

# Eligibility for Retiree Benefits

## **FAST FACTS:**

- As a retiree, you may maintain your Plan coverage if you meet all the required criteria.
- Plan health coverage for retirees is similar to what active participants have; some of the differences in the coverage are:
  - No Weekly Disability Income Benefits;
  - Half as much Death Benefit and Accidental Death & Dismemberment (AD&D) Insurance; and
  - If Medicare eligible, Medicare is primary for medical claims, and the Plan provides Medicare supplement benefits for medical claims.
- The Trustees determine if there's a cost for Retiree Coverage and if there is, this premium is generally deducted from your NECA Local 313 IBEW Pension benefit.
- If you don't qualify for Retiree Coverage under the Plan, you may be eligible to pay for coverage under the Federal program known as COBRA.
- After you become eligible for Medicare, if you continue Plan coverage, Medicare will pay claims first (primary plan) and this Plan will pay second. The Plan premium to continue eligibility may continue to be deducted from your pension benefit.
- Once you receive your Medicare card, you must provide a copy of your card to the Fund Office.
- You can temporarily waive Retiree Coverage (see section called "Temporary Waiver of Retiree Coverage" on page 11).

When you retire, you may be eligible for coverage similar to what's provided for active participants and their dependents. Your Weekly Disability Income Benefits will stop and coverage for Death Benefit and Accidental Death & Dismemberment (AD&D) Insurance are reduced to half the amount of active participants.

To be eligible for Retiree Coverage, you must meet all the following requirements:

- Retire at age 55 or later;
- Be receiving a pension from the NECA Local 313 IBEW Pension Plan;
- Be eligible for benefits from this Plan immediately prior to retirement; and
- Pay any required retiree premium, as determined by the Trustees.

If you are receiving a disability benefit from the NECA Local 313 IBEW Pension Plan, you qualify for Retiree Coverage, provided you meet the criteria above except for the age 55 requirement.

If you qualify, coverage begins on the first day of the Benefit Quarter following the Benefit Quarter in which your pre-retirement accrued work hours and the hours in your Reserve Account are exhausted or canceled.

## **Coverage for Dependents**

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Your dependents will be covered under your Retiree Coverage as long as you are covered and as long as they remain eligible. Dependent coverage ends when they no longer meet the Plan definition of an eligible dependent (see page 6).

There's an exception to this rule: If you die, your surviving spouse may continue Plan coverage if the following conditions are met:

- Your spouse is covered by the Plan at the time of your death;

- Your spouse continues to pay the required monthly premium; and
- Your spouse does not remarry.

Your spouse's request must be made in writing to the Fund Office.

Dependent children will have the opportunity to elect COBRA continuation coverage (see page 13).

If your surviving spouse continues coverage, the Plan will be secondary to all other group health plans, which cover dependents, except Medicare (see page 21).

## When Retiree Coverage Ends

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Your Retiree Coverage will end on the earliest of the following dates:

- The last day of the calendar month in which you are no longer a retired participant;
- The day you stop making required contributions or discontinue authorization for contributions to be deducted from your monthly pension;
- The day the Plan is discontinued;
- The day you qualify for benefits as an active participant because you have returned to work for a contributing employer; or
- The day you die.

## Temporary Waiver of Retiree Coverage

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If you meet the requirements for continued coverage as a Retiree under the Plan when you are initially eligible for Retiree Coverage, or if you are currently eligible for coverage as a Retiree, you may temporarily opt out of coverage.

To temporarily opt out of Retiree Coverage and reserve the option to enroll or re-enroll at a later date, you must notify the Fund Office in writing on the Opt Out Form For Temporary Waiver of Retiree Health & Welfare Plan Coverage, provided by the Fund Office.

**You may temporarily opt out of and later return to Retiree Coverage within thirty (30) days of the following events, provided you complete the necessary forms and provide the necessary documentation:**

1. the earlier of your Medicare eligibility or age 65 regardless of whether or not you have alternate coverage,
2. at any time, if you lose alternate coverage through no fault of your own.

