

# **SOUTH CENTRAL MINNESOTA ELECTRICAL WORKERS FAMILY HEALTH PLAN Premium Credit Account, Health Reimbursement Arrangement, and Health Insurance Opt-Out Provision**

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**To: Participants of the South Central Minnesota Electrical Workers Family Health Plan**

## **PREMIUM CREDIT ACCOUNTS**

### **How do I earn credits in my Premium Credit Account?**

Employer contributions you earn are credited to your Premium Credit Account when they are received by the Plan Administrator. Each month the Plan Administrator withdraws sufficient funds from your account to maintain insurance coverage under the Plan.

The withdrawal is equal to 135 multiplied by \$10.41 (the number of hours needed each month to maintain coverage multiplied by the current required contribution rate). Based upon the current required hourly contribution rate, the Plan Administrator withdraws \$1,405.35 each month from your account in order to continue your insurance.

If you do not have sufficient funds in your Premium Credit Account, the Fund Administrator will bill you for any shortfall. If you have more than \$1,405.35 of employer contributions credited to your account during a month, the excess increases your Premium Credit Account.

### **Is there a maximum amount I can have in my Premium Credit Account?**

Yes. The maximum amount you can have in your Premium Credit Account is twelve months of equivalent monthly premium, or \$16,864.20 (135 hours multiplied by \$10.41 required contribution rate multiplied by 12 months). Contributions that exceeded the maximum will be applied to the Plan's general funds.

### **How can I use my Premium Credit Account?**

The primary purpose of the Premium Credit Account has been (and continues to be) the continuation of your health insurance in the event that employer contributions for you fall below the monthly requirement. This often happens during periods of under-employment, during personal time-off, and at retirement.

### **Continuation of Insurance**

As in the past, monthly withdrawals will automatically be made from your Premium Credit Account to continue your health insurance if there is a shortfall in monthly employer contributions made on your behalf.

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### **HEALTH REIMBURSEMENT ARRANGEMENT (HRA)**

Premium Credit Account *amounts in excess of three months of equivalent premium* (currently \$3,960.90, \$4,216.05 effective 10/01/2020) can be used to reimburse certain health care expenses incurred by you or your dependents. Health-related expenses that are eligible for reimbursement from your account include:

- Co-pays, co-insurance and deductibles required to be paid by you or your dependents under our Plan or under your spouse's employer-sponsored plan (including your spouse's medical, dental and vision insurance plans).
- Contributions made by your spouse for health insurance through an employer-sponsored plan (including medical, dental and vision insurance plans). This does not include contributions to any form of employer-sponsored pre-tax spending account.
- Any tax deductible out-of-pocket dental or vision expenditure that you or your dependents incur.

### **What is the maximum amount I can withdraw for reimbursement of covered expenses?**

You can use up to a total of \$6,000 each calendar year for you and your dependents. This is the maximum amount per family, per calendar year.

### **How do I get reimbursed for covered expenses?**

You will need to submit a completed Health Reimbursement Claim Form (this form is on the Local 343 website at [www.ibewlocal343.org](http://www.ibewlocal343.org)) along with documentation for the expense to the Plan Administrator at the following address:

South Central Minnesota Electrical Workers Family Health Plan  
c/o Wilson-McShane Corporation  
1330 Conway Street, Suite 130  
St. Paul, MN 55106  
(800) 535-6373 or (952) 854-0795 or Fax to (651) 776-9973  
Email: [SCMNEW@wilson-mcshane.com](mailto:SCMNEW@wilson-mcshane.com)

You must include an Explanation of Benefits statement that shows the co-pay, co-insurance, or deductibles paid under our Plan or your spouse's employer-sponsored health insurance plan.

For reimbursement of health insurance contributions for your spouse's employer-sponsored health plan (including dental and vision) you must attach a copy of your spouse's payroll stub which shows the deduction for insurance as an "**After-Tax**" deduction, along with a written confirmation from your spouse's Plan Administrator stating that his/her coverage complies with ACA ("Affordable Care Act") Regulations prior to approving such reimbursement request.

