATED

EFFECTIVE JANUARY 1, 2010

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INTRODUCTION

Effective January 1, 1986, Local 305, National Post Office Mail Handlers, Watchmen, Messengers, and Group Leaders Division of the Laborers' International Union of North America (the "Union") established a Sick Pay Plan (the "1986 Sick Pay Plan") funded under a Welfare Benefit Trust Agreement (the "1986 Trust Agreement") which was effective the same date.

Effective October 8, 2001, under Article V of the 1986 Trust Agreement, the Union (renamed "Local 305 National Postal Mail Handlers Union, a Division of the Laborers' International Union of North America, AFL-CIO (LIUNA)"), adopted the Welfare Benefit Trust Agreement, as amended and restated effective October 8, 2001 (the "Trust Agreement"), which replaced and superseded the 1986 Trust Agreement and all previous amendments up to the date of the 2001 amendment and restatement.

Effective October 1, 2002, under Article IV of the Sick Pay Plan, the Union adopted the Sick Pay Plan, as amended and restated effective October 1, 2002 (the "2002 Sick Pay Plan") which replaced and superseded the 1986 Sick Pay Plan and all previous amendments up to the date of the 2002 amendment and restatement.

Effective January 1, 2010, under Article IV of the 2001 Trust Agreement, the Union adopted the Welfare Benefit Trust Agreement, as amended and restated effective January 1, 2010 ("the Trust Agreement") which replaces and supersedes the 2001 Trust Agreement and all previous amendments up to the date of the 2010 amendment and restatement.

Effective January 1, 2010, under Article IV of the Sick Pay Plan, the Union adopted the Sick Pay Plan, as amended and restated effective January 1, 2010 (the "Sick Pay Plan") which replaces and supersedes the 2002 Sick Pay Plan and all previous amendments up to the date of this amendment and restatement.

The Trust, the Sick Pay Plan, all predecessor trusts and plans, and certain other plans have at all pertinent times been intended to qualify, and have been qualified, as a voluntary employees beneficiary association ("VEBA") under section 501(c) (9) of the Internal Revenue Code of 1986, as amended.

ARTICLE I

CREATION OF THE SICK PAY PLAN

A. Name - The name of the Plan created and maintained hereby is the Local 305 National Postal Mail Handlers Union, A Division of the Laborers' International Union of North America, AFL-CIO (LIUNA) Sick Pay Plan, as amended and restated effective January 1, 2010.

B. Purpose and Construction - The purpose of this Sick Pay Plan is to provide a benefit to eligible Union Members who meet the requirements of the Plan, who are unable to work because of sickness or injury, and who have exhausted the sick leave, annual leave, advance leave and other available benefits provided by their employer(s).

1. **Sponsor** - The Sponsor of this Sick Pay Plan is Local 305 National Postal Mail Handlers Union, A division of the Laborers' International Union of North America, AFL-CIO (LIUNA) (the "Union"). The Sponsor is a Fiduciary of the Sick Pay Plan; and any action of the Sponsor may be by resolution of its officers or other person with authorization from those officers.

2. **VEBA Participating Plan**- This Sick Pay Plan is intended to be a Participating Plan as defined in the Trust Agreement and, together with other Participating Plans, to qualify as a voluntary employees' beneficiary association ("VEBA").

3. **Applicable Law** - This Sick Pay Plan must be construed, enforced and administered in accordance with the laws of Virginia (except its choice-of-law rules) and the laws of the United States of America.

C. Plan Creates No Separate Rights - The creation, continuation, or change of this Sick Pay Plan, or any payment, does not give any person a non-statutory legal or equitable right against the Sponsor, the Plan, the Trust, or any Administrators, Trustees, Fiduciaries or any officers, agents, or other person employed by any Plan, Trust or the Union. This Sick Pay Plan neither creates nor modifies any membership rights

in the Union. Rights or eligibility under this Plan do not create any rights or eligibility under any other Sponsor maintained benefit Plan; nor do rights or eligibility under any other Sponsor maintained benefit Plan create any rights or eligibility under this Plan.

D. Non-Alienation of Benefits - Except as permitted by law and specific provisions of this Plan, no assignment of any rights or benefits arising under the Plan is permitted or recognized. No rights or benefits are subject to attachment or other legal or equitable process or subject to the jurisdiction of any bankruptcy court.

II. FIDUCIARIES, RESPONSIBILITIES AND ADMINISTRATION

A. Named Fiduciaries - The Named Fiduciaries for this Plan are the Sponsor and the Administrator.

B. Appointment of Administrator - The Sponsor must appoint an Administrator, which shall be a committee of three individuals, with three year terms staggered as the Sponsor may determine.

