



BENEFITS UPDATE

September 2019

Important Changes to the Health & Welfare Plan

The Trustees have made the following important changes to the Electrical Insurance Trustees Health and Welfare Plan for Construction Workers ("Plan") as described in the Summary Plan Description for the Plan, dated as of January 1, 2008 ("SPD").

Unless otherwise stated, the changes indicated in this Benefits Update are effective on or after January 1, 2019.

This Benefits Update supplements the information contained in the SPD.

Please keep these documents together for your records and future reference. If you have any questions about the benefit changes described in this Benefits Update, please contact the EIT Benefit Funds Office at 312-782-5442.

Health Reimbursement Arrangement

Beginning as of June 1, 2018, the Plan established a notional Health Reimbursement Arrangement ("HRA") account for each Active Employee. As an Active Employee, contributions are allocated to your HRA for every contributed hour that you work under a collective bargaining agreement or participation agreement.

The HRA is designed to allow you and your eligible Dependents to obtain reimbursement of Eligible Expenses (as defined below) on a tax-free basis. The HRA is employer-funded only and is administered and managed for the Trustees by WageWorks.

Effective for Eligible Expenses incurred on and after January 1, 2019, you may submit requests for and receive reimbursements from the HRA to cover these Eligible Expenses that are not otherwise covered under the Plan.

Eligibility

The HRA is a notional account established for each Active Employee for whom the Plan receives contributions under a Collective Bargaining Agreement or participation agreement. If you are eligible for medical benefits under the Plan as an Active Employee or Retiree or based on disability-related hour credits, self-payments or COBRA coverage, you may utilize your HRA credit balance to pay for Eligible Expenses (defined below), which includes certain medical, dental, vision and prescription expenses, incurred by you and your eligible Dependents. You may continue to utilize your HRA credit balance **as long as you remain eligible for medical benefits under the Plan**. If you are not eligible for Retiree Benefits, you may utilize your HRA credit balance once you become eligible for Medicare and enroll in Medicare Parts A and B.

Suspension of HRA

If you become no longer eligible for medical benefits under the Plan and you do not choose to elect COBRA coverage, then your HRA will be suspended. You may not submit or receive reimbursements from your HRA credit balance while your HRA is suspended. However, any contributions the Plan receives under a Collective Bargaining Agreement or participation agreement based on hours of covered work you perform will still be allocated to your HRA.

- Your HRA will remain suspended until one of the following events occurs:
- You reestablish eligibility for coverage under the Plan;
- You become eligible for and enroll in Medicare Parts A and B; or
- Your HRA is ultimately forfeited under the terms of the Plan (as explained below).

HRA Funding

Your HRA is funded by contributions made on your behalf pursuant to a Collective Bargaining Agreement or participation agreement, so your HRA credit balance grows as the number of hours that you work in covered employment increases. An HRA contribution will not be made for any amounts received by the Plan as self-payments, and no contributions will be made to your HRA if you are not performing work covered under a Collective Bargaining Agreement or participation agreement.

The Fund Office keeps track of your HRA credit balance as a bookkeeping entry, which is adjusted at the sole discretion of the Trustees. The Trustees manage and control the assets in which the HRA credit balances are invested (“HRA Investment Fund”). The HRA Investment Fund is valued at fair market value annually for net earnings, losses, appreciation, depreciation and forfeitures, and any adjustment to your HRA credit balance is made in accordance with the Policy for Allocation of HRA Investment Fund Earnings/Losses and Forfeitures, which is available upon written request to the Fund Office and which may be amended from time to time at the sole discretion of the Trustees.

If the Plan issues a reimbursement to you for an Eligible Expense from your HRA credit balance, your HRA credit balance will be reduced by the amount of such reimbursement. Your HRA credit balance will be carried over from year to year, except as specified herein.

No Vesting of HRAs

HRAs are not savings accounts from which you can withdraw monies at will. You and your Dependents are not vested in your HRA credit balances. Amounts accumulated in your HRA can only be used for Eligible Expenses, subject to the rules and provisions set forth under the terms of the Plan as described herein.

