

pleted any probationary period required by your employer.

Decrease in Benefit Level: You may elect to decrease your benefit level at any time and your new election will be effective on the first day of the month following the month in which the DIPP office receives the corresponding lower premium amount.

Increase in Benefit Level: You may elect to increase your benefit level no earlier than one year after the effective date of your last election and your new election will take effect 90 days after it is received by the DIPP office. For example, if you began participation in the Plan on October 1, 2019, you would first be eligible to increase your benefit level on October 1, 2020, and your increased benefit would apply only to an eligible disciplinary action that occurred 90 days after the DIPP office received your new election. If you waited until December 1, 2020 (instead of October 1, 2020) to increase your benefit level, that increase would be effective with respect to an eligible disciplinary action that occurred at least 90 days after the date that the DIPP office receives your new election.

Regardless of the maximum amount of Daily Benefits that you selected on your application, the Trustees may limit the amount of benefits payable to you at any time during your participation in the Plan based upon your claims and/or disciplinary history. (See below under “Reduction of Benefits” under “Receiving Your Benefits.”)

Each month, you must pay a premium, known as the Monthly Assessment, for the benefit amount that you selected. Currently, your Monthly Assessment is equal to 81 cents for each dollar of benefits selected. The Trustees may increase or decrease the Monthly Assessment at any time.

You may apply for temporary relief from the Monthly Assessment during any period in which you are not required to pay dues under Article 21B, Section 49, of the SMART Constitution. However, any month for which you are temporarily relieved of the Monthly Assessment will not count as a month of continuous participation in the Plan. But the relief period will not be a break in continuous participation. The length of time you will receive Daily Benefits is based upon the circumstances of your suspension or discharge. Your benefits will end on the earliest applicable day listed below.

- (a) 180 days after the first day for which you received benefits, if you have accepted discipline and waived your right to a formal investigation;
- (b) the day on which you are reinstated by, or resume work for, your employer;
- (c) the date on which you begin employment with a rail, bus, airline or other transportation employer, other than the one that suspended or discharged you;
- (d) your date of death or retirement; or
- (e) as provided in the following charts:

For members who commenced participation in DIPP before February 1, 2015:

Period of Continuous Participation (months)	Duration of Coverage Period (days)
less than 24	250
24 or more but less than 60	300
60 or more	365

For members who commence (or terminate and then recommence) participation in DIPP on or after February 1, 2015:

Period of Continuous Participation (months)	Duration of Coverage Period (days)
less than 24	200
24 or more but less than 60	250
60 or more	365

WHAT SUSPENSIONS AND DISCHARGES ARE NOT COVERED?

3.5(b) You will receive benefits under the Plan when you are suspended or discharged from your permanent, non-probationary employment for disciplinary reasons. You will also receive benefits under the Plan if your employer requires you to take remedial training with only “basic day” compensation, which results in a reduction in your earnings. However, the following reasons for discharge, suspension or remedial training are excluded from coverage, and if you are suspended or discharged for one or more of these reasons you will NOT be entitled to benefits under the Plan:

- (1) conduct endangering the life or livelihood of a fellow employee;
- (2) unavailability for duty; sleeping on duty; missing calls;
- (3) insubordination;
- (4) misuse, theft or destruction of property of the employer;
- (5) falsification of reports;
- (6) failure to take or pass a required examination;
- (7) failure to qualify for mandatory promotion;
- (8) use, possession or evidence of intoxicants or illegal drugs while on duty or subject to duty;
- (9) discipline due to criminal or civil court action;
- (10) an act or acts, or failure to act, which constitutes a violation of public policy;
- (11) involvement in altercations, verbal or physical; or
- (12) if decertified, the failure to exercise seniority to its fullest that does not require a change in residence.

If you are serving a probationary period under the terms of the applicable collective bargaining agreement, you will *not* be eligible for any benefit for any discipline based on a violation or act that occurred during that probationary period.

CHANGE OF EMPLOYER

If you change employment to another employer in the rail, bus, airline or other transportation industry and continue your membership in SMART and continue to participate in the DIPP without a break, your participation in the DIPP will be considered continuous. You will not be considered to have a break in participation if you do not participate when you commence employment with your new employer because you are on probation, as long as you submit an application to participate in the Plan as soon as you complete your probationary period and your application is accepted by the Trustees.

