

# KENTUCKY LABORERS DISTRICT COUNCIL HEALTH AND WELFARE FUND

1996 Bypass South  
Lawrenceburg, KY 40342

Telephone: (502) 839-8166

FAX: (502) 839-3558

## NOTICE OF OPTIONS FOR ACTIVE AND RETIREE HEALTH COVERAGE

### OPTION ONE c COBRA COVERAGE (ACTIVE)

If you decide to continue coverage by COBRA self payment, you must complete a COBRA Election Form and return it to the Fund by the deadline given in the COBRA Election Notice. COBRA payments retroactive to the date that coverage terminated must be submitted by the deadline given in the notice. Although you will receive a monthly billing, it is your responsibility to submit the payments by deadlines specified by the Plan, whether or not the billing is received. Refer to the following enclosed documents regarding COBRA coverage for you and/or your Eligible Dependents which fully explain all aspects of COBRA coverage.)

1. Notice of Employee=s and/or Eligible Dependents= Right to Continue Group Health Coverage (Active Plan) Under COBRA
2. Cobra Election Form
3. COBRA Notice and First Billing

### OPTION TWO c RETIREE COVERAGE

#### A. ELIGIBILITY FOR RETIREE COVERAGE

A retired Participant who has been employed as a laborer in the construction industry under the jurisdiction of a local union affiliated with the Kentucky Laborers District Council shall be eligible for the Retiree Plan provided the following requirements are met:

1. The Participant has attained age fifty-five (55) and is no longer working for a contributing Employer or in the construction industry as a laborer, including industry-related self-employment.
2. The Participant has not yet attained age fifty-five (55), but has become Totally and Permanently Disabled and is no longer eligible as an Active Employee.
3. The Participant must have been eligible for benefits as an Eligible Active Participant under the Plan in at least four (4) out of the eight (8) eligibility quarters immediately prior to retirement. The eligibility must have been based on Employer Contributions or self-payments.

**Note: Your Date of Retirement will be the Retiree Coverage Effective Date and you must pay the established self payment(s) upon application, retroactive to the date of retirement and/or the date that your coverage under the Active Plan terminates.**

#### B. EFFECTIVE DATE OF RETIREE COVERAGE

Your effective date of Retiree coverage may be any of the following, provided you have fulfilled eligibility requirements and have submitted a fully completed Retiree Election Form by the deadlines specified below:

1. As of the date your coverage terminates due to insufficient hours.
2. As of the date you no longer qualify for COBRA self payments due to any of the following events:
  - a. The date you become covered under another group health plan except as otherwise provided under this Plan.
  - b. The date you become eligible for Medicare.
  - c. The date that you fail to make your COBRA self payment by the deadline specified.
  - d. The date that your COBRA continuation coverage ends.
3. As of the first of the month following the date you reach your fifty-fifth (55th) birthday and/or become eligible for pension benefits.

#### C. RETIREE PLAN OPTIONS

1. Prior to January 1, 2011, The Fund offered three Retiree Plans - Plan B, Plan C and Plan D. Effective January 1, 2011, however, Retiree Plan B was closed to enrollment and was no longer offered to Active Participants electing Retiree Plan coverage on or after that date. Further, effective January 1, 2011, Plans C and D were merged into one new Plan - Retiree Plan H. Therefore, Active Participants wishing to elect Retiree Plan coverage may only elect Retiree Plan H.
2. Retirees and their spouses can each elect Retiree Plan coverage and will each make monthly self payments. Retiree Plan self payment rates for Single Coverage are based on whether the Retiree and/or spouse is eligible for Medicare. Self payment rates shown for Medicare Eligible Participants will be effective as of the month in which Retiree/ Spouse reaches age 65 or becomes eligible for Medicare. [Note: The Fund subsidizes the cost of Retiree Plan coverage.]
3. Each year in October, Retired Participants covered under Retiree Plan B will be sent a Change of Election Notice and Form so that if they wish, they may elect the higher Retiree Plan H to become effective as of the following January. Or if they wish, they may continue coverage under Retiree Plan B. Retired Participants on Retiree Plan H WILL NOT be sent a Change of Election Notice and Form as they are already on the highest Retiree Plan of Benefits. Retired Participants CANNOT change to a lower Retiree Plan.