Examples of "ceasing to have alternate coverage through no fault of your own" include, but are not limited to, loss of coverage under another employer's group health plan or your spouse's employer's health plan for reasons other than nonpayment of premiums; or the termination of COBRA coverage or coverage through the insurance exchange marketplace for other than nonpayment of premiums.

If you re-enroll when you become Medicare eligible, the Fund will provide coverage secondary to Medicare in accordance with the Plan's Medicare Supplemental Coverage schedule on pages 22 and 23.

If you do not re-enroll in Retiree Coverage at the earlier of Medicare eligibility or age 65, you may only re-enroll in the Retiree Coverage at a later date upon loss of alternative coverage through no fault of your own.

! If you are not eligible for coverage as a retiree, you may be eligible for coverage under COBRA, explained on page 13.

To reinstate your Retiree Coverage at any time for any of the allowable reasons noted above, you must request re-enrollment and submit the necessary paperwork to the Fund Office within thirty (30) days of the loss of alternate coverage or the commencement of Medicare eligibility. If you do not timely re-enroll as required, you will never be able to enroll in Plan coverage at a later date.

**By opting out of Retiree Coverage, you, your spouse and your dependents, if any, will NOT be eligible for ANY benefits provided under the Local 313 Health and Welfare Plan, including medical, pharmacy, dental, vision and life insurance. Upon opting out of Retiree Coverage, you will not receive notices from the Plan disclosing changes in Plan provisions, such as summaries of material modifications. Plan provisions, including changes to the requirements for re-enrollment, are subject to modification by the Board of Trustees at any time.**

## Cost of Retiree Coverage

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The Trustees may, from time to time, determine to change the cost to continue Retiree Coverage under the Plan. Currently, that cost is \$1,230 monthly (this may change from time to time as decided by the Trustees) for retirees under age 65. The current monthly cost of coverage for retirees who have attained age 65, for widows, for dependent children with both parents deceased and for participants receiving a disability benefit from the NECA Local 313 IBEW Pension Plan ranges from \$230 to \$250, depending on your classification. Any contribution will be deducted from your pension payment, unless you request self-payment.

Contributions received for work performed during a Working Quarter will be used to offset the self-payment requirements for the corresponding Benefit Quarter. See page 5 for more information on Working and Benefit Quarters.

## If You Retire

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When you retire, you may qualify for Retiree Coverage by meeting the following requirements:

- Retire at age 55 or later;
- Be receiving a pension from the NECA Local 313 IBEW Pension Plan;
- Be eligible for benefits from this Plan immediately prior to retirement; and
- Pay any required retiree premium, as determined by the Trustees.

If you retire before age 62, you may pay for Plan coverage until age 62, provided you meet all the other criteria above. The cost during the transitional Benefit Quarter when your accrued hours and reserve account have been exhausted is the same as the self-pay option for active participants (see page 8).

Retiree Coverage is different from active participant coverage in the following ways:

- Weekly Disability Income Benefits stops;
- Coverage amounts for Death Benefit and Accidental Death & Dismemberment (AD&D) Insurance are cut in half.

If you do not meet the requirements for Retiree Coverage, you can purchase COBRA continuation coverage (see page 13).

## If You Become Eligible for Medicare

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You or your covered spouse generally becomes eligible for Medicare when you each attain age 65. Medicare is the federally sponsored health care program consisting of hospital insurance benefits (Part A) and supplementary medical insurance (Part B).

You and/or your covered spouse should enroll in Medicare Part A and Part B as soon as eligible after retirement—three months before your 65th birthday or prior to that if you become disabled—in order to avoid a gap in coverage. If you don't apply for Medicare Part B within three months from the date you turn 65, it may cost you more to enroll later. **It is extremely important when you become Medicare- eligible that you enroll in Part B benefits to avoid paying higher premiums later on. You must be enrolled in Part A when you begin receiving benefits.**

Medicare Part A is free. Medicare Part B has a cost, so you must pay a monthly or quarterly premium for it. It's vital that you enroll as soon as you are eligible and pay for Part B in order to be eligible for the Plan's Medicare Supplement coverage. Once you are enrolled in Medicare, Medicare becomes your primary plan, so submit all medical claims to Medicare first, then to this Plan.

