

CHICAGO & VICINITY LABORERS' DISTRICT COUNCIL  
HEALTH & WELFARE PLAN

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

February 2023

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 improvements under Active Plan 1:

**Health Reimbursement Arrangement Account Forfeiture for Active Plan 1**

Effective as of March 1, 2022, Active Plan 1 participants and their eligible dependents who are no longer eligible to participate in the Health Reimbursement Arrangement (HRA) Program can continue to use their HRA Account for up to four years after such eligibility ends instead of two years, or until the balance in the HRA Account is zero, whichever occurs first.

**Dependent Contraceptive Coverage During Accutane Treatment for Active Plan 1**

Effective for eligible claims incurred on or after May 1, 2022, Active Plan 1 will provide contraceptive coverage to eligible dependents during their course of Accutane treatment, as recommended by the Food and Drug Administration (FDA).

**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 March 1, 2022, 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 fourth bullet in the box entitled “Using Your HRA Account” under the section entitled “Highlights” is amended as follows:

- 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 four years after such eligibility ends, or until the balance in the HRA Account is zero, whichever occurs first.

- b. In the section entitled “How the HRA Program Works”, on page 46 of the Plan/SPD, the last two paragraphs in the subsection entitled “General Overview” is amended as follows:

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 four years, or until the balance in the Account is zero, whichever occurs first.

In addition, your HRA Account balance is available to your surviving Spouse and dependent children in the event of your death, for up to four years after the date of your death, 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 48 for more information.

- c. In the section entitled “Applying For Benefits”, beginning on page 48 of the Plan/SPD, the first and last paragraphs in the subsection entitled “After Eligibility Ends” on page 49 of the Plan/SPD is amended as follows:

#### **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 four 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 four years from the date eligibility ends.

During this time period, you are entitled to reimbursement of expenses from any unused amounts that were credited during the time period you were enrolled in the Chicago Laborers’ Welfare Plan.

If you have not been eligible to participate in the HRA Program for four years, your remaining Account balance 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.

- d. In the section entitled “Applying for Benefits”, beginning on page 48 of the Plan/SPD, the subsection entitled “In the Event of Your Death” on page 49 of the Plan/SPD is amended as follows:

#### **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;
- Four years after the date of your death; or
- When your dependent loses dependent status.

In no event will amounts be paid in cash to any person other than for 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.

Your surviving Spouse and/or dependents may continue to use your HRA Account for four years after the date of your death, 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 Jamal died on August 31, 2017, his surviving dependents could use his HRA Account balance (until it was depleted) for the four-year period ending August 31, 2021, as long as they remained eligible for coverage.

2. Effective May 1, 2022, the following provisions of the SPD/Plan are changed as follows:
  - a. In the section entitled "Medical Covered Expenses", on page 22 of the Plan/SPD, the "Contraception" bullet is amended as follows:
    - *Contraception* is covered for prescriptions and devices such as Norplant implants, Intrauterine Devices (IUDs), and diaphragms, including all medical charges associated with the devices for you or your Spouse. Eligible dependents are entitled to such contraception coverage only during a course of Accutane treatment, as recommended by the Food and Drug Administration (FDA).

\* \* \* \*

**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

February 2023