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## **NASCBF Health Plan Modifications – June 2023**

### **Background**

As part of its ongoing review of Health Benefits, and in an effort to help provide additional sources of carpenter labor for the current and planned upcoming project demands in the North Atlantic region, the Board of Trustees approved a series of health benefit changes for New England and New York participants. The changes seek to incentivize particularly inactive union members to return to work in a union capacity.

These changes will be effective August 1, 2023, but actual impacts may not arise until October 2023. Summary Material Modifications (“SMM”) have been issued to participants. Copies of both are attached.

### **Key New England Changes:**

1. Beginning August 1, 2023, participants who do not work for a contributing employer for four (4) consecutive months or are not available for work with a contributing employer will not be eligible for health coverage and will have their coverage under the Health Plan suspended.

Once work is resumed for a contributing employer, the suspension is lifted, and coverage is reinstated retroactive to the date of suspension. **Coverage under this rule will not be suspended before October 1, 2023. (The initial starting point for the fourth month period begins June 4, 2023.)**

(This is a new requirement for New England participants. Previously to maintain eligibility for coverage one only needed to meet eligibility requirements and be a member of an affiliated UBC Local Union in “good standing”.)

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 Health Plan.

As a reminder, Participants with active health coverage under Plan I or Plan II who work in the construction industry for a non-contributing employer will have their health coverage terminated, and any hours worked towards eligibility and/or banked hours will be forfeited.

## Key New York Changes:

1. Beginning August 1, 2023 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 Health Plan or be eligible to use their HRA account balances. For health plan coverage purposes a “member in good standing” must not be in suspended status with the union. Being in arrears with dues does not impact health plan coverage eligibility. As a reminder, participants can enroll in the Union Building Trades Federal Credit Union and have their dues paid automatically to their New York Local Union on a quarterly basis.

(This is a new requirement for New York participants. Previously to maintain eligibility for coverage one only needed to be an active participant for six consecutive months.)

As a reminder, if a member works in Disqualifying Employment, their benefits will be suspended. Disqualifying Employment means any employment or self-employment before age 65 for a non-contributing employer in an industry covered by the Plan and in the geographic area covered by the Plan. For more information about suspended coverage for work in Disqualifying Employment, please refer to the Summary Plan Description (SPD).

2. **HOURS BASED & HRA BASED** – Participants will lose their active participant status and have their health coverage suspended if they have not worked for a contributing employer for a period of four (4) consecutive months or are not available for work for a contributing employer. They will not be eligible to use their HRA balance for the payment of premiums or for reimbursement of claims incurred while coverage is suspended, including paying for COBRA premiums. **Coverage would not be suspended before October 1, 2023.** (The initial starting point for the fourth month period begins June 4, 2023.) Access to HRA will commence once a participant has re-qualified under the Health Plan.

## Potential Participant Questions

1. *Do these changes apply to all Health Plan participants?*

These changes do not apply to Participants who are retired, disabled, or on Family Medical Leave (including Paid Family Medical Leave) or if they are working under a Participation Agreement (example: Benefit Fund, NAS Regional Council and Training Fund employees). Additionally, participants who have been consistently looking for covered employment, e.g. signing the out of work list may be exempted from the suspension.

## **2. *Remaining Available to Work***

To help avoid impacts on members' health benefits eligibility they should become familiar with the rules for seeking work with signatory contractors, and the job referral process in place at their local council office. Some Locals may utilize an "Out-of-Work List" or other registration processes such as the NASRCC Mix 20/20 for members to register their continued eligibility for employment. Locals will also generally require members to be in good standing with their dues as part of maintaining their eligibility for employment. Members should contact their Local for specific information.

## **3. *Will a Participant be notified before October if their health benefits may be impacted?***

For example, if a participant does not voluntarily work between June 2023 and August 2023, the Health Fund will send a notice in early September informing them that if they do not return to work in September their health coverage will be suspended. The participant's options would be:

- Return to work for a contributing employer in September.
- Provide a letter from their Local Union that they have been actively seeking employment and there is no work available.
- If a participant has worked but the employer has not paid the contributions, provide a copy of their paystub.
- If a participant is disabled, provide proof.\*

### **\*Please note:**

For this exception, New York participants must be on the Time Loss benefit (for which New York State Disability is a requirement), Worker's Compensation, or FMLA to be exempt from the 4 month no work suspension due to a disability.

## **4. *Aren't the funds in my New York HRA "my money", how can it be made unavailable to me?***

The balance of an HRA is comprised of employer contributions made to the Health Fund on the participant's behalf by contributing employers through a Collective Bargaining Agreement between the employer and the Health Fund. A participant has no ownership of the Funds and access to the HRA is dependent on meeting the requirements of an eligible participant.

The Board has made the decision to require a participant to be in good standing with a UBC affiliated Local Union and to work consistently in covered employment to be considered an eligible participant in the Health Plan, and therefore, have access to the Funds allocated to an account.

**5. *How can I get access to my HRA once it's been suspended?***

A participant should contact their Local Union about updating their union status to Good Standing and should return to work in covered employment with a contributing employer. Access to an HRA will commence once a participant re-qualifies under the Health Plan.

An HRA account that has been suspended due to lack of contributions will be assessed a \$120.00 fee each year of no activity and will be forfeited after the third year of inactivity. If a participant has a status change (i.e., has contributions made by a contributing employer and reestablishes eligibility or retires) the account will be reinstated so long as it has not yet been forfeited.

HRA accounts established for participants who are not members of the locals listed in the SMM are not subject to the union good standing status or continuous contribution requirements.

**6. *What recourse do participants have who do not agree with, or wish to discuss these benefit changes further?***

The Fund Office can review any questions they may have but the only available recourse is to appeal. *(See below).*

**7. *May a member appeal the changes?***

An appeal, due to the above changes, may only be entertained by the Fund if a participant has received a denial of benefits or similar determination from the Fund. In that case a participant should be directed to submit a letter of appeal as directed.

For New York participants' suspension of an HRA account, participants would need to respond to the Health Fund in writing once they've received a denial of a submitted claim or premium payment from their HRA. The Health Fund will reply with an administrative denial which includes appeal rights.