When you're eligible for Medicare, benefits available under Medicare are deducted from covered benefits payable under this Plan—regardless of whether you have enrolled for Medicare.

### *What You Need To Do:*

- Promptly notify the Fund Office when you become disabled;
- Furnish appropriate proof of your medical disability, at the time of the occurrence and periodically, as required by the Trustees;
- Apply for Social Security disability benefits;
- Submit to a medical examination by a doctor named by the Trustees, if requested; and
- Document economic necessity for benefits, if requested by the Trustees.

### *What You Need To Do:*

When you are ready to retire, you should:

- Contact the Fund Office.
- Request a pension application.
- Complete and submit the application and pay any required premium or complete the paperwork to have your premium deducted from your pension check.
- If you are not eligible for Retiree Coverage, enroll in COBRA continuation coverage by the deadline and pay the required premium when it's due.

### *Contact Medicare for an Explanation of How Medicare Works*

You can contact the Medicare Service Center: 800-MEDICARE (800-633-4227).

**To Enroll in Medicare:**

- Visit your local Social Security Office;
- Call 800-MEDICARE (800-633-4227); or
- Go to the Medicare website at [www.medicare.gov](http://www.medicare.gov).

**Medicare Supplemental Coverage**

| Inpatient Hospital Services                                                             | Medicare Covers                                                                                                                                                                                          | Medicare Supplement Covers                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Acute Hospitals                                                                         | For 60 days, Medicare pays all but the deductible.                                                                                                                                                       | The deductible                                                                                                                                                                                                                                                                                 |
|                                                                                         | For the next 30 days, Medicare covers all but the coinsurance.                                                                                                                                           | Pays the coinsurance for the 61st through the 90th day                                                                                                                                                                                                                                         |
|                                                                                         | There is a lifetime maximum of 60 days with all but the daily coinsurance covered. These days may be used at the patient's discretion.                                                                   | Covers 91st through 120th day in a benefit period in a general hospital for non-mental illness. (Days may be used before Medicare's lifetime reserve. State your desire to substitute these days of coverage in writing to the hospital. Covers the coinsurance for 60 lifetime reserve days.) |
| Accommodations                                                                          | a) Charged semi-private rate<br><br>b) Average semi-private rate toward private room charge unless medically necessary when most prevalent private room charge is paid.<br><br>c) Intensive Care covered | a) Charged semi-private rate                                                                                                                                                                                                                                                                   |
| Ancillary Services                                                                      | a) Coverage in full for the number of days approved                                                                                                                                                      | a) No coverage                                                                                                                                                                                                                                                                                 |
|                                                                                         | b) Whole blood covered after first 3 pints                                                                                                                                                               | b) Not covered                                                                                                                                                                                                                                                                                 |
| Nervous & Mental (Inpatient hospital)                                                   | 190 lifetime days; Medicare pays all but the deductible for the first 60 days and pays all but coinsurance for following days                                                                            | Pays the deductible and pays the coinsurance amount for the lifetime days approved under Medicare                                                                                                                                                                                              |
| Services in Skilled Nursing Facilities                                                  | All covered services for the first 20 days. For the next 80 days, Medicare pays all but the daily coinsurance. (Services covered only after a 3-day minimum hospital stay.)                              | Pays the coinsurance for the 21st through the 100th day                                                                                                                                                                                                                                        |
| Inpatient Dental Surgery                                                                | Hospital services for surgery related to the jaw; reduction of fracture of the jaw or facial bone                                                                                                        | Most inpatient hospital admissions for dental surgery are not covered by Medicare                                                                                                                                                                                                              |
| Coverage outside the United States                                                      | Benefits provided only in certain unusual emergency circumstances                                                                                                                                        | Benefits equivalent to Medicare and hospital benefits in the U.S. with no reduction for deductible and coinsurance                                                                                                                                                                             |
| Emergency Accident, Medical Emergency, Radiation Therapy, X-Ray, Laboratory, Anesthesia | 80% of Medicare-approved amount                                                                                                                                                                          | Pays the deductible and 20% coinsurance                                                                                                                                                                                                                                                        |
| Home Health Services                                                                    | Covered in full                                                                                                                                                                                          | No coverage                                                                                                                                                                                                                                                                                    |
| Ambulance, Appliances, Supplies and Durable Medical Equipment                           | 80% of Medicare-approved amount after deductible                                                                                                                                                         | Pays deductible and coinsurance                                                                                                                                                                                                                                                                |