Benefits payable under the HRA shall not be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment or encumbrance of any kind, except as required under applicable law.

Crediting of Reciprocal Contributions

If you work outside the jurisdiction of Local 134 under a reciprocity agreement and you elect to transfer your contributions to the Plan, your contributions will first be applied to maintain your eligibility under the Plan. Any excess amount above Local 134's "core" contribution rate will be allocated to your HRA. For more information regarding the crediting of reciprocal contributions, see the section entitled Reciprocity.

Core Contribution Rate

The "core" contribution rate is calculated by subtracting the HRA allocation from Local 134's health and welfare contribution rate.

Eligible Expenses and Reimbursements

Your entitlement to reimbursement from your HRA credit balance and the amount of any such reimbursement will be based on your HRA credit balance at the time the reimbursement is requested. You may receive reimbursement from your HRA only for Eligible Expenses. An expense is an Eligible Expense if it satisfies the following 4 requirements:

- The expense is incurred on or after January 1, 2018; and
- The expense is incurred by an eligible individual while covered under the Plan (including any periods during which coverage is extended because of self-payments, disability-related credit hours or COBRA coverage) or Medicare; and
- The expense is not payable under any other benefit provisions of the Plan; and
- The expense is an "Eligible Expense" (as defined below).

Eligible Expense

To be an Eligible Expense, the expense must be a “qualified medical expense” under Section 213(d) of the Internal Revenue Code of 1986, as amended (“IRC”). For a complete list of IRS Section 213(d) eligible expenses, go to www.irs.gov/pub/irs-pdf/p502.pdf. Examples of a “qualified medical expense” include the following:

- Self-payments, including COBRA coverage self-payments and Retiree Self-Pay Contributions;
- Deductibles and copayments under the Plan;
- Medical expenses not covered by or in excess of the benefits provided under the Medical Benefit;
- Expenses for dental treatment, including orthodontia;
- Guide dogs for blind or deaf persons;
- Certain travel expenses of the patient when necessary to receive essential medical care, and the travel and lodging expenses of another family member whose presence is necessary for the treatment. The patient’s Physician must certify that the family member’s presence is necessary for the treatment;
- Special telephone and television equipment for hearing-impaired persons;
- Hearing aids and examinations;
- Smoking cessation programs;
- Vision expenses, including surgery or laser treatments to correct vision;
- Schooling for the mentally impaired or physically disabled;
- Acupuncture;
- Prescriptions and over-the-counter medications; provided that such items are accompanied by a written prescription and generally accepted as medicine and drugs. Such items shall not include toiletries, sundries or cosmetics;
- Weight loss programs, but not food or dietary supplements.

Expenses That Do Not Qualify as Eligible Expenses

No reimbursement will be made from your HRA credit balance for expenses that are not Eligible Expenses (i.e., not listed as “qualified medical expenses” in Section 213(d) of the IRC). Examples of expenses that are not covered include, but are not limited to, the following:

- Athletic club, health and/or spa or gym memberships;
- School fees for boarding schools or not related to a medical necessity;
- Cosmetic Surgery, procedures and supplies;
- Health programs offered by resort hotels, health clubs and gyms;
- Child and elder care;
- Funeral expenses;
- Hair transplants;
- Household help other than that qualifying as long-term care;
- Personal use items;
- Premiums for coverage through a state or federal Health Insurance Marketplace;
- Teeth whitening.

Reimbursements

You must submit a claim for reimbursement of any Eligible Expense by either:

- Using your WageWorks debit card to pay for Eligible Expenses at the time of service with your HRA credit balance; or
- Submitting a reimbursement form, along with a copy of your Explanation of Benefits (“EOB”) or other itemized receipts to WageWorks through the EZ Receipt app, online or by fax or mail. Your itemized receipt or EOB must include:
 - **Patient's Name:** The name of the person who received the service or for whom the item was purchased. For retail store purchases, this information may be excluded.
 - **Provider's Name:** The provider that delivered the service or where the item was purchased.
 - **Date of Service:** The date on which services were provided or the item was purchased.
 - **Type of Service:** A detailed description of the service provided or item purchased. A bag tag is sufficient for prescriptions.
 - **Cost:** The amount you paid for the service or product and/or the portion that is not reimbursed through the Plan.

