

HEALTH REIMBURSEMENT ACCOUNT

Effective July 1, 2019, the following Health Reimbursement Account shall be added to the Plan immediately following Miscellaneous Provisions. Beginning with the July 2019 work month, collective bargaining contributions shall be deposited to said Health Reimbursement Accounts and distributions can be made to participants as outlined in the new Article VI beginning on or after July 1, 2020.

Section 6.01 - Health Reimbursement Account

The Health Reimbursement Account (HRA) component of the Plan allows for Employer contributions to be allocated into a Health Reimbursement Account (HRA or Account) to reimburse Participants for certain expenses as allowed by law. That rate will be set by the Board of Trustees. No Employee contributions are permitted. At this time, only Local 157 participates in this benefit. Reciprocity contributions made on behalf of members of Local 136 or Local 184 may participate in the Local 157's HRA.

A. Establishment of Separate Account

The Plan Administrator will establish and maintain a separate Account for each eligible Participant. This account will be used to receive the Employer HRA contributions and to reimburse allowable expenses. Although each Participant's Account will be separately identified, the combined assets of all Accounts will be held by the Plan and identified in the Plan's financial statements as the HRA reserves. The Account established for an Employee will merely be a record-keeping account for the purpose of keeping track of Employer HRA contributions and available reimbursement amounts from the Plan. The Accounts shall not be credited with any interest income earned on the HRA reserves. The Accounts will be charged with any expenses for administration of the HRA, as noted in Section 6.11. The Accounts are not a vested benefit and are not the property of the Employee except for the purposes set forth herein.

B. Crediting of Accounts

A Participant's Account will be credited at the end of the month with contributions made for work performed by the Participant in the preceding month. For example, Employer contributions made for Participant hours worked in July will be contributed to a Participant's Account on August 31st. Only amounts actually received by the Plan will be credited to a Participant's Account.

C. Debiting of Accounts

A Participant's Account will be debited for the amount of monies reimbursed upon payment of the reimbursement.

Section 6.02 - Eligibility

In order to be eligible for reimbursements from the HRA, Participants must meet the following eligibility rules:

- A. For medical claim reimbursements, Participants must have previously satisfied the Plan's initial eligibility rule; and,

- B. To use the HRA for self-payments (see Section 6.09 below), Participants must have been eligible the preceding month; and,
- C. Participants must have a balance in their HRA.

Section 6.03 – Reciprocity

If a Participant works in Local 157's jurisdiction but is not a member of Local 157, contributions will be transferred to the Participants home fund under the International Reciprocity Agreements. If the home fund does not have an HRA, the contributions will credit toward the Health and Welfare Fund of their home local. Contributions made on behalf of members of Local 136 or Local 184 may participate in Local 157's HRA.

Section 6.04 - Medical Care Expenses Covered

Medical Care Expenses eligible for reimbursement under the HRA are all expenses incurred by the Participant, the Participant's spouse and/or the Participant's dependents for medical care as that term is defined in Section 213(d) of the Internal Revenue Code. For a complete listing of all covered expenses, refer to IRS Publication 502. The Publication can be found on the Internet at <http://www.irs.gov/pub/irs-pdf/p502.pdf>. If you do not have Internet access, contact the Fund Office for a copy of Publication 502.

Section 6.05 - Expenses that Do Not Qualify for Reimbursement

Some of the expenses listed in IRS Publication 502 that do not qualify for reimbursement from a Participant's HRA include but are not limited to:

- Baby Sitting, Childcare, and Nursing Services for a Normal, Healthy Baby
- Controlled Substances
- Cosmetic Surgery
(unless necessary to improve a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or a disfiguring disease.)
- Dancing Lessons
- Diaper Service
(unless diapers are needed to relieve the effects of a particular disease.)
- Electrolysis or Hair Removal
- Flexible Spending Account (FSA)
- Funeral Expenses
- Future Medical Care
- Hair Transplant
- Health Club Dues
- Health Coverage Tax Credit
- Health Savings Accounts (HSA)
- Household Help
(you may be able to include certain expenses paid to a person providing nursing-type services.)
- Illegal Operations and Treatments
- Insurance Premiums For Other Than Health Care
- Maternity Clothes

