

**SUMMARY OF MATERIAL MODIFICATIONS  
AND  
NOTICE TO PARTICIPANTS**

**INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 98  
HEALTH AND WELFARE FUND  
(Plan No.: 501; I.D. No.: 04-2123707)**

Dated: October 2016

Dear Participant:

This Notice describes revisions that the Trustees of the International Union of Operating Engineers Local 98 Health and Welfare Fund ("Fund") made to the Fund's Summary Plan Description ("SPD") to be effective for hours worked for which contributions are received by the Fund for the period July 1, 2016 through November 30, 2016 up to a maximum of 720 hours as well as for all hours worked on and after January 1, 2017 as follows:

I.

The Section entitled "**Initial Eligibility for Benefits . . .**" appearing on page 5 has been deleted in its entirety and replaced with the following:

**"Initial Eligibility for Benefits . . .**

You and your dependent(s) will become eligible for coverage in accordance with the following rules, provided sufficient contributions have been received by the Health and Welfare Fund made by a participating Employer. No medical examination is required in order to become covered under this Plan. Eligibility is based on contributions received by the Health and Welfare Fund and not based on hours worked. If your employer has not remitted contributions for such work in Covered Employment, your work hours are not used for determining eligibility.

**Initial Eligibility**

You and your dependent(s) will become eligible for coverage on the first day of the second calendar month following the month in which the Fund Office receives contributions on your behalf for at least 360 hours of work performed within the preceding 12 months.

**Example:**

Let's assume you worked 360 hours during the period April 1, 2017, through June 30, 2017, and the Fund Office receives contributions from your Employer for such work on your behalf during that period. You would become eligible for coverage on August 1st.

**Bank of Hours**

Each hour you work in Covered Employment for which the Fund receives contributions from a participating Employer on your behalf are credited to your Bank of Hours. Whenever you are credited with more than 120 hours of contributions received during a month, either through work in Covered Employment or reciprocal transfer of contributions, the excess hours of contributions are added to your Bank of Hours accumulation.

**Skip Month**

Your eligibility will be continued for one calendar month, immediately following the month in which you fail to maintain 120 hours of contributions in your Bank of Hours. You are entitled to one (1) skip month every twelve (12) months. If you lose active coverage by failing to have 120 hours of contributions in your Bank of Hours after a skip month, you will be offered the opportunity to continue your coverage through COBRA by making self-payments.

In order to receive benefits from the Fund, you must provide to the Fund Office any requested documentation that the Fund Office decides is necessary to determine your entitlement to benefits, including, but not limited to, documents that demonstrate your age. Examples of such documentation include, but are not limited to, the completed enrollment form, birth certificates, marriage certificates, death certificates, baptismal certificates, Census Bureau notifications of birth registration, hospital birth records, military records, passports, certified public school records, marriage licenses, court orders or notarized affidavits confirming name changes, and divorce decrees. Failure to provide the requested documents may delay or preclude entitlement to benefits. You must make sure that all the information and documents that you provide to the Fund Office are true, correct, and complete. Your right to coverage from the Fund is based on the condition that all the information and documents that you provide to the Fund are true, correct, and complete."

II.

The Section entitled **“Continuing Eligibility for Benefits . . . ”** appearing on page 5 has been deleted in its entirety and replaced with the following:

**“Continuing Eligibility for Benefits . . .**

Hours of your work reported by a participating Employer for which contributions have been received by the Health and Welfare Fund on your behalf will be credited to your Bank of Hours. Each month that one hundred and twenty (120) hours of contributions is deducted from your Bank of Hours, you will maintain eligibility for coverage for that month.

You will be allowed to accumulate excess hours of contributions in your Bank of Hours up to a maximum of six months of coverage (720 hours of contributions) after deduction for the current month’s coverage.”

III.

The Section entitled **“Termination of Eligibility . . . ”** starting on page five and the Sections entitled **“Reinstatement of Benefits . . (Within Two (2) Years) . . . ”** and **“Reinstatement of Benefits . . (More than Two (2) Years) . . .”** on page 6 have all been deleted in their entirety and replaced with the following:

**“Termination of Eligibility. . .**

Your coverage will terminate on the last day of the month in which your Bank of Hours (contributions received as a result of your work in Covered Employment) or disability credit referred to below has less than 120 hours of contributions. Only one skip month is available to you in any twelve (12) month period. Any hours of contributions under 120 at the beginning of the skip month will be deducted from your Bank of Hours for eligibility purposes.

