



North Atlantic States Carpenters
Health Benefits Fund

Buffalo Office
1159 Maryvale Dr., Suite 20
Cheektowaga, NY 14225
Phone: (716) 839-7132
Toll Free: 1(877) 739-7136
Fax: (716) 839-7136
carpentersfund.org.

South Central Office
181 Industrial Park Road
Horseheads, NY 14845
Phone: (607) 739-1326
Toll Free: 1(866) 727-0281
Fax: (607) 739-1415
carpentersfund.org

May 2024

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 upcoming Health Fund changes for Health Replacement Account ("HRA") based Participants of Locals 276, 277, 291 and 1163. This does not pertain to HRA participants who opted out of the Health Plan as of 4/1/24. You will not be eligible for the new benefits described below unless you opt back into the Health Plan as a hours based participant.

In a continued effort to align the health benefits offered across the seven states that encompass the North Atlantic States Carpenters, the "HRA" based plan for the above Locals will be transitioning to an Hours Based Health Plan with a Supplemental HRA account **effective April 1, 2025**. **Your medical benefits are not changing. What will change is how you become eligible for these benefits.**

This notice will explain

- The transition process from HRA based eligibility to hours based eligibility
- Requirements for continued eligibility for health coverage after the transition period
- Added eligibility provisions to assist in maintaining your eligibility for active health coverage
- Additional benefits available for surviving spouse and dependents of active participants
- The introduction of Disability benefit payments and credited hours to assist in maintaining health coverage during periods of illness or non-work related injury

You can also access a comprehensive explanation of these upcoming changes by going to the Carpenter Fund's website at www.carpentersfund.org. Under BENEFIT FUNDS and then NY HRA.

HRA to HOURS BASED TRANSITION PERIOD **AUGUST 1, 2024 – MARCH 31, 2025**

In order to ensure that you maintain active health coverage during the transition period, participants will continue to pay monthly premiums from their HRA accounts through March 2025. On July 1, 2024, the Fund will set aside from your HRA an amount equal to your monthly premiums for the

period August 1, 2024 through March 31, 2025. The hours worked beginning August 1, 2024 will be applied towards the Hours Based Plan requirements to achieve health coverage for the April 1, 2025 through September 30, 2025 Insured Period.

All participants with health coverage on **July 31, 2024** will remain eligible as long as other eligibility provisions are met. If you do not have enough funds in your HRA to cover the cost of the monthly premiums through **March 31, 2025**, the Fund will ensure that you will be provided health coverage based on the plan you elected this year. The amounts set aside from your HRA account are reflected below based on your current Plan.

Plan I	Plan II
$\$1,071.00 \times 8 \text{ months} = \$8,568.00$	$\$1,030.00 \times 8 \text{ months} = \$8,240.00$

All remaining funds in your HRA account will continue to be accessible to you for the reimbursement of Eligible Medical Expenses in accordance with current plan rules.

For hours worked beginning **August 1, 2024** the hourly health contribution rate will be \$8.50 per hour. The hourly amount contributed to your Supplemental HRA will be based on the Collective Bargaining Agreement in place where the work is performed. The Supplemental HRA contribution will be added to your existing HRA.

**ELIGIBILITY ON APRIL 1, 2025 AND THEREAFTER /
WORK PERIODS AND INSURED PERIODS**

Below is a chart that details Work Periods and Insured Periods. Each work period is a six-consecutive-month period where hours worked will earn eligibility for the upcoming Insured Period.

Work Period August 1 st – January 31 st	Work Period February 1 st – July 31 st
Insured Coverage Period April 1 st – September 30 th	Insured Coverage Period October 1 st – March 31 st

Work Period: Means the time period in which the hours you work will be used to determine health coverage for the next Insured Period.

Insured Coverage Period: Means the period of time in which you will have health coverage.

HOURS REQUIREMENTS FOR ELIGIBILITY

The Hours requirements for Plan I and Plan II are reflected below. If you do not meet the 710 hours requirement for Plan I during a Work Period for the next Insured Coverage Period, the Fund will look back to see if you meet the 1,470 hours requirement in the previous two Work Periods.

