



SHEET METAL WORKERS'
International Association • Local Union No. 73
4530 Roosevelt Road | Hillside, Illinois 60162 | 708-449-7373 | Fax 708-449-7333



Welfare and Pension Funds

THE SHEET METAL WORKERS' LOCAL NO. 73 WELFARE FUND PLAN FOR RETIRED MEMBERS Notice of Important Changes to the Plan

June 2020

Dear Participant:

The Board of Trustees of the Sheet Metal Workers' Local No. 73 Welfare Fund Plan for Retired Members (the "Plan") is providing this Notice to make you aware of changes to your benefits under the Plan. Please read this Notice carefully.

EXTENSIONS OF COBRA CONTINUATION COVERAGE AND CLAIMS PERIODS DURING THE COVID-19 OUTBREAK PERIOD

Under recent regulations from the Employee Benefits Security Administration of the Department of Labor (EBSA) and the Internal Revenue Service (IRS), the Plan cannot take into account the period of time known as the "Outbreak Period" when determining whether certain actions were timely.

The Outbreak Period runs from March 1, 2020 to the date that is 60 days after the announcement of the end of the National Emergency that was declared for the COVID-19 pandemic, or such other date announced by EBSA and the IRS. As of the printing of this SMM, we do not know when the Outbreak Period will end.

Effective March 1, 2020, the Outbreak Period will be disregarded for purposes of determining the following deadlines:

- The time period for you to notify the Plan of a qualifying event that would make you eligible for continuation coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA), such as a divorce, separation or a child ceasing to meet the Plan's eligibility requirements (60 days after the qualifying event)
- The 14-day time period for the Plan to send you a COBRA election notice once it learns of a qualifying event that you report or that your employer reports (such as a reduction in hours, layoff or termination for reasons other than gross misconduct)
- The time period for you to elect COBRA continuation coverage (60 days after you receive the COBRA election notice)
- The time period for you to pay your COBRA premiums if you have elected COBRA continuation coverage (45 days for the initial premium, by the first of the month for each month of coverage thereafter subject to a 30-day grace period)
- The time period to file a benefit claim (generally 2 years from the date of service for medical services and 1 year from the date of service for prescription drug and dental services)
- The time period to appeal the denial of a benefit claim or an adverse benefit determination (generally 180 days after the denial of the claim)

Examples of How This Affects The Time To File and Appeal Benefit Claims

If you received outpatient medical treatment on May 1, 2020, you have until 24 months after the Outbreak Period ends to file a claim for benefits related to that treatment.

If you submitted a claim for outpatient medical treatment and it was denied on May 1, 2020, you have until 180 days after the Outbreak Periods ends to file an appeal on that claim.

Example of How This Affects The Time To Enroll In COBRA Continuation Coverage

If you were laid off and you were sent a COBRA election notice on May 1, 2020, you will have 60 days after the Outbreak Period ends to elect COBRA continuation coverage.

Example of How This Affects The Time To Pay COBRA Premiums

Under the Plan's written terms, premiums for COBRA coverage are due on the first day of the month of coverage (e.g., premiums are due March 1 for COBRA coverage in March). You generally have a 30-day grace period for existing COBRA elections (45-day for initial COBRA coverage elections) to pay the premium before COBRA coverage is terminated. If you do not pay the premium by the end of the grace period, your COBRA coverage is terminated **retroactively** to the first of the month for which you failed to pay the premium.

However, despite this general rule, if, for example, you were on COBRA continuation coverage as of March 1, 2020 and failed to make the March 2020 payment or any subsequent payments, you will have until 30 days after the Outbreak Period ends to pay the past-due premium for March or any subsequent past-due premium until the Outbreak Period ends.

However, please note that claims that come in during a month of coverage for which no COBRA premium has been received will be suspended and not paid until the premium for that month of coverage is received. If the premium is received, the claims will be paid retroactively.

Once the Outbreak Period ends, you must pay **all** COBRA premiums past due within 30 days. If you fail to do so, your coverage will be terminated **retroactively** to the first day of the first month of coverage for which no premium was paid, and the Plan will seek to recover any benefits that were paid on your behalf for all months of coverage for which no payment was made. Recovery will be sought from you and/or your medical (including prescription drug), dental or vision service providers, which could leave you with large and unexpected out-of-pocket expenses.

For example, if the Outbreak Period ends on August 1, 2020, and on that date you owe premiums for March, April, May, June and July COBRA coverage, you must pay all of those premiums by August 31, 2020. If you fail to do so, your coverage will be retroactively terminated as of March 1, 2020. You and your medical (including prescription drug), dental and vision service providers will be responsible to reimburse the Plan for any benefits paid on your behalf on and after March 1, 2020, and you will be responsible to pay those service providers out of your own pocket.

In addition, please note that the maximum period of COBRA continuation coverage is **not** extended by this rule. For example, if your maximum period of COBRA continuation coverage would end on June 1, 2020, it will still end on that date.

QUESTIONS?

If you have any questions about these changes or the information in this Notice, please call a Customer Service Representative at 708-449-7373, ext. 3.

Sincerely,

The Board of Trustees

This announcement serves as a Summary of Material Modifications (SMM) for the Sheet Metal Workers' Local No. 73 Welfare Fund Plan For Retired Members. 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. Please keep this SMM with your Summary Plan Description (SPD) for future reference.