



CHICAGO
LABORERS'
WELFARE
FUND

CHICAGO LABORERS' WELFARE PLAN

Health Reimbursement Arrangement (HRA) Program | **Highlights Brochure**

Active Plan I (and Retiree Medical Plan I) Members

This notice serves as a Summary of Material Modifications. As of January 1, 2009, the HRA Program is a part of Active Plan I and Retiree Plan I – and as such is subject to the Plans' provisions relating to all applicable provisions as listed in the Plans' SPDs. Benefits will be provided in compliance with ERISA, COBRA, HIPAA, FMLA, USERRA, and other group health plan laws to the extent required by such laws.

The HRA Program is intended to qualify as a medical reimbursement plan under §105 and §106 of the Internal Revenue Code (IRC) of 1986, as amended, and related regulations, and as a health reimbursement arrangement, as defined under IRS Notice 2002-45. Eligible HRA healthcare expenses reimbursed under the HRA Program are intended to be eligible for exclusion from your gross income under §105(b) of the Internal Revenue Code of 1986, as amended.

This notice contains only highlights of certain features of the Plans. Full details are contained in the documents that establish the Plans' provisions. If there is a discrepancy between the wording here and the documents that establish the Plans, the Plan document language will govern. The Trustees reserve the right, in their sole discretion, to amend, modify, or terminate the Plans or the HRA Program at any time.



Health Reimbursement Arrangement (HRA) Program

An Enhanced Benefit both Now and in the Future

Dear Member:

The Trustees of the Chicago Laborers' Welfare Fund (the Fund) are committed to providing Members with the best possible healthcare coverage. In keeping with that commitment, we have implemented a Health Reimbursement Arrangement (HRA) Program as part of your coverage under Active Plan I (the Active Plan), effective January 1, 2009. This benefit will also be available to you under Retiree Medical Plan 1 (the Retiree Plan) if you retire after January 1, 2009 and are eligible for and elect that coverage.

The HRA Program is designed to provide reimbursement of certain healthcare expenses on a tax-free basis. Because no two Members are alike, the HRA Program offers the flexibility to use the Program in a way that best meets your and your family's healthcare needs—not just now, but in the future. We encourage you to read this booklet and to share it with your spouse, if you are married. The booklet provides complete details on the new HRA Program, including:

- How the HRA Program Works
- Eligibility
- Your HRA Account
- Applying for Benefits
- Eligible Healthcare Expenses
- Claims and Reimbursement Procedures

This booklet is designed to be a part of your Summary Plan Description (SPD). Your SPD provides more detailed information about eligibility requirements, benefits, and related terms and conditions, which also apply to the HRA Program. We recommend that you keep this booklet alongside your SPD.

If you have any questions about the new HRA Program or the Welfare Plan in general, please contact the Fund Office at **708-562-0200**.

Sincerely,

BOARD OF TRUSTEES

HRA Program Highlights

Eligibility

- If you are eligible for coverage under the Active Plan on January 1, 2009, and you are not self-employed, you are automatically eligible to participate in the HRA Program.
- If you become eligible for coverage under the Active Plan after January 1, 2009, and you are not self-employed, you will be eligible for the HRA Program on the same day you become eligible for the Active Plan.
- Your eligibility will continue as long as you remain eligible for the Active Plan, including periods when your eligibility is maintained through election of the COBRA Full Plan (but not the COBRA Core Plan).
- If you retire after January 1, 2009 and enroll in the Retiree Plan, your eligibility for the HRA Program will continue as long as you remain eligible for the Retiree Plan and your Account balance is greater than zero.
- Your spouse and dependents are also eligible to participate in the HRA Program as long as they meet the dependent eligibility requirements of the Active Plan or the Retiree Plan.

HRA Account Funding

- On January 1st of each year, if you are eligible for the HRA Program as a participant in the Active Plan on that date, \$500 will be credited to your HRA Account.
 - Credits will be applied to the HRA Accounts of all Active Members, including Members who are active by virtue of electing the COBRA Full Plan (but not the COBRA Core Plan).
 - All Active Members will receive the same \$500 credit, regardless of whether they are single or have a family.
- If you become eligible for the HRA Program from February 1st through December 1st, \$500 will be credited to your HRA Account on the day your eligibility begins.
- Once the \$500 has been credited to your HRA Account, it is immediately available for use.
- Any unused balance in your HRA Account at the end of each year will roll over into the next year for future use. There is no limit on the amount that can be carried forward from year to year.
- Your HRA Account will not be credited with more than \$500 in a calendar year.
- Once you retire, you will no longer receive the \$500 annual credit to your HRA Account.