Additionally, under the following circumstances, your coverage will terminate on the last day of the month for which contributions are paid to the Fund:

- A. When a collective bargaining agreement or other

agreement requiring an Employer to contribute to the Fund is terminated and you continue to work for that Employer;

B. When an Employer ceases to be a contributing Employer to the Fund and you continue to work for that Employer; or

C. When an Employer's contribution rate is determined by the Board of Trustees to be insufficient to support the Fund benefits and you continue to work for that Employer.

Upon retirement, your eligibility will continue until the hours in your Bank are depleted. If your coverage terminates, you will be offered a COBRA self-payment option to maintain benefits.

Additionally, coverage for you and/or your dependents may be terminated retroactively (rescinded) if you and/or your dependents:

- a. Perform an act, practice, or omission that constitutes fraud;
- b. Make a misrepresentation of material fact; and/or
- c. Fail to remit premiums (including COBRA premiums).

The Plan will provide at least 30-days advance written notice before coverage may be rescinded, except for rescissions due to the failure to pay premiums. Failure to provide complete, updated, and accurate information to the Fund Office on a timely basis regarding your marital status, employment status of a spouse or the existence of the spouse's other coverage constitutes intentional misrepresentation of material fact to the Plan. For purposes of the claims and appeal procedures, a rescission is deemed an adverse benefit determination of the claims. The Fund Office may refund contributions paid for any coverage rescinded; however, claims paid will be offset from this amount. The Fund Office reserves the right to collect additional monies if claims are paid in excess of the contributions.

#### **Reinstatement of Eligibility**

If your eligibility is terminated due to a lack of credited hours of contributions in your Bank, your eligibility will be reinstated on the first day of the second month following the date on which you have accumulated at least 360 hours in your Bank. The same initial eligibility provisions apply to regaining eligibility.

#### **Questions of Eligibility**

Should you have any questions, doubts about your eligibility, or wish to be informed of your entitlement to eligibility, contact the

Fund Office.

**EXAMPLE OF BANK OF HOURS**

1st of Month	Bank of Hours	Monthly Deduction For Benefits	Contributions Received for Hours Worked	Bank of Hours –End of Month Total	Eligible For Benefits?
July				360	Yes
August	360	– 120 = 240	+ 200	= 440	Yes
September	440	– 120 = 320	+ 0	= 320	Yes
October	320	– 120 = 200	+ 0	= 200	Yes
November	200	– 120 = 80	+ 0	= 80	Yes
December	80	– 120 = 0	+ 0	= 0	Yes (skip month)
January	0	– = 0	+ 0	= 0	No
February	0	– = 0	+ 0	= 0	No
March	0	– = 0	+ 200	= 200	No
April	200	– = 0	+ 200	= 400	No
May	400	– 0 = 400	+ 0	= 400	No
June	400	– 120 = 280	+ 200	= 480	Yes, reinstate
July	480	– 120 = 360	+ 200	= 560	Yes
August	560	– 120 = 440	+ 200	= 640	Yes
September	640	– 120 = 520	+ 200	= 720	Yes (maximum bank)
October	720	– 120 = 600	+ 0	= 600	Yes
November	600	– 120 = 480	+ 0	= 480	Yes
December	480	– 120 = 360	+ Disability 120	= 480	Yes
January	480	– 120 = 360	+ Disability 120	= 480	Yes
February	480	– 120 = 360	+ 0	= 360	Yes
March	360	– 120 = 240	+ 60	= 300	Yes
April	300	– 120 = 180	+ 0	= 180	Yes
May	180	– 120 = 60	+ 0	= 60	Yes
June	60	– 120 = 0	+ 200	= 200	Yes (skip month)
July	200	– 120 = 80	+ 200	= 280	Yes
August	280	– 120 = 160	+ 200	= 360	Yes

**Note:** \*One skip month every twelve (12) months.\*

The Sub-Section entitled “Disability . . .” appearing on page 6 has been deleted in its entirety and replaced with the following:

**“Disability. . .**

If you are disabled and receive Weekly Disability Income Benefits on Workers’ Compensation or you are receiving disability benefits through the Local 98 Health & Welfare Fund, the Fund will credit your Bank of Hours with 30 hours credit per week for 26 weeks. If you remain totally disabled after the 26 weeks, your eligibility will be extended for a maximum of 30 months (two and ½ years) from your initial date of disability or until you are eligible for Medicare, whichever comes first. No crediting of hours will occur for your potential additional coverage after the aforementioned 26 weeks.”

Please place this information with your Health and Welfare Fund documents for permanent reference. If you have any questions concerning these changes, please call the Fund Office at 413-525-4221 or 800-449-4241.

Sincerely,

**BOARD OF TRUSTEES OF THE  
INTERNATIONAL UNION OF OPERATING  
ENGINEERS LOCAL 98 HEALTH AND WELFARE  
FUND**