1. Successors - Whenever a member of the Administrator committee ceases to serve, the remaining committee members possess the full powers and authority of the Administrator until the vacancy has been filled. The Sponsor shall promptly appoint an individual to fill the vacant term, or portion thereof, created when a member of the Administrator committee ceases to serve. A member of the Administrator committee may resign by delivering a written resignation to the Sponsor or may be removed by a vote of 2/3 majority of the Sponsor's Executive Board.

2. Qualifications - At all times when three individuals are serving as Administrator, one of them must be a member of a labor organization that represents mail handlers within the geographical jurisdiction of the Union as it existed on January 1, 1986.

3. Acceptance - Each member of the Administrator committee shall, as a condition of appointment, deliver to the Sponsor and the Trustees the member's written acceptance of the fiduciary responsibilities conferred on him or her by this Plan.

C. Responsibilities - The Sponsor, the Trustees and the Administrator have all responsibilities for this Plan.

1. Sponsor - The Sponsor retains all responsibilities not specifically delegated to the Trustees, to the Administrator or to other Named Fiduciaries by this Plan or by other authorized act of the Sponsor. The Sponsor has the power to delegate fiduciary responsibilities that the Plan does not specifically delegate.

2. Trustees - The Trustees have the responsibilities described in the Trust Agreement.

3. Administrator - The Administrator has the responsibilities and authority to effect the purpose of this Plan by administering it according to its terms. As necessary to discharge its responsibilities, the Administrator shall interpret the Plan, resolve questions of Member eligibility to become Participants, grant or deny Participant claims, maintain a bank account, request appropriate funds from the Trustees, make authorized benefit payments, and maintain appropriate records of its actions.

a. Agency - Acts and decisions of the Administrator made in good faith and within its authority shall be conclusive and binding on all parties.

b. Limitation of Liability - To the extent permitted by law, Administrator committee members shall not be liable for any action or omission that is not gross negligence or bad faith; nor shall one Administrator committee member be liable for the act or omission of another committee member or Fiduciary. Except as provided in this Plan or by agreement between the Sponsor and the Administrator, the Sponsor shall indemnify, save harmless and defend each Administrator committee member against liabilities and expenses of claims arising out of his or her duties, except expenses, claims and liabilities arising out of the member's own gross negligence or bad faith. The Sponsor shall secure any bond required by law for Administrator committee members, and may purchase insurance against their acts or omissions. If the Sponsor does not obtain such insurance, the

Administrator committee members may obtain insurance at reasonable expense to the Trust.

c. Accountants, Specialists and Legal Counsel - The Sponsor or the Trustees shall authorize and pay the reasonable compensation and expenses for suitable accountants, specialists and legal counsel required for the discharge of the Administrator's responsibilities. The Administrator is entitled to rely on the advice of authorized accountants and legal counsel and shall be protected by the Sponsor, the Members and the Participants when it acts in good faith based on such advice.

d. Plan Reporting and Disclosure - The Administrator is responsible for complying with all reporting and disclosure requirements under ERISA and under the Code and for maintaining records with respect to Participant eligibility and coverage and with respect to claims presented and paid.

D. Administration - The Administrator may adopt or amend rules and guidelines for administration of the Plan, processing of claims and the conduct of Administrator affairs.

1. Acts and Decisions - The Administrator acts by a majority of its committee members in office at the time and may act by a vote at a meeting or in writing without a meeting. In the event of a tie vote among committee members, the Sponsor may decide the pending issue by majority vote of its officers. The Administrator committee must choose a chairperson from among its members and may appoint a secretary to keep records required by the Plan. The Administrator may authorize one or more of its committee members to execute a document in the name of the Administrator and shall notify the Sponsor and the Trustees of each member so authorized.

2. Records - The Administrator must keep a record of all formal proceedings, eligibility and claim decisions and all other data necessary for the proper administration of the Plan. The Administrator will notify the Union of any Administrator action other than routine processing of benefit claims.

3. **Expenses** - The Sponsor shall pay the reasonable Administrator expenses and costs of administering the Plan and may, in its discretion, pay reasonable compensation to Administrator committee members. Subject to relevant provisions of the Trust Agreement, the Trustees may also pay expenses of the Administrator from Trust funds.

III. BENEFITS, CLAIMS AND APPEALS

A. **Benefit Eligibility** - To be eligible to qualify as a Participant in this Plan a person must have been a Member in good standing of the Union for a minimum of five (5) consecutive years prior to date on which a claim is filed on his or her behalf for benefits under this Plan.

