

SECTION 1

General Information & Definition of Terms

All questions regarding the Legal Services Plan should be directed to the Plan Administrator in the APEA/AFT Headquarters' Office. Options for contacting the Administrator are listed in the beginning of the booklet.

Alaska Bar Association: The Plan Office has forms available if you feel your attorney has acted unethically or if you have a fee dispute.

Board of Trustees: Each Trustee is an agent for purposes of accepting service of legal process on behalf of the Fund. If you wish to communicate to a Trustee in your region you can find the list of the five-member Board on the website or you may contact the Plan Administrator in Juneau.

Board of Trustees' Authority: The Trustees may, at any time, amend or modify any and all parts and portions of the Plan. The Trustees will have full power and authority to interpret the Plan and all of its provisions. This power and authority includes all decisions with respect to the nature and extent of legal services offered, the individuals covered, financing, and structure of the Legal Services Plan.

Death of a Member: If the member should die while meeting the conditions of eligibility, the Plan will pay up to the maximum benefit for probate expenses. No other matter, costs, fees or charges will be covered by the deceased member's benefit.

DEADLINE DATE TO FILE A CLAIM: August 31 is the date that all claims must be submitted for prior fiscal year services.

Effective Date of Benefits and Changes: In the event that benefits are modified, changes in coverage or benefits will be applied prospectively to services rendered on and after the effective date of modification. In no event will payment for all legal services on all matters exceed the highest benefit available during the Plan year.

Eligible Bargaining Unit Members: The Plan is maintained by collective bargaining agreements between APEA/AFT and the eligible bargaining units listed in Section 3 of this booklet. The agreements provide that the named employers will make monthly contributions to the Legal Trust Fund for the purpose of enabling their employees to participate in the Plan. The employer's obligation is to contribute an amount as negotiated in their collective bargaining agreement.

Eligibility for Newly Bargained Units: Once the legal services benefit is *first* negotiated into a collective bargaining agreement, the employer's first six (6) months of contributions to the Fund will accumulate from the effective date of that agreement. No benefits will be paid on behalf of those bargaining unit members for legal services performed during those first six (6) months.

The accumulated contributions will be used as a reserve from which legal services will be paid. Services performed beginning on the first day of the seventh month will be covered.

Fiscal Year: The Plan operates on a fiscal year basis which begins July 1 and ends on June 30. The fiscal year benefit amount covers services performed in the fiscal year. The Plan began providing benefits on July 1, 1980.

Legal Services Plan: Hereinafter referred to as the Plan, is provided by the "Alaska Public Employees Association/AFT Legal Trust Fund." The Plan is sponsored and administered by the APEA/AFT Legal Trust Fund Board of Trustees.

Seasonal Employees: For purposes of this Plan, seasonal defines any member who does not work twelve (12) continuous months of a year and returns from leave without pay (LWOP) status each year. School District employees (JESS) are not defined as seasonal because their employer continues to make a contribution to the Legal Trust Fund year-round on behalf of each less than 12-month employee.

Tax ID Number: The APEA/AFT Legal Trust Fund is a separate entity from the Union. The identification number assigned to the Plan sponsor by the Internal Revenue Service is 92-0075378.

Taxable Income: Your employer's contribution to the Legal Trust Fund has been considered taxable income since January 1, 1993. That is when the exempt provision of Section 120 of the Internal Revenue Code was removed. There has been legislation in both the House and Senate to reinstate the tax exemption permanently in most congressional sessions for the last several years. The task force of the American Prepaid Legal Services Institute continues their efforts to reinstate the tax exempt status of your legal benefit indefinitely.

Territory Covered: The Plan applies only to covered legal services, fees, and expenses incurred within the United States or Canada.

Website: www.apealegaltrust.org

The information contained in this booklet is crucial to having your claim paid. You may print this booklet, find an attorney, download claim forms or determine whether or not your matter is covered and much more.

SECTION 2

Benefits Available to You, your Spouse or Same-Sex Domestic Partner and Dependents

Maximum Benefit

For services beginning January 1, 2012, the benefit is \$2,000.00 per eligible member for covered legal fees, expenses and tax in a fiscal year. Legal service fees and expenses incurred during a fiscal year that are in excess of the maximum benefit are not recoverable in any other fiscal year. If you received legal services prior to January 1, 2012, the maximum benefit was \$2,500 and payable up to that amount.