Plan I	Plan II	12 Month Look Back (Plan I only)
710 Hours	530 Hours	1,470 Hours

ADDITIONAL ELIGIBILITY PROVISIONS

Effective for April 1, 2025, Insured Period

12-Month Look Back

Participants who have not worked enough hours during the most recent work period to maintain coverage in Plan I will be able to utilize hours worked in the current and previous work periods, plus an additional 50 hours, to maintain Plan I eligibility through the next Insured Period.

Example: A Participant worked 600 hours from February 1 – July 31, eligibility for October 1 – March 31, is not earned. Participant worked 900 hours in the previous work period of August 1 – January 31 for a total of 1500 hours worked in two consecutive work periods. The 12 Month Look Back requires 1470 hours (710 + 710 + 50), so this Participant will be able to maintain Plan I coverage for an additional 6 months in the Insured Period October 1 – March 31.

Short Hour Buy-In

If you do not work enough hours during a work period to obtain or maintain your eligibility, you may purchase Buy-In coverage if you are short by 50 hours or less. You are eligible to purchase the Short Hour Buy-In regardless of whether you had coverage or not in the preceding period. You may have consecutive Short Hour Buy-In periods and you may use your HRA to purchase your Buy-In coverage.

Aggregated Hours Provision

Legally married couples have the ability to aggregate their hours to secure health eligibility if they cannot obtain eligibility individually based on the hours they each worked. If your hours are combined and you still do not secure coverage but are within the Short Hour Buy-In provision threshold, you will be offered this option or if you are eligible for the 12-Month Lookback, the rule will be applied to determine your eligibility. Your hours cannot be aggregated to achieve a greater plan of benefits. For example, if one of you works enough hours to achieve eligibility for Plan II, you then cannot aggregate your hours to receive coverage under Plan I. To take advantage of this rule you must apply at each insured period, when necessary, by contacting the Fund Office. You and your spouse will be required to complete a form requesting that your hours be aggregated, and the request must be made prior to the Insured Period.

Worked Hours Credit Rule

This provision allows for a worked hours credit to be applied to reduce the cost of COBRA or the Retiree Health Plan III as of April 1, 2025.

Example: A Participant works 300 hours in a Work Period although 530 hours is required for Plan II coverage. Participant will be offered COBRA. The 300 hours worked at the hourly contribution rate of \$8.50 (\$2,550.00) will be applied towards the cost of the COBRA monthly premium at the start of the COBRA election period.

New Participant Rule

A new Participant will be defined as having no hours worked and no coverage under Plan I, Plan II, or COBRA for two consecutive years. For initial eligibility purposes as of April 1, 2025, Plan II coverage starts the first of the following month in which the contributions for the hours required for Plan II are received by the Fund Office.

Apprentice Training Credit

Apprentices attending school at the Apprentice Training Center who do not work enough hours during a work period can apply for an Apprentice Training Credit. Apprentices can be credited with 40 hours or less for one week of school or 80 hours or less for two weeks of school, in a work period. An Apprentice Training Credit can also be applied towards Short Hour Buy-In, COBRA, or the 12 Month Look Back rule as well as to gain initial eligibility under the Plan. Credit will only be granted if hours are needed to gain or maintain health coverage with supporting documentation of attendance provided by the Apprentice Training Center.

Benefits for a Surviving Spouse and Dependents of Deceased Participants

If a Participant dies during an Insured Period, coverage for the surviving spouse and covered eligible dependents will continue until the Insured Period ends through worked hours, including Disability Extensions and Short Hour Buy-Ins. At that time the Fund will provide continuing coverage for the surviving spouse and eligible dependents for thirty-six (36) months at no cost. Coverage will continue in either Plan I or Plan II depending on what the Participant's coverage was at the time of death. The surviving spouse and dependent(s) must attest that they have no other health insurance available to them to qualify for this benefit. If a Participant's health coverage was suspended because there were four (4) consecutive months with no hours contributed on his behalf or while not in good standing with their Local Union, the surviving spouse and otherwise eligible dependent(s) would still be eligible to receive the thirty-six (36) months of coverage as stated above. This extension will be offered to surviving spouses and otherwise eligible dependent(s) of a Participant who passes away on or after April 1, 2025.

