



Joint Plumbing Industry Board Plumbers Local Union No.1 Trust Funds



Welfare Fund • Vacation and Holiday Fund • Trade Education Fund • Additional Security Benefit Fund • 401(k) Savings Plan
John J. Murphy, Co-Chairman - Labor Walter Saraceni, Administrator Vito Giachetti Co-Chairman - Management

February 2014

SUMMARY OF MATERIAL MODIFICATIONS NUMBER ONE (SMM#2) TO THE PLUMBERS LOCAL UNION NO. 1 WELFARE FUND *Opting Out of Health Reimbursement Arrangement*

Please place this in your Summary Plan Description ("SPD") for handy reference and safekeeping. If you do not have an SPD, you may obtain a copy by making a written request to the Fund Office.

IMPORTANT!

This Summary of Material Modifications describes changes to the SPD for the Plumbers Local Union No. 1 Welfare Fund (the "Fund") issued in June 2013.

Opting Out of the Health Reimbursement Arrangement

Effective January 1, 2014, an Eligible Employee is permitted to permanently opt out of and waive future reimbursements from the Health Reimbursement Arrangement (HRA) annually and upon termination of employment. The remaining amounts in the HRA of the Eligible Employee who permanently opts out are forfeited. Once an Eligible Employee has permanently opted out of the HRA, he/she will not be permitted to re-establish his or her eligibility to participate in the HRA. This change is required by a recent change in the law that requires HRAs to allow Participants the ability to permanently opt out of the HRA and forfeit their individual HRA in order to qualify for a subsidy from the Marketplace established under the ACA. Following is the relevant provision of the SPD as revised to reflect this change; the new provisions are in bold text.

Page 82 of the SPD HEALTH REIMBURSEMENT ARRANGEMENT (HRA)

Eligibility

The eligibility requirements for participation in the HRA are the same for participation in the Plan as previously described (see pages 1-2). An Active Employee will be eligible on the first day of the calendar month after he or she has been credited with at least 270 hours in Covered Employment under the Plan within a period of three (3) consecutive months, provided the Plan actually receives the contributions for those hours.

Once an active Eligible Employee meets the general eligibility requirements, the Eligible Employee and his or her Qualified Relatives will remain eligible for benefits from the HRA as long as he/she maintains an account balance of greater than \$0, even if he/she has stopped working in Covered Employment and fails to meet the continuing eligibility requirements for other benefits from the Plan. A special provision where there is a COBRA Qualifying Event under the Plan is discussed below.

If an Eligible Employee loses eligibility for benefits from the HRA because his or her HRA account has been completely distributed after he or she has stopped working in Covered Employment, the Employee may re-establish eligibility by satisfying the initial eligibility requirements ***unless he/she has opted out of the HRA as explained below.***

In the event an Eligible Employee dies before his or her HRA has been completely distributed, his or her Qualified Relatives as defined below for purposes of the HRA will be eligible to continue to receive reimbursement from the HRA as long as the account balance is sufficient to cover their claims.

Effective January 1, 2014, an Eligible Employee is permitted to permanently opt out of and waive future reimbursements from the HRA annually and upon termination of employment. The remaining amounts in the HRA of the Eligible Employee who permanently opts out are forfeited. Once an Eligible Employee has permanently opted out of the HRA, he/she will not be permitted to re-establish his or her eligibility to participate in the HRA.

The Board of Trustees will continue to work with the Fund's consultants in exploring ways to continue to provide quality and affordable health benefits to you and your family. If you have any questions, please contact the Plumbers Local Union No. 1 Welfare Fund Office at (718) 835-2700.