Free Telephone Consultation

This service enables members with the benefit to call an attorney for advice on whether or not your matter can be resolved over the phone or if you require legal services. If the matter cannot be resolved over the phone and you are advised to get legal services – you are not obligated to engage the attorneys of the telephone consultation services. They are merely there to listen to your problem and advise you as to whether or not retaining an attorney is in your best interest. Thus, no claim forms are necessary – unless you decide to retain their law firm for the necessary services.

Southeast Alaska members:

Baxter Bruce & Sullivan

(800) 478-3888

9:00AM – 5:00PM Weekdays

Southcentral & Northern Alaska members:

No service available

Coordination of Benefits

If your spouse or same-sex domestic partner is also an APEA/AFT member in one of the eligible bargaining units listed on the next page you may use both of your benefits on a claim, if necessary, or to divide payments equally between both members' benefits. Only one Member Agreement claim form is required and the coordination of benefits section must be completed.

If your spouse or same-sex domestic partner is covered under another legal plan (i.e. ASEA or the Alaska Electrical Fund) you ***must*** report their existence on your Member Agreement form to insure proper coordination of benefits. Proper coordination means the member with the earliest birth month and day will be considered the primary and their union's Plan Office will pay first.

In coordinating benefits you cannot, in any event, recover more than the total expense incurred.

SECTION 3

Eligibility

Initial Eligibility

You, your spouse or same-sex domestic partner and dependents may receive services under the Plan if *you* meet all the requirements. You must be a member or agency fee payer in one of the bargaining units listed below:

Confidential Employees Association

CEA, KK or Local 6133 are employees working in payroll or personnel

Employer: State of Alaska

Fairbanks North Star Borough Employees Association

FNSBEA or Local 6125 are employees other than management and equip. operators

Employer: Fairbanks North Star Borough

Juneau Education Support Staff

JESS or Local 6096 are employees other than teachers, management & admin.

Employer: Juneau School District

Kenai Peninsula Borough Employees Association

KPBEA or Local 6140 are permanent employees other than management

Employer: Kenai Peninsula Borough

Local 6070

AHECTE are employees in the crafts and trades positions

Employer: University of Alaska

Nome Joint Utilities

NJU or Local 6138 are employees other than management

Employer: Nome Joint Utilities

Professional Labor Organization and APEA/AFT Staff

Employees of the APEA/AFT

Employer: Alaska Public Employees Association/AFT

Supervisory Unit

SU or Local 4900 are employees working in supervisory positions

Employer: State of Alaska

Other Eligibility Criteria

1. You have met all of your financial obligations with the union meaning you are either paying dues or fees and are not in arrearage for any dues or fees.

2. You have been employed for at least thirty days in one of the participating bargaining units.
3. Seasonal employees are eligible for benefits thirty days past their last day at work and then again on their first day back to work.
4. You are on your employer's payroll at the time of services (JESS employees excluded).

Continued Coverage

If you begin your legal matter before or on your last day of work, your benefit will continue to cover the cost of services performed in the next thirty days.

Termination of Eligibility

Your eligibility for Plan benefits will end when you no longer comply with all the conditions of eligibility or you reach the maximum benefit level in any fiscal year. Also, when a claimed dependent no longer meets Plan standards - coverage for that dependent will end.

Fraud or attempted fraud of the Plan will terminate your benefits and the Plan will not pay accrued charges.

If the member should die while meeting the conditions of eligibility listed above, the Plan will pay up to the maximum fiscal year benefit for probate expenses. No other matter, costs, fees or charges will be covered by the Plan while you do not meet the Plan's eligibility requirements.

Dependent Coverage

Your spouse or same-sex domestic partner who meets the criteria established by the Trustees, or your dependents may also use your benefit with your consent. **This is not an additional benefit.** They are covered by the same rules and limitations as you under the Plan.

For Plan purposes, your dependents include the following family members if you provide more than one-half of their support and they live in your home with you:

- Children/stepchildren less than nineteen years of age;
- Children 19-23 years of age if attending school on a full-time or half-time basis;
- Children incapable of employment because of a mental or physical incapacity are covered regardless of age. The incapacity must have existed before the age of 19 and documentation must be attached to your claim;
- Siblings/stepsiblings less than nineteen years of age; and
- Parents or stepparents.