Reimbursements from your HRA credit balance are subject to all of the following requirements:

- HRA reimbursement requests can only be submitted by you or by your Dependent spouse pursuant to your written authorization on file at the Fund Office or, in the event you are deceased, by your surviving Dependent(s). HRA reimbursement requests may not be submitted by a former spouse, and an HRA credit balance is not subject to division pursuant to a domestic relations order under the preemption provisions of ERISA Section 514.
- HRA reimbursement requests must be submitted by December 31 of the year following the year in which the Eligible Expense was incurred. In other words, you will always be able to submit a reimbursement request for Eligible Expenses incurred in the previous calendar year plus the current calendar year. For example, if you have a reimbursable claim for a dentist visit in May 2019, you will have until December 31, 2020 to submit your reimbursement request. Note that the expense is incurred on the date you received services or items for which you were charged the expense, not the date of payment or invoicing.

Your Right to Opt-Out

You may choose to permanently opt-out of your HRA and forfeit your right to reimbursement from your HRA at any time by notifying the Fund Office in writing. Any credit balance in your HRA as of the date the Fund Office receives notice of such opt-out will be permanently forfeited. Any notice of opt-out received by the Fund Office is irrevocable.

Forfeiture of HRA Credit Balance

Your HRA credit balance will be forfeited on the earliest to occur of the following:

- You lose eligibility for medical benefits under the Plan for a period of 4 years and your HRA credit balance is less than \$2,500. If your HRA credit balance is more than \$2,500, your HRA will be forfeited after the first 10-year period where no reimbursement request is made; or
- The Fund Office receives written notice that you irrevocably elect to opt-out of the HRA; or
- You die and you have no surviving Dependent.

Payment of HRA Credit Balance upon Your Death

If you have a credit balance in your HRA on the date of your death and have eligible Dependents, your surviving spouse may use your HRA credit balance by submitting reimbursement requests to the Fund Office for Eligible Expenses. If there is no surviving spouse or your surviving spouse dies, then any other surviving Dependent may use the HRA credit balance by submitting reimbursement requests, which will be processed by the Fund Office in the order received by the Fund Office.

Any remaining HRA credit balance not reimbursed to your Dependents will be forfeited if the HRA has no reimbursement activity for a period of 4 years. If you die and you have no surviving Dependents, your HRA credit balance, if any, will be forfeited. The HRA does not have a monetary value and cannot be paid out, except in the form of reimbursement for Eligible Expenses incurred by you or your eligible Dependents.

HRA Administration Fee

Generally, you will not be charged any fee for the Plan to administer your HRA. However, the Plan will deduct the cost of such administration from your HRA credit balance after your HRA has remained suspended for a period of 3 years and until such time as the earliest of the following events occurs:

- You reestablish eligibility for coverage under the Plan; or
- You become eligible for and enroll in Medicare Parts A and B; or
- Your HRA is ultimately forfeited under the terms of the Plan.

Extension of Survivor Health Benefits

If your date of death is on or after January 1, 2019 and you are actively insured or covered as a Retiree under the Plan at the time of your death, your surviving spouse and eligible Dependent children will remain eligible for health care coverage until the 36th month anniversary of your death, after which time your surviving spouse and eligible Dependent children may apply for and continue health care coverage under COBRA continuation benefits.

IMPORTANT INFORMATION

This Benefits Update is intended to serve as a Summary of Material Modifications for the Electrical Insurance Trustees Health & Welfare Plan for Construction Workers. If any conflicts exist between the terms of this Benefits Update and the official Plan document, the terms of the official Plan document will control. The Trustees reserve the right to amend, modify or terminate the Health & Welfare Plan at any time. Receipt of this Benefits Update does not confer any eligibility or entitlement to any benefits under the Health & Welfare Plan.

Electrical Insurance Trustees Health & Welfare Plan for Construction Workers
Employer Identification Number: 36-1033970 Plan Number: 501

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