| <b>Inpatient Hospital Services</b>                                                                                                                                                                                                  | <b>Medicare Covers</b>                                               | <b>Medicare Supplement Covers</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physician Services<br>Outpatient Psychiatric                                                                                                                                                                                        | 80% of Medicare-approved amount, after deductible                    | Pays deductible and coinsurance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Home and Office Physician's Visits                                                                                                                                                                                                  | 80% of Medicare-approved amount                                      | Pays deductible and coinsurance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Surgery, X-Ray, Anesthesia, Consultations, Inpatient Skilled Nursing Facility Medical visits, In-hospital medical visits, Medical Emergency in Outpatient Department of Hospital only, Laboratory, Machine Tests, Radiation Therapy | 80% of Medicare-approved amount, after deductible                    | Pays deductible and coinsurance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Coverage outside the United States                                                                                                                                                                                                  | Benefits provided only under certain unusual emergency circumstances | As provided in schedule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Physical Therapy, Clinical Services, Injections                                                                                                                                                                                     | 80% of Medicare-approved amount, after deductible                    | Pays deductible and coinsurance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Inpatient Hospital Services extended 121st through 365th day in an acute hospital                                                                                                                                                   | No coverage                                                          | Beginning with the 121st day of each benefit period, while a bed patient in an acute hospital, inpatient hospital services equivalent to Medicare hospital benefits will be covered without the reduction for Medicare's deductible and coinsurance, and will continue through the 365th day of inpatient care in a benefit period.<br><br>If a private room is occupied, an allowance of the most prevalent charge for semi-private accommodations will be made toward the charges for bed and board. Note: these benefits are not provided for hospitalization for tuberculosis, nervous or mental disorders including alcoholism or drug addiction. |
| Prescription Drugs                                                                                                                                                                                                                  | No coverage                                                          | Use the UHC/Sav-Rx Prescription Drug Card and/or the Mail-Order Drug Program                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Private Duty Nursing                                                                                                                                                                                                                | No coverage                                                          | This program covers the services of a Registered Professional Nurse at 80% or up to a maximum of 240 hours during any period of 12 months. If an R.N. is not available, at the discretion of the Plan, benefits limited to a maximum of \$21 per 8-hour shift may be provided for a Licensed Practical Nurse.                                                                                                                                                                                                                                                                                                                                          |

\*Medicare benefits are subject to change. If there is a discrepancy between the Medicare benefits described here and the Medicare benefits described in the official Medicare documents, the official Medicare documents will rule.



## What Your Spouse Needs To Do

*In the event of your death, your spouse must:*

- Notify the Fund Office;
- Provide the Fund Office with a copy of your death certificate.

## If You Die

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If you are married and your death occurs while you're covered by the Plan, any continuing coverage for your dependents depends on your status at the time.

### *Active Participants*

If you are an active participant and had been a Plan participant for at least 15 consecutive Benefit Quarters prior to your death, your surviving spouse will continue to be covered under the Plan until he or she remarries, as long as he/she meets the eligibility requirements for continuing coverage (see page 7). Your dependent children will continue to be covered until they are no longer considered dependents under the Plan, provided premium payment is made as required.

If you did not have 15 consecutive Benefit Quarters prior to your death, your dependents' coverage ends at the end of the second Benefit Quarter following the Benefit Quarter of your death.

Your death would be a Qualifying Event under COBRA, so the opportunity for your eligible survivors to purchase continuation coverage is available (see page 13).

