

Important Notice from the Electrical Insurance Trustees Benefit Funds About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the Electrical Insurance Trustees Benefit Funds and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Electrical Insurance Trustees Benefit Funds has determined that the prescription drug coverage offered by the Electrical Insurance Trustees Benefit Funds is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Electrical Insurance Trustees Benefit Funds' coverage will be affected. Your prescription drug coverage under the Electrical Insurance Trustees Health & Welfare Plan will end for you.

If you do decide to join a Medicare drug plan and drop your current Electrical Insurance Trustees Benefit Funds' coverage, be aware that you and your dependents will not be able to get this coverage back.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with the Electrical Insurance Trustees Benefit Funds and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Call the Electrical Insurance Trustees Benefit Funds at 1-312-782-5442 for further information.

NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Electrical Insurance Trustees Benefit Funds changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date: **08/15/2022**
Name of Entity/Sender: **Electrical Insurance Trustees Benefit Funds**

Frequently Asked Questions about Medicare Benefits

Q: What does “Medicare Eligible” mean?

A: The most basic Medicare eligibility requirement is to be 65 years of age or older. However, a person under 65 with certain disabilities and those who are in end-stage renal disease may also qualify for Medicare. Anyone who meets these requirements under Medicare is considered “Medicare Eligible.” **If you or your covered dependent are Medicare Eligible and choose to disenroll in Medicare Part A and Medicare Part B because you have active coverage, the coordination of your EIT Retiree Healthcare benefits and Medicare benefits may be negatively impacted if you do not have Medicare Part A&B coverage in place prior to your last day worked. Please contact EIT immediately if this applies to you or any of your covered dependents to avoid any penalties or costly mistakes.**

Q: What happens to your health benefits if you retire before age 65?

A: **If you are not entitled to EIT Retiree Healthcare benefits**, you will need to find insurance to bridge the gap until you reach age 65. You can visit the Marketplace (www.getcovered.illinois.gov or www.healthcare.gov) for coverage options. This additional questions and answers do not apply to you. **If you are entitled to EIT Retiree Healthcare benefits** you will continue to be covered until you reach age 65 at which time you must apply for Medicare Parts A & B. You must apply at least 3 months prior to your 65th birthday so that Medicare will become your primary coverage for your medical expenses and EIT will become your secondary coverage when your EIT retiree healthcare coverage begins. If your covered dependent is not yet Medicare Eligible, EIT will remain the primary coverage for your dependent until they become Medicare eligible. Your Medicare Eligible dependent will need to be covered by Medicare Part A&B when you stop working for Retiree healthcare and Medicare benefits to coordinate with no disruption.

Q: What happens if you become disabled?

A: If you become disabled, are receiving Social Security disability benefits and are entitled to EIT Retiree Healthcare benefits, you must apply for Medicare Parts A and B so that Medicare will become primary coverage for your medical expenses and EIT will become your secondary coverage. If you have a covered dependent that is not Medicare Eligible, their EIT coverage will continue as primary. If you have a Medicare Eligible dependent they must be enrolled in Medicare Parts A & B so that Medicare will become primary coverage for their medical expenses and EIT will become their secondary coverage.

Q: What happens if you retire before age 65 and have a Medicare Eligible covered dependent?

A: If you are entitled to EIT Retiree Healthcare benefits, your Medicare Eligible covered dependent is required to take Medicare Parts A & B, so that Medicare will become their primary coverage for their medical expenses and EIT will become their secondary coverage when your EIT retirement health coverage begins. **If your Medicare Eligible covered dependent does not have Medicare Part A&B, they will be responsible for the amount Medicare would otherwise have covered (e.g. 80% of Medicare eligible expenses).**

Q: What happens if you continue working past age 65 and are Medicare Eligible?

A: You are not required to take any action. You may continue to be covered until you decide to retire. However, if you are entitled to EIT Retiree Healthcare benefits you are considered Medicare Eligible, so **you must have Medicare Part A and Part B in place on your Retirement Date. You should apply for Medicare Parts A & B at least 3 months prior to your retirement date.** This way, Medicare will become your primary coverage for your medical expenses and EIT will become your secondary coverage when your EIT retirement healthcare coverage begins with no disruption or penalties.

Q: What happens if you retire on or after age 65 and have a disabled dependent?

