

The Heat & Frost Insulators Local 17 Welfare Fund
Summary of Material Modification
September 2016

Active Employee Self-Contributions to Continue Eligibility

Generally, if you meet the Plan's Initial Eligibility requirements, you will continue your eligibility during each Coverage Quarter so long as you are credited with 350 Hours during the corresponding Eligibility Quarter (350 Hour Rule). If you do not meet the 350 Hour Rule and you do not voluntarily withdraw from the Union or work in Disqualifying Employment, you may be eligible to continue coverage under the Look Back Rule, the Six-Month Layoff Rule, or the Workers' Compensation Disability extension.

Effective August 1, 2016, you may also be eligible to continue your coverage under the Plan by making self-contributions for a maximum amount of 150 hours for a Coverage Quarter.

The amount of the Active Employee Self-Contribution depends on the hours you are short under the 350 Hour Rule and the number of persons covered. For coverage for one person, the amount of the Active Employee Self-Contribution is equal to the number of hours you are short under the 350 Hour Rule multiplied by 33% of the current contribution rate in the collective bargaining agreement (less the HRA allocation).

To continue coverage for two or more people, the amount of the Active Employee Self-Contribution rate is equal to the number of hours you are short under the 350 Hour Rule multiplied by 50% of the current contribution rate in the collective bargaining agreement (less the HRA allocation).

You may continue to make Active Employee Self-Contributions for a maximum of four consecutive Coverage Quarters.

If you fail to make a timely Active Employee Self-Contribution, your eligibility will terminate at the end of the applicable Coverage Quarter. Thereafter, you may be eligible for COBRA Continuation Coverage. Please note that any months of continued coverage due to self-contributions will count toward the applicable COBRA 18- or 36-month maximum coverage period.

For Example:

Dan is an Active Employee under the Plan. At the end of the Eligibility Quarter, Dan was only credited with 250 Hours, which is 100 Hours short of the required 350 Hours needed to maintain eligibility for the corresponding Coverage Quarter. Dan has not voluntarily withdrawn from the Union or worked in Disqualifying Employment. The current base contribution rate set forth in the collective bargaining agreement is \$11.12 (\$11.62 - \$0.50 (HRA allocation)). To continue eligibility for himself in the corresponding Coverage Quarter, Dan would need to submit a self-contribution in the amount of \$366.96 (100 Hours x [33% x \$11.12 per hour]).

For Example:

Joe is an Active Employee under the Plan. At the end of the Eligibility Quarter, Joe was only credited with 200 Hours, which is 150 Hours short of the required 350 Hours needed to maintain eligibility for the corresponding Coverage Quarter. Joe has not voluntarily withdrawn from the Union or worked in Disqualifying Employment. The current base contribution rate set forth in the collective bargaining agreement is \$11.12 (\$11.62 - \$0.50 (HRA allocation)). To continue eligibility for himself and his family in the corresponding Coverage Quarter, Joe would need to submit a self-contribution in the amount of \$834.00 (150 Hours x [50% x \$11.12 per hour]).

Active Employee Self-Contributions and the Six-Month Layoff Rule

Under the Six-Month Layoff Rule, if you are laid off, your coverage under the Plan will be extended for up to six additional months at no cost to you provided that you meet all of the following requirements:

- A. You have exhausted your continuing eligibility under the 350 Hour Rule and the Look-Back Rule;
- B. You are vested under the Pension Plan;
- C. Your Employer notifies the Fund Office of your layoff in writing;
- D. You were credited with less than 1,400 Hours during the 12 months immediately preceding the month under review. **Any hours accumulated due to self-contributions will not count toward eligibility under the Six-Month Layoff Rule; and**
- E. You have been covered for at least 6 of the last 12 months if you previously received extended coverage under this subsection.

If you meet the 350 Hour Rule before exhausting the six months of coverage under the Six-Month Layoff Rule, you may use any unused months for a future layoff.

If you have any questions about these changes or your benefits, please contact the Fund Office.