

U.A. Local No. 393 Benefit Funds

HEALTH & WELFARE, SUB, DEFINED BENEFIT PENSION AND DEFINED CONTRIBUTION

6293 San Ignacio Ave ■ San Jose, CA 95119 ■ P.O. Box 2460 ■ San Jose, CA 95109-2460
 (408) 588-3751 ■ (408) 436-8210 fax ■ Staff@ualocal393benefits.org ■ www.ualocal393benefits.org

Retiree Health & Welfare Overview

This document is intended to give you a summary of the coverage available to you in retirement from the U.A. Local No. 393 Health & Welfare Plan (the H&W Plan). Please review this material carefully.

As you know, healthcare is expensive. Once you retire, the employer contributions into the Plan for hours worked stop. To cover the cost of our program, the Plan requires that eligible retired participants help pay for the cost of retiree healthcare with a **retiree monthly premium**. This can be unwelcomed news to a new retiree, who has spent his/her career only paying for co-insurances and/or copayments at the time of service to a doctor or provider.

In general, healthcare costs are quite high before Medicare coverage begins at age 65. And, once you enroll in Medicare, please note that Medicare also has monthly premiums and generally only covers about 80% of the cost. For full coverage, comparable to what a participant received as a working member, the Plan provides comprehensive benefits during retirement. Please see Question 4 for more details.

1. How Do I Become Eligible?

The Retiree Health and Welfare eligibility requirements are the same for all classifications:

- You must have been covered under the H&W Plan for 9 of the last 10 years prior to the month of your retirement.
 - Exception: You don't need to meet the "9 out of 10" rule if you are age 55 and have at least 25 Benefit Credits in the U.A. Local No. Defined Benefit Pension Plan (the DB Plan).
- You must also be receiving one of the following:
 - Monthly benefits from the DB Plan, based either on the accrual of 10 Benefit Credits or the attainment of age 65 and your tenth anniversary of participation in the Plan, or
 - Monthly installments from the U.A. Local No. 393 Defined Contribution Plan (the DC Plan) based on the attainment of age 52 and 25 Benefit Credits and permanent separation from Industry Service.

As you can see from the rules above, not everyone qualifies. You need significant hours of covered work to be eligible. *Rules for participants who retired before 7/1/2009 can be found in the Formal Plan Text.*

2. How much can I expect Retiree Health and Welfare to cost every month?

The rate you will pay is based on the Retiree Health and Welfare subsidy schedule (attached). You will be assigned a percentage upon retirement based on your age and career hours. Your **retiree monthly premium** is determined by multiplying that percentage by the current monthly Plan cost.

Effective July 1, 2024, the current monthly Plan costs are:

• Medical/Rx/Vision for Non-Medicare Retirees:	\$2,060
• Medical/Rx/Vision Medicare Retirees:	\$810
• Retiree Dental (<i>subsidy does not apply to dental</i>)	\$160

Composite Rate

- Your **retiree monthly premium** is based on whether you (the member) are on Medicare and covers you and all eligible dependents. Once you (the member) become enrolled in Medicare, your **retiree monthly premium** decreases.
- Your **retiree monthly premium** is a “composite” rate – it does not change based on your spouse’s eligibility for Medicare or if you add or remove dependents.

3. How do I pay for my Retiree Health and Welfare?

Starting the month you retire, you will exhaust your hour bank first, by deducting 110 hours for each month of coverage, and then you must make monthly payments to continue coverage.

Once your hour bank is exhausted, you can:

- Pay by sending in a personal check, or
- Elect to have payments automatically
 - deducted from your Extended Reserve Account (ERA) until funds are exhausted, or
 - withdrawn from your checking or savings account, or
 - deducted from your monthly pension check from the DB Plan.

Please note that the Plan does not send out a monthly invoice unless you opt to pay by personal check. Please monitor your auto-payments to ensure you stay current with your **retiree monthly premium**. If you have any questions, feel free to call the Benefit Office for assistance.

