



December 26, 2014

**TO: All Active Plan A, B, R, and Flat Rate Participants and their Dependents, including COBRA Beneficiaries**

**FROM: BOARD OF TRUSTEES  
Carpenters Health and Welfare Trust Fund for California**

**RE: BENEFIT CHANGES**

- **Sole Pharmacy to Dispense Certain Medications and/or Sole Medical Provider or Facility to Receive Medical Services**
- **Stakeholder Eligibility**
- **Qualifying for Retiree Health and Welfare**

The Board of Trustees of the Carpenters Health and Welfare Trust Fund for California modified the Plan Rules and Regulations for Active Participants and Dependents as follows:

To protect your benefit dollars, the Trustees continue to implement a variety of fraud, waste, and abuse procedures and practices. Evidence shows that in this country hundreds of billions of medical dollars are wasted each year through fraud and waste, and that much can be done to avoid falling victim to the abuse. To help avoid payment for inappropriate services and/or prescription drugs, the Trustees have hired professionals to look for abuse, and have modified the Plan to help manage the risk. If a case of provider or patient abuse is identified, a patient may be limited to a single medical or prescription provider. In such cases, when through the investigation or appeals process the matter is resolved, such limitations may be lifted.

➤ **EFFECTIVE JUNE 1, 2014:**

**Sole pharmacy to dispense certain medications and/or sole medical provider or facility to receive certain medical services:** The Fund may require you to fill certain prescription drugs at a specific pharmacy or to receive medical services from a single medical provider and/or medical facility. You will be notified in writing if you need to fill a prescription at a specific pharmacy or if you are required to use a specific provider or medical facility. After you have been notified, if you choose to continue to get the medication from any pharmacy other than the one that has been specified, or to receive medical services from a provider other than the one that has been specified, no benefits will be available for the unspecified pharmacy or medical provider.

➤ **EFFECTIVE JULY 1, 2014:**

**Stakeholder Eligibility:** A "Stakeholder" is an owner, partner, shareholder, member of the board of directors of a corporation, officer of an individual employer, superintendent above the rank of foreman or general foreman, or other individual who is in any other way interested in the profits of the employer – other than hourly wages pursuant to a collective bargaining agreement.

A Stakeholder will be eligible for coverage under the Fund only if all contributions due on behalf of all hours for all employees are current and all delinquencies are resolved. A Stakeholder must work an average of 145 hours during the three most current work months and those hours must be reported to the Fund.

Coverage for a Stakeholder will terminate on the earlier of the following dates:

- If performing work covered under a collective bargaining agreement, eligibility will end on the first day of the second calendar month which follows a period of not more than three consecutive calendar months during which she/he averaged less than 145 work hours per month.

- The first day of the month following the employer's failure to resolve delinquencies or remit all contributions due on behalf of all hours reported for all employees.
- If following a period of having hours reported by an individual employer as a Stakeholder, the employer stops reporting hours for such individual, the first day of the second calendar month.

An Hour Bank for a Stakeholder will be cancelled on the earlier of the following dates:

- If performing work covered under a collective bargaining agreement, the first day of the second calendar month which follows a period of not more than three consecutive calendar months during which she/he averaged less than 145 work hours per month.
- If following a period when previously reported as a Stakeholder, the employer stops reporting hours for such individual who remains in the employ of the employer in any capacity, the first day of the second calendar month.

**Please note:** A Stakeholder **is not eligible** for Disability Extension benefits, Supplemental Weekly Disability benefits or COBRA Continuation coverage.

- **EFFECTIVE JANUARY 1, 2015**, the Board of Trustees will modify the Plan Rules and Regulations for Retirees.

**Qualifying for Retiree Health and Welfare:** A person meeting all the requirements at the time of retirement may qualify for Retiree Health and Welfare benefits. One of those criteria is having a minimum number of Eligibility Credits in the Carpenters Pension Trust Fund for Northern California or related plan at the time of retirement. **For Retirements effective on or after January 1, 2015, a person must have ten full Eligibility Credits, based on Hours of Work or Hours of Qualified Military Service, in order to meet the ten year service requirement.**

**Grandfathered Health Plan:** The Board of Trustees of the Carpenters Health and Welfare Trust Fund for California believes these plans are "grandfathered health plans" under the Patient Protection and Affordable Care Act ("the Affordable Care Act"). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventative health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example the elimination of lifetime limits on benefits. Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Plan Administrator or the Department of Labor at 1-866-444-3272 or [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform). This website has a table summarizing which protections do and do not apply to grandfathered health plans.

Please keep this notice with your benefit booklet. If you have any questions, please contact Benefit Services at the Fund Office at (510) 633-0333 or toll free at (888) 547-2054. You may also send an email to [benefitservices@carpenterfunds.com](mailto:benefitservices@carpenterfunds.com). Forms and information can be found on our website at [www.carpenterfunds.com](http://www.carpenterfunds.com).

*The Board of Trustees maintains the right to change or discontinue the types and amounts of benefits under this Plan. This notice is intended as a summary only, and actual Plan documents will be used to interpret the Plan. Only the full Board of Trustees is authorized to interpret the Plan. The Board has discretion to decide all questions about the Plan, including questions about your eligibility for benefits and the amount of any benefits payable to you. No individual Trustee, Employer or Union Representative has authority to interpret this Plan on behalf of the Board or to act as an agent of the Board.*

*In accordance with ERISA reporting requirements this document serves as your Summary of Material Modifications to the Plan.*