#### D. SUBMISSION OF RETIREE ELECTION FORM

A Retired Participant and Retiree Spouse (if applicable) must submit to the Fund a completed Retiree Election Form and self-payments owed as of the Retiree Plan effective date specified in Item B above. The Fund must receive the completed form and self-payment within thirty days prior to the effective date of Retiree coverage. If a Retired Participant and/or Retiree Spouse have elected and are eligible for Retiree Plan coverage due to Total Permanent Disability, the Retired Participant and/or Retiree Spouse must also submit proof of Total Permanent Disability with the completed election form and self payments owed. The Retired Participant and/or Retiree Spouse may contact the Fund regarding what documents will qualify as proof of Total Permanent Disability. In addition, if the Retired Participant and/or Retiree Spouse are eligible for Medicare, proof of Medicare coverage must be submitted with the completed election form and self payments.

#### E. RETIREE SELF PAYMENT DEADLINES:

**Although you and your spouse may receive monthly billings, it is your responsibility to submit payments by the deadline specified by the Plan whether or not the billing is received.** The submission deadline for self payments is the 30<sup>th</sup> of the Eligibility Month for which payment is being made.

#### F. DIRECT PAYMENT BY ACH DEBIT OF RETIREE SELF PAYMENTS

You and/or your spouse may elect to have your Retiree self payments debited from your bank account and directly paid to the Fund. This is a voluntary election. If you elect direct payment by ACH debit, you will NOT receive a monthly billing. If you and/or your spouse wish to elect direct payment by ACH debit, you and/or your spouse will need to complete the Authorization for Direct Payments (ACH Debits) Form in full and send it with a voided blank check from your bank account to the Fund. If you and/or your spouse elect direct payment by ACH debit, the following will occur:

1. After receipt of your Authorization Form, the Fund will enter your data into the Fund=s program which will be used for electronic transfer of monies.
2. Each Eligibility Month, the Retiree self payment amount that is due for that month will be electronically transferred from your bank account to the Fund=s bank account. The electronic transfer will take place on the fifteenth (15<sup>th</sup>) of the Eligibility Month for which the self payment is due.
3. If you have elected direct payment of your self payment and wish to stop the direct payment, you must complete the Termination Notice for Direct Payment Form and send it to the Fund thirty (30) days or more prior to the Eligibility Month for which you wish the direct payment to end. You will then begin receiving Retiree self payment billings again as of that Eligibility Month. (Note: If you fail to submit the Termination Notice of Direct Payment less than thirty (30) days prior to the Eligibility Month for which you wish the direct payment to end, the Fund will apply the termination of direct payment to the second Eligibility Month following receipt of the Termination Notice.) Please contact the Fund to request the Termination Notice for Direct Payment.
4. If for any reason the monthly Retiree self payment rate changes, you will be notified in writing at least ten (10) days before the rate change takes effect so that you will be aware of the change in the debit amount.
5. If you and/or your spouse do not wish to elect to make your Retiree self payment by direct payment by ACH debit when you initially become eligible for coverage under one of the Retiree plans you may elect direct payment at a later date. You will need to contact the Fund Office at that time to request an Authorization Form for Direct Payments.

#### G. SUSPENSION OR TERMINATION OF COVERAGE

Retiree coverage will be suspended or terminated as of the following dates:

1. If you fail to send your self payment by the deadline (the thirtieth (30<sup>th</sup>) day of the Eligibility Month for which the payment is being made), your coverage under the Retiree Plan will terminate as of the first (1<sup>st</sup>) day of that Eligibility Month. Retiree Program coverage which is terminated due to failure to remit self payments by the deadlines may be considered for reinstatement once in the course of the Participant=s lifetime if:
  - a. The Participant submits a letter to the Fund requesting reinstatement of Retiree coverage, and
  - b. The Participant has not previously elected Direct Payment but agrees to immediately elect Direct Payment and submits a fully completed Authorization for Direct Payment Form, and
  - c. The Participant=s Retiree Program coverage has been terminated for no longer than six (6) months, and

- d. The Participant immediately pays all self payments owed retroactive to the date his or her coverage terminated.
2. If you are under age 55 and are continuing coverage under one of the Retiree Plans due to total and permanent disability, your coverage under the Retiree Plan will be suspended as of the first day of the month following the month that you are no longer considered totally and permanently disabled.
3. If you return to work as a laborer in employment for anyone other than for a Contributing Employer, your coverage under the Retiree Plan will terminate as of the first (1<sup>st</sup>) day of the month following the month that you return to work. (You must notify Fund immediately in writing of the date that you return to work.)
4. If you return to work in employment for a Contributing Employer or for work for which reciprocal contributions are made on your behalf to the Fund, your Retiree benefits will be suspended as of the first day of the Eligibility Month in which the you again become eligible as an Active Member under this Plan.

