Labor Day 2014 will mark the 40th anniversary of the enactment of the Employee Retirement Income Securities Act (ERISA) in 1974. ERISA is a unique piece of federal legislation that sets standards for employee benefit plans in the private sector.

It is important to note that ERISA provides for the following: a) it establishes performance standards for those who manage benefit plans or are deemed a fiduciary of the plan, b) it provides that Trustees of benefit plans are fiduciaries by nature of their position and that others may be considered fiduciaries depending on the amount of discretion they have over plan assets, and c) it provides objective standards to be followed by fiduciaries.

It is also important to note that a fiduciary must be loyal to those served by the plan and act in the best interests of the participants. They must perform their duties with the care, skill and diligence of a prudent person and must diversify the assets of the plan to protect against loss. The duties of a trustee are many and involve balancing the diverse interests of several different groups that participate in benefit plans, such as working members, inactive members, disabled members, retirees, spouses and dependents.

Trustees of plans may retain outside experts to assist in the management of the plan when prudent to do so. The following are examples of outside experts typically retained by benefit plans:

• Actuary – Gathers data and makes calculations that help determine pension and health plan funding needs.
• Attorney – Advises trustees on all legal issues, laws and regulations.
• Auditor/Accountant – Performs the annual audit required by law, and prepares required tax and compliance returns and reports.
• Insurance Carrier or Underwriter – Provides liability insurance coverage for trustees.
• Insurance Consultant or Broker – Advises trustees on insurance contracts, underwriting, benefit design and monitoring claims performance.
• Investment Manager – Manages and invests plan assets, according to objectives and policies of the trusts.
• Investment Consultant - Advises and assists trustees in establishing investment policies and objectives, evaluating types of investments, reviewing asset allocations, and selecting and monitoring the performance of investment managers.

continued on page two
CO-PAYS, DEDUCTIBLES AND CO-INSURANCE MADE SIMPLE

Health care industry terms can be confusing. Let’s look at some common terms and explain them in plain language.

CO-PAYS
A co-pay is a flat amount paid to a doctor, or other health care provider at the time of every visit when you use an in-network provider. In the case of a pharmacy co-payment, it would be the amount you pay on each prescription at your retail pharmacy. Co-pays may vary depending on your plan and the services you receive.

Here’s an Example
Jake twisted his ankle sliding into home plate at his weekly softball game. The next day Jake went to his doctor to get his ankle wrapped. He paid a $20 co-pay for the visit. He’ll pay that same $20 at every appointment with his doctor. Now, if Jake needed to get a prescription, the co-pay amount may be different for each one.

DEDUCTIBLES
A deductible is the amount you pay for out-of-network services each year before your Plan benefits kick-in.

Example
Let’s say Jake blows his knee out later in the softball season and needs surgery costing $5,000. Let’s assume his out-of-network deductible is $150 for the year, none of which he has paid yet. He will pay the first $150 of that $5,000 out of his pocket as a deductible. Then, after he has paid his yearly deductible in full, his health plan will start contributing to his care.

CO-INSURANCE
Jake’s out-of-network plan has co-insurance, which is a fixed percentage paid after the deductible. For instance, some plans require the member to pay a certain percentage of the charges and the plan pays the rest. In Jake’s case, he has a 30% coinsurance rate for out of network services. Here’s how Jake’s plan would work for his $5,000 knee surgery:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surgery</td>
<td>$5,000 total</td>
</tr>
<tr>
<td>Out of Network Deductible</td>
<td>$150 (paid once a year)</td>
</tr>
<tr>
<td>Out of Network Co-Insurance</td>
<td>30% of $4,850 or $1,455</td>
</tr>
<tr>
<td>Jake’s Total</td>
<td>$1,605</td>
</tr>
<tr>
<td>Jake’s Plan Pays</td>
<td>$3,395</td>
</tr>
</tbody>
</table>

Every Plan works differently. If you want more information on your Plan, call the customer service number on your ID card or log into your account at empireblue.com.

