

TOLEDO ELECTRICAL WELFARE FUND
ELIGIBILITY AND SELF-PAYMENTS

Revised January 2021

January 2013

TOLEDO ELECTRICAL WELFARE FUND: **ELIGIBILITY AND SELF-PAYMENTS**

Updated to reflect new self-pay rules and rates as of January 2021.

I. Eligibility

Eligibility in the Toledo Electrical Welfare Fund (TEWF) is established by hours worked over a three (3) month test period for coverage two (2) months later (please refer to the chart below).

For a Member's INITIAL eligibility in the Fund, he/she is required to work four hundred twenty (420) hours over a three (3) month test period for eligibility two (2) months later. For example, if a Member works 420 hours or more during January, February, and March, he/she would establish initial eligibility in June (Note: Please refer to the "Special Eligibility Rules" in Section III for special rules regarding newly organized members, reinstatement of eligibility, apprentices, retirees, etc.).

To MAINTAIN eligibility, a Member is required to work three hundred (300) hours or more over a three (3) month period to maintain eligibility two (2) months later. For example, an eligible member works 300 or more hours during March, April, and May to maintain eligibility for August.

Eligibility is based on a ROLLING three (3) month average. We use a rolling three (3) month average to account for vacations, lay-offs, or other breaks in continuous employment that is common within the construction industry. By using a rolling average, a Member can maintain continuous coverage while a lapse in employment occurs. Eligibility is based on HOURS WORKED, not HOURS PAID.

The following chart illustrates the rolling three (3) month average and eligibility month

Hours Worked Over the Following 3 Month Test Periods	Establishes Eligibility for the Month of
January/February/March	June
February/March/April	July
March/April/May	August
April/May/June	September
May/June/July	October
June/July/August	November
July/August/September	December
August/September/October	January
September/October/November	February
October/November/December	March
November/December/January	April
December/January/February	May

After INITIAL ELIGIBILITY is obtained, EXTENDED ELIGIBILITY is the term used to define the time period during which a Member is covered under the Plan as an “active eligible” for hours worked over the three (3) month test period for eligibility two (2) months later. For example, if a Member earns eligibility for working enough hours for October, November, and December for Eligibility in March, the period January, February, and March is referred to as extended eligibility. Whenever an active participant stops working, he/she will be an “active eligible” in the Fund for a few months.

Example of Maintaining Eligibility:

- A) Member works 160 hours in February, 150 hours in March, and 170 hours in April for a total of 480 hours worked. Eligibility would be established for July.
- B) Same example; Member has established eligibility for July. For August eligibility, the next rolling three (3) month test period is used – March, April, and May. However, at the end of April, the Member was laid off. The hours worked are 150 hours in March, 170 hours in April, and 0 hours in May. The total number of hours worked during the test period is 320 hours. Therefore, the Member would be eligible for August.

- C) Same example. Member continues to be laid off for two months. His/her hours are now 170 hours in April, 0 hours in May, and 0 hours in June. Because the Member did not work at least 300 hours during this 3 month test period, he/she would not be eligible for September. If the Member wants to retain coverage and continue eligibility, he/she will have to make a “self-payment.” Self-payments are explained in detail in Section II.

II. Self-Payments

- **Self-Payment Overview**

Self-Payment is the process of a member paying a monthly contribution to maintain eligibility when the number of hours worked over a three (3) month test period fall below 300. The Self-Payment amount is an estimated value of our health program, calculated periodically (usually once a year) and approved by the Plan’s Board of Trustees. As of January 1, 2021 the Full Self-Payment amount is \$1,530 per month. The amount a Member needs to Self-Pay to maintain eligibility is determined by the Self-Payment Formula described in Section II(B). Once a Member needs to Self-Pay to maintain eligibility, the health coverage runs from month-to-month. In this situation, Extended Eligibility has been exhausted. If a Self-Payment is not made, coverage is lost.

Self-payments are pre-paid and due by the first day of the month of coverage. Members have a ten (10) day grace period from the first of the month of coverage to make a Self-Payment to maintain eligibility after it becomes due. Payments made on or before the 10th day of the month of coverage will be accepted without penalty. Late payments will be accepted from the 11th day of the month of coverage through the last day of the month of coverage but will carry a \$10 per day late payment fee. Partial self-payments will not be accepted. Claim payment will be pended until eligibility is established and coverage is either continued or terminated for non-payment.

- **20 in 24 Month Self-Pay Rule**

Effective the first pay period that occurs after January 28, 2013, participants that attain active eligibility as of, or after, January 28, 2013 will have their self-pay bank credited with fifteen (15) subsidized months and five (5) Full Self- Payment months. A positive balance in a participant's self- pay bank allows the participant to make self-payments to continue their eligibility until their self-pay bank is exhausted. After January 28, 2013, participants may not continue eligibility on a self-pay basis for more than twenty (20) months in any preceding twenty-four (24 month) period. Of those twenty (20) months, fifteen (15) can be made under the Self-Payment Waiver Formula described below. The remaining five (5) can be made at the Full Self-Payment Rate. Self-pay activity prior to January 1, 2013 will not be considered when calculating the balance of months in the participant's self-pay month bank.

