

**An Important Message From:
The Chicago Regional Council of Carpenters Welfare Fund**

October 2017

The Board of Trustees of the Chicago Regional Council of Carpenters Welfare Fund (the “Plan”) is required to provide each Participant with a notification of important changes made to the Plan. This notification, which is called a Summary of Material Modifications (“SMM”) is intended to update the current Summary Plan Description for Active Participants (SPD). Therefore, you should place this document with your SPD and retain it for future reference. Please read the following information carefully.

BOARD OF TRUSTEES ANNOUNCES NEW SELF-PAY OPTION

The Board of Trustees amended the Plan effective December 1, 2017 to provide for a self-payment of hours option for participants who have not worked sufficient hours to maintain eligibility. If you are an Active Participant who loses coverage in the Active Plan of Benefits as a result of a reduction in contributory hours that causes you to fail to meet the Plan’s eligibility requirements, you are eligible to elect the self-pay option to continue your coverage if certain conditions are met:

- ✓ You were eligible for benefits during the preceding coverage quarter, **and**
- ✓ You are a member in good standing with your local union (e.g., your dues must be current, and not in arrears), **and**
- ✓ You have not exhausted the maximum number of self-payment quarters allowed, **and**
- ✓ You are not a retiree.

The self-pay option will be offered in addition to continuation of coverage options under COBRA and the Low Cost Plan.

Premium Payments for the Self-Pay Option

The premium amount due for the self-pay option is calculated as the lesser of:

- the difference between 250 hours (200 hours for apprentice reduced benefits) and the number of hours contributed on your behalf in the calendar quarter, multiplied by the current Commercial Health & Welfare Contribution rate,* or
- the difference between 1,000 (760 hours for apprentice reduced benefits) contribution hours in the current and three immediately preceding calendar quarters and the hours contributed on your behalf, multiplied by the current Commercial Health & Welfare Contribution rate.*

*The contribution rate is determined in accordance with the terms of the Commercial Area Agreement for Cook, Lake and DuPage Counties between the Mid-America Regional Bargaining Association (“MARBA”) and the Chicago Regional Council of Carpenters.

If you have questions, contact a Health Benefits Representative at (312) 787-9455, Option #3.



Example: Bob worked 210 hours last quarter. He worked 770 hours during the previous three quarters. That's a total of 980 hours over the past four calendar quarters. He's short 40 hours for the quarter, and 20 hours for the current and 3 preceding quarters.

If Bob decides to self-pay to maintain eligibility, he will pay \$235.80 (40 hours x \$11.79 = \$471.60 vs. 20 hours x \$11.79 = \$235.80).

Other Important Information about the Self-Pay Option

- You may self-pay for a maximum of 250 hours per quarter; however, you may only self-pay for a maximum of 4 quarters in a rolling 12 quarter (3 year) period.
- Self-payment of hours do not count toward meeting future eligibility requirements. Only employer contributions for the hours you worked and hours credited for a short term disability claim count toward calculating future eligibility.
- Coverage provided through self-pay runs concurrently with the maximum amount of coverage months provided under COBRA; this means that your total months of potential COBRA eligibility are reduced by the number of months of coverage you receive by making self-payments.
- The self-pay option cannot be used to establish initial eligibility.
- The self-pay option may only be elected by Active Participants. It is not available to retirees and cannot be independently elected by a dependent.
- Apprentices that qualify for the self-payment option will be offered the opportunity to continue coverage under the same level of benefits they lost; either full Active coverage or reduced Apprentice coverage.

Payment Information:

The self-pay option requires that you make one premium payment to cover the entire insurance quarter. The full payment is due on the first day of the coverage quarter. The Plan allows for a 30 day grace period, or last day of the first month in the coverage quarter, whichever is greater (postmark date). Payments made after the grace period will not be accepted and coverage will not be reinstated.

Coverage Quarter	Last day payment will be accepted (postmark date)
Dec. 1 st thru Feb. 28 th	Dec. 31 st
Mar. 1 st thru May 31 st	Mar. 31 st
June 1 st thru Aug. 31 st	June 30 th
Sept. 1 st thru Nov. 30 th	Sept. 30 th

This SMM generally modifies or is relevant for the following pages of the SPD: pages 4-5 (Maintaining Eligibility) and pages 68-73 (When Coverage Ends).

If you do not have a copy of the current SPD, you can find one at our website at www.crcbenefits.org. On the left side navigation bar, under Health Plan, select Benefit Info – Active. You can save an electronic copy for your records. You may also request a hard copy by contacting the Health Retirement Benefits Department.

If you have any questions regarding this information please contact the Health Benefits Department at (312) 787-9455, telephone menu option #3, during the hours of 8:00 a.m. – 4:30 p.m., Monday through Friday.

SUMMARY OF MATERIAL MODIFICATIONS

October 2017

EIN: 36-2229735 Plan No. 501

This Summary of Material Modifications ("SMM") explains an important change to the Plan as described above. This SMM cannot modify the terms of the formal Plan document. If there are inconsistencies between this SMM and the Plan document, the formal Plan document will control.