

Plumbers, Pipe Fitters & MES Local Union No. 392 Health and Welfare Fund

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Dear Participants:

The Trustees of the Plumbers, Pipe Fitters & Mechanical Equipment Service Local Union No. 392 Health and Welfare Fund made revisions to the plan of benefits. These changes are described in detail in the attached Summary of Material Modifications and are summarized as follows:

- Effective January 1, 2015, the Plan was amended to clarify that Apprentices and Bargaining Unit Employees who leave employment with a Contributing Employer to work in Industry Employment may be eligible for COBRA Continuation Coverage.
- Effective January 1, 2015, the Schedule of Benefits for Class A Active Employees and Class C Pre-Medicare Retirees was amended to correct a scrivener's error by removing non-PPO co-insurance payments from the list of expenses that do not count towards the out-of-pocket maximum for Medical Benefits.
- Effective October 22, 2015, the Plan's Subrogation and Reimbursement section was amended as follows:
 - Participants and their Dependent(s) who retain their own attorney are now wholly responsible for all attorney's fees or other expenses incurred to obtain recovery from a third party.
 - The Fund may withhold benefits to pay the Fund's expenses in defending a claim under the Common Fund Doctrine.
 - Participants and their Dependent(s) will grant a lien on any financial recovery from a third party relative to a medical claim or injury so that the Fund may pursue the Participant and/or his/her Dependent(s) in federal court.
- The Plan was amended to clarify the eligibility and forfeiture rules under the Health Reimbursement Arrangement (HRA).

Please keep this notice with your Summary Plan Description (SPD) booklet for future reference. If you have any questions, please call the Fund Office.

Sincerely,

Board of Trustees

**The Plumbers, Pipe Fitters and Mechanical Equipment Service Local Union No. 392
Health and Welfare Fund
Summary of Material Modification
June 2016**

Eligibility for COBRA Continuation Coverage

Effective January 1, 2015, Apprentices and Bargaining Unit Employees whose coverage ends as a result of leaving the employment of a Contributing Employer to work in Industry Employment may now be eligible for COBRA Continuation Coverage.

**Schedule of Benefits for Class A Active Employees and Class C Pre-Medicare
Retirees Clarification**

Effective January 1, 2015, the Schedule of Benefits for Class A Active Employees and Class C Pre-Medicare Retirees was amended to correct a scrivener's error by removing non-PPO co-insurance payments from the list of expenses that do not count towards the out-of-pocket maximum for Medical Benefits.

Subrogation and Reimbursement Right Changes

As you know, the Fund's right of subrogation and reimbursement arises when benefits are paid on behalf of you or your Dependent as a result of an injury or illness for which another party may be responsible. If the Fund pays any benefits that arise out of the injury or illness which results or could result in a claim against a Third Party, acceptance of these benefits under the Plan means you agree to reimburse the Fund for all expenses paid on your or your Dependent's behalf.

Effective October 22, 2015, the Trustees amended the Plan to require Participants and their Dependents to reimburse the Fund for any expenses, including but not limited to attorney's fees and costs, incurred in defending a claim by his attorney under the Common Fund Doctrine. The Fund also has the right to withhold benefits to pay the Fund's expenses in defending a claim under the Common Fund Doctrine.

Additionally, a Participant and his/her Dependent(s) will grant a lien on any financial recovery from a Third Party relative to a medical claim or injury so that the Fund may pursue the Participant and/or his/her Dependent(s) in federal court.

HRA Account Eligibility Changes

As you know, the Trustees have established a Health Reimbursement Arrangement (HRA) as approved in Treasury Department Notice 2002-45 and Revenue Ruling 2002-41. Eligible Employees and eligible Retirees can withdraw amounts from their individual HRA accounts to cover specified expenses that are related to, but not payable under the regular provisions of the Plan.

Effective April 1, 2016, Employees and Retirees may also withdraw amounts from their individual HRA accounts to cover specified expenses even if they are no longer covered under the terms of the Plan provided they are able to establish that they are covered under another employer sponsored group health plan that meets the Patient Protections and Affordable Care Act of 2010 (ACA) requirements of minimum essential coverage.

Forfeiture of HRA Account Balance Clarification

The Plan was also amended to clarify that the remaining balance in your HRA account will be forfeited in the following situations:

- A. Your HRA account has a balance of less than \$100 and no allocations have been made into your account or you have made no reimbursement requests for a period of two calendar years.
- B. Your account has a balance of \$100 or more and no allocations have been made into your account or no reimbursement requests have been made for a period of four calendar years.
- C. You opt-out of the HRA in writing at any time.
- D. If you die and there is no surviving spouse or Dependent.
- E. The first day of the month in which you work for a Non-signatory Contractor.

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