*The Plan reserves the right to obtain proof of dependency upon application for services by member.

SECTION 4

Selecting an Attorney

Can I Choose Any Attorney I Want?

Yes but you are responsible for any amount owed to your attorney that your benefit does not cover. Please read on regarding how their payments can be different.

Plan A Attorneys

The Plan has recruited these attorneys on a Plan A Master Attorney Agreement form. These attorneys have agreed to lower and restrict their hourly rate and the rate of their paralegals in order to be paid at 100% by the benefit up to the member's maximum.

- **Plan A attorneys may not charge more than \$140 per hour and their Paralegals are restricted to \$75 per hour for services through December 31, 2011.**
- **For services beginning January 1, 2012, Plan A attorneys may not charge more than \$125 per hour.**
- **Plan A attorneys must *maintain* the restricted rate, for the entirety of the matter, even if the member has exhausted their benefit.**

Current Plan A attorneys' names, fields of practice and telephone numbers are kept up-to-date on the Legal Trust Fund website at www.apealegaltrust.org. Because new attorneys sign up, and some drop off, please refer to the website for the most current information.

If the attorney you want to use is not listed on the website, they might be signed up as a Plan B attorney. Please call the Plan office to see if they already have an Agreement on file with the Plan Office. If not, they must complete an Agreement in order to be paid by the Plan. If they are willing to restrict their rate for all APEA/AFT Legal Trust Fund participants - they would complete a Plan A; if not, a Plan B.

Plan B Attorneys

Plan B attorneys are all other attorneys that do not sign up as Plan A. They are not listed on the website.

- **Plan B attorneys that charge more than the restricted hourly rate will be paid \$60 per hour of your covered matter.**
- **Plan B attorneys are paid at 100% if their rates do not exceed that of a Plan A attorney.**

Please call the Plan Office to see if your attorney has a Plan B Master Attorney Agreement already on file so they will not have to sign up again.

Out-of-State Attorneys

You may use any attorney in the United States or Canada. Attorneys outside Alaska must also submit a copy of their Bar Association membership card or Certificate of Good Standing along with their Master Attorney Agreement.

Other Factors in Choosing an Attorney

Talk with your friends, family or coworkers about whom they have used for a specific issue. You could also research your local telephone directory for attorneys who specialize in the matter you need help with.

Explore the Total Costs

After explaining your problem, inquire as to how many hours it will take them and what expenses will be necessary to handle your case. This will give you a good idea if any money will come out of your own pocket.

If you are using a Plan B attorney that charges more than the restricted hourly rate – you will *definitely* be paying. The Plan does not cover all matters and certain expenses so **please make sure your matter is covered prior to receiving services.** Sections 6 and 7 explain what is covered and what is not. Call the Plan Administrator if you are still unsure.

SECTION 5

Filing a Claim

Inform your attorney that invoices should be sent directly to the Plan Office for payment. Request that you also be sent copies of your invoices. The required claim forms must be received in the Plan Office at the time your first invoice arrives.

The claim forms are only required once for the entirety of the same matter, unless it has been more than one year since your attorney has worked on your case.

Your claim will be reviewed to make sure the member is eligible and the matter is covered.

Required Claim Forms

The **Member Agreement** authorizes the Plan Office to pay your attorney. It serves as a contract between you or your designated dependent and the attorney for the specific matter. The member must complete this form. If coordinating with your spouse or same-sex domestic partner, they must also sign this form. Additionally, the **Statement of Financial Interdependence** form must be completed for your same-sex domestic partner's legal services to be considered for coverage.

The **Case Description** indicates the matter you are seeking legal services for and is required to determine coverage for your claim. The attorney should complete this form but you may complete it as the attorney's signature is not required on this form.

Listed Plan A attorneys have a **Master Attorney Agreement** on file in the Plan Office. Some Plan B attorneys do too if they have worked for our members in the past.