- **Self-Payment Formula**

The Self-Payment Formula determines the actual monthly amount a Member would have to pay to maintain eligibility. The purpose is to give credit for partial worked months, short calls, etc.

The Formula is based on the total number of work hours from the three (3) month test period related to the month of eligibility, divided by three hundred hours (the number of hours required to maintain eligibility. This factor determines the amount credited as a reduction to the Full Self-Payment amount (i.e., currently \$1,530). The Formula can be illustrated as follows:

$$\text{Monthly Contribution} = \$1,530 - [\$1,530.00 \times (\text{Hours Worked} \div 300)]$$

Example No. 1: Member works 120 hours in February, 110 hours in March, and 12 hours in April. The total hours

worked during this test period are 242 hours. The February, March, and April test period determines July eligibility. The Self-Payment Formula is:

- *Step 1:* 242 Hours divided by 300 = 80.7% of 300 hour eligibility requirement is established
- *Step 2:* $\$1,530 \times 80.7\% = \$1,234.71$
- *Step 3:* $\$1,530$ less $\$1,234.71 = \295.29
- *Result:* $\$295.29$ is the monthly Self-Payment for this Member to maintain eligibility for July.

Example No. 2: Same Member as the above example. Member works 110 hours in March, 12 hours in April, and 0 hours in May for a total of 122 hours. The three month test period determines eligibility for August. The Self-Payment Formula is:

- *Step 1:* 122 hours divided by 300 = 40.7% of 300 hour eligibility requirement is established
- *Step 2:* $\$1,530 \times 40.7\% = \622.71
- *Step 3:* $\$1,530$ less $\$622.71 = \907.29
- *Result:* $\$907.29$ is the monthly Self-Payment for this Member to maintain eligibility for August.

Example No. 3: Same Member as above example. Member works 12 hours in April, 0 hours in May, and 12 hours in June for a total of 24 hours worked. The three month test determines eligibility for September.

- *Step 1:* 24 hours divided by 300 = 8% of 300 hour eligibility requirement is satisfied
- *Step 2:* $\$1,530 \times 8\% = \122.40
- *Step 3:* $\$1,530$ less $\$122.40 = \$1,407.60$
- *Result:* $\$1,407.60$ is the monthly self payment for this Member to maintain eligibility for September.

D) Self-Payment Waiver

If a Member loses employment though no fault of their own (i.e., lay-off) and is on the Out of Work List, he/she is eligible for a Self-Payment Waiver. Self-Payment Waivers are available for not more than fifteen (15) months in the last twenty-four (24) months (see section B above). If you return to work and re-establish eligibility in the Fund, and subsequently are laid off again, you will be eligible for not more than fifteen (15) months in the last twenty-four (24) months of Self-Payment Waivers (as long as you are laid off through no fault of your own).

If you are eligible for the Self-Payment Waiver, your monthly Self-Payment will not exceed 23% of the Full Self- Payment Rate (As of 01/01/2021 23% of the full self-payment rate is \$351.90. In addition, the Plan will credit Members for hours worked during the applicable Test Period.

***Example #1:** Member works 120 hours in February, 110 hours in March, and 12 hours in April, but in this example, involuntarily loses employment through no fault of their own. The total hours worked during this test period are 242 hours. The February, March, and April test period determines July eligibility. The Self-Payment Formula is:*

- *Step 1:* 242 Hours divided by 300 = 80.7% of 300 hour eligibility requirement is established
- *Step 2:* $\$351.90 \times 80.7\% = \283.98
- *Step 3:* $\$351.90$ less $\$283.98 = \67.92
- *Result:* \$67.92 is the monthly Self-Payment for this Member to maintain eligibility for July.

In Example No. 1, credit is given for satisfying 80.7% of the 300 hour eligibility requirement. Therefore, the participant will pay the \$351.90 self-pay waiver amount less 80.7%, or \$67.92.

Example No. 2: *Same Member as the above example. Member works 110 hours in March, 12 hours in April, and 0 hours in May for a total of 122 hours. The three month test period determines eligibility for August. The Self-Payment Formula is:*

- *Step 1:* 122 hours divided by 300 = 40.7% of 300 hour eligibility requirement is established
- *Step 2:* $\$351.90 \times 40.7\% = \143.22
- *Step 3:* $\$351.90$ less $\$143.22 = \208.68
- *Result:* $\$208.68$ is the monthly Self-Payment for this Member to maintain eligibility for August.

In Example No. 2, credit is given for satisfying 40.7% of the 300 hour eligibility requirement. Therefore, the participant will pay the $\$351.90$ self-pay waiver amount less 40.7%, or $\$208.68$.

Example No. 3: *Same Member as above example. Member works 12 hours in April, 0 hours in May, and 12 hours in June for a total of 24 hours worked. The three month test determines eligibility for September.*

- *Step 1:* 24 hours divided by 300 = 8% of 300 hour eligibility requirement is satisfied
- *Step 2:* $\$351.90 \times 8\% = \28.15
- *Step 3:* $\$351.90$ less $\$28.15 = \323.75 .
- *Result:* $\$323.75$ is the monthly self payment for this Member to maintain eligibility for September.