Using Your HRA Account

- **Save your HRA Account for retirement.** Because the balance in your Account rolls over from year to year, you can potentially accumulate a significant balance between now and when you retire. That balance can then be used to cover some of your healthcare expenses in retirement, including your Retiree self-payment amounts (provided you are eligible for and elect coverage under the Retiree Plan).
- **Pay for HRA eligible healthcare expenses.** HRA eligible healthcare expenses are reimbursed at 100%, with no deductible required, until you exhaust your HRA Account balance. Examples include:
 - Expenses not covered by the Active Plan, the Retiree Plan or any other healthcare plan;
 - Premiums for other healthcare coverage or insurance;
 - Medicare premiums; and
 - Long-term care insurance premiums.
- **Make self-payments.** You can use the balance in your HRA Account to make self-payments for:
 - COBRA Continuation Coverage when you are not working enough hours; or
 - Retiree Plan premiums when you are retired.

After you/your dependents are no longer eligible to participate in the HRA Program, you can continue to use your HRA Account for up to two years, or until the balance in the Account is zero.

TABLE OF CONTENTS

How the HRA Program Works.....	1
General Overview	1
Eligible Healthcare Expenses	1
HRA Program Administration	2
Tax Considerations.....	2
Eligibility	3
While You Are Active	3
When You Retire	3
Dependent Eligibility.....	4
When Eligibility Ends	4
In the Event of Your Death.....	4
Your HRA Account.....	5
While You Are Active	5
When You Retire	6
When Eligibility Ends	6
In the Event of Your Death.....	6
Applying for Benefits.....	7
While You Are Active	7
When You Retire	7
After Eligibility Ends.....	8
In the Event of Your Death.....	8
Eligible Healthcare Expenses.....	9
Expenses Eligible for Reimbursement	9
Expenses Not Eligible for Reimbursement.....	10
Claims and Reimbursement Procedures.....	11
Where to File a Claim.....	12
Claim Decisions.....	12
Coordination of Benefits.....	12

HOW THE HRA PROGRAM WORKS

Health Reimbursement Arrangements (HRAs) are generally designed to enable individuals and their families to receive tax-free reimbursement for certain healthcare expenses that are not covered by their group healthcare plans.

HRAs can also be used like savings accounts, in that the balance can be rolled over from year to year to pay for future healthcare expenses, such as self-payment amounts during retirement.

General Overview

You will have an individual HRA Account that the Fund will set up and maintain on your behalf after you are eligible for coverage under the Active Plan. Your HRA Account will be credited with \$500 on the date you become eligible for the HRA Program, and on January 1st of each year if you are eligible to participate in the HRA Program on that date (note: your Account will be credited with \$500 only once in a calendar year). If a balance remains in your HRA Account at the end of a year, it rolls over into the next year, allowing you to use it for reimbursement of future expenses. There is no limit to the amount that can be carried forward from year to year.

If you are eligible for and elect coverage under the Retiree Plan when you retire, your eligibility to participate in the HRA Program will continue as long as your eligibility under the Retiree Plan continues. You will have access to your HRA Account as long as a balance remains. However, no contributions will be credited to your HRA Account once you are retired.

As long as you are eligible to participate in the HRA Program, the balance in your HRA Account is available for you to use as you see fit. You can:

- Save the balance in the Account for your future healthcare needs;
- File claims against the balance to pay for current healthcare expenses that the Fund has agreed to cover, including premiums you pay for other healthcare coverage or insurance, Medicare, and long-term care insurance; or
- Make self-payments for either COBRA Continuation Coverage or coverage under the Retiree Plan, if you are eligible for and elect coverage.

After you are no longer eligible to participate in the HRA Program, your HRA Account will continue to roll forward and may be used for up to two years, or until the balance in the Account is zero.

In addition, your HRA Account balance is available to your surviving spouse and dependent children in the event of your death, for up to two years, or until the balance in the Account is zero. The Account balance may only be used for the reimbursement of qualifying healthcare expenses and is not available in cash. Please see *In the Event of Your Death* on page 8 for more information.

Eligible Healthcare Expenses

Your HRA Account may only be used to pay for eligible healthcare expenses as defined by Sections 105 and 213(d) of the Internal Revenue Code (IRC) and by HRA rules (see page 9 for more information). However, a range of expenses is eligible, such as:

- Payments for coverage, including self-payment contributions to continue coverage when you are not working enough hours, COBRA Continuation Coverage self-payments, and Retiree self-payments for coverage (if eligible).

Your HRA Account may only be used to pay for eligible healthcare expenses incurred by you and your eligible family members. However, a range of expenses is eligible.

- Out-of-pocket Plan costs, such as deductibles, copayments, and coinsurance.
- Healthcare expenses not covered, or only partially covered, under the Active or Retiree Plan or any other healthcare plan, and expenses that exceed benefit maximums.
- Premiums paid for other healthcare coverage or insurance, Medicare, and long-term care insurance.