Claim forms are available:

- On the Website
- At any APEA/AFT office
- At some participating Attorney offices
- In hard copy mailings of this booklet

Invoice Information

- Social security number or Employee ID and name of the member
- Brief title of matter
- Date, description of services performed, time and amount charged
- Total hours and all charges
- Any previous balance owed

Billing Deadline is August 31

Monthly invoices are preferred. Please do not wait until the matter is complete or you may miss the deadline for payment by the Plan. If your attorney has sent the invoice to you instead of Plan Office – please fax it, especially if the deadline date is approaching. Invoices are due no later than August 31 for services performed in the prior fiscal year (July 1 through June 30). The Plan Office will not make any payments on prior year services if the invoice is not sent by the deadline date.

It is the sole responsibility of the Member to inform the attorney their claim is an APEA/AFT union billing – prior to having services performed

Plan Office Payments

Payments are processed once a month. The member is mailed the check stub on the same day payment was mailed to the attorney. It indicates the amount of the Plan's payment and your share, if any. You are responsible for fees and expenses not covered by the Plan.

If you had legal services performed and never received payment confirmation, (check stub) please do not assume the services were free. Call the Plan Administrator in Juneau to make contact with the attorney's billing department to be sure the billing deadline of August 31 is not missed.

If you paid part or all of a billing directly to the attorney that would have been paid by the Plan, you should request the attorney reimburse you for the amount not owed (after the Plan Office makes its payment). *The Plan can only pay attorneys for legal services. The Plan cannot pay members.*

Denied Claims

The Plan Administrator has the authority to approve or deny coverage of a matter, based upon the claim forms, bill(s) or other information the Plan Office may have received. In the event the member disagrees with a denial of benefits because of eligibility, duration, coverage of benefits, or payment under the Plan, please contact the Plan Administrator to discuss the claim further.

Appeal Process

If you still do not agree with the denial of your claim, you may appeal the Plan Administrator's decision before the Board of Trustees or a committee appointed by the Board for a claim review. The appeal must be in writing, stating the reasons for objection, to the Board of Trustees within 60 days after being apprised of the Plan Administrator's action. Upon request, the Administrator will send you a copy of the Appeal Rules and Procedures so you may follow the timelines of your appeal.

Attorney Responsibility

Collection of attorney fees are the responsibility of the attorney. The attorney must use his/her own judgment in determining your ability to pay – as is done with any client. It is not mandatory that an attorney from the Plan A list take a case and the APEA/AFT Legal Trust Fund is not liable for any fees that remain unpaid.

Plan A attorneys will not promote or publicize their Plan A status. The Plan Office directs its members to the website

Each attorney will keep accurate records concerning each Plan participant advised or represented. The information to be maintained is the subject on which advice was given or representation offered or provided, the length of any conferences, the time spent in providing advice or representation, the disposition of the matter and any charges made for legal services. These records will be preserved for at least two years after the matter involved is terminated. Each attorney will make such records available at the request of the Plan Administrator.

Attorneys must reimburse the APEA/AFT Legal Trust Fund, by preference and priority, for any legal service fees and expenses paid by the Plan in such amounts as are recovered from the third party. This includes costs and attorney fees recovered from the opposing party. The Plan is entitled to all of the recovered amounts until it has recouped all of its expenditures in that particular matter. The member's benefit limit will then be increased by that amount.

SECTION 6

Covered Legal Services and Expenses

Covered matters are personal in nature and cannot relate to employment issues, business ventures or any kind of a for-profit situation, criminal or juvenile matters. Most covered legal matters are listed on the Case Description form. Please check with the Plan Administrator before legal services are rendered if you are unsure. Following are descriptions of many of the legal matters covered by the Plan.

Bankruptcy (Personal Only)

Services related to personal bankruptcy only and cannot be related to any trade, business or income-producing venture. Coverage is provided whether you are consulting or filing.

Civil Litigation

Reasonable fees and expenses for trials and civil administrative hearings, including pleadings, briefs, and appearances before any court or administrative agency, unless such litigation is excluded under another part of the Plan.

Consumer Transactions

Claims or lawsuits arising from:

- Purchase of goods and services for personal use or consumption;
- Claims against you for unpaid bills or charges for the purchase of consumer products; or
- Complaints or warranty issues

Debt Consultation

Services relating to the payment arrangement of any personal debt.

Document Preparation

Includes charges for time spent gathering information relative to the preparation of the document for personal use. Some examples of documents covered by the Plan are:

- Consumer Contract
- Deed
- Immigration
- Lease
- Power of Attorney
- Quiet Title to Real Estate

Estate Planning & Wills

Includes the preparation of simple wills to more extensive estate planning documents based on your family's needs.