B. **Determination of Eligibility** - The Administrator must determine the eligibility of each person making a claim for Plan benefits. All good faith eligibility decisions of the Administrator are conclusive and binding on all persons for the Plan Year in question and there is no right of appeal.

C. **Benefit Available** - This Plan provides a sick pay benefit of \$100 per week up to a total of \$1,000 per Plan year. This benefit is available to eligible Members who file timely and qualified claims approved by the Plan Administrator.

1. **Qualified Claims** - A Member who is unable to work because of sickness or injury and who has exhausted the sick leave, annual leave, and advance leave provided by his employer or by the Sponsor through another plan has a qualified claim for benefits under this Plan.

2. **Timely Claims** - To become a Participant in Plan benefits a Member must submit a claim to the Administrator within six months of the event giving rise to the claim.

3. **Administrator Approval** - The Administrator has the exclusive authority to determine whether benefit claims under this Plan are timely, qualified and approved for payment.

D. **Benefit Claims** - A Member must file a claim in order to receive benefits under this Plan. A claim is any written statement signed by a Member which is delivered to the Administrator and which reasonably puts the Administrator on

notice that the Member desires a benefit under the Plan. The Administrator may provide claim forms and require a claimant to provide information necessary to enable the Administrator to approve or disapprove the claim.

1. Claim Procedures - Upon receipt of a claim the Administrator shall respond to the claimant in writing within ninety (90) days notifying the claimant of the time within which the Administrator expects to approve or disapprove the claim and/or requesting from the claimant any and all additional information necessary to enable the Administrator to approve or disapprove the claim. The Administrator shall approve or disapprove a claim within ninety (90) days of first responding to the claim or within ninety (90 days) of receiving all information necessary to enable such determination. A claim not approved within the time prescribed is deemed denied. Good faith determinations of the Administrator are conclusive and binding on all persons and there is no right of appeal except as stated in section III.C.4.

2. Approved Claims - The Administrator shall promptly pay claims which it approves. The full value of a payment made according to the provisions of the Plan satisfies that much of the claim and all related claims under the Plan and the Administrator may require the Participant to execute a receipt and release of the claim(s), in a form satisfactory to the Administrator, as a condition of making such payment.

3. Disapproved Claims - The Administrator shall promptly notify the claimant in writing when a claim is disapproved in whole or in part, specifying each reason for the disapproval, referring to the provisions of the Plan or related documents on which the disapproval is based, describing any additional material or information which might enable the claimant to perfect the claim and explaining the time limits and the steps the claimant must take if he or she desires to submit the claim for review, including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse determination or review.

4. Review of Claim Disapprovals - A Member may have a disapproved claim reviewed by delivering a request for review to the Administrator within sixty (60) days of the

date on which the Member is notified of the disapproval. Upon receipt of a request for review the full committee of the Administrator or a person designated by the Administrator for that purpose, shall promptly review the claim and, within sixty (60) days of receiving the request for review, notify the Member of the reviewers' decision.

a. **Record on Review** - A Member who requests review of a claim disapproval is entitled to inspect all Plan documents and other papers that affect the claim and, within thirty (30) days of requesting review, to submit a written statement of the Member's views on the matter.

b. **Discretionary Hearing** - The Administrator may in its sole discretion direct that a hearing be conducted on a request for review of a claim disapproval. The hearing shall be conducted according to such procedures as the Administrator may determine, provided that the claimant must be given reasonable notice of the time and place of the hearing, time to review relevant documents prior to the hearing, and an opportunity to be present and be heard at the hearing.

c. **Final Decision on Review** - The Administrator or other reviewer shall notify the claimant in writing of the final decision after review. The written decision shall be written in a manner calculated to be understood by the claimant and shall include specific reasons for the decision and specific references to the pertinent provisions of the Plan or related documents on which the decision is based. The decision on review is final and binding on all parties and may not be appealed.

5. **Extensions of Time** - The Administrator may in its discretion and for good cause grant reasonable extensions of the time limits set forth in Section III.C. of the Plan. Claimants shall be promptly notified of all such extensions.

IV. AMENDMENT AND TERMINATION

A. **Amendment** - The Sponsor, by action of its Executive Board, may modify, alter or amend the Plan in whole or in part. An amendment may be made retroactively if necessary to make the Plan conform to applicable law. The Administrator must unanimously approve any amendment that affects the composition of the Administrator committee or the number of individuals who serve on the committee.