Not all healthcare expenses can be reimbursed through the HRA Program. For example, reimbursements for expenses related to long-term care services and reimbursements for premiums paid through salary reduction contributions to an IRC Section 125 Plan are not allowed. In addition, reimbursements for deductibles and copayments for services received from non-network providers are limited to the amounts that would be reimbursable from your HRA Account if you had gone to an in-network provider.

HRA Program Administration

The Fund Office will administer the HRA Program. Once you are eligible to participate in the Program and an HRA Account is established in your name, the Fund Office will maintain records of your HRA Account balance by processing the annual credits and requests for reimbursement of eligible healthcare expenses.

If you choose to let your HRA Account balance build to cover your self-payments and/or healthcare expenses in the future, you don't have to do anything until you are ready to draw from the Account. If you choose to use your HRA Account balance to cover current healthcare expenses, including premium self-payments, you will file claims for reimbursement of eligible expenses throughout the year (see the Claims and Reimbursement section on page 11).

Tax Considerations

Contributions credited to your HRA Account are generally not taxable income when made or when paid out as benefits. However, certain actions may cause your HRA benefits to be taxable, such as if:

- You receive reimbursement from your HRA Account for contributions that are paid through salary reductions under an IRC Section 125 Plan;
- Reimbursements are made for individuals who are not "dependents," as defined under IRC Section 152; and
- Cash payments are made to an individual for any reason other than as reimbursement of an eligible healthcare expense (for example, the HRA Account cannot be used to pay death benefits).

If you submit an expense for reimbursement under the Plan's HRA Program, you cannot deduct that expense on your tax return.

The HRA Program makes no guarantee that any amounts reimbursed to you, your spouse, or your dependents under the Program will be excludable from your gross income for federal, state, or local income tax purposes. It is your responsibility to determine whether payments under the HRA Program are excludable, and to notify the Fund Office if you have any reason to believe that any such payment is not excludable.

ELIGIBILITY

While You Are Active

You are eligible to participate in the HRA Program if you are eligible for coverage under the Active Plan, unless you are self-employed. All eligibility provisions are the same as those listed in your SPD.

If you are eligible for coverage under the Active Plan as of January 1, 2009, you are automatically eligible to participate in the HRA Program. If you become eligible for coverage after January 1, 2009, you will be eligible for the HRA Program on the same day you become eligible for the Active Plan.

Your eligibility to participate in the HRA Program is based on your continued eligibility for coverage under the Active Plan. Once you are eligible, your eligibility will continue as described in your SPD.

If you do not work enough hours to continue eligibility for coverage under the Active Plan, and you elect COBRA Continuation Coverage under the COBRA Full Plan (as described in your SPD), your eligibility to participate in the HRA Program will continue. Your eligibility to continue in the HRA Program will not continue, however, if you elect the COBRA Core Plan (as described in your SPD).

Generally speaking, as long as you are eligible for coverage under the Active Plan, you are eligible to participate in the HRA Program.

When You Retire

When you retire, you have three options for your healthcare coverage if you meet the Retiree Plan eligibility requirements, as described in your SPD. Your eligibility to continue to participate in the HRA Program will depend on which option you elect, as follows:

- **Retiree Medical Plan I (the Retiree Plan).** If you elect this option, you will continue to be eligible to participate in the HRA Program. Although no further contributions will be credited to your HRA Account, the balance in the Account will continue to be available for your use as long as a balance remains in your Account.
- **Retiree Basic Medical Coverage Plan (for Retirees before age 65).** If you elect this option, you will no longer be eligible to participate in the HRA Program. However, the balance in your HRA Account will continue to be available for your use, for up to two years after you retire, or until the balance in your Account is zero.
- **Active Plan I COBRA Continuation Coverage.** You will remain eligible to participate in the HRA Program as an Active Member if you elect the COBRA Full Plan (as described in your SPD) and make self-payments to continue coverage. If you elect the COBRA Core Plan (as described in your SPD), you will no longer be eligible to participate in the HRA Program. However, the balance in your HRA Account will continue to be available for your use, for up to two years after you retire, or until the balance in your Account is zero.

EXAMPLE

Raul is eligible to participate in the HRA Program on January 1, 2009, and he remains eligible until he retires on September 30, 2017. The balance in his HRA Account when he retires is \$3,750. Raul elects coverage under Retiree Medical Plan I. He can continue to participate in the HRA Program and file claims for reimbursement as long as the balance in his HRA Account is greater than zero.

Raul files claims for reimbursement of \$500 in 2017, \$1,000 in 2018, and \$1,000 in 2019.

The balance in his HRA Account as of December 31, 2019 is \$1,250 (\$3,750 – \$2,500 in reimbursements). Raul can continue to use his HRA Account in 2020.