Active Coverage Extension at Retirement

A retired Participant will be able to remain on Plan I or Plan II until their earned active coverage is exhausted. This includes utilizing the 12-Month Look Back Rule. After active coverage ends, the retired Participant may be able to enroll in the Retiree Health Plan (Plan III) or if the retiree is age 65 they may enroll in the Health Fund's sponsored Medicare Advantage Plan if you are Medicare age as described in previous Summary Material Modifications.

DISABILITY TIME LOSS BENEFITS
Effective April 1, 2025

Illness and Non Work-Related Injuries

A Participant must have active health coverage under the North Atlantic States Carpenters Health Plan to be eligible to receive this benefit at the time of illness or nonwork-related injury and collecting New York State Disability benefits to be eligible for benefit payments under the Disability Time Loss Benefit.

Length of Time	Benefit Amount	Hours Credited
Up to 26 weeks	\$330 per week	Up to 40 hours per week

Paid Family Medical Leave / Disability Time Loss / Worker's Compensation Hours Credit

Participants who are eligible for coverage under the Health Plan at the time of their illness, injury or Paid Family Medical Leave period will be credited with up to 40 hours per week for a maximum of 26 weeks. Crediting these disability hours will allow Participants the ability to achieve health coverage for future Insured Periods for which they may not have been eligible had the disability hours not been credited. These disability hours will be treated as if they were actual hours worked and will be applied towards the 12-Month Lookback and Short Hour Buy-in provisions of the Plan. To be eligible, you must provide proof of New York State Disability, New York State Paid Family Medical Leave or Worker's Compensation benefits to the Health Fund. Credit will be provided for incidents occurring on or after April 1, 2025.

Maternity Benefits

Effective April 1, 2025, actively working members who are currently pregnant or become pregnant may be eligible to receive the following benefits under the Health Plan.

Crediting of hours – Members will receive credit for up to 40 hours per week for the period of leave or disability due to pregnancy-related medical and mental health leave, regardless of whether the member is receiving state-sponsored paid family leave benefits. The member does not need to be eligible under the Health Plan to receive credited hours, but must be working or have worked a minimum of 40 hours for a contributing employer in either the current month or in the previous month.

Extended health coverage – For a pregnant participant who is eligible under the hours-based Health Plan but is at risk of losing coverage due to a reduction of hours due to pregnancy-related medical leave, the Health Plan will credit hours to continue health coverage. In the event that credited hours are not enough to maintain eligibility, a maternity medical extension may be provided for up to two benefit periods per pregnancy.

Disability Health Coverage Extension

If a Participant is injured or becomes ill while covered under the Health Plan and did not achieve health coverage through credited hours as noted in the paragraph above and as a result of that disability does not have enough hours to maintain or qualify for initial eligibility for the following Insured Period, the Participant will qualify for a disability health coverage extension that extends coverage for the next Insured Period. A Participant may utilize two disability extensions in their career. They may be used consecutively with one continuing disability or on separate occasions. Participants must be collecting New York State Disability benefits to be eligible for the Disability Extensions. Extensions will be available for incidents that occur on or after April 1, 2025.

Successive Periods of Disability

Successive periods of disability separated by less than two weeks of continuous employment are considered one period of disability. If a Participant suffers another unrelated disability, a Participant must have returned to active work for a period of more than two weeks to receive a benefit for a separate period of disability.

Reminder – Suspension of Medical Coverage Provisions

Participants with hours-based eligibility who have not worked for a contributing employer for **four (4) consecutive months** will not be eligible for coverage and will have their coverage under the Plan suspended. Once work is resumed for a contributing employer, the suspension is lifted, and coverage is reinstated retroactive to the date of suspension, assuming the Participant is otherwise eligible.

Participants who are not signed to their Local's out of work list will be considered unavailable to work for a contributing employer. As a result, they will not be eligible for coverage and will have their coverage under the Plan suspended, unless he or she is retired, disabled due to illness or injury (New York State disability or Worker's Compensation, or on Family Medical Leave, including Paid Family Medical Leave). Once the Participant is available for work, the suspension is lifted, and coverage is reinstated retroactive to the date of suspension, assuming the Participant is otherwise eligible.

Participants must be a Member in good standing of a Local Union affiliated with the United Brotherhood of Carpenters to be eligible for coverage under the Plan. Participants who are not members in good standing of the Union but work under a Participation Agreement are exempt from this rule (including, but not limited to, Benefit Fund office employees, employees of the North Atlantic States Regional Council of Carpenters or affiliated Local Unions, and employees of the North Atlantic States Carpenters Training Fund). This rule applies to both initial eligibility as well as continuing eligibility requirements.

