



HEAT & FROST INSULATORS AND ASBESTOS WORKERS HEALTH AND WELFARE TRUST FUND

November 2024

IMPORTANT NOTICE

To: All Mechanics

From: Board of Trustees
Heat and Frost Insulators and Asbestos Workers Health and Welfare Fund

Re: Early Retiree Health Reimbursement Arrangement Program
Effective January 1, 2025

Summary of Material Modification

This notice serves as a summary of material modification (“SMM”) which describes changes made to benefits provided by the Heat and Frost Insulators and Asbestos Workers Health and Welfare Fund (“Plan”) and supplements some of the changes made to the Mechanic Summary Plan Description (“SPD”) for the Plan. The effective date of the modification is indicated below. You should read this SMM very carefully and retain this document with your copy of the Mechanic SPD for future reference.

Who is Eligible for the Early Retiree HRA starting January 1, 2025?

An Early Retiree and Spouse are eligible for the Early Retiree HRA based on age and service. In order to be eligible for the Early Retiree HRA, the Early Retiree must be receiving a monthly pension benefit under the Western States Allied Workers Pension Plan as follows:

1. The Early Retiree must have at least 30 Benefit Credits at retirement, and
2. Must retire directly from active service on or after January 1, 2024.

When Coverage Starts and Ends

The HRA benefits for the Early Retiree and Spouse begin when the Early Retiree attains the age of 60. Coverage will terminate the end of the month in which the Early Retiree attains age 65 or returns to active employment. For the Spouse, coverage will terminate:

1. Coincident with the Early Retiree’s termination date of coverage regardless of his/her age, or

Mailing Address: P.O. Box 430 • West Covina, CA 91793

Physical Address: 1050 Lakes Drive, Suite 120 • West Covina, CA 91790

8311 West Sunset Road Suite 250 • Las Vegas, NV 89113

3737 Camino Del Rio So., Suite 300 • San Diego, CA 92108

Phone 626-646-1083 • Toll Free 800-433-6692 • www.hfawbenefits.org

2. At the end of the month in which the Spouse attains age 65, if the Early Retiree has not yet attained age 65.

Health Reimbursement Arrangement Benefit Account

Starting January 1, 2025, the HRA account will be \$417/month subject to the following terms:

1. The HRA account will be funded at the beginning of each month.
2. A separate HRA account is provided to the Early Retiree and his/her Spouse in the amount of \$417 per month each. Account balances for the Early Retiree and Spouse are tracked separately.
3. The funds remaining in the HRA account are forfeited at the end of the calendar year after allowing for a 90 day runout period to submit expenses for reimbursement. (i.e., 2025 calendar year expenses must be submitted no later than March 31, 2026). **Any remaining funds are returned to the general assets of the Health and Welfare Trust.**
4. If an Early Retiree is no longer eligible (e.g., returns to work), the funds remaining in the Early Retiree and Spouse's HRA accounts are forfeited at the end of the month. There will be a 90 day runout period to submit expenses for reimbursement that were incurred prior to termination of eligibility.

What Expenses are Reimbursable through the HRA?

Qualified medical expenses will be limited to Individual Insurance Premiums for Medical and Prescription Drug plans purchased by an Early Retiree and/or his/her spouse.

Submitting Claims for Reimbursement

BeneSys will administer the HRA and issue reimbursement by check or direct deposit upon submission of proof of payment of eligible expenses. Expenses may be submitted monthly.

The Trustees have the sole discretion to terminate this program at any time. Any amount remaining in an individual's HRA account is not vested and shall be returned to the general assets of the Health and Welfare Trust.

Please contact the Administrative Office at 626.646.1083, if you have any questions.

The notice has been uploaded and is available on the participant website at www.hfawbenefits.org.