

# **Local No. 9, IBEW and Outside Contractors Active Employees Health and Welfare Fund**

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## **BENEFIT UPDATE**

Dear Participant:

The Board of Trustees of the IBEW Local No. 9 and Outside Contractors Health and Welfare Fund (the Fund) is making some changes to the Plan that will make it easier for you and your dependents to maintain coverage and providing an increase in your dental benefits. The changes are explained in this notice.

### **Participants Age 55 and Older Can Accumulate Additional Hour Bank Hours to Maintain Eligibility**

For hours worked on or after January 1, 2022, when you work and your employer makes contributions to the Fund on your behalf, any hours you work during a Working Quarter that are in excess of 360 hours will be reserved in your Hour Bank for future use toward continuing eligibility. Your Hour Bank total may not exceed 2,880 hours if you have not reached age 55.

**If you are age 55 or older, you are allowed to accumulate an additional two years' worth of hours (an additional 2,880 hours) for future use toward continuing eligibility.** However, these additional hours that you accumulate must be based only on hours you work after the first of the month in which you reach age 55, and your Hour Bank total may not exceed 5,760 hours. If you have not yet reached age 55, your Hour Bank total will continue to be capped at 2,880 hours.

This change also impacts the Extension Option Self-Payment section on pages 6-7 of your 2021 *Plan Document and Summary Plan Description*. That section is replaced by the language below.

The Extension Option Self-Payment section on pages 6-7 is deleted in its entirety and replaced with the following:

#### **Retiree Self-Payment Option**

If you are at least age 55 and retired from the Local No. 9 IBEW and Outside Contractors Pension Plan or provide proof of retirement from your employer, you can use your Hour Bank to continue eligibility in the Fund. When your Hour Bank is depleted to zero, you can make self-payments to continue coverage until you reach age 65. Your coverage will terminate the first of the month in which you reach age 65. If you are married when you reach age 65, your spouse will be offered COBRA coverage.

The Retiree Self-Payment Option rate is subject to change annually and the change usually goes into effect in November each year. You will be notified of any rate changes. You may not skip paying for certain months and then resume payment for any subsequent months. Payment must be consecutive and without breaks.

To assist you in making your self-payment contributions in a timely and consistent manner, the Fund accepts electronic automatic payments. When you are eligible for retiree coverage, you must enroll to have your monthly self-payment contributions automatically withdrawn from your checking or savings account. Withdrawals will be made on the first business day of each month so that you can continue to be eligible for coverage that month.

## **Spouses and Dependents Can Continue to Use Active Member's Hour Bank Hours to Maintain Eligibility When the Member Turns Age 65**

**The Trustees are changing the Plan to allow spouses and dependent children to continue coverage by using the Active Member's remaining Hour Bank hours instead of immediately paying monthly COBRA premiums if the Active Member loses eligibility for Fund coverage after turning age 65.** This change is effective January 1, 2020.

Prior to this change surviving spouses and dependent children were only allowed to continue coverage using the Active Member's remaining Hour Bank hours if the Active Member died.

This change, and how it impacts your 2021 *Plan Document and Summary Plan Description*, is explained in more detail below.

1. On page 5, in the Hour Bank subsection of the Continuation Coverage section, the fourth and fifth paragraphs are replaced with the language below:

*If you die, or if you lose eligibility upon turning age 65, and you still have hours remaining in your Hour Bank, your Spouse and Dependent children may elect to continue coverage under this Plan until your Hour Bank has been exhausted. Your Spouse's and Dependent children's election for continuation coverage by using your remaining Hour Bank runs concurrently with their right to COBRA Continuation coverage due to your death or your loss of eligibility upon reaching age 65.*

*Your Spouse and Dependent children will not be eligible for COBRA Continuation Coverage if they elect to continue coverage by using your remaining Hour Bank if your remaining Hour Bank is sufficient to continue coverage for the number of months that would have been available under COBRA Continuation Coverage due to your death or your loss of eligibility upon reaching age 65. If your remaining Hour Bank is sufficient for less than the number of months of continuation coverage provided under COBRA due to your death or your loss of eligibility upon reaching age 65, your Spouse and Dependent children will only be eligible for COBRA Continuation Coverage for the remainder of the months (after Hour Bank months have been exhausted) that would have been available under COBRA due to your death or your loss of eligibility upon reaching age 65.*

2. On page 9, in the COBRA Continuation Coverage subsection of the Continuation Coverage section, the following is now included as a qualifying event for spouses and dependent children:

*The Active Member (your Spouse-Employee or your Parent-Employee) loses eligibility upon reaching age 65 and you do not elect to continue coverage by using the Active Member's remaining Hour Bank.*

3. On page 11, in the Periods of Coverage subsection of the COBRA Continuation Coverage section, the last paragraph of the *Coverage Continues for 36 Months* explanation is replaced with the language below:

*Following your death or your loss of eligibility upon reaching age 65, your Spouse and Dependent children may elect to continue coverage by using your remaining Hour Bank. The continuation coverage will run concurrently with the COBRA Continuation Coverage under this section. If the continuation coverage from your remaining Hour Bank is less than the number of months of continuation coverage available under this section, your Spouse and Dependent children will only be eligible for the COBRA Continuation Coverage that would have been available under this section due to your death or your loss of eligibility upon reaching age 65.*

4. On page 5 of the Schedule of Benefits insert to your 2021 *Plan Document and Summary Plan Description*, the Hour Bank Coverage chart now reads as follows:

<b>Hour Bank Coverage</b>	<b>Coverage</b>
<i>Coverage for Spouses and Dependent Children in the Event of an Active Fund Member Death or an Active Fund Member turning age 65 and losing eligibility</i>	<i>Spouses and Dependent children may continue coverage by using the Active Member's remaining Hour Bank hours instead of immediately paying monthly COBRA premiums.</i>

### **Increase in Calendar Year Maximum for Dental Benefits Effective January 1, 2022**

The Trustees are increasing the Dental Benefit Calendar Year Maximum from \$2,000 to \$2,500, effective January 1, 2022.

The Dental Benefits chart in the Schedule of Benefits insert to your 2021 *Plan Document and Summary Plan Description* can be replaced with the chart below. The changes are in *italics*.

<b>Dental Benefits</b>	<b>Coverage</b>
Calendar Year Maximum	The Plan covers up to \$2,500 per person (excluding orthodontia). There is no maximum for Dependent children under age 19 for their dental exam and dental services.
Orthodontic Maximum	The Plan covers up to \$3,000 per person per lifetime (paid monthly as long as the Participant remains eligible under the Plan).
Dental Implants	The Plan pays 80% up to the \$2,500 Dental Benefit Calendar Year Maximum stated above.
Coinsurance	80% of Allowable Amount, no Deductible

In addition, the example on page 28 of your 2021 *Plan Document and Summary Plan Description* can be replaced with the example below. The changes are in *italics*.

Jake is single and receives treatment for covered dental services in October of 2022. As of December 31, 2022, the Plan paid \$1,100 on Jake's behalf for covered dental services in 2022. In January of 2023, he undergoes follow-up dental treatment for the same condition he was treated for in October of 2022. Before applying covered services to his new Dental Benefit maximum for the year beginning in January 2023, the Plan will first exhaust Jake's \$1,400 balance from 2022 (the \$2,500 Calendar Year Maximum minus the \$1,100 paid out in the previous Calendar Year for covered dental services).

## IN CLOSING

Please keep this Summary of Material Modifications (SMM), which describes changes to information provided in the most recent *Plan Document and Summary Plan Description* (SPD), with your SPD for future reference. Only the provisions described in this letter are changing; no other Plan changes are being made at this time.

If you have any questions about this change or your benefits, please contact the Fund Office at 708-449-9004 or 866-661-1021. We also encourage you to go to our website [www.myfundoffice.com](http://www.myfundoffice.com) for news, information and forms.

Sincerely,

Board of Trustees

*This announcement letter contains highlights of certain features of the IBEW Local No. 9 and Outside Contractors Health and Welfare Fund. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.*

**NOTICE OF GRANDFATHERED HEALTH PLAN STATUS.** The IBEW Local No. 9 and Outside Contractors Health and Welfare Fund believes its entire plan of benefits, including the retiree option provided therein, is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the "Affordable Care Act"). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage already in effect before the law was enacted. Being a grandfathered health plan means that the Plan may not include certain consumer protections of the Affordable Care Act that apply to non-grandfathered plans (for example, providing preventive health services without any cost sharing). However, the Plan must comply with certain other consumer protections in the Affordable Care Act (for example, eliminating lifetime limits on benefits). You can contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) if you have questions about what it means for a health plan to have grandfathered status and what might cause a plan to lose its grandfathered status. You can reach the EBSA by phone at 866-444-3272 or by accessing their website at [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform), where you can see a chart summarizing the protections that do and do not apply to grandfathered health plans. You may also contact the Fund Administrator with your questions by calling 708-449-9004 or 866-661-1021.