Estate planning that includes any business-related ventures should be billed separately and directly to the member/client.

Family Law

These matters customarily include the following services:

- Adoption
- Annulment
- Child custody/ support or modification of decree
- Divorce or modification of decree
- Guardianship
- Mediation
- Name change
- Premarital agreements
- Property settlement agreements
- Separation, legal

Investigating Services and Expenses

The following expenses are payable when related to a covered matter:

- Courier/messenger services
- Depositions, transcribing, or stenographic fees
- Filing fees
- Investigating and research expenses performed by an attorney or others under their direction in ascertaining facts, finding and taking statements of witnesses, and gathering information of any kind that may reasonably be necessary for adequate legal representation
- Long distance toll calls, telegrams and faxes
- Photography exhibits or other necessary photographic use
- Printing, copying, and postage
- Publication costs
- Scientific or technical assistance, reports, surveys or tests, including medical examinations
- Server process fees
- Witness fees

Probate

While the primary purpose of this Plan is to provide legal services to members while in active employment, the estates of participants may be probated or administered, and benefits provided to the executor, administrator or appointed personal representative of the estate. This includes legal assistance that your survivors may need in handling your estate. The Plan will cover up to the fiscal year maximum for probate expenses of a deceased member, without regard to the fiscal year limitation.

The benefit also provides for legal representation where you are, or should be, recognized as a beneficiary, heir, or next of kin.

Real Estate

Representation under this topic may involve the review, preparation, and examination of all documents concerning the purchase, sale, or transfer of your **personal residence**.

Personal residence could also be defined as your vacation home if not used as rental property when you are not occupying it.

If any part of the personal residence is or will be used as rental property, see *Section 7, Non-Covered Legal Services*.

Types of covered real estate transactions are:

- Title examination or dispute
- Preparation of purchase agreement
- Preparation of deed
- Preparation of sale agreement
- Preparation of escrow agreement
- Review closing documents
- Defense of mortgage foreclosure actions against you as the owner of your personal residence
- Refinancing advice
- Representation for the purchase of land for construction of a home for your personal residence
- Boundary dispute or zoning variances

Small Claims

An attorney may represent you if you do not wish to represent yourself in a small claims court proceeding.

Tenant Rights

Includes representation of you as a tenant only, and may involve:

- The lease of property for personal use.
- Representation in an eviction action against you for the nonpayment of installments under the contract.
- Problems you may have with your landlord regarding failure to provide proper and necessary services or other difficulties that may arise.

Will Preparation

Preparing simple wills, reciprocal wills or the modification of existing wills.

SECTION 7

Non-Covered Legal Services

The Plan's intent is to provide basic *personal* legal assistance enabling the average family to retain a lawyer when necessary. The following types of matters are specifically excluded from coverage under this Plan.

Actions Whose Costs are Frivolous or Disproportionate to the Possible Benefits

Actions, which in the judgment of the attorney, are frivolous or are disproportionate in legal cost to the possible benefits to be gained. Or, any case, which in the opinion of the attorney is so devoid of merits as to render its prosecution impractical or not in your best interests.

Attorney Fees Assessed Against You

Attorney fees assessed against you by the court as opposed to legal services you received.

Attorneys Not Licensed

Legal services provided by attorneys not licensed to practice in Alaska or the state in which they perform the legal services or an attorney (U.S. or Canada) who is not in good standing with his or her Bar Association.

Attorneys Related or Residing

Attorney fees and expenses are not covered if you or your dependents are related to the attorney by blood, marriage, adoption or if they reside in the same home.

Business Ventures

Services in connection with any business venture or other matter in which, for federal income tax purposes, the cost of legal services would constitute a business expense or capital investment.

Any venture, whether or not the legal expense is considered a deductible expense for federal income tax purposes, where the purpose is to generate a profit.

Class Actions, Interventions or Amicus Curiae Filings

This is any action not involving your personal, immediate and direct interest.