#### H. REINSTATEMENT OF RETIREE COVERAGE

You may reinstate your Retiree coverage if you have had your benefits terminated if:

1. You are under age 55 and you become totally and permanently disabled again from work in the construction industry. (You must complete a Retiree Reinstatement Form and a Total and Permanent Disability Form that has also been completed by your physician confirming the date that you again became totally and permanently disabled from work in the construction industry. Your completed forms and your check for self payment retroactive to your reinstatement date must be submitted to the Fund within 30 days after the date you wish to have benefits reinstated.)
2. You have been suspended due to recovery from total and permanent disability and have reached 55 years of age and are no longer working in the jurisdiction of the Fund at an occupation that can be defined as a laborer. (You must complete a Retiree Reinstatement Form. Your completed form and your check for self payment retroactive to your reinstatement date must be submitted to the Fund within 30 days after the date you wish to have benefits reinstated.)
3. If you were suspended due to reinstatement of Active Benefits with the Fund due to return to work for a Contributing Employer and you subsequently terminate employment with the Contributing Employer and your Active Benefits terminate, you will be allowed to choose either continuation of coverage under the Active Plan by COBRA self payment or resumption of Retiree coverage under the Retiree Plan.

Your coverage will be reinstated under the same Retiree Plan you had at the time your benefits were suspended. You will be required to make monthly self payments at the rate currently set for that Retiree Plan. You must write to the Fund to request the appropriate Reinstatement Forms and information regarding the current monthly self payment rates.

You may not reinstate your Retiree coverage if your benefits have terminated due to failure to send your self payment by the deadline by the thirtieth (30<sup>th</sup>) day of the Eligibility Month for which the payment is being made, with the exception of the rules indicated in Item G, Part 1 above. You also may not reinstate your Retiree coverage if you return to work as a laborer in employment for anyone other than for a Contributing Employer.

#### I. ELIGIBILITY FOR RETIREE SPOUSE BENEFITS

A Participant=s Spouse may elect Retiree coverage if:

1. The Retiree has elected Retiree coverage and is continuing benefits or,
2. If the Participant does not elect Retiree coverage upon termination of Active Benefits, the Spouse may elect Retiree coverage if he or she is at least 55 years of age or is totally and permanently disabled.

#### J. DELAYED SPOUSE ELECTION

If a Retired Participant elects coverage under the Retiree Plan, the Retired Participant=s spouse may postpone coverage under the Retiree Plan. If a spouse wishes to postpone election of Retiree Plan coverage, the spouse must apply for Retiree Plan coverage at the time he/she wishes coverage to begin. In the event a Retired Participant=s spouse delays election of Retiree Plan coverage, the spouse MUST notify the Fund in writing when the Retired Participant elects Retiree Plan coverage that he/she is postponing election of Retiree Plan coverage at that time. The spouse MUST also submit proof that he/she currently has other medical insurance coverage at the time of the Retired Participant=s Retiree Plan coverage election. The spouse will ONLY be allowed to elect Retiree Plan coverage if he/she does so within thirty (30) days of the loss of his/her other medical insurance coverage. Proof of termination of said medical insurance coverage **MUST** be submitted to the Fund at the time the spouse applies for Retiree Plan coverage under Delayed Spouse Election rules.

If an Eligible Retired Participant marries after becoming eligible under the Retiree Plan, the new spouse may elect coverage under the Retiree Plan in the same manner as a spouse who postpones election at the time of the Retired Participant=s retirement.

