



ADMINISTRATIVE OFFICES

HEALTH & WELFARE, PENSION AND DEFINED CONTRIBUTION

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www.azpipe.org

Date: August 2021

To: All Participants and Signatory Employers Participating in the Arizona Pipe Trades Health and Welfare Trust Fund

From: The Board of Trustees of the Arizona Pipe Trades Health and Welfare Trust Fund

Re: Change in Eligibility Rules for Certain New Active Employees

This notice will advise you of a temporary change to the Eligibility for Benefits Rules of the Plan Document/Summary Plan Description dated June 2018 (“Plan”) of the Arizona Pipe Trades Health and Welfare Trust Fund. The change applies only to participants dispatched for work between June 1, 2021 and extended through December 31, 2022 on the conditions specified below.

Immediate Coverage for New Active Employees: The Plan generally requires that an Active Employee work 150 hours to be eligible for coverage under the Plan. Coverage then begins on the first day of the second calendar month after completing this requirement. Excess hours accumulate in an Hour Bank for future eligibility. Except for first-year apprentices, new Active Employees will have 340 hours advanced to their hour bank (an “hour bank loan”) in their first month of work. In order to qualify, an Active Employee must:

1. be dispatched to work in the jurisdiction of the Plan by Local 469 to a Contributing Employer between June 1, 2021 and December 31, 2022,
2. not have any Covered Hours under or participated in the Plan in the 24 months prior to dispatch and beginning employment,
3. have had an employer sponsored medical coverage in the month of or prior to dispatch by Local 469.

Coverage will then begin the first month following the month employment began.

Example: John, a pipefitter is dispatched by Local 469 to a Contributing Employer on July 15, 2021 and has not been a Plan Participant in the last 24 months. John had employer provided medical benefits through his previous employer. John receives an hour bank loan of 340 hours, and so will be eligible for coverage on August 1, 2021. His hour bank is reduced 150 hours to provide August coverage. That leaves John with 190 hours in his bank.

Beginning hour bank:	340
August coverage:	-150
Ending balance:	190

Each month, any hours worked will apply first toward the minimum 150 hours required to maintain eligibility. Any excess will be applied to repay the member's hour bank loan.

John works 60 Covered Hours in July, giving him an hour bank balance of 250 hours. To pay for September coverage his bank is reduced by 150 hours, giving him a balance of 100 hours:

<i>Beginning hour bank:</i>	<i>190</i>
<i>July work:</i>	<i>+60</i>
<i>September coverage:</i>	<i>-150</i>
<i>Ending balance:</i>	<i>100</i>

John then works 175 Covered Hours in August, giving him a balance of 275 hours. To pay for October coverage his bank is reduced by 150 hours, and 25 hours are applied to pay off his loan. He has an ending balance of 100 hours:

<i>Beginning hour bank:</i>	<i>100</i>
<i>August work:</i>	<i>175</i>
<i>October coverage:</i>	<i>-150</i>
<i>Loan payoff (175 – 150)</i>	<i>-25</i>
<i>Ending balance:</i>	<i>100</i>

Exceptions and limitations

If the hour bank loan is not fully repaid after 24 months, then the obligation to repay the hour bank loan will end and any remaining hour bank loan hours will be cancelled. At that point, the member must satisfy the continuing eligibility requirements under the Plan in order to continue coverage.

If during the first 12 months of coverage a member loses Plan coverage and has an outstanding hour bank loan, the loan and banked hours will be cancelled. In order to have coverage reinstated, the member must reestablish Initial Eligibility by working at least 150 Covered Hours within three consecutive months.

The Plan must follow the National Reciprocity Agreement; so, if your home local is not Local 469 you are ineligible for the loan or any other Plan coverage.

All other provisions of the Plan, including those on establishing and continuing eligibility, continue to apply. The Board of Trustees reserves the right to extend or terminate this eligibility provision under the Plan at any time, and may take action to terminate, replace or amend any part of the Plan.

Should you have any questions, please contact the Administrative Office (BeneSys) at (602) 956-1950.

*This document has been uploaded and is available on the participant website at
www.AZpipe.org*