RECEIVING YOUR BENEFITS

To receive your benefits under the Plan you must first file a claim with the DIPP office on the appropriate application form. All portions of the application must be completed and a copy of the letter of discharge and/or suspension you received from your employer must be attached. You must submit your claim form to your local SMART Transportation Division chairperson for verification before sending it to the DIPP office. Benefits are payable only to you. They may not be transferred or assigned. The time limit for submitting initial claims is no later than 90 days after the date of the letter of discipline.

You are not eligible for benefits for any time lost during a period that you are dismissed for a non-covered event. All discipline and dismissal events that occur or are assessed during a period for which benefits are being claimed must be reported.

Disqualification: Your claim will be denied and you will not be eligible to receive benefits under the DIPP if your suspension or discharge occurred due to one or more of the excluded reasons listed above.

Reduction of Benefits: Regardless of the maximum amount of Daily Benefits that you selected on your application, the Trustees may limit the amount of benefits payable to you at any time during your participation in the Plan if the Plan Trustees determine that you have been involved repeatedly in activities for which benefits are not payable. (See “What Suspensions and Discharges Are Not Covered” above.) If your benefits have been reduced, and you have not made a claim under the Plan for at least two years or more, you may file an application with the Trustees requesting an increase in your benefit level of \$40 per day for each two-year period since you filed your last claim.

PLAN FUNDING AND ADMINISTRATION

The Plan is funded through the Monthly Assessments paid by Participants. Monthly Assessments are held in trust and invested at the direction of the Trustees. The current Trustees are identified on page 8. The Trustees may change from time to time.

In carrying out their respective responsibilities under the Plan, the Trustees shall have discretionary authority to interpret the terms of the Plan and to determine eligibility for and entitlement to Plan benefits in accordance with those terms. Any interpretation or determination made under that discretionary authority shall be given full force and effect, unless the interpretation or determination was arbitrary and capricious.

CLAIMS DECISIONS

If your claim for benefits is denied, you will be notified within 90 days after the claim is submitted. The notice will be written in clear language and will include: the specific reasons for the action; references to the specific Plan document provisions on which the action is based; a description of any additional material or information necessary for you to complete the claim with an explanation of why that information is necessary; an explanation of the appeal procedure; and a statement of your right to bring a civil action under Section 502(a) of ERISA if your claim is denied on appeal. If special circumstances require an extension of time for processing an initial claim, the Trustees will provide written notice of the extension of time and the reason the extension is necessary before the initial 90-day period expires. The maximum length of an extension is 90 days.

APPEAL PROCEDURE

If your claim is denied, your benefits are reduced, or you receive no response within 90 days of the submission of your claim, you or your representative may request review by the Appeals Committee. To file an appeal, you must submit a written request for reconsideration of your claim within 60 days after receipt of the initial decision, or within 150 days after you filed your claim if no decision is rendered.

Your Right to Appeal and Adverse Benefit Determination: A claimant whose claim for benefits has been denied under the terms of the Plan and to whom a notice of adverse benefit determination has been issued will have the right to appeal the adverse benefit determination and will be entitled to a full and fair review of the decision by the Board of Trustees, or by a committee appointed by it. The procedures by which you may appeal the adverse benefit determination and receive a full and fair review of the claim are as described below.

Review Procedure: The procedures hereunder will:

- Provide claimants at least 60 days following receipt of a notification of an adverse benefit determination in which to appeal the determination;
- Provide for an independent review by the Board of Trustees, or its committee. The review will not be conducted by the individual who made the adverse benefit determination that is the subject of the appeal, nor by the subordinate of such individual;
- Provide that, in deciding an appeal of any adverse benefit determination that is based in whole or in part on a medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, the Trustees or their committee shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment;
- Provide for the identification of experts whose advice

was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination;

In the event a claim is denied due to failure to establish proof of disability, the Trustees, or a committee appointed by them, will:

- Prior to issuing an adverse benefit determination on appeal, provide to you, free of charge, any new or additional evidence considered, relied upon, or generated by the Plan in connection with the claim. The evidence will be provided as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on appeal is required to be provided to give you reasonable opportunity to respond prior to that date, and
- Prior to issuing an adverse benefit determination based on a new or additional rationale, provide you, free of charge, the rationale. The rationale will be provided as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination is required to be provided to give you reasonable opportunity to respond prior to that date.

Notice of Appeals Committee's Decision: A decision on your appeal will be made by the Trustees or their committee and communicated in writing to you within five days of the decision. The appeal will be reviewed at the meeting of the Trustees or the committee that immediately follows the Plan's receipt of your appeal, unless the appeal is filed within 30 days preceding the date of such meeting. In such case, a benefit determination will be made no later than the date of the second meeting following the Plan's receipt of the appeal, but in no instance more than 120 days following receipt of the appeal.

