



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

November 2025

## IMPORTANT NOTICE

**To:** All Mechanics

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

**Re:** Retiree Health Reimbursement Arrangement (“HRA”)  
Effective January 1, 2026

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### 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.

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### Who is Eligible for the Retiree HRA starting January 1, 2026?

A Retiree and Spouse are eligible for the Retiree HRA based on age and service. In order to be eligible for the Retiree HRA:

1. The Retiree must be receiving a monthly pension benefit under the Western States Allied Workers Pension Plan.
2. The Retiree must have at least the sum of 85 comprised of Total Credited Benefit Service plus age at retirement.
3. The Retiree must retire directly from active service and have been enrolled in the Trust Fund’s active employee health plans for at least 120 months out of the last 180 months.

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## **When Coverage Starts and Ends**

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

1. Coincident with the Retiree's termination date of coverage regardless of his/her age, or
2. At the end of the month in which the Spouse attains age 65, if the Retiree has not yet attained age 65.

## **Health Reimbursement Arrangement Benefit Account**

Starting January 1, 2026, 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 Retiree and his/her Spouse in the amount of \$417 per month each. Account balances for the 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., 2026 calendar year expenses must be submitted no later than March 31, 2027). **Any remaining funds are returned to the general assets of the Health and Welfare Trust.**
4. If a Retiree is no longer eligible (e.g., returns to work), the funds remaining in the 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 a 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 benefit 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. This notice has been uploaded and is available on the participant website at [www.hfawbenefits.org](http://www.hfawbenefits.org).