

The Steamfitters' Industry Fund Office

Construction & Metal Trades Divisions

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**IMPORTANT NOTICE TO PARTICIPANTS OF THE
METAL TRADES BRANCH LOCAL 638 WELFARE FUND
Important Information Regarding Your Health Fund Benefits**

This document is a Summary of Material Modifications (“SMM”) intended to notify you of an important change made to the Health and Welfare Benefits of the Metal Trades Branch Local 638 Welfare Fund (the “Plan”). You should take the time to read this SMM carefully and keep it with the copy of the summary plan description (“SPD”) that was previously provided to you. If you have any questions regarding these changes to the Plan, please contact the Fund Office at 212-465-8888.

Date: July 1, 2024

To: All Participants in the Health and Welfare Benefits of the Metal Trades Branch Local 638 Welfare Fund (the “Plan”) and their covered dependents

From: The Board of Trustees

The Board of Trustees (the “Trustees”) maintains the Health and Welfare Benefits of the Metal Trades Branch Local 638 Welfare Fund (the “Plan”) and the Trustees acting pursuant to the Section titled “Plan Amendments and Termination of the Plan:” have the right to amend the Plan.

Effective July 1, 2024, the Summary Plan Description for the Health and Welfare Benefits of the Metal Trades Branch Local 638 Welfare Fund is revised as follows:

1. Within the Section titled Active Eligibility, the second paragraph of the subsection “What Happens if I Lose Coverage?”, beginning on page 9, is deleted and replaced as follows:

If your loss of coverage is due to insufficient hours, you and your qualifying dependents may continue coverage for up to 18 months. Participants considering COBRA coverage must request the extended coverage in writing within 60 days from the date the participant is notified of the right to continue coverage.

2. Within the Section titled Active Eligibility, the subsection “What Happens if an Active Participant Becomes Temporarily or Partially Disabled and Unable to Work?” beginning on page 10, is deleted and replaced with the following:

What Happens If An Active Participant Becomes Temporarily or Partially Disabled and Unable to Work?

If an active participant, while covered under the Welfare Fund, becomes temporarily or partially disabled and unable to work in employment covered by a Collective Bargaining Agreement, the participant and all eligible dependents will continue to be covered during the period in which the participant is disabled up to a maximum of twelve months so long as the participant’s disability continues and the participant applies for and meets all of the necessary requirements. This is called the **Disability Status Program (DSP)**. As a prerequisite to the DSP application process;

- ◆ You must be covered in the Welfare Fund at the time of your injury or illness.
- ◆ Your completed DSP application must be received within thirty (30) days of the onset of the disabling condition. Applications received after the 30-day filing period will be rejected. The 30-day filing period applies even if your coverage remains effective in accordance with the standard eligibility requirements.
- ◆ You must have been covered in the Welfare Fund for no less than 48 months of the 60 months immediately prior to the date of the onset of the disabling condition.
- ◆ You must have a minimum of 10 Years of Credited Service in the Metal Trades Branch Local 638 Pension Fund at the time of the onset of disability.
- ◆ You must provide proof of Disability. The application must be accompanied by a letter from the attending physician detailing the injury or illness. Proof of disability may include copies of Disability or Workers' Compensation payments and/or an opinion of an Independent Medical Examiner (IME) following an exam conducted at the request of the Welfare Fund by Professional Evaluation Group (PEG).

If the participant is still disabled after twelve months, the participant may continue health benefits for themselves and their dependents by making the required COBRA payment for a maximum period of up to twenty-nine months. (Please refer to the COBRA section of this booklet for details.)

- ◆ Disabled participants who elected to continue their health benefit by making the required COBRA payment, and who subsequently qualify for Medicare during such twenty-nine-month COBRA period, shall lose their coverage under COBRA rules. However, they will be permitted to continue to make COBRA payments for their dependents for the remainder of the self-payment period.

Please contact the Fund Office at (212) 465-8888 option no. 4 for more information.

3. Within the Section titled Retiree Eligibility, the subsection "What Happens to My Coverage When I Retire?", starting on page 14, is deleted and replaced as follows:

What Happens to My Coverage When I Retire?

Health coverage for a retiree is made available only for the period from age 62 through the first of the month you become reach 65 (thereafter Medicare becomes available on a general basis). Please read the following two sub-sections for details.

Participants Who Retire Prior to Age 62:

If you retire prior to age 62, you must continue your health coverage under COBRA until you attain age 62. If at the end of the 18 months allowed under COBRA you have not attained the age of 62 you will be allowed an extension of continuation coverage for up to an additional 6 months under the same financial requirements, for a maximum of 24 months of continuation coverage. If you have maintained coverage when you reach age 62, you will become eligible for health and life insurance under the Welfare Fund. If you fail to maintain your coverage until you reach age 62, or have exhausted all continuation coverage for which you are eligible, you will forfeit any retiree coverage.