EXAMPLE

Boris is also eligible to participate in the HRA Program on January 1, 2009. He retires on November 30, 2017. The balance in his HRA Account when he retires is \$4,000. Boris elects coverage under the Retiree Basic Medical Coverage Plan, and his eligibility to participate in the HRA Program ends.

Boris must file \$4,000 in claims before November 30, 2019.

Dependent Eligibility

As with any Plan coverage, your spouse and/or your other dependents must meet the Plans' definition of eligible dependent for their healthcare expenses to be eligible for reimbursement. Any reimbursements you submit for your spouse's and/or your dependents' healthcare expenses will be charged against your HRA Account.

Your spouse will be ineligible for a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA), due to coverage under your HRA.

Participation in the HRA Program will likely disqualify you or your spouse from contributing to a Health Savings Account (HSA) if you or your spouse participate in another plan that is considered a High Deductible Health Plan (HDHP). You should contact the Fund Office to request exclusion from the HRA Program if you desire to maintain your HSA eligibility.

When Eligibility Ends

When your eligibility for coverage under the Active Plan ends, your eligibility to participate in the HRA Program also ends. If you do not work enough hours to continue eligibility for coverage under the Active Plan, and you elect COBRA Continuation Coverage under the COBRA Core Plan (as described in your SPD), your eligibility to participate in the HRA Program will end.

If you initially elect coverage under the Retiree Plan, but your coverage ends (due, for example, to failing to make the required premium payments), your eligibility to participate in the HRA Program will end as well. Similarly, if you initially elect coverage under the COBRA Full Plan when you retire (as described in your SPD), once your COBRA coverage ends, your eligibility to participate in the HRA Program will also end.

If one of your dependents loses eligibility for coverage under either the Active Plan or the Retiree Plan, as defined in your SPD, he/she also loses eligibility to participate in the HRA Program.

In the Event of Your Death

If you die while you are an active participant in the HRA Program and you have eligible dependents, your dependents will lose their eligibility to continue participating in the Program.

YOUR HRA ACCOUNT

The Fund Office will establish and maintain an HRA Account for each eligible Member. This Account will be used to keep track of contributions, reimbursements, and your available balance. The HRA Account is a recordkeeping account only; there will not be individual cash accounts for each Member. In addition, the Accounts will not accrue interest.

As long as you are eligible for benefits under the HRA Program, you will receive a status report once each year. This report will include your HRA Account balance. In addition, you may contact the Fund Office for the most up-to-date information on your HRA Account balance.

While You Are Active

If you are eligible to participate in the HRA Program on January 1, 2009, \$500 will be credited to your Account on that date. If you become eligible to participate after January 1, 2009, your HRA Account will be credited with \$500 on the day your eligibility begins.

Once you are eligible to participate in the HRA Program, \$500 will be credited to your Account each January 1st as long you meet the eligibility requirements for continued participation in the HRA Program. If your eligibility begins on January 1st of a given year, you will only receive one \$500 credit. Under no circumstances will your Account be credited with more than \$500 in a calendar year.

Each \$500 credit will be posted to the HRA Accounts of all Active Members, including members who are active by virtue of coverage under the COBRA Full Plan (but not the COBRA Core Plan). All Active Members will receive the same \$500 credit, regardless of whether they are single or have a family. Once the \$500 has been credited to your HRA Account, it is immediately available for use.

Your HRA Account is credited *exclusively* through contributions made on your behalf; no additional voluntary contributions are allowed.

Your HRA Account balance is the net value of the cumulative Fund contributions made on your behalf minus any reimbursements you receive from your HRA Account. Unused balances at the end of each year will roll over into the next year for future use. There is no limit on the amount that can be carried forward from year to year.

If you are eligible to participate in the HRA Program as an Active Member on January 1st of a given year, your HRA Account will be credited with \$500.

If a balance remains in your HRA Account at the end of a year, it rolls over into the next year, allowing you to save for future health expenses.

EXAMPLE

Bo is eligible to participate in the HRA Program on January 1, 2009. His HRA Account is credited with \$500 on January 1st of each year through February 2019, when he retires and elects coverage under the Retiree Plan.

Bo chooses to save his HRA Account balance to cover his self-payment premiums in retirement.

When he retires, the balance in his Account is \$5,500 ($(\$500 \times 11 \text{ years of contributions}) - \$0 \text{ in reimbursements}$).

EXAMPLE

DJ becomes eligible for coverage under the Active Plan on September 1, 2009, and his HRA Account is credited with \$500 on that date. His HRA Account is credited with \$500 on January 1st of each year through November 2014, when he loses coverage.

DJ files claims for reimbursement of \$200 in 2010, \$100 in 2011, \$0 in 2012, \$500 in 2013, and \$100 in 2014.

The balance in his HRA Account as of his termination date is \$2,100 ($(\$500 \times 6 \text{ annual contributions}) - \$900 \text{ in reimbursements}$).

