



FABIAN & BYRN, LLC

Actuaries, Consultants & TPA Services

425 Eagle Rock Avenue
Suite 105
Roseland, NJ 07068

973-228-4200
Fax 973-228-4240

MEMORANDUM

To: Participants of the Joint Welfare Fund of Local 164, IBEW

Date: September 01, 2017

From: Board of Trustees, IBEW Local Union No. 164 Welfare Fund

**Re: Summary of Material Modification to the Joint Welfare Fund of
Local 164, IBEW EIN: 22-1537766**

Dear Member,

The following is a modification to the provisions of the Summary Plan Description. Keep it with your copy of the Summary Plan Description for easy reference.

Effective January 1, 2018, the Joint Welfare Fund will make the following changes:

Maintenance of Eligibility

In order to maintain your eligibility for benefits under Plans A *and* B, you must have contributions paid on your behalf for 1,250 hours per calendar year at the specified prevailing Journeyman rate during the period covered by the current Collective Bargaining Agreement between the Northern New Jersey Chapter of the National Electrical Contractors Association and Local Union No. 164 IBEW. Also, you must be actively seeking employment with Local Union #164, I.B.E.W. and must comply with the Drug Testing rules, regulations, and policies of Local Union #164. For purposes of maintaining eligibility, the calendar year ends with the last Sunday in December. This corresponds to the earnings year specified in the Collective Bargaining Agreement.

Hours Bank Program for Maintenance of Eligibility

You are entitled to retain (or “bank”) your hours above the 1,250 hour requirement for maintenance of eligibility so that you may use them in later years when you do not have enough hours to maintain your eligibility. The first year for which an Hours Bank may be established begins on January 1st following 5 continuous years of Plan coverage. In addition, you must have

contributions paid on your behalf for more than 1,250 hours in a calendar year. The Fund Office Staff will review hours worked each calendar year to determine which Participants worked more than 1,250 hours for eligibility purposes. A maximum of 500 hours can be banked each calendar year. Banked hours are permanent. They will not be lost unless they are used for eligibility purposes. You can continue to accumulate hours until a total of 5,000 hours are banked, which will allow for a maximum of 4 years of “banked benefits”. Banked hours are applied to any year during which you would otherwise lose eligibility for Welfare Fund benefits. In order to maintain eligibility, no more than 1,250 hours per calendar year will be allocated from your hours bank. You are entitled to retain (or “bank”) your hours above the 1,250 hour requirement for maintenance of eligibility so that you may use them in later years when you do not have enough hours to maintain your eligibility. If you do not have contributions for 1,250 hours you must use your banked hours to maintain coverage.

Reduction to the Health and Welfare Premium and Self Pay Premiums

Effective January 1, 2018 the amounts of the monthly premium for retiree health coverage will be reduced \$25 per contract as follows:

For retirees not enrolled in Medicare Part A or B or another primary insurance, that are eligible for Welfare Fund benefits the premium will now be:

- Single Coverage **\$150** per month, deducted from the Pension Benefit
- Family Coverage **\$325** per month, deducted from the Pension Benefit

Retirees under age 59 that do not have Welfare banked hours will pay the self pay rate in effect, in addition to the monthly premium.

For retirees enrolled in Medicare Part A & B or another primary insurance, that are eligible for Welfare Fund benefits the premium will now be:

- Single Coverage **\$0** per month
- Family Coverage **\$25** per month, deducted from the Pension Benefit

If a Retiree is eligible for Medicare Part A & B or another primary insurance and the spouse and/or dependent(s) is not, the monthly welfare premium will be a combination of the single rates listed above plus \$25. The same will hold true if the retiree is ineligible for Medicare but the spouse and/or dependent(s) is enrolled in Medicare Part A & B or another primary insurance.