FUNDS KEEP SERVICES UP AND COSTS DOWN
continued from page one

The staff of the Carpenters Funds Office is responsible for processing contractor contributions and reports, making eligibility and benefit determinations, ensuring legal compliance, compiling necessary participant data, communicating with participants and trustees, processing numerous forms and paying trust expenses.

As you know, the Empire State Carpenter Funds are the result of the merging of every carpenter benefit fund in the state of New York, with the exception of those maintained by the New York City District Council of Carpenters and the Albany/Adirondack Carpenters Pension Fund. These mergers have allowed the funds to operate more efficiently by reducing the numbers of professionals retained and managing staff more effectively. This reduces administrative expenses and makes more money available for benefits.

With all this as a backdrop, it’s only natural that the membership of the Empire State Carpenter Funds expects administrative costs to be handled and expended in a most prudent manner. Accordingly, I am pleased to report that for the fiscal year ended June 30, 2013, the Pension, Health, and Annuity funds’ Net Assets Available for Benefits increased by $168.8 Million (of which $18.9 Million is from the Jamestown Local #66 Pension Fund merger) to a total of $1.6 Billion.

Within this issue of “On the Fringes,” you will find the Summary Annual Reports (SAR’s) for the Welfare and Annuity Funds. In 2010, the Pension Fund SAR was replaced by law (Pension Protection Act) with the funding notice you receive in the fall of each year.

Our benefit funds’ administrative expenses compare very favorably with other multi-employer funds of equal or even less size. Overall our administrative expenses are less than 7% of the contributions we receive. Therefore, some 93 cents of every dollar received goes to providing benefits to members and their families. The Trustees of the Empire State Carpenters Benefit Funds always put the needs of the membership first and do their best to strike the proper balance between providing the best benefits today while fortifying the financial integrity of the funds in order to provide future benefits.

In closing, I will tell you that I am very proud to serve this membership as your funds director and do not take the responsibility that comes with the job lightly. Under the guidance of the Board of Trustees, the fund office staff and I will continue in our commitment to provide you with the excellent level of benefits and services you deserve.
It’s Time To Think Spring...

BUT REMEMBER TO UPDATE YOUR RETIREMENT ACCOUNTS

Your Annuity Fund account plays an important role in your retirement savings, but simply having a balance in the Plan is not enough. When was the last time that you checked to see if you were on track to reach your retirement goals? Many people begin by creating a plan for retirement but then never check back to see how they’re progressing. Now that spring is almost here this is a great time to check in on your retirement savings! Here are four easy steps that you can follow:

1) REVIEW YOUR GOALS AND PLANS
Take some time to see where you are on your path to retirement. You can use MassMutual’s participant website (www.retirement.com) to help manage your retirement assets. The site has a variety of calculators that can help you review your savings rate and investment strategy to assist in meeting your financial goals.

2) REVIEW YOUR INVESTMENT ALLOCATION
Each year it is important to review your allocation and make any changes that become necessary due to life changes or other events. It is also important to rebalance your original allocation, if it is out of line and your personal situation has not changed.

MassMutual offers the Cruise ControlSM feature which will automatically rebalance your account each quarter. You can sign up for Cruise ControlSM once you log into your account on www.retirement.com. If you have any questions about your account or the Cruise ControlSM tool, you may contact MassMutual directly by calling 1-800-743-5274.

3) CHECK YOUR BENEFICIARY INFORMATION
Remember to check your beneficiary information each year to make sure it is up to date. To change or update your beneficiary information, contact the Empire State Carpenters Fringe Benefit Funds Office to obtain a beneficiary form.

4) KEEP A LONG-TERM VIEW
Your retirement account is a long term savings vehicle so keep in mind that it may be a good course of action to stay invested through the ups and downs of the market. After all, it is time in the market, not market timing that counts in investing! You owe it to yourself to take the time to help you meet your future retirement goals.

