



SOLANO AND NAPA COUNTIES
ELECTRICAL WORKERS BENEFIT FUNDS



October 2015

TO: ALL PLAN PARTICIPANTS

**FROM: BOARD OF TRUSTEES
SOLANO-NAPA COUNTIES ELECTRICAL WORKERS HEALTH &
WELFARE PLAN**

**RE: Summary of Material Modifications
PLAN CHANGE EFFECTIVE DECEMBER 1, 2015**

As all of you know, the economic and work situation for our Local has been a challenge for the past several years. The economic downturn has resulted in a significant decline in work hours for members in the Local; many of those who have been working have been commuting long distances to go where the jobs are. It has often been difficult for members to obtain sufficient hours to consistently maintain their health and welfare eligibility. Many times members are just a few hours short of gaining eligibility for the month and as a result must pay the Self-Payment rate or risk a gap in health coverage. The Board of Trustees of the Solano-Napa Counties Electrical Workers Health & Welfare Plan recognize the hardship that this might present to the members and have adopted the following change to the Plan effective with December 1, 2015 eligibility.

Effective with December 1, 2015 health and welfare eligibility participants may “Buy-Up” to continue coverage under the Plan by self-paying the difference between the required 125 of work hour contributions for coverage from the Hour Bank and the hours available to you in your Hour Bank. The cost to Buy-Up this continuation of coverage will be a rate of \$11.67 per required hour. The maximum you would be required to pay would be the current Self-Payment Rate which effective December 1, 2015 will be \$729.68.

To example how this works please see the examples below:

Example #1

You have 100 hours in your Hour Bank as of the end of November (after October work hours which are due in November are applied). 125 hours is required from your Hour Bank for December coverage, so you’re short 25 hours. You will receive a notification and billing from the Fund Office indicating the hours that you are short for coverage and the Buy Up amount you must pay to continue coverage. In this case, you can pay \$291.75 (25 x \$11.67) for December coverage. 100 hours will be applied against your Hour Bank and bring it to zero hours.

Example #2

You have 25 hours in your hour bank as of the end of November (after October work hours which are due in November are applied). 125 hours is required from your Hour Bank for December coverage, so you short 100 hours. You will receive a notification and billing from the Fund Office indicating the hours that you're short for coverage and the Buy Up amount you must pay to continue coverage. Although the 100 hours times the Buy Up rate is \$1167.00, since this amount exceeds the Self-Payment rate, you would only have to pay \$729.68 for December coverage. 25 hours will be applied against your Hour Bank and bring it to zero hours.

Just as with Self-Payments and COBRA you may utilize your Supplemental Accumulated Share (SAS) VEBA account balance to pay this Buy Up.

You must utilize your hour bank first. If you choose not to pay this Buy Up, your coverage will terminate and you will be offered COBRA continuation coverage at the full COBRA rates.

Hopefully, by the next month you will have worked enough hours to continue coverage. However, if you do not, any reported hours will be applied to your Hour Banks and you will once again have the same opportunity to continue your coverage through this Buy Up.

On the occasion that you did not have any new hours reported and you have no Hour Bank available for use, your coverage will terminate and you will be offered the opportunity to make Self-Payments to extend your coverage for up to 12 months. The Self-Payment rate as of December 1, 2015 will be \$729.68 per month. At the end of that period you may still qualify for COBRA continuation coverage. However, any self-payment period will still run concurrently with a COBRA eligible period and continuation months cannot be used twice, once for self-payment and once for COBRA.

This provision applies only if you have satisfied the initial eligibility requirements of the Plan. If you have not met the initial eligibility requirements you cannot utilize this provision to gain coverage under the Plan.

Please keep this Summary of Material Modification with your Summary Plan Description. These important changes affect the health benefits that are provided to you and your family. If you have any questions, please contact the Plan Office at (866) 544-9880 or (925) 208-9980

This document has been uploaded and is available on the participant website at www.ibew180benefitfunds.org