Participants who lose eligibility will not be permitted to use their HRA balance for the payment of premiums or reimbursement of claims incurred while coverage is suspended, including paying for COBRA premiums.

WAGE REPLACEMENT ACCOUNTS

For Participants in Local 276 area

For participants with existing Wage Replacement Accounts (“WRA”), effective **August 1, 2024**, contributions from hours worked will no longer be added to the WRA accounts. Participants can continue to utilize their WRA accounts until December 31, 2026. Any funds remaining in your WRA as of **December 31, 2026** will be transferred to your HRA account.

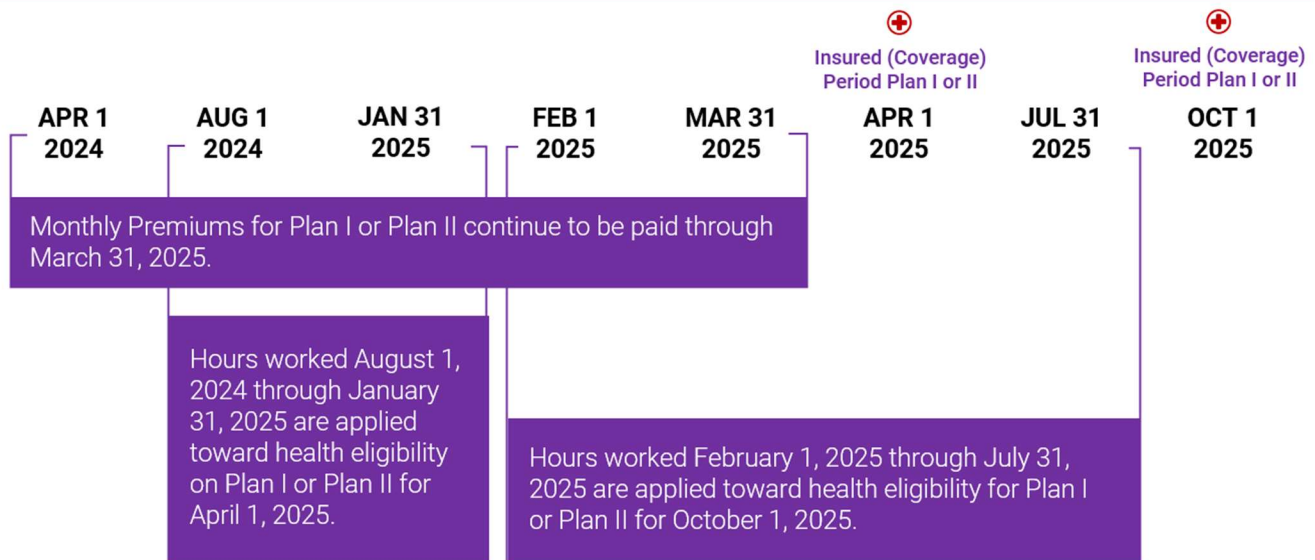
The Board of Trustees will regularly evaluate the cost of all plan benefits, rates and subsidies each year. Benefits provided by the Health Fund are not vested. Therefore, at any time, the Board of Trustees may modify, end or add benefits, in its sole and absolute discretion.

This is a Summary of Material Modifications 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 or visit the Carpenter Fund’s website at www.carpentersfund.org. Detailed information about these changes can be found under BENEFIT FUNDS and then NY HRA.

Sincerely,
Board of Trustees

Transition Timeline



Frequently Asked Questions



What happens if I have opted out of health coverage, and I have a qualifying event?

You will transition to the Hours based plan. You would elect either **Plan I** or **Plan II** and make the monthly premiums until you have accumulated enough hours during a Work Period for the next Insured Period.

What happens if I do not have enough in my HRA account to cover the cost of the monthly premiums through March 31, 2025?

If you do not have enough to cover the cost of health coverage, the Fund will ensure that you will be provided health coverage through **March 31, 2025**, based on the plan you elected.

Are my medical benefits changing and do I need updated medical cards?

Your medical benefits are not changing, and you will not need new cards. The change is how you achieve health eligibility through hours worked, not by paying a monthly premium.