

South Bay Hotel Employees, Restaurant Employees Trust Funds

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Administered by
Welfare & Pension Administration Service, Inc.

SUMMARY ANNUAL REPORT FOR

SOUTH BAY HOTEL EMPLOYEES RESTAURANT EMPLOYEES WELFARE FUND

This is a summary of the annual report of the South Bay Hotel Employees Restaurant Employees Legal Trust Fund for the year ended December 31, 2022. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees of South Bay Hotel Employees Restaurant Employees Welfare Fund has committed itself to pay certain life insurance, accidental death and dismemberment, disability, medical, vision and prescription drug benefits for eligible employees and their dependents.

Insurance Information

The Plan has contracts with Hartford Life and Accident, Metropolitan Life Insurance Company, Kaiser Foundation Health Plan Inc., Safeguard Health Plans, Inc., and Vision Service Plan to pay certain medical, dental, vision and life insurance claims incurred under the terms of the plan. Certain stop-loss benefits are provided through Alternate Risk Solutions. The total premiums paid for the plan year ending December 31, 2022 were \$17,892,745.

Basic Financial Statement

The value of Plan assets, after subtracting liabilities of the Plan, was \$44,642,801 as of December 31, 2022, compared to \$44,976,052 as of January 1, 2022. During the plan year the Plan experienced a decrease in its net assets of \$351,251. This decrease includes unrealized appreciation 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 \$27,176,061, including employer contributions of \$27,176,061, employee contributions of \$430,678, realized losses of (\$59,557) from the sale of assets, earnings from investments of (\$4,310,675) and other income of \$1,461,267.

Plan expenses were \$25,251,590. These expenses included \$950,443 in administrative expenses, and \$24,301,147 in benefits paid to participants and beneficiaries. Administrative expenses include administration fees, auditing fees, attorney fees, banking fees, investment advisory fees, consulting fees and miscellaneous expenses.

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:

1. An accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of plan assets; and
5. Insurance information including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of Welfare & Pension Administration Service, Inc., who is the contract administrator, at P.O. Box 34203 Seattle, Washington 98124-1203, telephone (800) 544-5085. The charge to cover copying costs will be \$10.25 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 at 7525 SE 24th Street, Suite 200, Mercer Island, Washington 98040 and at the U.S. Department of Labor in Washington, DC 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, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

NOTICE OF PRIVACY PRACTICES

In accordance with regulations issued under the Health Insurance Portability and Accountability Act of 1996, the Trust has developed a Notice of Privacy Practices which describes how medical information about you may be used and disclosed, how you can get access to this medical information, and your rights in regard to such health information. If you would like to obtain a copy of the Notice, please contact: Claims Manager, Welfare & Pension Administration Service, Inc., PO Box 34203, Seattle, WA 98124, (800) 544-5085, or Fax (206) 441-9110, or you can access the website at www.southbayheretrust.com.

NOTICE REGARDING YOUR RIGHTS UNDER THE WOMEN'S HEALTH & CANCER RIGHTS ACT OF 1998

Pursuant to the Women's Health and Cancer Rights Act of 1998, the Plan provides benefits for mastectomy related services including reconstruction and surgery to achieve symmetry between breasts, prostheses, and complications resulting from a mastectomy (including lymphedema). Consult your Plan booklet or contact the Trust Administration Office at (800) 544-5085 if you have questions. We caution you that not every participant receives benefits under both of these Plans. To determine your eligibility for benefits under these Plans, please contact the Administration Office.