

## Chicago & Vicinity Laborers' District Council Health & Welfare Plan

### Important Notice of Improvement to Benefits under Active Plan 1

January 2025

Dear Participant:

The Board of Trustees of the Chicago & Vicinity Laborers' District Council Health & Welfare Plan (the "Plan") is announcing the following improvement under Active Plan 1:

#### **New—Non-Network Expenses Eligible for HRA Reimbursement for Active Plan 1**

Effective for eligible claims incurred on or after January 1, 2024, the Plan allows full reimbursement from a Participant's Health Reimbursement Account (HRA) for deductibles and copayments for services received from non-network providers. Previously, the Plan only reimbursed up to the amounts that would be reimbursable from your HRA if you had gone to an in-network provider.

You may submit past non-network expenses eligible for reimbursement by no later than May 1, 2025, if the expenses were incurred on or after January 1, 2024 and you were covered by the Plan and eligible for the HRA Program at the time.

As a reminder, your HRA may be used to pay for any eligible healthcare expenses that are considered medical care, as defined under Sections 105 and 213(d) of the Internal Revenue Code (IRC), and generally included in IRS Publication 502 (SPD, page 50). However, the Plan must follow applicable federal guidance and HRA rules. The Plan may require additional information associated with whether any particular expense is eligible for reimbursement.

#### **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:** Effective January 1, 2024, the following conforming changes are made to the section references contained in the Active Plan 1 SPD/Plan:

1. In the “Eligible Healthcare Expenses” section on page 46, later amended in February 2021, the last sentence excluding expenses received from non-network providers is deleted in its entirety.
2. In the “Expenses Eligible for Reimbursement” section on page 50 of the SPD/Plan, the last paragraph is amended as follows:

For instance, the HRA Program cannot reimburse long-term care expenses or premiums for any type of insurance paid through salary reduction contributions to an IRC Section 125 Plan. In addition, the HRA Program has the right to limit or deny reimbursements for certain expenses even though they may be allowed under federal law.

Additionally, some expenses may be eligible medical expenses under the HRA Program even if they are not listed in IRS Publication 502.

3. In the “Expenses Not Eligible for Reimbursement” section on page 51 of the SPD/Plan, the last paragraph is deleted in its entirety.

**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

January 2025