If you do not want to elect retiree coverage through the Plan and want to purchase an individual policy on the marketplace (www.healthcare.gov, www.coveredca.com, www.medicare.gov/basics/get-started-with-medicare/get-more-coverage) instead, only funds contributed to your Extended Reserve Account prior to 1/1/2014 may be used to pay for individual policy monthly premiums.

As a reminder, your Extended Reserve Account is divided into two “buckets” to differentiate the two different pools of money. The funds contributed on or after 1/1/2014 can only be used for IRS approved medical expenses such as copayments of coinsurances at the providers office.

4. What are my coverage options?

Medical / Rx / Vision

The two Retiree Health and Welfare coverage options are HMO and PPO.

	Early Retirees (Non-Medicare)	Medicare Retirees
HMO	Kaiser, Kaiser Rx, VSP	Kaiser Permanente Senior Advantage (KPSA), VSP
PPO	Anthem PPO, Navitus Rx, VSP	Aetna Medicare Advantage (MA) PPO Plan including Vision, Navitus EGWP Rx

HMO: As a Non-Medicare retiree, you can enroll in Kaiser upon retirement even if you do not live in the Kaiser service area, under the live/work rule. When you become eligible for Medicare, Kaiser requires you to enroll in Kaiser Permanente Senior Advantage (KPSA). KPSA does require you to live in the Kaiser service area. If you do not live in the Kaiser service area when you switch to Medicare / KPSA, you will be required to switch to the Aetna MA PPO Plan.

PPO: All retirees and dependents that meet the Plan's eligibility requirements are eligible to enroll in the PPO or Aetna Medicare Advantage PPO Plan. These plans are national – they are available in every state of the country.

Changing Plans: There is no open enrollment period. You may switch between Kaiser and PPO/Aetna MA anytime, as long as you have not changed plans in the last 12 consecutive months.

Vision

Kaiser retiree vision benefits are provided by VSP. The benefits are the same as active members.

PPO retiree vision benefits are also provided by VSP until you become Medicare eligible. After this, your vision benefits are provided by the Aetna Medicare Advantage Plan.

Dental (additional cost)

Retiree dental benefits are provided by Delta Dental. The benefits are the same as active members.

5. What coverage options are NOT available in retirement?

- Medicare retirees are not eligible for Hinge Health virtual physical therapy, Health Advocate EAP or Beat It substance abuse benefits.
- Once you retire and/or turn 65, you are no longer eligible for the H&W Plan \$50,000 Death Benefit

6. My spouse and I are different ages. How does coverage work when the first one of us enrolls in Medicare?

Family coverage will be split based on Medicare eligibility:

- If you are on Kaiser and become Medicare-eligible but your spouse/children are not, your spouse/children will remain on regular Kaiser, while you must enroll in Kaiser Permanente Senior Advantage.
- If you are on Anthem PPO and become Medicare-eligible, you must enroll in the Aetna Medicare Advantage Plan while your non-Medicare spouse/children will remain on the Anthem PPO.

Cost:

- Your **retiree monthly premium** is based on whether you (the member) are on Medicare and covers you and all eligible dependents. Once you (the member) become enrolled in Medicare, your **retiree monthly premium** decreases.
- Your **retiree monthly premium** is a “composite” rate – it does not change based on your spouse’s eligibility for Medicare or if you add or remove dependents.

7. Do I need to complete forms to Opt-In to the Retiree Health and Welfare?

Yes, you will need to complete and submit forms to the Benefit Office. This is called an active enrollment – you must actively sign up – the Plan does not “default” you into Retiree coverage. The form will include options on how to pay for the **retiree monthly premium**.

8. How do I submit the Opt-In Form?

Completed forms, and other documentation should be

- Emailed to staff@ualocal393benefits.org, or
- Mailed to P.O. Box 2460, San Jose, CA 95109, or
- Dropped off in person at: 6293 San Ignacio Ave, San Jose, CA 95119.

9. Can I defer enrollment in the Retiree Health and Welfare Plan?

Yes. If you or your eligible dependents are covered under another **group health plan**, you may **defer** enrollment at the time of retirement, or **suspend** participation in the Plan after retirement. You must make this request in writing and provide information about the other coverage.

