



North Atlantic States Carpenters
Health Benefits Fund

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SUMMARY MATERIAL MODIFICATIONS

Dear Plan Participant:

On behalf of the North Atlantic States Carpenters Health Benefits Fund, you are receiving this notice to inform you of important **UPDATED** changes to the Health Replacement Account (“HRA”) based Health Plan for Participants of Locals 276, 277, 291 and 1163.

CHANGES TO NON-MEDICARE RETIREES PREMIUM CALCULATION

Effective April 1, 2024

In December 2023, participants were provided with a Summary Material Modification (SMM) which communicated that Non-Medicare retiree HRA participants would be offered a non-subsidized premium for Plan III health coverage as of April 1, 2024.

After further review and considerations, the Board of Trustees has modified its previous decision and will offer Plan III with premiums that will be subsidized for those who retire on or after April 1, 2024 and meet the eligibility requirements.

Determining the Non-Medicare Premium Annually

The Board of Trustees enlists actuaries to determine the monthly premium that Non-Medicare Retirees will pay for coverage on an annual basis. Typically, the premium is calculated, presented and approved by the Board of Trustees every January to be effective that April 1. It is important to note that the actuaries take the claims experience from all Participants, both Actives and Non-Medicare Retirees to determine these monthly premiums. This results in an already subsidized premium for Non-Medicare Retirees, and retiree population’s healthcare costs are typically higher than an active population. The subsidy amounts discussed below are in addition to this general subsidy that is included at the commencement of the annual premium calculation.

Non-Medicare Retiree Plan- Monthly premium and length of time subsidized coverage is available

The number of hours worked with contributions made to the North Atlantic States Carpenters Pension Fund in a Participant’s career will determine the percentage of the Participant’s monthly premium that will be subsidized by the Health Fund. The subsidized premiums will be offered for up to thirty-six (36) months of coverage under the Non-Medicare Retiree Plan (Plan III) or until they become eligible for Medicare, whichever occurs first.

If a Participant works...

- 50,000 or more hours in their career their premium will receive the highest subsidy available which is 25%.
- Between 25,000 and 49,999 hours the premium will receive a subsidy of 10%.
- Under 25,000 hours the premium will not receive a subsidy, the Participant will pay the full cost of Plan III coverage.

Plan III Health Coverage - Availability post subsidy

After the thirty-six month subsidized health coverage is exhausted, Non-Medicare retirees and their eligible dependents will be able to remain on the Retiree Health Plan (Plan III) coverage by paying the full cost of Plan until their HRA account is exhausted. Once a Non-Medicare retiree's HRA is exhausted the pensioner will be able to continue to have the Retiree Health Plan (Plan III) premium deducted from their pension, when possible, for up to an additional thirty-six months or age 65 whichever occurs first.

All other rules pertaining to the Retiree Health Plan III that were communicated in the December 2023 SMM have not changed.

This is a Summary of Material Modifications (SMM) regarding the above-named plan ("Plan"). This Summary of Material Modifications supplements the Summary Plan Description ("SPD") previously provided to you. Changes communicated in this SMM replace previous communications that outlined same or similar benefits. You should retain this document with your copy of the SPD.

Please contact your local Fund Office if you have any questions regarding this Summary of Material Modifications.

Sincerely,
Board of Trustees