The decision will be in writing (or in electronic form, if in compliance with Department of Labor regulations), will include the specific reason or reasons for the decision; will contain references to the specific Plan provisions upon which the decision is based; will inform you that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and state that you may have a right to bring a civil action under Section 502(a) of ERISA. Whether a document, record or other information is deemed relevant for this purpose shall be determined by the Appeals Committee in its sole discretion, in accordance with Department of Labor regulations.

You may designate an authorized representative to act on your behalf in pursuing your claim or appeal. The Trustees may establish reasonable procedures for determining whether an individual who purports to be your authorized representative has, in fact, been authorized to act on your behalf.

No person may bring an action in any court challenging, or seeking review of, the Appeals Committee's decision on appeal more than 90 days after the decision is rendered by the Appeals

Committee. Additionally, if any person wishes to file suit against the Plan or the Trustees, they must file suit in the United States District Court for the District of Columbia.

TERMINATION OR AMENDMENT OF PLAN

The Trustees reserve the right to amend the Plan at any time, to any extent, and in any manner that they may deem advisable. However, a termination of the Plan shall require a resolution of the General Executive Council of SMART. Upon termination of the Plan, after paying benefit for events that occurred prior to the Plan's termination, all assets of the Plan will be disposed of as determined by the Trustees in their sole discretion, but no assets of the Plan may revert to SMART.

STATEMENT OF ERISA RIGHTS

As a participant in the DIPP, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all Plan Participants shall be entitled to:

- Examine without charge, at the Plan Administrator's office, all Plan documents, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.
- Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Trustees may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Trustees are required by law to furnish each participant with a copy of this summary annual report.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the 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, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for benefits is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Trustees to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, 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.

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 Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

GENERAL INFORMATION

- 1. Name of Plan: SMART Discipline Income Protection Program
- 2. Name and Address of Plan Sponsor: SMART
24950 Country Club Blvd.
Ste. 340
North Olmsted, Ohio 44070
- 3. Plan Sponsor's Employer Identification Number: 34-1031303
- 4. Name and Address of the Trustees: Joseph Sellers Jr.
Joseph Powell
1750 New York Ave., N.W.
Washington, DC 20006

Jeremy R. Ferguson
SMART Transportation Division
24950 Country Club Blvd.
Ste. 340
North Olmsted, Ohio 44070
- 5. Plan Number: 502
- 6. Type of Plan: Welfare benefit plan
- 7. Type of Administration: The Plan is administered by a board of trustees, the members of which are listed in this SPD
- 8. Agent for service of Legal Process: Legal Process may be served on the Trustees at the above address
- 9. Plan Year: Calendar



DISCIPLINE INCOME PROTECTION PROGRAM

Summary Plan Description

July 1, 2021

INTRODUCTION

This document is the Summary Plan Description for the SMART Discipline Income Protection Program ("DIPP" or "Plan"). Complete details of the DIPP are in the Plan Document. In the event of a conflict between the Plan Document and this Summary Plan Description, the Plan Document shall govern in all cases. The Trustees of the Plan retain the exclusive authority and discretion to interpret the term of the Plan described herein and their interpretation is final and binding.

SMART reserves the right, at its sole discretion, to amend or terminate the DIPP at any time or for any reason. Nothing contained in this Summary Plan Description shall be construed to create an express or implied obligation on the part of SMART to maintain the DIPP, and your benefits under the DIPP may be different from those described here because of changes made to, or termination of, the Plan.

SUMMARY

The DIPP provides benefits to SMART Transportation Division and SMART Mechanical Division members who are Participants in the Plan and who suffer loss of wages as result of certain disciplinary actions. Participation in the DIPP is voluntary.

WHO IS ELIGIBLE?

Any SMART Transportation Division or Mechanical Division member who is in good standing may submit an application for participation in the Plan. An individual who has submitted a false claim to the DIPP is not eligible to participate in the Plan.

BENEFITS AND PREMIUMS

In your application to participate in the DIPP, you will need to elect the maximum level of Daily Benefits that would be payable to you during a period of eligible suspension or discharge. You may elect a Daily Benefit in any of the following amounts:

\$6.00	\$10.00	\$20.00	\$30.00	\$40.00	\$50.00	\$60.00
\$70.00	\$80.00	\$90.00	\$100.00	\$110.00	\$120.00	\$130.00
\$140.00	\$150.00	\$200.00	\$250.00			

But the amount selected may not be greater than your average daily wage. You will be eligible for benefits when you have com-