The George H. Laufenberg Scholarship Fund is now open to the children and grandchildren of all eligible members of the Northeast Regional Council of Carpenters, including members of New York-based local unions that participate in the Empire State Carpenters Funds.

The deadline for submission of student applications is April 15, 2014.

An Awards Luncheon will be held for New York-based scholarship recipients on Wednesday, June 4th in Albany, NY. Some nine dependents or grandchildren of Empire State members were awarded scholarships in 2013. The program’s namesake, the late George H. Laufenberg, was the long-time President of the former New Jersey Regional Council of Carpenters.

For more information and/or an application, please contact Lisa Rokosny at (732) 417-3900 ext. #322, or visit the New Jersey Carpenters Funds website at: www.njcf.org and click on “GHL Scholarship.”
This is a summary of the annual report of the Empire State Carpenters Welfare Fund, EIN 11-1582767, Plan No. 501, for the period July 01, 2012 through June 30, 2013. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees of the Empire State Carpenters Welfare Fund has committed itself to pay certain claims incurred under the terms of the plan.

Insurance Information
The plan has contracts with HealthNow New York, Inc., DBA Blue Shield Of Northeastern NY, Excellus BlueCross BlueShield Plan, Medco Containment Life Insurance Company, Independent Health, and United Health Care Insurance Company to pay health, dental, life insurance, prescription drug, PPO and Medicare claims incurred under the terms of the plan. The total premiums paid for the plan year ending June 30, 2013 were $23,382,371.

Because they are so called “experience-rated” contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the plan year ending June 30, 2013, the premiums paid under such “experience-rated” contracts were $21,620,338 and the total of all benefit claims paid under these contracts during the plan year was $19,135,993.

Basic Financial Statement
The value of Plan assets, after subtracting liabilities of the Plan, was $218,257,938 as of June 30, 2013, compared to $190,696,501 as of July 01, 2012. During the plan year the plan experienced an increase in its net assets of $27,561,437. This increase includes unrealized appreciation and depreciation in the value of Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. During the Plan year, the Plan had total income of $125,871,442, including employer contributions of $91,639,597, employee contributions of $17,781,239, realized gains of $1,300,456 from the sale of assets, earnings from investments of $7,509,800, and other income of $7,640,350.

Plan expenses were $98,565,652. These expenses included $5,667,871 in administrative expenses, and $92,897,781 in benefits paid to participants and beneficiaries.

This is a summary of the annual report of the Empire State Carpenters Annuity Fund, EIN 11-2824705, Plan No. 001, for the period July 01, 2012 through June 30, 2013. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement
Benefits under the plan are provided by insurance and a trust fund. Plan expenses were $42,513,111. These expenses included $3,083,676 in administrative expenses, $39,110,697 in benefits paid to participants and beneficiaries, and $318,738 in other expenses. A total of 14,158 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was $465,381,125 as of June 30, 2013, compared to $419,709,664 as of July 01, 2012. During the plan year the plan experienced an increase in its net assets of $45,671,461. This increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. The plan had total income of $88,184,572, including employer contributions of $32,492,599, earnings from investments of $46,895,599, and other income of $8,796,374.

The plan has contracts with New York Life Insurance Company and Massachusetts Mutual Life Insurance Company which allocate funds toward individual policies and a Group Annuity Contract. The total premiums paid for the plan year ending June 30, 2013 were $15,691.

If you don’t keep your BENEFICIARY information up to date, your money may not go to your intended beneficiaries. You may change your BENEFICIARY anytime to account for life changes such as marriage, births, deaths or divorce. Contact the Fund Office today at 1-877-372-3236 to make sure that you have a current BENEFICIARY card on file.

DO YOU KNOW WHERE YOUR MONEY WILL GO?
SUMMARY OF MATERIAL MODIFICATIONS TO THE 2012 EMPIRE STATE CARPENTERS PENSION PLAN

The Board of Trustees of the Empire State Carpenters Pension Fund has adopted changes to the 2012 Empire State Carpenters Pension Plan document ("Empire Plan"). This document summarizes those changes. Please keep this document with your Summary Plan Description for the Empire Plan effective January 1, 2012 ("SPD").

