

TILE INDUSTRY TRUST FUNDS

TO: Participants of the Tile Industry Health and Welfare Trust Fund

FROM: Board of Trustees

DATE: December 2022

RE: Monthly Eligibility Commencing April 1, 2023

The Board of Trustees of the Tile Industry Health & Welfare Trust Fund is changing the method for determining eligibility for health coverage effective January 1, 2023, from quarterly eligibility to monthly eligibility. This means that your eligibility can change from month-to-month, and it is important that you understand the rules to maintain continuous eligibility through the transition.

To gain eligibility for a calendar month of health coverage, you must have worked a minimum of 120 hours in the calendar month two months prior to the coverage month and/or have sufficient reserve bank hours to gain coverage. For example, if you work at least 120 hours in January, that will afford your health coverage for April. If you work 100 hours in January, but have 20 hours in your reserve bank, you will be afforded coverage in April using your banked hours.

August, September, and October 2022 work hours were used to establish eligibility for January, February, and March 2023 coverage. January 2023 hours (combined work and reserve bank hours) will be used to establish eligibility for April 2023 health coverage. During the transition, on a one-time basis, hours worked in November and December 2022 will be applied to your reserve bank, and not used to establish coverage for any period. However, reserve bank hours remain capped at 720 hours.

For April 2023 health coverage, your January 2023 hours (combined work and reserve bank hours) will be used to establish eligibility, unless you are establishing initial eligibility, which is addressed in the following paragraphs.

Initial eligibility requirements will not change. You will still need to work at least 360 hours in 3 consecutive months to establish initial eligibility for health coverage. For example, if you work 360 hours in January, February and March, you are eligible for health coverage effective June and will earn 240 hours for your reserve bank. If you work 400 hours during that same time period, you will be eligible for health coverage effective June 1 and will earn 280 hours for your reserve bank.

During the transition period, if you were working toward initial eligibility in August, September, and October 2022 to establish eligibility for January, February and March 2023 coverage, but did not work sufficient hours to establish eligibility for that period, special qualification rules will apply. In this instance, September, October and November 2022 work hours OR October, November and December 2022 work hours OR November, December 2022, and January 2023 work hours can be used to meet the 360-hour requirement needed to establish initial eligibility for April 2023. Once the transition is complete, September, October and November work hours would provide initial eligibility in February of the next year.

The eligibility Buy-Up rules have changed as well. If you are scheduled to lose coverage due to insufficient hours for coverage, you will be allowed to Buy-Up coverage by paying the current hourly journeyman health and welfare contribution rate multiplied by the number of hours you need to reach 120 hours, up to 119 credit hours maximum. In this scenario, if coverage is scheduled to terminate in April because you did not have a sufficient combination of work hours and reserve bank hours at the end of January to provide April coverage, you may buy up to 119 credit hours of coverage at the current contribution rate of \$9.00 (\$1,071.00). The cost of the Buy-Up will be offset by the number of hours you have available to apply toward coverage. Your payment is due by the first day of the coverage month, April 1 in the example above.

You must have at least one hour worked or one hour in your reserve bank to use the Buy-Up option. You are eligible to Buy-Up coverage twice per calendar year.

If you are required to go on COBRA, your COBRA payment will be reduced by the hours remaining in your reserve bank.

If you become a Retiree, your retiree self-payment will be reduced by the hours remaining in your reserve bank.

These changes to the eligibility rules do not change the reserve bank provisions that allow a maximum of 720 hours to be allocated to the reserve bank. Unused hours in a reserve bank are forfeited if you do not have eligibility through the Trust Fund for three consecutive months. If you lose eligibility for three months, and forfeit the remaining hours in your reserve bank, you will be required to re-establish initial eligibility as outlined above.

If you have any questions regarding these changes to the Health & Welfare Plan, please contact the Fund Offices at (877) 908-9996

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