### *Retired Participants*

If you are retired and receiving Plan benefits at the time of your death, your surviving spouse will continue to receive coverage provided that:

- Your spouse is covered by the Plan at the time of your death;
- Your spouse continues to pay the monthly premium; and
- Your spouse does not remarry.

Note that your spouse's eligibility in this Plan will not be affected if Pension Plan benefits stop because of the pension payment option you selected.

If your surviving spouse continues coverage, the Plan will be secondary to all other group health plans that cover dependents. Coverage would switch from the active to the retired category on the first day of the Benefit Quarter immediately after the Benefit Quarter in which your pre-retirement accrued work hours and all hours in your Reserve Account are exhausted.

If your surviving spouse does not meet the criteria listed above, he or she may be eligible for COBRA continuation coverage.

# Prescription Coverage for Medicare— Primary Retirees & Spouses

If you are Medicare eligible, you have automatically been enrolled in a Medicare Part D program with UnitedHealthcare. You will have the option to opt out of this prescription drug program but that is not advisable for most people. The NECA Local Union No. 313 IBEW Health & Welfare Fund will also provide a secondary prescription benefit through Sav-Rx that will “wrap around” the Medicare Part D drug program provided by UnitedHealthcare, known as a Medicare Part D Employer Group Waiver Plan (“EGWP”).

Because your existing coverage under the prescription drug plan is at least as good as the standard Medicare prescription drug coverage, depending upon your individual situation, you may want to keep your current coverage under the Fund, and not enroll in a Medicare Part D prescription drug plan when you become eligible for it.

## For Retirees:

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- As long as you do not enroll for Medicare Part D and you maintain your retiree status as provided by the rules of the Fund, your prescription drug and other coverage will continue, provided you make the required self-payments to the Fund.
- Please note that if you sign up for any other coverage, including an individual Medicare Part D prescription drug plan, you will lose prescription drug coverage under this Fund. If your prescription drug coverage under this Fund terminates in favor of coverage under a Medicare prescription drug plan, you will not be able to get the Fund’s prescription drug coverage back later. However, you can continue your other (non-prescription drug) medical coverage under the Fund, provided you meet the requirements set forth herein, regardless of whether you keep or drop prescription drug coverage under the Fund.

## For Active Employees:

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- You are not required to drop your coverage under the Fund in order to enroll in Medicare prescription drug coverage. As long as you maintain your eligibility status as provided by the rules of the Fund, your prescription drug and other coverage will continue. If you keep your coverage under the Fund and enroll in a Medicare prescription drug plan, the Fund will usually pay primary and Medicare will pay secondary (exceptions below).
- If you qualify for Medicare coverage because of end-stage renal disease, then the Fund will only act as the primary payer for the first 30 months. After 30 months, the Medicare Part D plan will act as the primary payer and the Fund will pay secondary.
- If you are not actively employed but are covered under the Fund through COBRA or other self-pay, and you are eligible for Medicare coverage because of age or disability, then the Fund will pay secondary and the Medicare prescription drug plan will pay primary.

Because your existing Fund Coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep your Fund coverage and not pay extra Medicare Part D premiums if you later decide to timely enroll in Medicare coverage.

The prescription drug coverage under this Fund qualifies as “creditable coverage.” This means, as stated above, that the drug coverage the plan expects to pay on average for prescription drugs for individuals covered by the Fund is at least as good as or better than what standard Medicare prescription drug coverage would be expected to pay on average.



You should also know that if you drop or lose your coverage with the Fund and do not enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later. In particular, if you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, then if you later enroll in Medicare Part D, your monthly Medicare Part D premium will go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, and then enroll in Medicare Part D, your Medicare Part D premium will always be at least 19% higher than what many other people pay. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

Please note that in addition to this SPD, you are entitled to receive an additional notice of creditable coverage from the Fund on at least three occasions: (i) annually, prior to October 15; (ii) if the Fund makes changes to your prescription drug coverage that changes whether it is as good as Medicare prescription drug coverage; and (iii) at your request.

More detailed information about "creditable coverage," the Medicare prescription drug plan enrollment period, and your prescription drug benefits and self-pay rates under the Fund are available from the Fund Office.