1. Effective September 16, 2013 the following language is added to the end of the definition of "Spouse" or "Surviving spouse" on page 14:

   Effective for retirements and pre-retirement deaths on and after September 16, 2013, spouses of the same gender are considered Spouses or Surviving Spouses for all purposes under the Plan, if they were legally married under the laws of the State in which the marriage ceremony took place.

2. Effective January 1, 2012, the last sentence of the paragraph regarding the suspension of benefits for Participants younger than age 62 on page 17 is deleted and replaced with the following:

   This includes all work described above, whether or not the work is performed for a Union or non-Union employer and regardless of whether such work is performed on a jobsite at which carpenters under this Plan are employed, except that Disqualifying Employment shall not include any work as a supervisor, project manager or estimator for a Contributing Employer or other employer party to a collective bargaining agreement with a local union or district council of the United Brotherhood of Carpenters. Post-retirement work as a foreman will be considered Disqualifying Employment, even if performed for a Union contractor. The Trustees may, for good cause, waive a period of Suspension of Benefits under this Section.

3. Effective January 1, 2012, the following language is added to the end of the paragraph on page 18 of the SPD regarding the suspension of benefits for Participants age 62 and older:

   Disqualifying Employment shall not include work as a supervisor, project manager or estimator for a Contributing Employer or other employer party to a collective bargaining agreement with a local union or district council of the United Brotherhood of Carpenters, but may include work as a foreman if it meets the other requirements for Disqualifying Employment.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

- An Accountant’s Report
- Financial Information
- Information on Payments to Service Providers
- Assets Held for Investment
- Insurance Information, Including Sales Commissions Paid by Insurance Carriers
- Information Regarding Any Common or Collective Trusts, Pooled Separate Accounts, Master Trusts or 103-12 Investment Entities in Which the Plan Participates

To obtain a copy of the full annual report, or any part thereof, contact the office of Board of Trustees, Empire State Carpenters Annuity Fund at 270 Motor Parkway, Hauppauge, NY 11788-5150, or by telephone at (631) 952-9700. The charge to cover copying costs will be $9.75 for the full annual report, or $0.25 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the Plan (Board of Trustees Empire State Carpenters Annuity Fund at 270 Motor Parkway, Hauppauge, NY 11788-5150) and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.
1. Your prescriptions receive a safety check.
   Our investment in technology allows us to work with your doctor and pharmacist to help ensure you receive safe prescription drug care. With every medication order, our sophisticated computerized system guards against a variety of potential problems, such as drug interactions. These safeguards help ensure you receive the right medication, in the right dosage, at the right time.

2. Savings and convenience are in the mail.
   With home delivery, you can save money not only on medications, but on gas by avoiding trips to the drugstore. Join the millions of Americans who enjoy the savings and convenience of receiving up to a 90-day supply—for one home delivery payment. You’ll also have full access to our specialist pharmacists, who are specially trained in the medications used to treat chronic conditions, including diabetes, high blood pressure and high cholesterol.

3. There’s a nationwide network of retail pharmacies.
   When you need to take a short-term medication, such as an antibiotic, Express Scripts offers a network of tens of thousands of chain and neighborhood retail pharmacies. To locate a participating retail pharmacy near you, visit Express-Scripts.com or call Member Services at the number on the back of your member ID card.

4. Online and mobile services are at your fingertips.
   Access details about your prescription benefit, manage your prescriptions and get health and wellness information at Express-Scripts.com. Plus, you can easily order refills of your home delivery prescriptions, check the status of your orders and review your prescription history. With the Express Scripts mobile app, you can also access these services on your iPhone®, BlackBerry® or Android™ smartphone. Go to your smartphone’s app store, search for “Express Scripts” and download the app for free today.