Contingent Fee Cases

Any case in which you are a plaintiff or claimant and a contingency fee is normally and customarily charged. These types of cases are excluded because methods of financing attorneys' fees already exist. For example, if you are injured in an automobile accident and the driver of

the other car seems to be at fault for the accident, an attorney will typically represent you for a percentage of any damages that you may recover from the other driver. If no damages are recovered, your attorney will get no fee for his or her services. This is called a "contingency fee arrangement" because the attorney's fee is contingent on recovery.

Criminal, Juvenile and Traffic Litigation

Any expenses or fees incurred in connection with criminal or juvenile matters.

Any expenses or fees in connection with traffic infractions and violations, including but not limited to:

- DWI (driving while intoxicated) charges
- Legal services in defense of a violation of public law
- Parking tickets
- Speeding tickets

Duplication of Services

Services or advice previously obtained in connection with the same problem previously claimed and paid under the Plan.

Employment Matters

Any judicial, administrative, arbitration, or other proceeding, problem, or controversy involving any employer or its officers, agents, or employees arising under the National Labor Relations Act, the Labor Management Relations Act, the Alaska Public Employment Relations Act or any other controversy in the nature of a labor-management or employment dispute, or where otherwise prohibited by law.

Expenses

The following are examples of expenses not covered by the Plan:

- Clerical
- Flat fees
- Interest on overdue balances
- Parking
- Real Estate: Closing costs such as Title certificate, Title insurance, surveys, appraisals or bank services
- Retainers (a deposit before services are performed)
- Time spent in preparing billings
- Time spent reviewing and completing Plan information
- Travel and per diem

Flat Fees

Your attorney must bill legal services at an hourly rate in order to receive payment from the Plan.

Income Tax Return Filing or Expenses

Expenses for services arising out of completing or filing your personal income tax return. However, the Plan will cover fees for an attorney to represent you if you are audited, unless some exclusion applies (such as a business venture).

Legal Representation if Available from Other Sources

A legal proceeding in which you are entitled to legal representation or reimbursement for the costs, from any source other than this Plan, regardless of whether or not you exercise this right to legal representation or reimbursement. However, legal service benefits under other group legal services may be coordinated with this Plan (*see Section 2, Benefits Available to You, Your Spouse or Same-Sex Domestic Partner and Dependents*).

Any case in which defense or other legal representation is provided through any policy of insurance, except to such extent as may be reasonably necessary to protect your interest in connection with questions of coverage or liability over and above the policy or contract limits.

If, by reason of indigence or low income, you are entitled to legal services provided by governmental or voluntary agencies, you may still obtain benefits from the Plan.

Parties to the Plan

Any judicial, administrative, arbitration or other proceeding, problem or controversy that involves any party to this legal services Plan. The parties are the following employers who contribute to the Legal Trust Fund on behalf of their employees:

- APEA/AFT
- APEA/AFT Legal Trust Fund
- Fairbanks North Star Borough
- Juneau School District
- Kenai Peninsula Borough
- Nome Joint Utilities
- State of Alaska
- University of Alaska

In addition to these current employers, parties are any other participating employer, their officers, agents, and employees that *become* parties subsequent to the printing of this booklet.

Payments

Any payment of fines, assessments, penalties, forfeitures or civil damages in any action, proceeding, or matter for which you or your dependent is, or may be found liable.

Real Estate Transactions Not for Personal Residence

Real estate or housing transactions that do not involve your personal residence or rental portions of your personal residence.

If part of your personal residence will be used as rental property, your attorney should bill you directly for any time spent working on the rental portion of the transaction.

SECTION 8

Plan A Attorneys

The most recent list of Plan A attorneys may be found at

www.apealegaltrust.org

Plan A attorneys and firms have agreed to restrict their hourly rates for eligible APEA/AFT members for covered matters.

By providing this list of attorneys, we are not attesting to their abilities. We merely recruited a group of attorneys who will work at a reasonable rate for our members.

Once at the website, click on Attorneys, then find one in your City and start making calls to those listed as having expertise in your matter.

Field of Practice Codes

- A General Practice*
- B Civil Litigation*
- C Personal Injury*
- D Estate Planning/Wills (includes Probate)*
- E Consumer Transactions*
- F Personal Bankruptcy*
- G Family Matters*
- H Real Estate Transactions*
- I Tenant Issues*
- J Will Preparation only*
- K Mediation only*
- L Adoption only*
- M Immigration*