- Medical Savings Account (MSA)
- Medicines and Drugs From Other Countries
(you can include the cost of a prescribed drug you purchase and consume in another country if the drug is legal in both the other country and the United States.)
- Nonprescription Drugs and Medicines without a Prescription from a Physician
(except the cost of insulin is an allowable expense)
- Nutritional Supplements
(unless they are recommended by a medical practitioner as treatment for a specific medical condition diagnosed by a physician.)
- Personal Use Items
- Swimming Lessons
- Teeth Whitening
- Veterinary Fees
- Weight-Loss Programs unless under specific terms

Section 6.06 - How to File a Claim for Reimbursement of a Medical Expense

Reimbursements will not be allowed until July 1, 2020. After such time, a Participant must have satisfied the Plan’s initial eligibility rule at some point on or before the date of the claim to be eligible for reimbursement from the HRA. The Participant should first pay the medical bill for which he or she seeks reimbursement then submit the medical bill to the Fund Office for reimbursement.

The Participant must follow the payment procedures as stated herein. Claims must be filed on the appropriate claim form submitted with evidence of payment. Each claim can only be paid once, either a partial or full payment. If a claim is partially paid, it cannot be resubmitted for the balance.

An exception to this payment procedure will be allowed for an expense over \$1,000 when the expense is submitted with a documented monthly payment plan set up with the provider of service, providing paid monthly receipts are filed with the reimbursement request.

If a claim is submitted for reimbursement and that claim is returned to the Participant with no payment made, that claim can be resubmitted within the six month filing limit. Claims will be processed in a timely manner as they are received.

When the Participant pays the claim first and then submit a request for reimbursement, claims must total at least \$200 per person. If needed, a Participant can submit multiple medical bills with evidence of payment to reach the \$200 limit. **No reimbursement will be made to a Participant for less than \$200.**

Section 6.07 - Filing Time Limit

Claims for reimbursement from the HRA must be filed within six months of the date the expense was incurred. Late filed claims will not be eligible for reimbursement.

Section 6.08 - Appeals of Denied HRA Claims

Participants have the right to appeal any denial, in whole or part, of an HRA claim in accordance with the Plan’s claims and appeals procedures.

Section 6.09 - How to Apply HRA Amounts for Self-payments

Participants may use the HRA to make self-payments for continuous coverage under the Plan. When the Participant receives the monthly self-payment notice, he or she must contact the Fund Office to request any eligible HRA account balance be transferred to cover the self-payment obligation. The appropriate form must be completed prior to the HRA payment.

Section 6.10 - COBRA

Continued coverage in the HRA account is provided through COBRA continuation coverage with the Plan. COBRA cannot be purchased for the HRA alone. The HRA can be used to pay the Plan's COBRA premium when requested on the appropriate form.

Section 6.11 - Forfeiture of HRA

Any balance in the HRA will be forfeited upon any one of the following events:

- A Termination of coverage from the Plan and no activity (Employer contributions or claim reimbursements) for a period of 36 months, or
- B Termination of the Plan or the HRA program, or
- C Death of the Participant with no surviving dependents; or
- D Permanently opting out of participation in the HRA Account.

Forfeitures will be used to offset the administration expenses of the Plan and will be processed in the calendar year following the calendar year in which the period of 36 months of inactivity concludes.

Section 6.12 - Administration Fees

The Trustees have the right to impose a monthly fee to each HRA account to cover the costs of administration.

Section 6.13 - Statements

Each Participant with an HRA account will receive an annual statement in the first quarter of each Plan Year disclosing the activity posted to your HRA account as of the end of the prior Plan Year. Pending forfeitures, if applicable, will be disclosed on the annual statement but not processed until December of the same year. To avoid forfeiture, there must be activity in your HRA account prior to the final forfeiture date.

Section 6.14 - Permanent Opt-out of Participation

An individual who is eligible to participate in the HRA may elect to permanently opt-out of participation in the HRA. By permanently opting-out of participation in the HRA, the Participant forfeits all amounts accumulated in his HRA Account and waives all future contributions to his HRA Account. All individuals eligible to participate in the HRA shall be given the option of permanently opting-out of participation at least annually and upon termination of participation in the Pipe Trades Industry Health & Welfare Plan.