

UA LOCAL 190 HEALTH AND WELFARE PLAN

SUMMARY OF MATERIAL MODIFICATIONS

Effective January 1, 2015

IMPORTANT NOTICE: This notice is being given to you to make you aware of changes in the provisions of the UA Local 190 Health and Welfare Plan (“Plan”) and Summary Plan Description (“SPD”).

NEW LIMITS PLACED ON SPECIAL \$100 PER MONTH SELF PAYMENTS

Effective January 1, 2015, the Trustees have placed new limits on eligibility for the special low-cost self-payments for continuation of coverage when a member has less than 100 hours in an eligibility month.

Previously, the low rate was available to anyone on the Local 190 “out-of-work list” for the first 12 months of continuation coverage, and after working 100 or more covered hours for one or more months, a member could start another 12-month period at the low rate.

Effective January 1, 2015, the special low \$100 per month self-pay rate has two new restrictions.

First, the rate will not be available to anyone covered through a member who is regularly working 100 or more hours in the trade for employers who are not required to contribute to the Plan for those hours (“non-contributing employers”). This rule applies to eligibility months beginning January 1, 2015 and later, which means that **a member working 100 or more hours in the trade for a non-contributing employer in the January 2015 eligibility month will be ineligible for the low self-payment rate for the March 2015 coverage month.**

Second, the rate will be available for no more than 12 months out of any consecutive 18-month period. This rule is effective on a look-back basis and will be applied to coverage months beginning January 1, 2015 and later.

Following is a more detailed explanation of how this will work:

Once you have completed the first two months of coverage under the Plan, you must have at least 100 hours of covered employment in an eligibility month (commonly referred to as the “work month”) to be covered under the Plan for the coverage month linked to that eligibility month. The **coverage** month is the second month following the **eligibility** (work) month. For example, if you work 100 or more covered hours for a

contributing employer in December (the eligibility month), you are eligible for coverage with no self-payments for the month of February. We call the month for which you are eligible for coverage the **coverage** month.

When you have less than 100 hours of covered employment in an eligibility month, you must make a self-payment to remain covered by the Plan. The Plan has two self-payment rates. One is the full average COBRA cost of coverage, determined annually by the Plan's actuary. The other is the special reduced COBRA rate, which is available only if you meet the reduced-rate program requirements.

The special reduced rate is designed to help members who are available for covered work in the Union's jurisdiction but are unable to obtain 100 or more hours of work in the trades covered by the collective bargaining agreement between the Union and contributing employers. The reduced rate is designed to reduce hardship experienced by unemployed and underemployed members and their families.

You qualify for the special reduced-rate COBRA self-payment program for a coverage month **only** if you meet **all** of the following requirements (and ONLY for 12 months out of any 18-month period):

- 1) You have fewer than 100 covered hours in the eligibility month; AND
- 2) You are a member in good standing with the Union; AND
- 3) You are on the Union's "out-of-work" list; AND
- 4) You are not regularly working 100 or more hours in the trade for non-contributing employers. If you accept regular work of 100 or more hours per month in the trade with a non-contributing employer, you will NOT be considered eligible for the special lower-cost self-pay program. "Work in the trade" for this purpose means work related to the underlying skills associated with a trade or craft covered by the collective bargaining agreement between the Union and contributing employers, including any supervisory or managerial activity which is reasonably related to the underlying skills associated with such a trade or craft. Work that meets this definition is considered "in the trade" even if the non-contributing employer is not in the same industry as contributing employers.

This special reduced-rate COBRA self-payment program is only available for up to 12 months out of any 18 month period at the reduced rate.

The 18 month period ending before any coverage month is the "look-back period" for purposes of determining your eligibility for reduced-rate COBRA self-payments. If you have used the lower-cost self-payment rate for 12 months out of the look-back period, you will not again be eligible for the lower-cost self-payments until the months of lower-cost self-payments in the look-back period are less than 12.

Example. Assume that you are out of work for 12 months starting with September of 2014 and you use the lower-cost self-payment program for all 12 coverage months relating to the September of 2014 through August of 2015 eligibility months. (This means that you would make self-payments for November of 2014 through October of 2015 coverage months.) You then work 100 hours in September of 2015, making you eligible for coverage for November of 2015 without a self-payment. Assume you become unemployed again and have fewer than 100 hours in October of 2015. You are NOT eligible for the lower-cost self-payment rate for the December of 2015 coverage month because you used the lower cost self-payment rate for 12 months out of the 18 month look-back period (running from June of 2014 coverage month through the November of 2015 coverage month). You remain ineligible until the first coverage month when there are less than 12 months of reduced self-payments in the preceding 18 months. In this example, that will be June of 2016, because there will only be 11 months of reduced self-payments in the period from December of 2014 through May of 2016.

If you do not meet the reduced-rate COBRA self-payment program requirements or have used up the full 12 months under that program, you may continue your coverage under the full-cost COBRA continuation of coverage rate until your combined months of reduced-payment self-payment coverage and full-cost COBRA continuation coverage equal 18 months (or otherwise as provided under the “COBRA” rules of the Plan).

You should keep this document with your copy of the SPD and your other Plan records. Contact the Administrative Manager at the Fund Office if you have any questions: Benefit Advisors, Inc., 24900 Harper Ave., St. Clair Shores, MI 48080 [1-888-390-PIPE (7473)].