

Plumbers and Pipefitters Local Union #94

Fringe Benefit Funds

PAUL J. LAIR, Chairman
2541 Broad Avenue, NW
Canton, Ohio 44708

33 Fitch Boulevard
Austintown, Ohio 44515
Phone: 330-270-0453
Toll Free: 800-435-2388
Fax: 330-270-0912

JOSEPH M. FRIEDMAN, Secretary
Kauffman Plumbing & Heating
600 – 3rd Street SE
Canton, OH 44702

SUMMARY OF MATERIAL MODIFICATION FOR THE SUMMARY PLAN DESCRIPTION OF THE PLUMBERS AND PIPEFITTERS LOCAL UNION #94 HEALTH AND WELFARE FUND

Due to recent changes in federal regulations, the Trustees have made a *change* that will affect the benefits of your Plan. This "Summary of Material Modification" explains the change and should be kept with your Summary Plan Description.

* * *

If you are involuntarily terminated from employment between September 1, 2008 and December 31, 2009, and are eligible for COBRA coverage, you may be eligible for a 65% reduction in the cost of the COBRA premium.

Effective February 17, 2009, "Assistance Eligible Individuals" have the right to pay reduced premiums for periods of coverage beginning February 17, 2009 and can last up to 9 months. To be considered an "Assistance Eligible Individual" and get reduced premiums, you:

- MUST be eligible for continuation coverage at any time during the period from September 1, 2008 through December 31, 2009 and elect the coverage;
- MUST have a continuation coverage election opportunity related to an involuntary termination of employment that occurred at some time from September 1, 2008 through December 31, 2009;
- MUST NOT be eligible for Medicare; AND
- MUST NOT be eligible for coverage under any other group health plan, such as a plan sponsored by a successor employer or a spouse's employer.¹

Individuals who experienced a qualifying event as the result of an involuntary

¹Generally, this does not include coverage for only dental, visions, counseling, or referral services; coverage under a health flexible spending arrangement; or treatment that is furnished in an on-site medical facility maintained by the employer.



termination of employment at any time from September 1, 2008 through February 16, 2009 and were offered, but did not elect, continuation coverage OR who elected continuation coverage and subsequently discontinued it may have the right to an additional 60-day election period.

- If, after you elect COBRA and while you are paying the reduced premium, you become eligible for other group health plan coverage or Medicare you MUST notify the plan in writing. If you do not, you may be subject to a tax penalty.
- Electing the premium reduction disqualifies you for the Health Coverage Tax Credit. If you are eligible for the Health Coverage Tax Credit, which could be more valuable than the premium reduction, you will have received a notification from the IRS.
- The amount of the premium reduction is recaptured for certain high income individuals. If the amount you earn for the year is more than \$125,000 (or \$250,000 for married couples filing a joint federal income tax return) all or part of the premium reduction may be recaptured by an increase in your income tax liability for the year. If you think that your income may exceed the amounts above, you may wish to consider waiving your right to the premium reduction. For more information, consult your tax preparer or visit the IRS webpage on ARRA at www.irs.gov.

* * *

Please keep this Notice with your Summary Plan Description. Also, if you have any questions, please feel free to call the Fund Office.

BOARD OF TRUSTEES

PLUMBERS AND PIPEFITTERS LOCAL
UNION #94 HEALTH & WELFARE FUND

March 22, 2010