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RE: New Plan for Retirees

Dear Active Participant:

**This notice contains important information regarding changes to your health and welfare benefits at retirement.** As Trustees of the North Central Illinois Laborers' Health and Welfare Fund ("Fund"), we understand the importance of the benefits you receive through the Fund. Due to the increased costs of retiree coverage, we have studied ways to provide benefits to our retirees at more reasonable prices.

### **Retiree Plan Change Effective June 1, 2015**

As a result of our study to find reasonable prices for benefits, we are changing the way in which retirees receive healthcare benefits. **Effective June 1, 2015, retiree coverage will no longer be provided directly through the Fund.** Instead, eligible retired participants will now have access to a Health Reimbursement Account (HRA), which will help offset premiums. The rules and regulations of the HRA are similar to the rules and regulations governing the Pre-Funded Retiree Allowance that you received while you were receiving benefits as a retiree in the Fund's Retiree Plan. The key features of the HRA are as follows:

- You will generally be eligible to receive the HRA subsidy amount from the Retiree-Only HRA as long as you were eligible to receive a Pre-Funded Retiree Allowance from the Fund when you obtained your retiree coverage through the Fund.
- Your total monthly HRA subsidy amount is based upon your subsidy credits multiplied by your HRA Subsidy Amount, which is presently \$20.00.
- The HRA subsidy may only be used to offset your premium payment obligations to the Retiree-Only HRA's Designated Policy, which is the *Midwest Laborers' Private Health Insurance Exchange*.
- You may only receive the HRA subsidy amount if you are **retired**. If you return to Covered Employment in a month, which generally means employment under which an Employer is obligated to pay contributions to the North Central Illinois

Laborers' Health and Welfare Fund on your behalf, then you **may not** receive an HRA subsidy for that month (and any month in which you work in Covered Employment). **As required by Federal law, the Retiree-Only HRA's rules do not allow any work in Covered Employment (regardless of the amount of hours).**

- Your actual health and welfare benefits will be provided under a separate policy known as the Designated Policy which is the *Midwest Laborers' Private Health Insurance Exchange*.

The foregoing is a brief summary of the key terms of the Retiree-Only HRA. For more information about the HRA, please refer to the Summary Plan Description (SPD) booklet, which contains all the applicable rules and regulations, and will be sent to you in the upcoming weeks.

### **Questions?**

If you have questions about the new plan, please contact the Fund Office.

Sincerely,

Board of Trustees

This announcement, which serves as a Summary of Material Modifications, contains only highlights of recent changes to the North Central Illinois Laborers' Health & Welfare Fund. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.

The Trustees provide information related to the Midwest Laborers' Private Health Insurance Exchange for your convenience and to facilitate your continuation of coverage through the Midwest Laborers' Private Health Insurance Exchange. The Midwest Laborers' Private Health Insurance Exchange is a separate health plan that offers health and welfare benefits through providers that are not sponsored or controlled by the Fund. After June 1, 2015, the Fund offers an HRA subsidy through the HRA Plan, but does not provide retiree health insurance.