B. **Termination** - The Sponsor, by action of its Executive Board, may terminate the Plan. The Sponsor must notify the Administrator of a Plan termination at least thirty days before the effective date of the termination.

V. CONSTRUCTION AND DEFINITIONS

A. **Construction of Text** - Any word in the Plan with an initial capital not expected by ordinary capitalization rules is a defined term according to this Plan Article V. Some of these definitions incorporate definitions found in the Code or ERISA and regulations promulgated pursuant to those statutes (but the terms of the statutes prevail over their respective regulations). To the maximum extent permitted by law, the definitions in this Plan shall be read together and harmonized with the definitions in the Trust Agreement to best effect the purposes of the Trust and this Plan.

B. Definitions

1. **"Administrator"** means a person (an individual or an entity) or a committee of persons that is a Named Fiduciary and serves as this Plan's person described in ERISA section 3(16).

2. **"Code"** means the Internal Revenue Code of 1986, as amended at any relevant time.

3. **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended at any relevant time.

4. **"Fiduciary"** means a person (as defined in ERISA section 3(9)), whose relationship to the Plan is defined in ERISA section 3(21) and Code section 4975(e)(3). A person is a Fiduciary only to the

extent required by ERISA section 3(21) and Code section 4975(e)(3).

5. "Member" means an individual who is a regular member of the Union excluding associate members.

6. "Named Fiduciary" means persons who accept responsibilities under ERISA section 405(c)(3) with respect to this Plan.

7. "Participant" means, consistent with ERISA section 3(7), a Member who has satisfied the requirements described in Plan Article III.

8. "Plan" means this Local 305 National Postal Mail Handlers Union, a Division of the Laborers' International Union of North America, AFL-CIO (LIUNA) Sick Pay Plan, as amended and restated effective January 1, 2010.

9. "Plan Year" means the twelve-month period that is the Sponsor's tax year.

10. "Sick Pay Plan" means this Plan and, as applicable, its predecessor statements, the 2002 Sick Pay Plan and the 1986 Sick Pay Plan.

11. "Sponsor" means the Union

12. "Trust" means the relationship between the Trustees and the Trust Fund governed by the Trust Agreement.

13. "Trust Agreement" means the Local 305 National Postal Mail Handlers Union, a Division of the Laborers International Union of North America AFL-CIO Welfare Benefit Trust Agreement, as amended and restated effective January 1, 2010.

14. "Trustees" means the persons serving as Trust Fund fiduciaries pursuant to the Trust Agreement.

15. "Trust Fund" means the entire undistributed amount of all assets in the custody of the Trustees pursuant to the Trust Agreement, adjusted for expenses, gains and losses.

16. "Union" means Local 305 National Postal Mail Handlers Union, a Division of the Laborers' International Union of North America, AFL-CIO (LIUNA) and, as applicable, its predecessor Local 305 National Post Office Mail Handlers, Watchmen, Messengers, and Group Leaders Division of the Laborers' International Union of North America.

VI. SIGNATURE PAGE

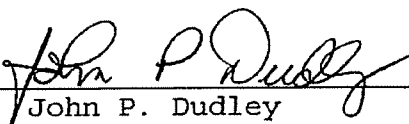
THIS SICK PAY PLAN, pursuant to the amendment authority of its predecessor 2002 Sick Pay Plan, is adopted by the Sponsor, Local 305 National Postal Mail Handlers Union, a Division of the Laborers' International Union of North America, AFL-CIO (LIUNA).

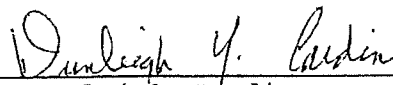
AS EVIDENCE OF THE SPONSOR'S ADOPTION, this Plan, as amended thru December 31, 2009, is executed by the authorized officer of the Union to be effective January 1, 2010.

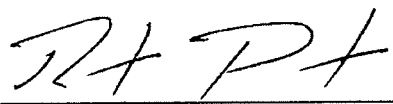
LOCAL 305 NATIONAL POSTAL MAIL
HANDLERS UNION, A DIVISION OF
THE LABORERS' INTERNATIONAL UNION
OF NORTH AMERICA, AFL-CIO (LIUNA)

By: 
KENNETH A. HAYES, PRESIDENT

The undersigned, being duly appointed by the Sponsor, hereby accept the responsibilities of Administrator as set forth in this Plan. This 1st day of January, 2010.

By: 
John P. Dudley
Term expiring 12/31/2010

By: 
Dunleigh Cardin
Term expiring 12/31/2011

By: 
Robert G. Peters
Term expiring 12/31/2012