Your HRA Account will be available to you as long as you are eligible for coverage under the Active Plan, whether your eligibility is based on contributions made on your behalf or self-payments you make to continue coverage under the COBRA Full Plan (but not the COBRA Core Plan).

When You Retire

Your HRA Account balance is the net amount available as of your retirement date minus any reimbursements you receive from your HRA Account after you retire. Unused balances at the end of each year will roll over into the next year for future use, depending on your eligibility as described on page 3. There is no limit on the amount that can be carried forward from year to year.

If a balance remains in your HRA Account at the end of a year, it rolls over into the next year, allowing you to save for future health expenses.

EXAMPLE

Bo (see earlier example) retires in February 2019 with an HRA Account balance of \$5,500. Having elected coverage under the Retiree Plan, he uses his HRA Account to pay a portion of his self-payment amounts and to get reimbursed for other healthcare expenses.

His HRA Account is reduced by \$1,000 in 2019, \$1,200 in 2020, and \$1,300 in 2021.

The balance in his HRA Account as of December 31, 2021 is \$2,000 (\$5,500 – \$3,500 in self-payments and reimbursements), which will roll over into the 2022 calendar year.

Your HRA Account balance will be available to you as long as you are eligible for coverage under the Retiree Plan.

When Eligibility Ends

When your eligibility to participate in the HRA Program ends, the balance in your HRA Account will continue to be available for your use as described in the *Applying for Benefits* section on page 7, for up to two years after your eligibility ends, or until the balance in your Account is zero.

In the Event of Your Death

When your dependents' eligibility to participate in the HRA Program ends due to your death, the balance in your HRA Account will continue to be available for your dependents' use as described in the *Applying for Benefits* section on page 7.

APPLYING FOR BENEFITS

You can submit claims for reimbursement of eligible healthcare expenses at any time; however, claims must be filed within one year of when the expense is incurred.

Claims for reimbursement from your HRA Account must be filed within one year of when the expense is incurred.

EXAMPLE

Jamal has \$800 in his HRA Account on January 1, 2010. He can use his HRA Account to reimburse up to \$800 in eligible healthcare expenses incurred in 2010, and he has one year from the date of any service he receives to submit his HRA Request for Reimbursement Form. On December 31, 2010, any unused balance in his HRA Account will roll over into the 2011 calendar year.

You will only be reimbursed for eligible healthcare expenses up to the unused amount in your HRA Account during a given calendar year. You cannot apply for reimbursement of expenses in a subsequent year if the balance in your HRA Account was not sufficient to cover the expense in the year in which the expense was incurred.

You will only be reimbursed for eligible expenses up to the unused amount in your HRA Account.

EXAMPLE

Jamal incurs \$1,000 in eligible healthcare expenses in 2010. He can only be reimbursed up to the \$800 he had in his Account on January 1, 2010. He will not be able to submit the unreimbursed \$200 in 2011 after he receives another \$500 credit to his HRA Account on January 1, 2011.

While You Are Active

If you are eligible to participate in the HRA Program as an Active Member, you can use your HRA Account balance to pay for eligible healthcare expenses if you choose not to save the balance for your healthcare expenses in retirement.

If you continue your coverage under the Active Plan by electing the COBRA Full Plan, self-payments are required to maintain coverage. You may use the balance in your HRA Account toward these self-payments. In addition, you may also use your HRA Account balance to pay for eligible healthcare expenses as long as you continue to be eligible for coverage and a balance remains in your Account.

When You Retire

If you elect coverage under the Retiree Plan, self-payments are required to maintain coverage. You may use the balance in your HRA Account toward these self-payments. In addition, you may also use your HRA Account balance to pay for eligible healthcare expenses incurred during retirement as long as you continue to be eligible for coverage and a balance remains in your Account.

If you elect the Retiree Basic Medical Coverage Plan, you may use your HRA Account to pay for eligible healthcare expenses incurred during retirement for up to two years, or until the balance in the Account is zero.

After Eligibility Ends

After your eligibility to participate in the HRA Program ends, the balance in your HRA Account will remain available for up to two years. You may continue to submit eligible healthcare expenses for reimbursement from your HRA Account until the earlier of the date the balance reaches zero or two years from the date eligibility ends.

If you have not been eligible to participate in the HRA Program for two years, any remaining balance in your HRA Account will be forfeited and cannot be reinstated. Any forfeited amounts revert to the Plan's general assets. In no event will forfeited amounts be paid in cash to any person.

EXAMPLE

Raul (see earlier example) stops making the required self-payments for the Retiree Plan on March 1, 2020, at which time the balance in his HRA Account is \$750. Raul can file claims for reimbursement through February 28, 2022, as long as the balance in his HRA Account is greater than zero.

