

SOUTHERN CALIFORNIA PIPE TRADES HEALTH AND WELFARE FUND

(Active Plan)

SUPPLEMENT No. 1

To: All Participants
From: Board of Trustees
Date: November 2019
Re: Establishing, Re-establishing, and Maintaining Eligibility

**KEEP THIS NOTICE WITH THE
SUMMARY PLAN DESCRIPTION (SPD)**

Effective September 1, 2019, the standard employer contribution rate for health benefits under Collective Bargaining Agreements with District Council No. 16 changed from \$8.91 to \$9.16. The allocation of these contributions is as follows:

	<u>Before September 1</u>	<u>Effective September 1</u>
Health & Welfare Fund		
Base Contribution (used to calculate eligibility)	\$6.81	\$7.06
Health Reimbursement Arrangement	\$1.55	\$1.55
<u>Pensioners & Surviving Spouses Health Fund</u>	<u>\$0.55</u>	<u>\$0.55</u>
Total	\$8.91	\$9.16

When the standard Base Contribution rate changes, the amount of Base Contributions required to become eligible, and to maintain eligibility, changes proportionally.

NOTE: These changes do not materially change the number of hours you must work to become eligible or to maintain eligibility if your employer is paying the standard contribution rate for health benefits under Collective Bargaining Agreements with District Council No. 16.

As a result of the Base Contribution rate change, effective November 1, 2019:

- The required Base Contribution to your Eligibility Bank to establish eligibility will increase from \$1,771 to \$1,836. This change affects the following sections of the Summary Plan Description (SPD):

4(A) Establishing and Re-establishing Eligibility; and
4(H)(ii)(b) Health Coverage for Employees Transitioning from other Employer-Sponsored Health Coverage; Methods by which Transitioning Employees May Become Eligible; Negative Bank.

- The Monthly Deduction Amount from your Eligibility Bank to maintain eligibility will increase from \$681 to \$706. This change affects the following sections of the SPD:

4(B) Maintaining Eligibility; and

- 4(H)(iii) Health Coverage for Employees Transitioning from other Employer-Sponsored Health Coverage; Hours Requirement for Transitioning Employees.
- 6(J) Election of Additional Contributions from Eligibility Bank

- The employer single sum payment required to make a Transitioning Employee immediately eligible will increase to \$917.80. This change affects the following section of the SPD:

4(H)(ii)(a) Health Coverage for Employees Transitioning from other Employer-Sponsored Health Coverage; Methods by which Transitioning Employees May Become Eligible; Employer Lump Sum.

- The hourly rate at which your Eligibility Bank is credited under the Weekly Accident and Sickness benefit will increase from \$4.256 (\$34.05 per day) to \$4.413 (\$35.30 per day), but not to exceed \$706 per month or \$2,294.50 per year. This change affects Section 13 of the SPD.

This Southern California Pipe Trades Health & Welfare Fund believes this Active 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 the Active 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 administrator 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.