

**AMENDMENT #3**  
**to the**  
**ARIZONA PIPE TRADES HEALTH AND WELFARE TRUST FUND**  
**Summary Plan Description (SPD)/Plan Rules and Regulations**  
**for Active Employees and Non-Medicare Retirees**  
**Amended, restated and effective June 1, 2018**

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**Effective January 1, 2018, the Summary Plan Description/Plan Rules and Regulations are amended as noted below (to reflect the way in which CIGNA can administer the medical plan):**

**The Chapter titled “Health Reimbursement Arrangement (HRA),” Section 3 and Section 6 are amended to add the text in italics and delete the text in strike-through:**

**Section 3. HRA Benefits**

**(g) Opt Out or Freeze Permitted.**

- (1) **Opt Out.** An HRA Participant is permitted to **permanently opt out** of the HRA which will forfeit the unused HRA Account balance. By opting out of HRA coverage (which is considered to be group coverage), an individual may preserve his/her eligibility to qualify for a federal premium assistance tax credit (a subsidy) to buy insurance coverage in the Health Insurance Marketplace. Participants who permanently opt out of the HRA plan will:
- a) Waive all rights to future HRA Plan reimbursements
  - b) Not be eligible for reinstatement in this HRA Plan at any time in the future
  - c) Will not be eligible for COBRA continuation coverage.

This opt out election is available at least annually and upon termination of coverage under the Plan. For the process to opt out, contact the Administrative Office.

- (2) **Freeze Unused HRA Account Balance For Use at a Later Date:** An HRA Participant is permitted to request to freeze *(meaning suspend or temporarily opt out of the HRA)* their unused HRA Account balance once per calendar year, in a time and manner determined by the Trustees. By freezing the unused HRA balance (which is considered to be group coverage), an individual may preserve his/her eligibility to qualify for a federal premium assistance tax credit (a subsidy) to buy insurance coverage in the Health Insurance Marketplace.

A frozen HRA Account balance can be reinstated upon the Participant’s requested date or the Participant’s date of death.

- a) An election must be made prior to the effective date of the freeze and is irrevocable until a reinstatement event occurs.
  - b) Reinstatement Event. You may be reinstated in your HRA, and the balance unfrozen, upon the earlier of the following events:
    - i. The first day of the calendar year following the year for which a Participant elected to freeze their unused HRA Account balance and the Participant notifies the Fund of this request;
    - ii. The date upon which the Participant becomes eligible for and enrolled in Medicare parts A and B; or
    - iii. The Participant’s date of death.
  - c) Contact the Administrative Office for the form to request that an HRA Account balance be frozen on a selected date, or the form to request that the HRA Account balance be reinstated on a selected date.
  - d) Participants, eligible Spouses and eligible Dependents may not have access to the HRA Account balance after the effective date of the freeze. Upon reinstatement, the Plan cannot reimburse any Medical Care Expenses incurred after the effective date of the freeze and before the reinstatement. However, after the reinstatement event, access to the HRA Account balance is available for Medical Care Expenses incurred after the reinstatement event and which are submitted to the Administrative Office in a timely manner.
- (3) Non-Medicare Eligible Individuals with certain household income levels who purchase individual coverage through a Health Insurance Marketplace may be eligible for federal subsidies to help them pay the insurance premiums. Individuals who are covered under a group health plan, including an HRA, are not eligible for these subsidies.

Therefore, some individuals may request to permanently opt out of or temporarily freeze their HRA Account balance in order to qualify for a subsidy.

#### **Section 6. Recordkeeping and Administration.**

- (a) **Inability to Locate Payee.** If the Administrative Office is unable to make payment to any HRA Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such HRA Participant or other person after reasonable efforts have been made to identify or locate such person, then such payment and all subsequent payments otherwise due to such HRA Participant or other person shall be subject to the provisions set forth in Section 6(d).