In the Event of Your Death

Your HRA Account will continue to be available to provide reimbursement for your surviving dependents' eligible healthcare expenses in the event of your death. Your spouse and/or dependents may use your HRA Account balance to pay for eligible healthcare expenses (including expenses you incurred before your death) or to make self-payments to continue coverage until the earliest of:

- When your HRA Account balance is zero;
- Two years after the date of your death; or
- When your dependent loses dependent status.

If you have no surviving spouse and/or other eligible dependents at the time of your death, any balance in your HRA Account will be forfeited and become a part of the Plan's general assets.

In no event will amounts be paid in cash to any person for other than reimbursement of an eligible healthcare expense. In other words, there are no lump-sum distributions of the HRA Account balance as a death or termination benefit.

While your surviving spouse and/or dependents may continue to use your HRA Account as long as they are eligible for Plan coverage (including COBRA Continuation Coverage) and the Account balance is greater than zero, no further employer contributions will be made to the HRA Account on their behalf.

EXAMPLE

If you died on August 31, 2011, your surviving dependents could use your HRA Account balance (until it is depleted) for the two-year period ending August 31, 2013, as long as they remain eligible for coverage.

ELIGIBLE HEALTHCARE EXPENSES

You can use the balance in your HRA Account to pay for eligible healthcare expenses incurred by you, your spouse, and/or your eligible dependents. Eligible healthcare expenses, as defined by the HRA Program, include (but are not limited to) all of the following:

- Coverage costs, including self-payment contributions or premiums:
 - To continue Active Plan coverage when you are not working enough hours;
 - For COBRA Continuation Coverage; and
 - For Retiree Plan coverage, if you are eligible and elect coverage.
- Amounts you and/or your spouse pay for other coverage (such as employer insurance, individual policy insurance, or Medicare, provided it is not paid with salary reduction contributions to an IRC Section 125 Plan).
- Long-term care insurance premiums.
- Healthcare expenses under the Active Plan, Retiree Plan or any other healthcare plan, including:
 - Out-of-pocket costs, such as deductibles, copayments, and coinsurance; and
 - Expenses not covered, or only partially covered.

Healthcare expenses may include medical, prescription drug, dental, and vision expenses.

EXAMPLE

The Chicago Laborers' Dental Plan only covers 50% of the charges for dental implants. Under the HRA Program, you will be able to apply for reimbursement of some or all of the unpaid portion, depending on the balance in your HRA Account.

In general, healthcare expenses eligible for reimbursement only include those that are:

- Incurred for services or supplies provided to you or your eligible dependents under the Active or Retiree Plan;
- For services or supplies provided on or after the date your HRA Account became effective;
- Not reimbursed by any other health plan, insurance, or other source or entity;
- Not taken (and will not be taken) as a tax deduction by you, your spouse, and/or your dependents; and
- Not made through salary reduction contributions under the terms of an IRC Section 125 Plan (if for premium contributions).

Expenses Eligible for Reimbursement

Only healthcare expenses that are permitted under the terms of Sections 105 and 213(d) of the Internal Revenue Code (IRC) are eligible for reimbursement from your HRA Account. Please note that federal and state tax regulations are subject to change.

An eligible healthcare expense is defined as an expense incurred by you and/or your dependents for medical care, as defined in IRC Sections 105 and 213(d). For more detailed information on eligible healthcare expenses, please refer to IRS Publication 502 entitled, "Medical and Dental Expenses," Catalog Number 15002Q. It is available on the internet at www.irs.gov/pub/irs-pdf/p502.pdf.

If you have any questions about whether an expense is eligible for reimbursement, contact the Fund Office.

Even if an expense is a medical expense applicable under IRC Sections 105 and 213(d), or listed in IRS Publication 502, it may not necessarily qualify as an eligible healthcare expense under the HRA Program.

For instance, the HRA Program cannot reimburse long-term care expenses or premiums paid through salary reduction contributions to an IRC Section 125 Plan. As another difference, IRS Publication 502 states that nonprescription drugs are ineligible. However, you may be reimbursed for expenses for over-the-counter drugs and medical supplies under the HRA Program so long as they are for the diagnosis or treatment of a medical condition and not only for your general well being. Finally, the HRA Program has the right to limit or deny reimbursements for certain expenses even though they may be allowed under federal law. For example, reimbursements for deductibles and copayments for services received from non-network providers are limited to the amounts that would be reimbursable from your HRA Account if you had gone to an in-network provider.

Healthcare expenses do not include reimbursements for expenses related to long-term care services or for premiums paid through salary reduction contributions to an IRC Section 125 Plan.