In Example No. 3, credit is given for satisfying 8% of the 300 hour eligibility requirement. Therefore, the participant will pay the $\$351.90$ pay waiver amount less 8%, or $\$323.75$.

Here is how the waiver qualification plays out if a member quits or rolls the book:

Example #4: Member works 120 hours in February, 110 hours in March, 12 hours in April and quits or rolls the book in May and does not work in May. The total hours worked during the February through April test period are 242 hours. The February, March, and April test period determines eligibility July.

Eligibility Month	Test Period	Month Member Quit or Rolled the Book	Eligible for Self-Pay Waiver?	Self Payment Amount
July	February/March/April	May	Yes	\$67.92
August	March/April/May	May	No	\$907.29

Member qualifies for the self-pay waiver for July eligibility since the month in which he quit or rolled the book (May) does not fall within the Test Period. Member is no longer eligible for the self-pay waiver in August since the month in which he quit or rolled the book now appears in the Test Period.

If you are terminated for cause, voluntarily quit, or “roll the book”, you are eligible for the self-pay waiver until the month in which your termination for cause, quit or rolled the book is considered part of the Test Period.

If you retire you are not eligible for a Self-Payment Waiver, but those satisfying retiree eligibility requirements are eligible to continue coverage at a reduced rate. If you are injured or sick, you may qualify for one of the two Disability Benefits under the Plan. Short-Term Disability benefits are intended to assist Members who are injured or are sick and are unable to return to work for a limited period of time. If you qualify for Short-Term Disability, you will be able to continue coverage in the Plan at no out-of-pocket cost (i.e., no Self-Payment is required). Short-Term Disability benefits continue until you are able to return to work or have exhausted the 26 week limit. Once you return to work, your

EXTENDED ELIGIBILITY hours will be used to continue eligibility in the Plan. Afterwards, the normal eligibility rules apply (i.e., 300 hours in a Test Period)

Permanent and Total Disability benefits are available to Members that are seriously injured or sick. These benefits are intended for those who experience a serious medical condition that prevents the Member from ever regaining the ability to work, or prevents member from returning to work by the 26 limit given by eligible Short-Term Disability benefit. If you qualify for Permanent and Total Disability, you will be able to continue coverage under the Plan at the Early Retiree Rate (i.e., monthly Self-Payments = 25% of the full Self-Payment rate; currently \$382.50 per month)

E) Making Self-Payments (notification and due dates)

The Fund Office will notify you in writing if you are required to make a Self-Payment. Self-Payments are reimbursable from the Supplemental Fringe Benefit Fund (i.e., “VEBA”). The Fund Office will transfer Self-Payments from your VEBA account automatically if you contact the Fund Office and make this request.

A Self-Payment to maintain eligibility must be made before the month coverage is in force. For example, Self-Payments for October eligibility are due in September. There is a ten (10) day grace period for late payments. Payments made on or before the 10th day of the month of coverage will be accepted without penalty. Late payments will be accepted from the 11th day of the month of coverage through the last day of the month of coverage but will carry a \$10 per day late payment fee. Partial self-payments will not be accepted. Member will show as ineligible in the plan for any calls received by provider checking eligibility until self-payment is received. Any claims received for a member and his/her family will be placed on hold until the Self-Payment is made.

III. Special Eligibility Rules

- Newly organized members are eligible for health benefits the first of the month following 300 hours worked. Normal eligibility rules described above apply after this initial month.
- Residential Trainees in Classification/Division One (1) or Two (2) are not eligible for health benefits.
- Residential Trainees in Classification/Division Three (3), Four (4), or Five (5), Cable Pullers, and Teledata Classifications/Divisions One (1) and Two (2) are eligible for Basic Benefits Only – a reduced benefits program.
- Apprentices who are eligible for benefits and are laid off through no fault of their own (as described above) do not have to make Self-Payments.
- Apprentices become eligible for health benefits upon receipt to the Fund Office of confirmation from the JATC regarding their work referral and participation in the JATC program.
- Apprentices and Residential Trainees (not including Residential Trainees Divisions/Classifications One (1) and Two (2)) are eligible for one (1) Self-Payment if on the Out of Work List.

IV. Reinstatement

- Effective 11/1/2007: Reinstatement of eligibility occurs the first of the month following 300 hours worked. If you were once an active Member in this Plan, then lose eligibility (if you make Self-Payments you retain eligibility), and are once again working within the industry, this provision applies to you.

- Hours to reinstate eligibility begin after eligibility is lost.
 - Example per Reinstatement Rules:
 - **Within 12 months of losing eligibility-**
To reinstate one must work 300 hrs within 3 consecutive months to establish eligibility first of the month following 300 hrs worked.
 - **More than 12 months of losing eligibility-**
To reinstate you must work 420 hrs within 3 consecutive months to establish eligibility 2 months later (initial eligibility rules apply)