

CHICAGO & VICINITY LABORERS' DISTRICT COUNCIL
HEALTH & WELFARE PLAN

**Important Notice of Change to Benefits
under Active Plan 1**

November 2021

Dear Participant:

The Board of Trustees of the Chicago & Vicinity Laborers' District Council Health & Welfare Plan (the "Plan") is pleased to announce the following benefit improvement to Health Reimbursement Arrangement Program under Active Plan 1:

Health Reimbursement Arrangement for Active Plan 1

Effective as of June 1, 2021, the amount you will be credited when you first become eligible for the Health Reimbursement Arrangement (HRA) Program is increased to \$1,000, and the annual amount credited to your HRA account each year thereafter that you are eligible for the HRA Program is increased to \$1,000.

In addition, if you were previously eligible for the HRA Program sometime in 2021 before June 1, 2021 and you are eligible for any single month on or after June 1, 2021 and before January 1, 2022, you will be credited with an additional \$500 to your HRA account. This additional \$500 for 2021 is credited as follows: (1) on June 1, 2021 if you are eligible for the HRA Program as of that date; or (2) on the first day of the month you regain eligibility, if you regain eligibility after June 1, 2021 and before January 1, 2022.

Examples:

- Assume you are first eligible for the HRA Program on March 1, 2021 and are eligible for the HRA Program as of June 1, 2021, your HRA Account is credited with \$500 as of March 1, 2021 (date of first eligibility) and another \$500 is credited as of June 1, 2021 (as a result of the benefit improvement described in this Notice). If you are eligible for the HRA Program as of January 1, 2022, your HRA Account will be credited with another \$1,000 as of January 1, 2022.
- Assume you are first eligible for the HRA Program as of November 1, 2021, your HRA Account is credited with \$1,000 as of November 1, 2021. If you are eligible for the HRA Program as of January 1, 2022, your HRA Account will be credited with another \$1,000 as of January 1, 2022.

Your HRA account will be credited with \$1,000 only once in a calendar year.

All other terms relating to the HRA Program continue to apply. For more details on the HRA Program, please see the summary plan description for Active Plan 1, which also serves as the Active Plan 1 plan document (2020 Edition) ("SPD/Plan").

Questions?

If you have questions about your benefits, please contact the Fund Office at (708) 562-0200 or (866) 906-0200 from 8:00 am to 5:00 pm, Monday through Friday.

Final Note

Please share this Notice with your family members who are eligible for coverage and keep it with your SPD/Plan, and other benefits information for easy reference. The Addendum that follows contains the section by section technical conforming revisions to the SPD/Plan for the changes described above. Capitalized terms used but not defined in this Notice have the meaning as set forth in the SPD/Plan.

Sincerely,

Board of Trustees

ADDENDUM

Conforming Changes to the SPD/Plan: The following conforming changes are made to the section references contained in the Active Plan 1 SPD/Plan:

1. Effective as of June 1, 2021, a participant eligible for the HRA Program in 2021 and before June 1, 2021 shall receive an additional \$500 credited to his or her HRA Account if such participant is eligible for the HRA Program for any single month on or after June 1, 2021 and before January 1, 2022. This additional \$500 credit shall be made on June 1, 2021, if such participant is eligible for the HRA Program as of June 1, 2021, or on the first day of the month the participant regains eligibility for the HRA Program after June 1, 2021 and before January 1, 2022.
2. Effective as of June 1, 2021, the following provisions of the SPD/Plan are changed as follows:
 - a. In the section entitled "Health Reimbursement Arrangement (HRA) Program", on page 45 of the Plan/SPD, the box entitled "HRA Account Funding" under the section entitled "Highlights" is amended as follows:

HRA Account Funding

- \$1,000 will be credited to your HRA Account on the day you first become eligible for the HRA Program. On January 1st of each subsequent year that you are eligible for the HRA Program, an additional \$1,000 will be credited to your HRA Account. If you are not eligible on January 1st of any subsequent year, the additional \$1,000 will be credited to your HRA Account as of the first day of the month on which you regain eligibility for the HRA Program.
 - Credits will be applied to the HRA Accounts of all Eligible Members, including Members who are active by virtue of electing the COBRA Full Plan (but not the COBRA Core Plan).
 - All Eligible Members will receive the same credit, regardless of whether they are single or have a family.

- Once the \$1,000 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 \$1,000 in a calendar year.
 - No earnings are credited to your HRA Account.
 - Once you retire, you will no longer receive the \$1,000 annual credit to your HRA Account.
- b. In the section entitled “How the HRA Program Works”, on page 46 of the Plan/SPD, the first paragraph in the subsection entitled “General Overview” is amended as follows:

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 Plan. Your HRA Account will be credited with \$1,000 on the date you become eligible for the HRA Program, and on January 1st of each year that you are eligible to participate in the HRA Program. If you are not eligible on January 1st of any subsequent year, the additional \$1,000 will be credited to your HRA Account as of the first day of the month on which you regain eligibility for the HRA Program. (Note: your Account will be credited with \$1,000 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.

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Statement of the Plan’s Grandfathered Status. The Board of Trustees of the Chicago & Vicinity Laborers’ District Council Health & Welfare Fund believes this Plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the Affordable Care Act), which means that the Plan existed when the health care reform law was signed on March 23, 2010. As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that the Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits. Questions regarding which protections apply and do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Fund Office at (708) 562-0200 or 866-906-0200. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at (866) 444-3272 or <http://www.dol.gov/ebsa/healthreform/>. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

The information contained in this Notice only highlights certain features of the Chicago & Vicinity Laborers' District Council Health & Welfare Plan (the "Plan") and is intended to be a Summary of Material Modifications to the SPD/Plan. The Board of Trustees of the Plan ("Trustees") reserves the right and has the authority to amend, modify, or eliminate benefits at any time, or terminate the Plan when financial conditions dictate. Receipt of this Notice does not confer or guarantee eligibility for benefits. In addition, the Trustees, or such other persons as delegated by the Trustees, have the discretion to interpret and construe the Plan's provisions, as set forth in the SPD/Plan.

SUMMARY OF MATERIAL MODIFICATIONS

EIN: 36-2151212

Plan No.: 501

November 2021

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