Expenses Not Eligible for Reimbursement

Expenses that are not eligible for reimbursement from your HRA Account (as defined by IRC Sections 105 and 213(d)) include, but are not limited to:

- Automobile insurance premiums
- Bottled water
- Cosmetic surgery and procedures
- Cosmetics, toiletries, toothpaste, etc.
- Custodial care
- Diaper service or diapers
- Domestic help
- Funeral, cremation, or burial expenses
- Health programs offered by resort hotels, health clubs, and gyms
- Home or automobile improvements
- Long-term care services
- Marijuana and other controlled substances that are considered illegal
- Massage therapy (unless prescribed)
- Maternity clothes
- Nursing services to care for a healthy newborn at home
- Special schools for children
- Social activities
- Transportation expenses
- Uniforms or special clothing
- Vitamins and food supplements

In addition to the above list of IRS-excluded expenses, deductibles and copayments for services received from non-network providers are not eligible for reimbursement from your HRA Account to the extent they exceed the amounts that would be reimbursable from your HRA Account if you had gone to an in-network provider.

CLAIMS AND REIMBURSEMENT PROCEDURES

You may submit eligible healthcare expenses for reimbursement at any time. The amount reimbursed for any eligible healthcare expense will not exceed your HRA balance at the time reimbursement is requested. Reimbursement is paid directly to you; you are responsible for paying any providers.

You must file a written claim for reimbursement with the Fund Office as soon as possible. If your claim is not filed within 12 months of the date the expense is incurred, your claim will be denied.

To receive reimbursement for Plan deductibles and coinsurance amounts, you must file a claim. The Fund Office will not automatically apply the balance in your HRA Account to those expenses.

To receive reimbursement for eligible healthcare expenses, you must submit a properly completed HRA Request for Reimbursement Form, with the required supporting documentation, in accordance with the Plan's claim procedures as described in your SPD and further clarified here. The HRA Request for Reimbursement Form can be obtained from the Fund Office (a sample is provided at the back of this booklet). The form will include a statement that you must sign verifying that:

- The eligible expenses were incurred for services or supplies provided to you or your eligible dependents under the Plan;
- The eligible expenses were for services or supplies provided on or after the date your HRA Account became effective;
- You have not been, and will not be, reimbursed for these expenses by any other health plan, insurance, or other source or entity;
- You have not deducted, and will not deduct, any of the expenses reimbursed through the HRA Program on your individual income tax return; and
- Premiums submitted for reimbursement were not made through salary reduction contributions under the terms of an IRC Section 125 Plan.

All expenses must be incurred prior to being considered for reimbursement.

Along with the form, you must provide any of the following, as applicable:

- An itemized bill from the service provider that includes the name of the person incurring the charges, date of service, description of services, name of provider, and amount of charge.
- An Explanation of Benefits (EOB) when requesting reimbursement of the balance of charges for which coverage is available from either this Plan or another plan, plus original receipts verifying payment. Only eligible expenses that have not been reimbursed, as shown on the EOB, will be eligible for reimbursement.
- Proof of the amount, the name of the covered person, date paid, and coverage period when requesting reimbursement for other insurance premiums, such as a spouse's group health coverage premiums, and verification that the premium was not paid or eligible for payment under an IRC Section 125 Plan. Additional documentation is also required for reimbursement of premiums under a qualified long-term care contract.

It's a good idea to make a copy of all materials you submit for your records. Materials you submit will not be returned to you.

- A receipt and proof of purchase or rental for covered items (such as for crutches or wheelchairs).
- A receipt on which the name of the product has been imprinted by a cash register for over-the-counter medicines and medical supplies. Unreasonable quantities of such items cannot be reimbursed under IRS rules.
- Any additional documentation requested by the Plan.

Where to File a Claim

Mail the completed form and supporting documentation to:

Chicago Laborers' Welfare Fund
11465 W. Cermak Road
Westchester IL 60154

If you need an HRA Request for Reimbursement form, please contact the Fund Office.

Claim Decisions

A request for reimbursement of an eligible healthcare expense is considered a claim. Claim decisions are subject to the Plan's claims procedures for post-service claims listed in your SPD. If your request for reimbursement is denied, you may appeal the decision. Review your SPD for more information on how to appeal a denied claim.

Coordination of Benefits

Reimbursements available under the HRA Program are intended to be solely for eligible healthcare expenses not previously reimbursed or reimbursable elsewhere. To the extent an eligible healthcare expense is payable or reimbursable from another source (including a Healthcare Flexible Spending Account), that other source must pay or reimburse before reimbursement from the HRA Program. If there is any question as to what source should pay benefits first, please refer to your SPD for specific information on the Plan's coordination of benefits provisions.

If you, your spouse, and/or your dependents have other coverage, you must first submit any claim for reimbursement of eligible healthcare expenses to the other plan before submitting it for reimbursement from your HRA Account. Any portion of your eligible expenses that is not reimbursed after submission to the other plan can be submitted for reimbursement from your HRA Account.

