

PIPE TRADES INDUSTRY HEALTH & WELFARE PLAN
NOTICE TO PLAN PARTICIPANTS

Summary of Material Modification

This Summary of Material Modification (SMM) is provided to inform you of important changes to the Pipe Trades Industry Health and Welfare Plan (the “Plan”). Please take the time to read this notice carefully and keep it with your records. The Plan document provides that the Board of Trustees has the right to amend the Plan for the best interests of the Plan participants and beneficiaries. The Trustees have made the following changes to the Plan.

CHANGE IN ELIGIBILITY PERIODS FROM QUARTERLY TO MONTHLY

The Plan’s eligibility rules are changing effective with the August 2020 Benefit month. Currently, if you are credited with sufficient hours in a calendar year quarter (3 months), you become eligible for benefits for a benefit quarter. The new rules switch from earning benefits on a quarterly basis to a monthly basis, as explained below.

INITIAL ELIGIBILITY

Current Rules on Initial Eligibility

You earn initial eligibility on the first day of the second month following any calendar quarter during which you complete 300 hours or more of covered employment and contributions for such hours is received from the contributing employer by the Fund Office (credited hours). For example, hours worked in January-March quarter gave eligibility for the May-July quarter. Other rules allowed initial eligibility to be self-paid in part.

New Rules of Establishing Initial Eligibility Effective For August 2020 Calendar Month

Beginning with August 2020 Calendar Month, the way you establish initial eligibility is changing from the current quarterly basis to a monthly basis. You must have 100 hours of credited hours in a month to be eligible for coverage as shown on the following chart.

Calendar Month <i>Hours Worked In</i>	Benefit Month <i>Gives Eligibility In</i>
January	March
February	April
March	May
April	June
May	July
June	August
July	September
August	October
September	November
October	December
November	January
December	February

The gap between the Calendar Month in which hours are worked and the Benefit Month in which eligibility is received allows time for payment and recording purposes. As stated in the chart, hours worked in August 2020 will support October 2020 eligibility, hours worked in September 2020 will support November 2020 eligibility and so forth.

CONTINUATION OF ELIGIBILITY

Current Rules for Maintaining Continuing Eligibility

After establishing initial eligibility, you must have 300 credited hours in a calendar quarter to continue eligibility for a benefit quarter.

New Rules for Maintaining Continuing Eligibility

Under the new rules, after establishing initial eligibility, you must have 100 credited hours in a Calendar Month to continue eligibility for a Benefit Month. The same Calendar Month/Benefit Month chart above used for initial eligibility applies for calculating your continuing eligibility.

RESERVE CREDIT

Current Rules on Reserve Credits

After establishing initial eligibility, if you have more than 300 credited hours in a calendar quarter the hours in excess of 300 are considered Reserve Credit and shall be used to continue eligibility during periods of unemployment or under-employment. The maximum amount of Reserve Credit that shall be credited to your account shall be equal to one quarter.

New Rules on Reserve Credit

After establishing initial eligibility, if you have more than 100 credited hours in a Calendar Month the hours in excess of 100 are considered Reserve Credit and shall be used to continue eligibility during periods of unemployment or under-employment. The maximum amount of Reserve Credit that shall be credited to any individual's account shall be equal to six months.

SELF-CONTRIBUTION PAYMENTS

Current Rules for Self-Contribution Rate

If you are in danger of losing eligibility due to a period of unemployment or under-employment and you are available for employment in the jurisdiction of the Union, you are allowed to make self-payments to the Fund in an amount equal to the difference between your credited hours for the quarter and the required 300 hours multiplied by the applicable hourly contribution rate. Only one self-payment is allowed.

New Rules for Self-Contribution Rate

If you are in danger of losing eligibility due to a period of unemployment or under-employment and you are available for employment in the jurisdiction of the Union, you are allowed to make self-payments to the Fund in an amount equal to the difference between the credited hours multiplied by the current contribution rate for the Calendar Month and the required 100 hours multiplied by the current contribution rate.

If you have some credited hours in the applicable Calendar Month, there is no limit to the number of self-contribution payments you may make. However, you may only make 24 consecutive monthly self-contribution payments in the full amount of the required 100 hours multiplied by the current contribution rate.

The self-contribution payment must be made monthly and received by the Fund Office on or before the 10th day of the benefit month.

REINSTATEMENT OF ELIGIBILITY

Current Rules

If you who lose your eligibility, you shall become eligible again on the first day of a benefit quarter after being credited with 300 hours for the applicable calendar quarter. If you are credited with at least 200 hours but less than 300 hours, you may pay the difference in order to reinstate eligibility. Payment shall be in an amount equal to the difference in the hours credited and 300 multiplied by the applicable employer contribution rate and may only be made at the beginning of the reinstated benefit quarter.

New Rules

If you lose your eligibility, you shall become eligible again by being credited with 100 hours of contributions at the current contribution rate. If an Employee receives credit for less than the 100 hours at the current contribution rate, the Employee may not pay the difference in order to reinstate eligibility.

EXAMPLE OF HOW THE RESERVE BANK WILL CARRY FORWARD DURING THE QUARTERLY TO MONTHLY TRANSITION
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July 2020 hours will count toward an Active Member's Reserve Credit. If October eligibility was established via the prior quarterly eligibility system with work in April, May, and June, then October eligibility remains secure. For those who have already secured October eligibility, any hours worked in July and August 2020 will also count toward an Active Member's Reserve Credit (subject to the cap explained below). For others, August work will count towards October's monthly eligibility. The Reserve Credit continues to be limited to six months of eligibility, or 600 hours (currently the equivalent of \$5,850.00). As a reminder, aside from the exceptions for July and August 2020 hours explained above, only hours worked in excess of the required 100 hours per month are eligible to go towards the Reserve Credit.

If John Smith is currently eligible and has secured eligibility through October, and has \$0 in Reserve Credit and works the following hours:

July: 130
August: 160
September: 100

His October Bank is calculated as follows:

Calendar Month	Hours Worked	Hours Used For Eligibility	Hours Added To Reserve Credit (Hours Worked – Hours Used)
July	130	0	130
August	160	0	160
September	100	100	0
			290

Total Hours Added to Reserve Credit x Current Contribution Rate = Reserve Credit Balance
290 x \$9.75 = \$2827.50 (October Reserve Credit Amount)

Sincerely,

Board of Trustees

Statement Regarding Status as a Grandfathered Health Plan

This group health plan 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 Plan Administrator. 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.

Please keep this notice with your Summary Plan Description booklet. If you have any questions regarding this change, please contact the Fund’s administrative office.