

Alaska Pipe Trades Association - U.A. Local No. 375 Health and Security Trust Fund

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Administered by
Welfare & Pension Administration Service, Inc.

December __, 2023

**TO: All Eligible Plan Participants and Dependents of the
Alaska Pipe Trades Association – U.A. Local No. 375 Health and Security Trust Fund**

RE: IMPORTANT PLAN CHANGES

This is a Summary of Material Modification describing IMPORTANT changes to your health plan adopted by the Board of Trustees. Please be sure that you and your family read it carefully and keep this document with your Summary Plan Description Benefit Booklet.

New Early Retiree Opt-Out Option

Due to the significant increase in the Plan's non-Medicare retiree rates, the Board of Trustees has agreed to provide an opt-out option to non-Medicare retirees and spouses.

Effective January 1, 2024, a new or currently early (non-Medicare eligible) retiree and/or spouse may make a one-time irrevocable election to delay or opt out of early retiree medical coverage until they become Medicare-eligible. There is no requirement that the individual have other group medical coverage. This election should be made on the retiree medical coverage election form and mailed to the Trust Office or may be submitted by letter address to Local 375 or the Trust Office. Once an election is made it cannot be changed for any reason.

If an election is made to postpone coverage until the retiree or spouse is Medicare-eligible, the retiree or spouse must then notify the Trust Office within 30 days of becoming Medicare eligible that they want to activate their retiree plan coverage. This 30-day notification requirement is mandatory and cannot be waived. If the retiree dies after electing to delay medical coverage until Medicare eligibility, the election shall continue to apply to the retiree's surviving spouse following the retiree's death.

New Overpayment Provision

The following new overpayment provision is added to the Plan effective immediately -

Recovery of overpayments

In the event that through mistake or inadvertence or any other circumstance, a Covered Person or other individual has been paid or credited with more than the individual is entitled to under the Plan or under the law, the payment or credit will not constitute a waiver of applicable Plan provisions, including any limitation or exclusion. The Trust may set off, recoup or recover the amount of overpayment or excess credit accrued or thereafter accruing from the Covered Person or other individual, or it may offset future benefit payments due to the Covered Person or the Covered Person's family members by the amount paid in error. The Trust may also request refunds from a provider or reduce future payments to the provider by the amount of the overpayment. The reduction or offset of future payments may involve this Plan or other health plans that are administered by the

Plan's joint claim administrator/network provider. Under this process, the Plan's joint claim administrator/network provider (currently Aetna) reduces future payments to providers by the amount of the overpayment they received, and then credits the recovered amount to the plan that overpaid the provider. Payments to providers under this Plan are subject to this same process when the Plan's joint claim administrator/network provider recovers overpayments for other plans administered by the Plan's joint claim administrator/network provider. The Trust may also take such further action as the Board shall determine.

If you have any questions regarding the contents described in this notice, please contact the Administration Office at (800) 331-6158, option 0.

Sincerely,

Board of Trustees
Alaska Pipe Trades Association – U.A. Local No. 375 Health and Security Trust Fund