A: If you are entitled to EIT Retiree Healthcare benefits, **your Medicare Eligible covered dependent is required to take Medicare Parts A & B** so that Medicare will become their primary coverage for their medical expenses and EIT will become their secondary coverage when your EIT retirement healthcare coverage begins. If your Medicare Eligible dependent does not have Medicare Part A&B in place prior your last day worked, they will be responsible for the amount Medicare would otherwise have covered (e.g. 80% of Medicare eligible expenses) until they are covered by Medicare Part A&B.

Q: What happens if you are Retired and Medicare Eligible, but your spouse is still actively working and has family coverage through his/her employer?

A: If you are retired and entitled to EIT Retiree Healthcare benefits, your spouse's active family coverage will be primary, and your Medicare coverage will be secondary and EIT's Retiree Healthcare coverage will be billed as tertiary. When your spouse's active coverage terminates, Medicare will become primary, EIT Retiree Healthcare coverage will pay as secondary. In this situation, EIT will be your spouse's primary coverage until he/she becomes Medicare Eligible. At that time, Medicare will become his or her primary coverage and EIT Retiree Healthcare will become secondary.

Q: What happens if you are covered as an active employee, and have a Medicare Eligible dependent?

A: As long as you continue to be an active, covered participant of under and EIT Plan, your Medicare Eligible dependent's coverage remains the same. While you are working, your Medicare Eligible dependent will be covered as primary under the EIT Plan and Medicare is will be secondary. It is important that your Medicare Eligible covered dependent be covered by Medicare Part A & B when you stop working.

Q: What happens if you are still working and your spouse reaches age 65 before you?

A: As long as you continue to be an active, covered participant of EIT, your spouse is not required to take Medicare Part B. However, if you are entitled to EIT Retiree Healthcare benefits, your spouse must already be enrolled in Medicare Parts A & B when you stop working, as Medicare will become primary coverage for your spouse's medical expenses and EIT Retiree Healthcare will become secondary coverage when you retire. It is important that your spouse apply Medicare Part A & B as soon as you stop working to avoid having a gap in coverage between when Retiree Healthcare and Medicare coverage begin. If there is a gap, you will be responsible for paying any Medicare eligible expenses as if you were enrolled in Medicare Part A & Part B (e.g. 80% of Medicare eligible expenses).

Q: What happens if you return to work after having received a Social Security disability award?

A: You must immediately notify the Social Security Administration (SSA) that you have returned to active employment. If you do not notify the SSA, it may result in an overpayment of your Social Security benefit. It may also result in EIT presuming that you still have Medicare Parts A & B as primary and your claims will be incorrectly processed by Blue Cross Blue Shield of Illinois. You will also want to contact EIT immediately to avoid retirement plan overpayments.

Q: What happens if you and your covered dependents are on COBRA continuation coverage and you or your covered dependents become Medicare Eligible?

A: You must apply for Medicare Parts A & B so that Medicare will become your primary coverage for your medical expenses and EIT will become your secondary coverage.

Q: What happens if you or your Medicare Eligible dependents fail to enroll in Medicare Part A and B?

A: Under the Plan, the EIT Health & Welfare Plan assumes you or your Medicare Eligible dependents are enrolled in Medicare A & B and that Medicare is paying 80% of eligible expenses. Therefore, if you or your Medicare Eligible covered dependents are entitled to EIT Retiree Healthcare benefits, the Plan will pay the claims as if you were enrolled in Medicare Part A & B and will consider eligible claim expenses at 20% of Medicare approved allowance. Failure to notify EIT that you are enrolled in Medicare Part A & B may result in an overpayment of your claims. You may be responsible for repayment of any claims processed incorrectly due to lack of coordination with Medicare.

IMPORTANT: If you and your spouse fail to have Medicare Part A & B coverage in place at the time of your retirement and you and/or your spouse are Medicare Eligible, you will be responsible for paying the amount that Medicare would pay as primary payer and EIT would pay as secondary payer. This could be a costly mistake, so please make sure that you and your Medicare Eligible dependents have Medicare Part A AND Part B in place before you stop working. Also, please note that your SSDI award date may impact the date you are considered "retired" under the Plan.

For additional information about Medicare please call the Centers for Medicare and Medicaid Services (CMS) at 1-800- MEDICARE (1-800-633-4227) or visit their website at www.medicare.gov.

This document contains information on various benefits, but it does not give you all of the details. The official plan documents have all of the details. If there are any differences between this information and the plan documents, the plan documents will govern. If you have any questions about your benefits, please contact the Fund Office at (312) 782-5442.