FOR YOUR BENEFIT

THE NEWSLETTER OF THE LOCAL 295/851 EMPLOYER GROUP BENEFIT PLANS
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MICHELLE'S LAW EXTENDS COVERAGE FOR DISABLED STUDENTS A new federal law known as Michelle's Law can prevent the termination of coverage of dependent children who have become disabled while they are full-time college students.

Unmarried dependent children of covered employees are eligible in the Local 295/Local 851 Employer Group Welfare Fund until December 31st of the calendar year in which they become age 19. Unmarried Dependent children over the age of 19 who attend an accredited school full time can remain eligible while they are attending school. Coverage can be provided until December 31st of the calendar year in which a son or daughter student becomes age 23. The coverage of the employee-parent must be in force.

Verification needed each semester… The coverage of all dependent students is terminated each semester unless the Fund Office receives a letter from the registrar's office that the dependent will be a full-time student for the next semester. This procedure is followed for every semester.

Disability can postpone termination… Michelle's Law provides that a health plan may not terminate a college student's health coverage simply because the student takes a medically-necessary leave of absence from school or changes to part-time student status due to a disability.

Must meet certain conditions…To qualify for an extension of coverage, the student must have been enrolled in the Plan as a student at a post-secondary educational institution immediately before the first day of the leave. The Fund Office must receive written certification from the student's treating physician stating the student is suffering from a serious illness or injury and the leave or change of school enrollment is medically necessary.

Coverage can be extended up to one year… The Welfare Fund must extend the coverage until the later of one year after the medical leave begins or the date coverage would normally have ended.

Can get COBRA coverage… When a dependent child's coverage ends he or she will be able to get COBRA Continuation Coverage. An application must be filed with the Welfare Fund Office and a monthly premium must be paid. No evidence of insurability is required to get COBRA Continuation Coverage.

Michelle's Law goes into effect for the Local 295/Local 851 Employer Group Welfare Fund as of July 1, 2010.

Editor's Note: Michelle's Law was named after Michelle Morse, a college student who had a serious illness and continued her college course load, against the advice of doctors, in order to remain covered by health insurance. ■

COBRA SUBSIDY PROGRAM IS EXTENDED SIX MONTHS An amendment to the 2010 Department of Defense (DOD) Appropriations Act increased the time frame to be eligible for COBRA subsidy and it increased the subsidy payment period from nine months to 15 months.

COBRA is an acronym for the Consolidated Omnibus Budget Reconciliation Act. COBRA requires that most employers sponsoring group health plans offer employees and their families the opportunity to purchase, at their own expense, a temporary extension of health coverage called COBRA Continuation Coverage.

2009 Stimulus Bill provided subsidy and allowed second COBRA election period… The American Recovery and Reinvestment Act of 2009 (ARRA) provided that eligible individuals are entitled to have 65% of their COBRA premiums subsidized by the federal government for up to 9 months. The recent amendment adds six months to that time frame. The subsidy is now available up to 15 months.

Pending legislation known as the Main Street Bill may increase the number of months of subsidy.

Subsidy available March 1, 2009 and later… The subsidy applies to periods of COBRA coverage beginning on or after March 1, 2009. This means that eligible individuals will pay just 35% of their COBRA premiums and the Welfare Fund will apply to the U.S. Government for the subsidy.

After the 15th month, eligible individuals will have to pay the full COBRA premium. The subsidy will

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not be paid for any additional months of COBRA coverage.

Amendment also extends time frame to qualify… Originally, to qualify for the subsidy, you had to become involuntarily separated from your job (for other than gross misconduct) between September 1, 2008 and December 31, 2009. That period of eligibility has now been stretched out by the amendment to February 28, 2010.

Not all COBRA covered persons can get the subsidy.

These are the requirements:

- You must have lost your coverage under the Plan due to your (or your family member's) involuntary termination from employment (for other than gross misconduct) on or after September 1, 2008; and
- You must be eligible (or you must have become eligible) for COBRA Continuation Coverage at any time on or after September 1, 2008; and
- You must elect the COBRA Continuation Coverage.

Only involuntary termination from employment qualifies… You are not eligible for the subsidy for any qualifying event other than the involuntary termination of employment (for other than gross misconduct). In addition, you are not eligible for the subsidy if your employment was terminated prior to September 1, 2008, even if your coverage was not terminated until after September 1, 2008.