HRA Request for Reimbursement Form

Member Information

Name	Social Security Number	Telephone Number	
Address	City	State	Zip

HRA Expense Claims

Attach appropriate receipt(s) for each expense listed below when submitting form. Please see the reverse side of this form for more details on what to provide.

Date of Expense	Provider Name ¹	Expense Description	Person for Whom Expense was Incurred	Total Charge (A)	Amount Paid by Other Sources ² (B)	Amount to Be Reimbursed (A – B = C)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
Total HRA Claim						\$

¹ Doctor, pharmacy, other health plan, etc.

² Other health plan, insurance, Medicare, etc.

Participant Authorization

I certify that the expenses for which I am requesting reimbursement meet all of the following conditions:

- They were incurred for services or supplies provided to me or my eligible dependents under the Plan.
- They were for services or supplies provided on or after the date my HRA Account became effective.
- I have not been, and will not be, reimbursed for these expenses by any other health plan, insurance, or other source or entity.
- I have not deducted, and will not deduct, any of the expenses reimbursed through this Plan on my individual income tax return.
- Premiums submitted for reimbursement were not made through salary reduction contributions under the terms of an IRC Section 125 Plan.

I understand that the Internal Revenue Code permits reimbursement only for eligible healthcare expenses, which means amounts paid for diagnosis, cure, mitigation, treatment or prevention of disease. I understand that I alone am fully responsible for the sufficiency, accuracy, and truthfulness of all information relating to the claims on this form and that I am liable for payment of expenses. I also understand that if an expense is not eligible for reimbursement under the Plan's HRA Program, I am liable for payment of all related taxes on amounts paid by the Plan that relate to these expenses.

Member's Signature	Date
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Claim and Reimbursement Procedures

To receive reimbursement for eligible expenses, you must submit this written form, with the required supporting documentation, to the Fund Office in accordance with the claim procedures described in your HRA Program booklet. Reimbursement is paid directly to you; you are responsible for paying any providers.

All expenses must be incurred prior to being considered for reimbursement except for certain advance payments for orthodontia services. Incurred refers to the date you or your dependents received goods or services. This date could be different from the date you are billed for or paid for the expense.

Along with this form, you must provide the following, as applicable:

1. An itemized bill from the service provider that includes the name of the person incurring the charges, date of service, description of services, name of provider, and amount of charge.
2. An Explanation of Benefits (EOB) when requesting reimbursement of the balance of charges for which coverage is available from either this Plan or another plan, plus original receipts verifying payment. Only eligible expenses that have not been reimbursed, as shown on the EOB, will be eligible for reimbursement.
3. Proof of the amount, the name of the covered person, date paid, and coverage period when requesting reimbursement for other insurance premiums, such as a spouse's group health coverage premiums, and verification that the premium was not paid or eligible for payment under an IRC Section 125 Plan. Additional documentation is also required for reimbursement of premiums under a qualified long-term care contract.
4. A receipt and proof of purchase or rental for covered items (such as for crutches or wheelchairs).
5. A receipt on which the name of the product has been imprinted by a cash register for over-the-counter medicines and medical supplies. Unreasonable quantities of such items cannot be reimbursed under IRS rules.
6. Any additional documentation requested by the Plan.

It's a good idea to make a copy of all materials you submit for your records. Materials you submit will not be returned to you.

As a reminder, reimbursements for expenses related to long-term care services and for premiums paid through salary reduction contributions to an IRC Section 125 Plan are not allowed. In addition, reimbursements for deductibles and copayments for services received from non-network providers are limited to the amounts that would be reimbursable from your HRA Account if you had gone to an in-network provider.

While IRS Publication 502 is helpful in determining whether a medical expense may be reimbursed under the HRA Program, its information is not completely consistent with the rules that apply to the HRA Program. IRS Publication 502 applies to tax deductible expenses for federal income tax purposes, so some items listed are not eligible for reimbursement under the HRA Program because the HRA Program is subject to additional IRS requirements. For instance, the HRA Program cannot reimburse long-term care expenses or premiums paid through salary reduction contributions to an IRC Section 125 Plan. As another difference, IRS Publication 502 states that nonprescription drugs are ineligible. However, you may be reimbursed for expenses for over-the-counter drugs and medical supplies under the HRA Program so long as they are for the diagnosis or treatment of a medical condition and not only for your general well being. Finally, the HRA Program has the right to deny reimbursements for certain expenses even though they may be allowed under federal law. You are notified of such limitations prior to their implementation.

Claim Submission

Mail the completed form and supporting documentation to:

Chicago Laborers' Welfare Fund
11465 W. Cermak Road
Westchester IL 60154

708-562-0200



Chicago Laborers' Welfare Fund

11465 W. Cermak Road
Westchester, IL 60154

708-562-0200 [phone]

708-562-0716 [fax]

claims@chilpwf.com [e-mail]