You may **re-enroll** in this Plan once the other group health coverage is no longer available. Coverage is only considered “no longer available” if one of the following applies:

- (1) The person who was the employee under the other group health plan is no longer eligible to be covered under that plan.
- (2) You or your dependents were eligible dependents under the other group health plan, and that plan no longer offers dependent coverage.
- (3) The person who was the eligible employee under the other group health plan has retired and coverage under the other group health plan has changed because of retirement. (one-time use only)

Coverage is **not** considered “no longer available” if the reason you are no longer covered under the other group health plan is the failure to elect or to pay for the coverage, even if the cost of that other coverage has increased significantly.

You may **suspend** your coverage and **re-enroll** multiple times throughout your retirement, as long as the above rules are followed. For example, this may apply if you or your spouse works several jobs that include medical benefits at differing times throughout your retirement.

10. What happens to my subsidy and eligibility if I initially decline coverage?

There is no specific subsidy amount you are declining. You can think of the subsidy as a discount. If you **decline** the Plan’s Retiree Health and Welfare coverage, then you may never enroll in the Plan again.

11. What happens to my hour bank if I defer Retiree Health and Welfare?

If you are covered under your spouse's **group health plan** and elect to defer enrollment at retirement, the hours in your Basic Reserve Account will be converted to an equivalent dollar amount and deposited into your Extended Reserve account upon your retirement effective date. Once your Basic Reserve Account hours have been converted and deposited into your Extended Reserve Account, there will be no hours remaining in your Basic Reserve Account.

12. What is Medicare, how much does it cost per month, and how do I enroll?

Medicare is health insurance for people 65 or older. You're first eligible to sign up for Medicare 3 months before you turn 65. You may be eligible to get Medicare earlier if you have a disability, End-Stage Renal Disease (ESRD), or ALS (also called Lou Gehrig's disease). For more information, visit **Medicare.gov**.

- Medicare Part A is Hospital Insurance and is free for most people.
- Medicare Part B is Medical Insurance for things like doctor visits and lab tests. As of 2024, the standard premium is **\$174.70** (or higher depending on your income).

13. When do I enroll in Medicare?

All retirees and dependents **must enroll in Medicare Parts A, B, and D when eligible**, which for most people is age 65, in order to be eligible for any benefits under the Plan's Retiree Health & Welfare coverage. Please reach out to the Benefit Office (BeneSys) three months prior to your 65th birthday.

This Overview is intended to give you basic information. Eligibility and enrollment for participants and their eligible dependents are governed by the applicable Plan rules defined in the Formal Plan Texts and Summary Plan Descriptions. In the event of a conflict between this Overview and the terms of the Plans, the terms of the Plans will govern. This Overview is for educational purposes only and is not a guarantee of benefits or proof of coverage.

14. Important Phone Numbers, Apps and Websites

Vendor	Phone Number	Website	App
BeneSys	(408) 588-3751	www.ualocal393benefits.org	<i>BeneSys Now</i> 
Wex/BennyCard Extended Reserve Account HRA	Call BeneSys	fundoffice.lh1ondemand.com	<i>BeneSys Member Reimbursement</i> 
Kaiser	(800) 464-4000	www.kp.org	<i>Kaiser Permanente, My Doctor Online</i> 
Anthem PPO	(855) 206-2004	www.anthem.com/ca	<i>Sydney Health</i> 
Aetna MA (Retiree First)	(855) 460-7487	retireefirst.com/local393/	
Navitus Rx <i>Non-Medicare</i>	(866) 333-2757	www.navitus.com	<i>Navitus</i> 
Navitus Rx <i>Medicare PDP</i>	(866) 270-3877	medicarerx.navitus.com/	<i>Navitus</i> 
VSP	(800) 877-7195	www.vsp.com	<i>VSP</i> 
Delta Dental	(800) 765-6003	www.deltadentalins.com	<i>Delta Dental</i> 