

Industrial Carpenters Trust Funds

April 2021

IMPORTANT NOTICE ABOUT EXPIRATION OF CERTAIN EXTENDED PLAN DEADLINES FOR THE HEALTH AND WELFARE PLAN AND PENSION PLAN

This notice explains how extensions of certain plan deadlines during the COVID-19 pandemic are impacted by recent federal guidance. This notice supersedes notices you may have previously received. Please read it carefully.

Note: This notice does not change how long you can be on COBRA (if you and/or your dependents are eligible). In general, you and/or your dependents may continue COBRA coverage for up to 18 months following the month in which your termination or reduction in hours occurs.

On May 4, 2020, the Internal Revenue Service and Department of Labor adopted an emergency regulation that extended certain plan deadlines during the coronavirus "Outbreak Period."¹ Beginning March 1, 2020, health plans have disregarded the Outbreak Period when determining plan deadlines related to COBRA coverage, special enrollment periods and claims and appeals. Beginning March 1, 2020, pension plans have disregarded the Outbreak Period when determining plan deadlines related to claims and appeals.

On February 26, 2021, the federal agencies released additional guidance to clarify that the period disregarded when determining these deadlines will terminate at the earlier of (1) one year from the date an individual became eligible for an extended deadline or (2) the end of the Outbreak Period. The disregarded period cannot exceed one year. This notice gives examples of how this will apply to several deadlines under the Plan.

The following examples for COBRA coverage and special enrollment periods pertain to the Health and Welfare Plan:

COBRA Coverage:

Examples:

- 1) Terry lost coverage on January 1, 2020 due to a reduction of hours and received a COBRA election notice on January 15, 2020. He did not elect COBRA coverage by March 15, 2020, which was the 60-day deadline under the normal (non-emergency) COBRA election rules. The first 45 days of his COBRA election window were prior to the Outbreak Period and counted toward his election deadline, which was suspended on March 1, 2020. However, the suspension of the election deadline ended on March 1, 2021, one year after he became eligible for the extended deadline. Terry will have 15 days remaining in his COBRA election period, which will now end on March 15, 2021.

¹ The Outbreak Period is defined as the period between March 1, 2020 and the date that is sixty (60) days following the announced end of the "National Emergency." The duration of the National Emergency is determined by the Secretary of the Department of Health and Human Services and expires automatically if not renewed every three (3) months. As of the date this notice was drafted, it has been extended through at least April 21, 2021.

- 2) Gail lost coverage due to a reduction of hours and received a COBRA election notice on September 1, 2020. Gail's COBRA election period under normal (non-emergency) COBRA election rules would have ended October 31, 2020 but the deadline was suspended during the Outbreak Period. Her election period will now end on the earlier of October 31, 2021 or 60 days after the end of the Outbreak Period.
- 3) Maria was receiving COBRA coverage on April 1, 2020. Maria last made a timely COBRA premium payment for her April 2020 COBRA coverage but has not made any payments since then. Under normal (non-emergency) COBRA rules, premium payments are due within a 30-day grace period that begins on the first day of the coverage month. For purposes of this example, assume that the Outbreak Period ends on July 30, 2021. Maria's premium payments for May 2020 through July 2021 are due within 30 days from the end of the Outbreak Period which is August 29, 2021. Her August premium would be due by August 30, 2021 (the 30-day grace period for her August premium payment).

Special Enrollment:

Special enrollment allows (1) participants, spouses and new dependents to enroll following a marriage, birth, adoption, or placement for adoption and (2) permits participants and dependents to enroll upon loss of eligibility for other coverage, such as a spouse's plan.

Examples:

- 1) Pat is the parent of a baby born on February 15, 2020. Under the normal special enrollment rules, Pat had 30 days to enroll her baby in plan coverage. This deadline was suspended during the Outbreak Period. The first 14 days of the special enrollment period were prior to the Outbreak Period and counted toward the special enrollment period deadline, which was suspended March 1, 2020. Her baby's special enrollment period ends on the earlier of March 16, 2021 or 16 days after the end of the Outbreak Period.
- 2) David married his spouse on August 1, 2020. Under the normal special enrollment rules, David had 30 days to enroll his new spouse in plan coverage. This deadline was suspended during the Outbreak Period. The spouse's special enrollment period ends on the earlier of August 30, 2021 or 30 days after the end of the Outbreak Period.

The following extensions for claims and appeals apply to the Health and Welfare Plan and the Pension Plan:

Claims and Appeals:

The deadlines for filing a claim for benefits, appealing a claim denial (an "adverse benefit determination") and filing a request for external review of a claim denial special enrollment were suspended during the Outbreak Period.

Example:

Melanie received a claim denial (an "adverse benefit determination") on July 1, 2020. Under normal (non-emergency) plan rules, she could file a written appeal within 180 days of the denial notice which would be December 28, 2020. This deadline was suspended during the Outbreak Period. Melanie's appeal window ends on the earlier of December 28, 2021 or 180 days after the end of the Outbreak Period.

Please call the Fund Office if you have any questions about this notice.