- (b) **Effect of Mistake.** In the event of a mistake as to the eligibility or participation, or the allocations made to the HRA Account of any HRA Participant, or the amount of benefits paid or to be paid to an HRA Participant or other person, the Administrative Office shall, to the extent that it deems administratively possible and otherwise permissible under Code §105, the regulations issued thereunder or other applicable law, cause to be allocated or cause to be withheld or accelerated, or otherwise make adjustment of, such amounts as it will in its judgment accord to such HRA Participant or other person the credits to the HRA Account or distributions to which he/she is properly entitled under the Plan. Such action by the Administrative Office may include withholding of any amounts due to the Plan from any future benefits.

- (c) **Account Forfeiture.**

**Automatic Forfeiture:** Any HRA Account for an individual that ceases to be an Active Employee that remains inactive (no money coming in or money going out) for twenty-four (24) consecutive months, will be forfeited and the HRA Account will be closed. Any HRA Account of an HRA Participant that:

- (1) takes employment in Arizona in any capacity or continues employment in Arizona in any capacity with any employer in the plumbing and pipefitting industry not obligated to contribute to the Arizona Pipe Trades Health and Welfare Trust Fund; or
- (2) engages in any kind of commercial business activity in the plumbing and pipefitting industry in Arizona as a sole proprietor, partner, contractor or commission agent without being signatory to a labor agreement with Local 469 requiring contributions to the Arizona Pipe Trades Health and Welfare Trust Fund;

will be forfeited and the HRA Account will be closed. Remaining HRA Account balances will revert to general Fund reserve assets.

- (d) **Reinstatement of HRA Account Balance:** *Generally, if an individual ceases to be an Active Employee and is not yet a Retiree and returns to work through Local 469 within five years of his/her automatic HRA Account forfeiture date, his/her HRA Account balance will be reinstated at the level that existed at the time of forfeiture. Additionally, if an Active Employee with an HRA Account ceases to be an Active Employee and is not yet a Retiree, the HRA account balance will be reinstated to that person when they become a Retiree in the Retiree Only HRA Plan at the level that existed at the time of forfeiture. Reinstatement is not permitted if the individual permanently opted out and forfeited the unused balance or, the balance was transferred to the Retiree in the Retiree Only HRA Plan.*

- (e) **Termination of HRA Account.**

An Active Employee or a COBRA Participant will cease to be a Participant in this Plan upon the earlier of:

- (1) the date on which this Plan is terminated;
- (2) the date the HRA Account is forfeited or suspended as outlined above;
- (3) the date the employee becomes a retiree under the eligibility provisions of the Retiree Only HRA Plan;
- (4) the effective date of the election to permanently opt-out of coverage under this HRA Plan; or
- (5) the date on which the HRA Participant's HRA Account reaches a zero balance.

- (f) **Opt-Out.** An Active Employee is permitted to permanently opt-out of the HRA which will forfeit the unused HRA Account balance. By opting out of HRA coverage (which is considered to be group coverage), an individual may preserve his/her eligibility to qualify for a federal premium assistance tax credit (a subsidy) to buy insurance coverage in the Health Insurance Marketplace. This opt-out election is available at least annually and upon termination of coverage under the Arizona Pipe Trades Health and Welfare Trust Fund. For the process to opt-out, contact the Administrative Office.

Participants who permanently opt-out of the HRA Plan will:

- (1) Waive all rights to future HRA Plan contributions and HRA Plan reimbursements;
- (2) Not be eligible for reinstatement in this HRA Plan at any time in the future;
- (3) Will not be eligible for COBRA continuation coverage for the HRA.

**(g) Participation Following Death of an HRA Participant.**

In the event of an HRA Participant's death, the surviving Spouse and tax-qualified Dependents (who were covered at the time of the Participant's death) may continue to submit eligible Medical Care Expenses to the HRA until the earlier of:

- (1) such time as the balance in the HRA Participant's HRA Account reaches zero; or
- (2) the date the HRA Account is otherwise terminated as outlined above.

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**This Amendment #3 to the 2018 Arizona Pipe Trades Health & Welfare Trust Summary Plan Description/Plan Rules and Regulations for Active Employees and Non-Medicare Retirees was duly adopted by the Board of Trustees at a meeting held on May 15, 2019.**

  
Chairman

  
Secretary

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