Medicare or other coverage ends the subsidy… You will no longer qualify for the subsidy if, after you elect COBRA coverage, you become eligible for other group health coverage or Medicare.

Subsidy is not automatic…Individuals must claim the COBRA premium assistance through the Welfare Fund Office and a portion of the subsidy could be taxable to "high income individuals." Anyone who falsely claims the subsidy could be liable for a penalty of 110% of the subsidy.

Get more information… You can get more information and a subsidy application by contacting the Fund Office. The Fund Office is located at Sixty Broad Street, 37th Floor, New York, New York 10004. The telephone number is (212) 308 4200.

You can also get more information about the subsidy and eligibility on the internet at the website of the United States Department of Labor (www.dol.gov/COBRA). And, you can call the office of the Employee Benefits Security Administration toll free at 1 866 444 3272. ■

SOME WELFARE FUND COVERAGE CAN BE CONTINUED WHEN YOU BECOME DISABLED The Welfare Fund provides low cost continuation of health coverage to active employees who become disabled. Death benefits and life insurance are continued at no cost.

Full plan of benefits can be continued up to 18 months… If an active employee becomes permanently and totally disabled before eligibility runs out, the employee and all eligible dependents can remain covered for the full plan of benefits. This extended coverage can remain in force during the continuation of the disability up to a maximum of 18 months.

Satisfactory proof of the disability has to be submitted to the Welfare Fund Office and you may be required to provide periodic updates. If you choose to take this coverage, there is a premium cost of $300 per month per person to keep the plan of benefits in force.

Death benefits and life insurance are continued at no cost… The Welfare Fund provides two types of death benefit coverage to active employees. One is a self-insured death benefit that is paid out directly by the Welfare Fund. The other benefit is a life insurance coverage that is insured by First Reliance Standard Life Insurance Company. The amount of self- insured death benefit coverage in force depends on the rate of contribution that your employer has paid to the Welfare Fund. The First Reliance life insurance coverage is in force if your employer paid contributions to the Plan at the necessary rate.

Death benefit continuation… If you are an active employee and have been covered by the death benefit and you become totally and permanently disabled, you may remain eligible for the death benefit during the period of your disability. There is no cost to you for this continuation of coverage.

You will be considered as totally and permanently disabled only if you receive a Social Security Administration disability award.

Dependents have some death benefit coverage in force but the coverage is not continued for Dependents who become disabled.

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Life insurance continuation… If you become totally disabled before age 60 and while you are covered by the First Reliance life insurance, your $50,000 of term life insurance may be continued at no cost to you while you remain totally disabled.

For purposes of this benefit, total disability is defined as a sickness or injury that prevents you from performing your job or any other job that you may be capable of performing because of your education, training or experience.

You must furnish proof of your total disability between nine and twelve months after your total disability begins. Proof that your disability is continuing will be required from time to time.

If you die during the first twelve months of your disability, this insurance benefit will be paid even if you have not yet furnished proof of your total disability if it can be proved that your disability continued until the date of your death.

If you have any questions… Complete information about these extensions of coverage can be found in your Welfare Fund Summary Plan Description. You may also call, write to or visit the Welfare Fund Office. The Fund Office is located in the financial district of New York City. The address is Sixty Broad Street, 37th Floor, New York, New York 10004. The telephone number is (212) 308 4200.

The Fund Office hours are 9:00 A.M. to 5:00 P.M., Eastern Time, Monday through Friday, except for holidays. ■

UP TO 12 WEEKS OF FREE HEALTH COVERAGE THROUGH THE FAMILY MEDICAL LEAVE ACT If your employer is covered by the Family Medical Leave Act of 1993 (FMLA) and you are on an approved FMLA leave of absence, your coverage may be continued for a period of up to 12 weeks of approved unpaid leave.

You may be entitled to have contributions made to the Welfare Fund on your behalf while you are on an approved leave under the terms of the Family Medical Leave Act of 1993 (FMLA). Under FMLA you may be eligible for a maximum of 12 work weeks of unpaid leave during any twelve-month period because of:

- the birth of a child and to care for the child;
- placement of a child with the employee for adoption or foster care;
- the need to care for a parent, child or spouse with a serious health condition; or
- your inability to perform the functions of your position because of a serious health condition.