### **How often may I submit reimbursement claims and is there a charge for doing so?**

You may submit claim reimbursements when it's convenient for you, but services for the previous year, **MUST** be received by **June 30<sup>th</sup>** of the following year. Effective February 1, 2020, the fee of **\$20** will be deducted from your Premium Credit Account for processing each check request. Consequently, it may be most cost effective for you to periodically gather and submit multiple claim requests to be processed together.

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### **Are there any other details I should be aware of?**

Yes, only the amount of Premium Credit Account *amounts in excess of three months of equivalent premium* (currently \$3,960.90, \$4,216.05 effective 10/01/2020) can be used to reimburse eligible health care expenses. Consequently, if you submit a request for reimbursement that, when combined with the processing fee, would result in your Premium Credit Account falling below the minimum of three months of premium, you will only receive that amount that exceeds the three-month minimum. Similarly, if a submitted request, along with the processing fee, would result in the calendar limit of \$6,000 in reimbursements per family being exceeded, you will only receive a reimbursement amount up to \$6,000.

### **Can I lose my Premium Credit Account?**

The rules for maintaining your Premium Credit Account have not changed. If you leave employment covered by the Plan, and you work for an employer that does not contribute to the Plan but is engaged in the electrical industry in a geographic area covered by the Electrical Industry Health and Welfare Reciprocal Agreement, your Premium Credit Account will be reduced to zero.

The Board of Trustees is responsible for managing the Plan and may amend or terminate the Premium Credit Account if it believes such a change is in the interest of Plan participants.

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### **HEALTH INSURANCE OPT-OUT PROGRAM**

#### **Can I opt-out of the health insurance portion of our Plan?**

Plan participants who provide evidence that they are insured under their spouse's employer-sponsored health plan or a government-sponsored health plan, may elect to opt-out of the *medical and prescription drug insurance* portions of the South Central Minnesota Electrical Workers Family Health Plan (the opt-out form is available on the Local 343 website at [www.ibewlocal343.org](http://www.ibewlocal343.org)). Evidence may include a letter from your spouse's employer or a copy of a recent paycheck showing a deduction for dependent health insurance. The Board of Trustees, Plan Administrator, and Plan assume no responsibility for misrepresentations made by participants. Please be aware that by choosing this option, your dependents will also be opting out of coverage under the Plan.

#### **What will it cost me for the Plan's ancillary benefits?**

The opt-out provision will only affect the medical and prescription drug benefits, so you will continue to participate with life insurance, disability income protection, earning of retiree credits, and maintaining eligibility for retiree benefits. The current contribution requirement for maintaining participation in the Plan for these ancillary benefits is \$422.36 per month.

#### **Monthly Contribution Shortfall**

If your credited employer contributions are less than \$422.36 for any given month, you will be billed by the Plan Administrator for the shortfall. Failure to make the required payment will result in the Plan Administrator terminating your participation in the Plan and it will **not** be considered a COBRA continuation event.

#### **Monthly Contribution Excess**

If your credited employer contributions exceed \$422.36 for any given month, the excess will be credited to your Premium Credit Account. Amounts in your Premium Credit Account in excess of the three-month full equivalent premium (135 hours multiplied by the required hourly contribution rate multiplied by three months) may be used to reimburse you for health-related expenses as described previously in the portion concerning the new Health Reimbursement Arrangement.

#### **If I opt-out can I re-enter the health insurance program?**

Participants who opt-out of the health insurance portion of the Plan may re-enter the plan ("opt-in") during the thirty-one (31) day period beginning December 1<sup>st</sup> of any year. Written requests for re-entering the Plan must be received by the Fund Administrator no later than December 31<sup>st</sup> with coverage for you and your dependents to commence on the next January 1<sup>st</sup>. You will be responsible for making sure that the Plan Administrator receives your request in a timely manner.

Any participant who opts-out of the Plan's health insurance based upon misleading information will not be allowed to opt-in to the Plan.

#### **What happens if the Opt-Out Program is discontinued?**

The Board of Trustees reserves the right to discontinue the Opt-Out Program at any time. If the Opt-Out Program is discontinued, those individuals participating in it will be re-enrolled into the South Central Minnesota Electrical Workers Family Health Plan existing at that time.