5. Express Scripts Member Services is ready to help.
   Our representatives use the most advanced information systems available today to resolve more than 90 percent of inquiries on the first call. Through Member Services, you can obtain account information, refill prescriptions using our automated system, set up payment options and more. There are also special support services for the blind and hearing-impaired. Our toll-free Member Services number is on your member ID card and your home delivery prescription bottle.

6. Express Scripts pharmacists are available anytime.
   All our pharmacists are available anytime, day or night, to speak with you about your medication. To speak with a specialist pharmacist, call Member Services and ask the representative to transfer you to a pharmacist who handles your specific condition.

To talk with a pharmacist or to get started with home delivery, just call the number on the back of your member ID card.
STRESS AWARENESS

You know the feeling – sweaty palms, racing heartbeat, an upset stomach. This is stress, and it’s how your body responds to physical dangers. The hormones that are released once helped people face physical threats. But since we don’t fight saber-toothed tigers anymore, the hormones are not as helpful.

Today, stress tends to last for weeks or longer due to the demands of modern life. Your system is in overdrive and hormones can disrupt some of your body’s processes, leading to:

- Higher risk of heart disease
- Obesity
- Digestive problems
- Memory loss
- Insomnia
- Depression

How to tame your stress

- Get out & exercise – Consider walking, jogging, biking or anything else that gets you active.
- Laugh out loud - Laughing lightens your mental load and does good things for your body.
- Talk to friends and family – They can distract you, provide support, help you weather life’s ups and downs.
- Do yoga – Yoga uses both physical and mental moves to create peace of body and mind. This helps you relax and manage stress. Try yoga on your own or find a class in your area.
- Get more rest – Sleep is when your brain and body recharge. Get the right amount and you’ll improve your mood and energy level.
- See a counselor or therapist – They can help you find sources of your stress and learn new coping tools.

Talk to your doctor if you’re feeling really stressed. Sometimes other health problems have similar symptoms.

WHAT DOES SMOKING REALLY COST?

You know that quitting smoking is one of the best things you can do for your health. And it may be the biggest reason you decide to quit. But consider some of the other costs that are not so obvious, or the savings you could realize, and maybe that might encourage you, or someone you care about, to quit for good.

- Retirement savings potential – A pack a day habit can cost about $4.50, or 22.5 cents per cigarette. That’s $1,642.50 a year.
- Taxes – Uncle Sam currently collects $630 per American household each year in federal and state taxes to help pay for the many health problems caused by smoking.
- Home resale value – Smoking may encourage lower offers or even be a deal breaker when selling a house. Eliminating smoke smell from a home can cost thousands and deduct from your profits. It can cost about $2,000 to prime and paint several interior rooms, and around $280 to deodorize and replace 1,000 sq.ft. of carpet.
- Car trade-in value – Car dealers can knock off as much as $1,000 or more on vehicles that have smoke smell, burn holes in carpet and upholstery, and nicotine stains.
- Insurance premiums & associated losses – Smoking may affect the rates you pay for car, homeowner’s and/or health insurance. According to the National Fire Protection Association, there were approximately 142,900 smoking-related home fires in the U.S. in 2006, which resulted in the loss of about 780 lives, 1,600 injuries, and $606 Million in property damage. One out of four of the fatalities reported included a person who was not the smoker whose cigarette caused the fire.
- Health care – These costs can include the costs you pay out of your pocket for co-pays, deductibles, and the costs of frequent doctor’s visits, ER visits, dental care and medications to help take care of health problems associated with smoking.

To hold-on to more of your hard earned dollars, quit smoking for good. For more information on smoking cessation, visit empireblue.com.
WE GET LETTERS

The following note was recently sent to Empire State Carpenters Benefit Funds Director David Stewart:

“Dear Dave,
Just wanted to drop you a quick note letting you know how much I enjoy reading “On the Fringes.” It reminds me of the rapid changes in the Empire State Funds. Keep up the good work.”

Yours,
Gary Cocker

Editor’s Note:
Gary Cocker is a former Administrator of the Nassau County Carpenters Benefit Funds.