You should check with your employer to determine if your employer is covered by the FMLA and if the leave you wish to take is covered by the FMLA.

If you are approved for family medical leave, your employer must continue to make payments to the Welfare Fund on your behalf even if your leave is unpaid. Your benefits must continue at the level of coverage that you would have received as an active employee.

If you qualify for a leave and then inform your employer that you are not returning to work, the Fund will consider your employment as having been terminated, your coverage will cease and you will be eligible to begin COBRA continuation coverage. ■

DISABLED CHILDREN CAN BE COVERED AT NO COST The Welfare Fund will cover an unmarried dependent child of an active worker who has reached age 23 if the child is mentally or physically handicapped and incapable of earning his or her own living and if the child is covered as a dependent on the day immediately preceding his or her twenty-third birthday. If the mental or physical incapacity is due to alcoholism or drug dependency, the coverage will not be provided. ■

ACTIVE EMPLOYEES' DEPENDENTS ARE COVERED AT NO ADDITIONAL COST If you have eligible dependents at the time your active employee coverage starts, the coverage of your dependents will begin on the same day. This dependent coverage is provided by the Welfare Fund at no additional cost.

Active worker dependents can be added later… If you are active at work and have no eligible dependents when your coverage starts, dependent coverage can begin later when a person becomes your eligible dependent and is properly enrolled in the Plan. Coverage for a dependent child will begin on the child's date of birth. Coverage for an adopted child starts on the date the child is placed with you for adoption. Coverage for a dependent spouse starts on the first day of the month after the date of marriage.

Forms and documentation required… You must complete a beneficiary designation/enrollment card

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and return the card to the Fund Office with copies of the appropriate documentation before any claims can be paid for you or any of your eligible dependents. Do not send original documents to the Fund Office. No documents will be returned to you

If you are married, you will have to furnish the Fund Office with copies of your marriage and birth certificates. You must also submit copies of decrees of your divorce if either of you has been previously married.

If you have eligible dependent children, the Fund Office will need copies of their birth certificates or placement or adoption papers. All of these documents must be submitted with your beneficiary designation/enrollment card.

If you wish to cover your stepchildren, you must send a copy of your marriage certificate and a copy of the court order showing that your spouse has legal custody of the stepchildren.

In the case of a disabled son or daughter, the Welfare Fund requires proof of the child's incapacity and dependency. The proof must be furnished at least annually and at any other times as may be required by the Board of Trustees and the Fund Office.

If an unmarried dependent child is a full-time student, under the age of 23, coverage may be continued if you provide the Fund Office with a current original letter from the school registrar for each semester verifying the son's or daughter's full-time student status.

Call or visit the Welfare Fund Office if you have any questions or need an enrollment form. ■

LOCAL 295/LOCAL 851 IBT EMPLOYER GROUP PENSION TRUST FUND AND EMPLOYER GROUP WELFARE FUND
SIXTY BROAD STREET, 37TH FLOOR
NEW YORK, NEW YORK 10004

PENSIONERS MAY HAVE INCOME TAX WITHHELD FROM THEIR MONTHLY BENEFIT Withholding is one way for you to pay a portion of your federal income tax. If no tax or not enough tax is withheld from your income, you may have to pay estimated taxes during the year or a tax penalty at the end of the year. Whether you have to pay federal income tax on your pension benefit payments depends on the total amount of your taxable income.

Your decision in withholding is an important one. You may wish to discuss the matter with a qualified tax advisor.

If you should decide to have federal income tax withheld from your pension, please contact the Pension Fund Office to request a withholding authorization form. Complete the form and send it to the Fund Office. The Fund Office will withhold the amount you specify each month and deposit it with the IRS on your behalf. At the end of the year, you will receive a 1099R showing the amount of pension paid to you and the amount of federal income tax withheld. One copy of the 1099R must be filed with your tax return for the year.

If you decide to have federal tax withheld from your pension and later change your mind, simply call the Pension Fund Office to request another withholding authorization form.

Your original choice on withholding tax will remain in effect until you file a new election form with the Fund Office.

The Pension Fund Office telephone number is (212) 308 4200. The office hours are Monday through Friday, 9:00A.M. to 5:00 P.M., Eastern Time. ■