

SUMMARY OF MATERIAL MODIFICATION TO THE SUMMARY PLAN DESCRIPTION OF THE NEW JERSEY ACTIVE PLAN OF THE NORTHEAST CARPENTERS HEALTH FUND

February 18, 2018

This summary of material modification (“SMM”) describes changes to the New Jersey Active Plan of the Northeast Carpenters Health Fund and supplements the respective Summary Plan Description (“SPD”) for the Plan. You should read this SMM very carefully and retain this document with your SPD for future reference.

New Jersey Active Plan – Eligibility

The Trustees have voted to change the eligibility requirements for coverage under the New Jersey Active Plan beginning April 1, 2019. The following eligibility rules are effective January 1, 2018.

Level II coverage

For work performed beginning and after January 1, 2018, eligibility will be earned in 6 month Eligibility periods. The Eligibility periods and hours requirements are as follows:

<u>Coverage Period 1</u> April 1, 2019 – September 30, 2019 <u>Work Period</u> 600 Hours July 1, 2018 – December 31, 2018 Or 1,200 Hours January 1, 2018 – December 31, 2018	<u>Coverage Period 2</u> October 1, 2019 – March 31, 2020 <u>Work Period</u> 600 Hours January 1, 2019 – June 30, 2019 or 1,200 Hours July 1, 2018 – June 30, 2019
--	--

Level I coverage

For work performed beginning and after January 1, 2018, eligibility will be earned in 6 month Eligibility periods. The Eligibility periods and hours requirements are as follows:

<u>Coverage Period 1</u> April 1, 2019 – September 30, 2019 <u>Work Period</u> 450 Hours July 1, 2018 – December 31, 2018 Or 900 Hours January 1, 2018 – December 31, 2018	<u>Coverage Period 2</u> October 1, 2019 – March 31, 2020 <u>Work Period</u> 450 Hours January 1, 2019 – June 30, 2019 or 900 Hours July 1, 2018 – June 30, 2019
--	--

Coverage Period: Means the time period in which you earned health coverage for

Work Period: Means the time period you need to work

Additional changes in Eligibility administration are summarized below

- If you do not meet the 600 hours work requirement for a six month Eligibility Period, the Fund will look back to see if you meet the 1,200 hour in the previous 12 months.
- Eligibility will be based on hours paid into the Health Fund. (For example, Double time contributions will be recognized as 2 hours and Time & One Half will be recognized as 1.5 hours.)
- You may self-pay up to 150 hours in order to satisfy the 600 hours requirement or 300 hours to satisfy the 1,200 hours requirement, but you must be covered under level 1 or 2 in the immediate prior period. (You can only buy up to Level 2 coverage.)
- You may not self-pay for two consecutive coverage periods. You may only self-pay for five coverage periods in your career effective October 2018.
- Initial eligibility is received within 60 days after your 600th hour is received by the Fund.
- Coverage may be suspended if you have six months with no credited hours (not including self-pay). You will receive an inquiry letter to notify you of your impending inactive status. If contributions are received from an employer or a paystub is provided as proof of work performed before the 6 months lapses, then your coverage will not be suspended. If a participant's coverage is suspended and you return to work, Coverage will be reinstated.
- If you are injured or unable to work, you may receive credit for up to 30 hours per week (up to 52 weeks per year) for time loss hours. Proof of disability is required; you must be receiving State Disability or benefits under Worker's Compensation. There is no credit or eligibility consideration given for unemployment hours.
- Apprentices will be credited with 30 hours per week for each week they spend in school. School time is credited towards continuing and initial eligibility.

New Jersey Active Plan - Notice of Grandfathered Health Plan Status

The Fund's Board of Trustees believes that the New Jersey Active Plan is a "grandfathered health plan" 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 the Fund may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive 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 Fund Office at the phone number or address on this letterhead. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

Please see the enclosed exhibit for examples of coverage.

If you have any questions about this SMM, please contact the Fund Office at the phone number or address on this letterhead.