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November 19, 2018

VIA E-MAIL

Board of Trustees
Chicago Laborers District Council
Retiree Health and Welfare Fund
Westchester, Illinois

Re: New Self-Pay Rates for Spouses of Retirees – Effective January 1, 2019

Dear Trustees:

As approved at last week’s Board meeting, attached are the new 2019 self-pay rates the Fund will charge spouses of retirees who are **added** as a new dependent after the retiree’s date of retirement. These rates are 10% higher than the previous rates, rounded (up or down) to the nearest dollar:

New 2019 Monthly Self-Pay Rates for Retiree Spouses		
Plan Name	Spouse Under Age 65	Spouse Over Age 65
Retiree Medical Plan	\$806	\$413
Retiree Medical Plan 2	\$669	\$331
Retiree Medical Plan 3	\$605	\$301
Retiree Medical Plan 4	\$613	\$310
Retiree Basic Coverage Plan	\$150	N/A

N/A = Not applicable


Since these are self-pay rates and not COBRA rates, once a spouse turns age 65 and they elect to continue coverage, the self-pay rate will automatically drop to the lower “over 65” rate, except in the Basic Coverage Plan as their plan does not offer coverage after age 65.

In the absence of a specific methodology in the law, Segal has used a reasonable good faith interpretation of the statute and IRS guidance to develop an approach to calculating COBRA rates. The basis of our calculation should be reviewed by legal counsel as a good faith effort to comply with the provisions of COBRA in the absence of final regulations that set specific standards for how this calculation is to be performed.

Segal’s pricing guidance is not intended to provide legal advice. Issues involving the interpretation of laws/regulations should be referred to legal counsel for authoritative advice.

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Retiree Health and Welfare Fund
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Sincerely,

A handwritten signature in dark ink, appearing to read "David A. Dean", with a horizontal line extending to the right.

David A. Dean
Senior Vice President

dad/bl

cc: Ms. Catherine Wenskus
Ms. Liz Gallagher
Ms. Lori Williams
J. Peter Dowd, Esq.
Justin J. Lannoye, Esq.
Thomas Vasiljevich, Esq.
Grace H. Ristuccia, Esq.
Ms. Jessica Streit