#### K. SPOUSE SUSPENSION / TERMINATION AND REINSTATEMENT OF COVERAGE

##### 1. Suspension / Termination

A spouse=s coverage will be suspended or terminated as of the following dates:

- a. Coverage will terminate the first (1<sup>st</sup>) day of the month for which the Fund does not receive the monthly self-payment by the specified deadline. Retiree Plan coverage which is terminated due to failure to remit self payments by the deadlines may be considered for reinstatement once in the course of the Participant=s lifetime if:
  - i) The Participant submits a letter to the Fund requesting reinstatement of Retiree coverage, and
  - ii) The Participant has not previously elected Direct Payment but agrees to immediately elect Direct Payment and submits a fully completed Authorization for Direct Payment Form, and
  - iii) The Participant=s Retiree Plan coverage has been terminated for no longer than six (6) months, and
  - iv) The Participant immediately pays all self payments owed retroactive to the date his or her coverage terminated.
- b. If an Eligible Retired Participant and a spouse covered under the Retiree Plan divorce or legally separate, the spouse=s coverage will terminate as of the first (1<sup>st</sup>) day of the month following the month in which the divorce or legal separation are finalized.
- c. A spouse=s coverage will also be suspended or terminated as of the following dates:
  - i) If the Retired Participant has not yet attained age fifty-five (55) and coverage under the Retiree Plan is due to Total and Permanent Disability, the Retiree Spouse=s coverage will terminate as of the first (1<sup>st</sup>) day of the month following the month that the Retired Participant is no longer Totally and Permanently Disabled.
  - ii) If the Retired Participant returns to work as a laborer as defined in Section 8.1(A) (unless the work is for a Contributing Employer), the Retiree Spouse=s coverage will terminate as of the first (1<sup>st</sup>) day of the month following the month that the Retired Participant returns to work.
  - iii) If the Retired Participant returns to work in employment for a Contributing Employer or in employment for which reciprocal contributions are made to the Fund on behalf of the Retired Participant, the Retiree Spouse=s Retiree Plan coverage will be suspended as of the first (1<sup>st</sup>) day of the month the Retiree Spouse becomes eligible as an Active Dependent of the Retired Participant who has become an Eligible Active Participant under the Plan.

##### 2. Reinstatement

Terminated Retiree Plan coverage for Retiree Spouses will be reinstated under the following circumstances:

- a. If Retiree Plan coverage was terminated due to the Retired Participant=s recovery from Total and Permanent Disability and the Retired Participant has not yet attained age fifty-five (55) but has again become Totally and Permanently Disabled from work in the construction industry (subject to Physician and Trustee confirmation), Retiree Plan coverage for the Retiree Spouse will be reinstated provided the Retired Participant and the Retiree Spouse satisfy the specified requirements.
- b. If Retiree Plan coverage was terminated due to the Retired Participant=s recovery from Total and Permanent Disability and the Retired Participant has since attained age fifty-five (55) and is no longer working as a laborer for a Contributing Employer, Retiree Program coverage for the Retiree Spouse will be reinstated provided the Retired Participant and Retiree Spouse satisfy the specified requirements.
- c. If Retiree Plan coverage was suspended due to the Retired Participant=s reinstatement as an Eligible Active Participant and the Retired Participant has since attained age fifty-five and is no longer working as a laborer for a Contributing Employer, the Retiree Spouse may choose to have Retiree Plan coverage reinstated provided the Retired Participant reinstates Retiree Plan coverage (and the Retired Participant and Retiree Spouse satisfy the requirements), or continue Active coverage under COBRA.

If a Retiree Spouse=s coverage terminates due to the Retiree Spouse=s attaining eligibility as an Active Dependent due to reinstatement of the Retired Participant=s eligibility under the Active Plan, the Retiree spouse must reinstate Retiree Plan coverage on the same date as the Retired Participant when his Active Plan coverage terminates or as of the first month following the month the Retiree Spouse terminates COBRA coverage under a Separate Qualifying Event. In no event will a Retiree Spouse be allowed to reinstate Retiree Plan coverage if there is a lapse of coverage after termination of the Retiree Spouse=s Active coverage either as a Dependent of an Active Participant or as an Active Dependent continuing coverage under COBRA. Retiree Program coverage for a Retiree spouse will be reinstated under the same Retiree Plan that covered the Retiree Spouse prior to termination. Retiree Program coverage for a Retiree Spouse WILL NOT be reinstated if

- a. coverage was terminated due to failure to remit self payments by the deadline with the exception of the rules indicated in Item K, Part 1(a), or
- b. due to the Retired Participant returning to work as a laborer in employment for anyone other than for a Contributing Employer.