



SOLANO AND NAPA COUNTIES  
**ELECTRICAL WORKERS BENEFIT FUNDS**



## Solano Napa Counties Electrical Workers VEBA

### NOTICE OF MATERIAL MODIFICATION

Date: June 2012

To: All Participants of the Solano Napa Counties Electrical Workers VEBA

From: Board of Trustees

Re: Change in Eligibility for SAS Account Withdrawals

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The Board of Trustees of the Solano Napa Counties Electrical Workers VEBA has changed the eligibility for use of the Accumulated Share (AS) portion of the VEBA prior to retirement. Below the changes are bolded and underlined. Effective with applications for medical expense reimbursement received on or after **May 1, 2012**, the new eligibility rule will apply.

#### **ACCUMULATED SHARE – SUPPLEMENTAL ACCUMULATED SHARE**

Each eligible employee shall have an Accumulated Share (AS) account in the Plan. Depending on collective bargaining agreement classification you may also have a Supplemental Accumulated Share (SAS) account. The total of the contributions made to the account(s) subject to any investment gains or losses shall be your Accumulated Share, and if applicable Supplemental Accumulated Share. The AS and, if applicable the SAS, will be adjusted on an annual basis. A statement of the account balance(s) will be issued by the fund office and sent to each Plan participant annually.

Although this is a welfare plan as described in the Employee Retirement Income Security Act (ERISA) – not subject to rules regarding vesting – your Accumulated Share (and Supplemental Accumulated Share if applicable) can only be lost if you die without medical eligible dependents (a spouse or qualifying children). This means that although the balance may decrease due to investment returns and/or plan expenses the amount shown on the annual statement will not be lost simply because you, as a Plan participant, cease working in a category for which contributions are made to this VEBA prior to retirement. There are no required years of participation in order for your Accumulated Share or SAS to remain active and available for your use or the use of an eligible medical dependent. In the event of your death and no medical eligible dependent survives you your account balance is forfeit to the Health and Welfare Trust. The more years contributions are made to your account the larger your accumulated share will be at the time of retirement.

## **QUALIFYING PAYMENTS**

### **Employee Participants**

This Plan is established primarily for use when you retire unless your classification provides for contributions to the Supplemental Accumulated Share account. You will be considered retired when you retire under the Solano – Napa Counties Electrical Workers Retirement Plan or when you reach age 55 and cease work in the electrical industry and have exhausted your reserve hour bank. Qualifying payments include reimbursement of medical premiums incurred by you as well as all other allowable IRC approved medical expenditures. If you otherwise qualify for retiree coverage under the Solano-Napa Counties Electrical Workers Health and Welfare Plan payments can be made directly to that Plan to provide continued coverage. If you have a Supplemental Accumulated Share it can be used before you retire to reimburse you for allowable IRC approved medical expenditures. It can also be used to directly pay COBRA payments or Self-payments if you so elect in writing.

**Your Accumulated Share (AS) can generally be used only when you retire. Your Supplemental Accumulated Share (SAS), if any, can be used while you are still an active plan participant. However, in the event you become disabled before you retire [as evidenced by a Social Security Disability award, Workers Compensation determination, or State Disability Insurance benefit notice] you can use your Accumulated Share (AS) as well as your Supplemental Accumulated Share (SAS) prior to retirement for any eligible Internal Revenue Code medical expense.**

If you qualify for coverage under the Solano-Napa Counties Electrical Workers Health and Welfare Retiree Plan, money will be transferred as needed to the Health and Welfare Plan to continue your coverage upon retirement until the balance of your Accumulated Share and if applicable Supplemental Accumulated share has been reduced to zero. If you do not qualify for coverage under the Solano-Napa Counties Electrical Workers Health and Welfare Retiree Plan you will be reimbursed directly for premiums paid for other health coverage. Proof of payment must be presented to the fund manager and reimbursement will be no more often than quarterly regardless of the length of premium payments made by you. Reimbursement for IRC approved medical expenses other than medical premiums either from your AS or SAS will also be made periodically, but not less often than every thirty (30) days. (Premiums will be reimbursed on the same basis. If you pay premiums on a basis other than monthly, i.e. quarterly or semi-annually, you will be reimbursed within thirty (30) days after submission of a paid premium.)

**If you have any questions regarding this change, please contact the Trust Fund Office at 866-544-9880 or 925-208-9980.**