

SOUTHERN CALIFORNIA PIPE TRADES HEALTH & WELFARE FUND

(Active Plan)

SUPPLEMENT No. 2

To: All Participants
From: Board of Trustees
Date: November 2019
Re: Re-establishing Eligibility

KEEP THIS NOTICE WITH THE SUMMARY PLAN DESCRIPTION

The Board of Trustees has improved the Plan as follows:

If you lose eligibility due to insufficient contributions and have a gap in coverage of fewer than 12 months then, effective for eligibility beginning January 1, 2020, the Base Contribution needed to re-establish eligibility is reduced from \$1,836 (approximately 260 hours) to \$847.20 (120 hours).

In other words, this rule change makes it easier for you to re-establish eligibility after a short lapse in coverage. It also therefore may reduce the amount of COBRA or Subsidized Self-pay Program premiums you would have to pay to maintain coverage.

The paragraphs of the Summary Plan Description Section 4(A) which address continuing eligibility are revised as follows:

A) Establishing and Re-establishing Eligibility

...

You and your Eligible Dependents become eligible for benefits when \$1,836 in Base Contributions has been credited to your Eligibility Bank within 24 consecutive months. If you lose eligibility it will be reinstated when \$1,836 in Base Contributions has been credited to your Eligibility Bank within 24 consecutive months.

Notwithstanding the above, if your loss of eligibility is due to insufficient contributions, and is for a period of fewer than 12 months, your eligibility will be reinstated when \$847.20 in Base Contributions is credited to your Eligibility Bank.

The \$1,836 and \$847.20 amounts will be adjusted proportionally whenever the health and welfare Base Contribution rate under the Collective Bargaining Agreement changes, and will be effective the first day of the second month following the change.

You and your Eligible Dependents will be covered under the Plan beginning the first day of the second month following the month in which your Eligibility Bank is first credited with \$1,836 or \$847.20 (as adjusted above) in Base Contributions.

Contributions are applied to the month worked, not the month the contribution is received by the Fund Office. Your coverage may be delayed or applied retroactively if the contributions are not received when due.

EXAMPLE	<p>You run out your Eligibility Bank and your eligibility ends on December 31, 2019. You return to work and contributions for 120 hours totaling \$847.20 are made by your employer on your behalf for the work month of March, 2020. March contributions apply for May eligibility, so your eligibility will be reestablished effective May 1, 2020.</p>
----------------	---

EXAMPLE	<p>You run out your Eligibility Bank and your eligibility ends on December 31, 2019. You return to work and contributions for 120 hours totaling \$847.20 are made by your employer on your behalf for the work month of November, 2020. November contributions apply for January eligibility, so you will have a 12-month gap in eligibility. Therefore your eligibility will not be reestablished effective January 1, 2021. Contributions of \$1,836 must be received in order to reestablish eligibility.</p>
----------------	---

This Southern California Pipe Trades Health & Welfare Fund believes this Plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Trust Fund Office at (800) 595-7473. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.