Participants Who Retire on or after Age 62:

If you retire and receive a benefit from The Metal Trades Branch Local 638 Pension Fund and were covered the day before your pension effective date (by virtue of

employment or continuation coverage) you will be eligible for health and life insurance coverage up to age 65.

All coverage in the Welfare Fund for retired participants and the dependents of retired participants will terminate as of the first of the month that the dependent or retired participant becomes reaches age 65. However, an eligible dependent, who has not yet attained age 65 and who loses coverage based on the retired participant’s loss of coverage may elect to continue health coverage through COBRA. For more details about COBRA, please see the section entitled “Continuation of Coverage - COBRA” that appears later in this booklet.

4. Within the Section titled Continuation of Coverage (COBRA), the chart on page 20 shall be deleted and replaced as follows:

Qualifying Events and Maximum Periods of Continuation of Coverage

Qualifying Event* Causing Fund Coverage to End	Maximum Periods of Continuation Coverage for Qualified Beneficiaries		
	Participant**	Spouse	Dependent Child(ren)
Participant is terminated (for reasons other than gross misconduct)	18 months	18 months	18 months
Participant experiences a reduction in hours worked (making Participant ineligible for the same coverage)	18 months	18 months	18 months
Participant Dies (while under COBRA Continuation Coverage)	N/A	36 months	36 months
Participant becomes Divorced or Legally Separated	N/A	36 months	36 months
Participant becomes Entitled to Medicare	N/A	36 months	36 months
Dependent Child loses Dependent Status	N/A	N/A	36 months

**To be considered a “Qualifying Event.” The event must cause a loss of coverage under the Plan.*

*** Participants who retire between the ages of 60 and 62 are eligible for an additional 6 months of continuation coverage, up to a maximum of 24 months.*

5. Within the Section titled Continuation of Coverage (COBRA), the following new subsection shall be inserted at page 22, before the subsection titled “What is the Maximum Period of COBRA Continuation Coverage,” as follows:

Is an Extension of COBRA Continuation Coverage Period Due to Multiple Qualifying Events a Possibility?

If your COBRA Continuation Coverage is for a maximum period of 18 months, and during that period, another Qualifying Event takes place that would otherwise entitle a Spouse or Dependent Child to a 36-month period of COBRA Continuation Coverage, the 18-month

period will be extended for that Spouse or Dependent Child. The total period of COBRA Continuation Coverage for any Spouse or Dependent Child will never exceed 36 months from the date of the first Qualifying Event. For example, if you terminated employment and elected COBRA Continuation Coverage for 18 months for you and your covered Spouse and/or Dependent Child(ren), and you died during that 18-month period, the COBRA Continuation Coverage for your Spouse and/or Dependent Child(ren) could be extended for the balance of 36 months from the date your employment terminated.

However, if you become entitled to COBRA Continuation Coverage because of termination of employment or reduction in hours worked that occurred less than 18 months after the date you became entitled to Medicare, your Spouse and/or Dependent Child(ren) would be entitled to a 36-month period of COBRA Continuation Coverage beginning on the date you became entitled to Medicare. For example, if termination of employment occurred less than 18 months after the date you become entitled to Medicare, your Spouse and/or Dependent Child(ren) would be entitled to COBRA Continuation Coverage for a 36-month period beginning on the date you became entitled to Medicare, although your period of COBRA Continuation Coverage would be limited to 18 months from your termination.

6. Within the Section titled Continuation of Coverage (COBRA), the subsection “What is the Maximum Period of COBRA Continuation Coverage?” on page 22 shall be deleted and replaced as follows:

What is the Maximum Period of COBRA Continuation Coverage?

The maximum period of COBRA continuation coverage is generally either 18 months or 36 months, depending on which qualifying event occurred, measured from the date of the loss of Plan coverage. The 18-month period of COBRA Continuation Coverage may be extended for up to 11 months if one of the Qualifying Beneficiaries becomes disabled. The maximum period of COBRA continuation coverage may be cut short for the reasons described in the section on “Early Termination of COBRA Continuation Coverage” that appears later in this section.

Participants who retire between age 60 and 62 are eligible for an additional 6 months of continuation coverage, up to a maximum of twenty-four (24) months.

Entitlement to Social Security Disability Income Benefits

If you, your Spouse or any of your covered Dependent Child(ren) are entitled to COBRA Continuation Coverage for an 18-month period, that period can be extended for the covered person who is determined to be entitled to Social Security benefits, and for any other Qualifying Beneficiaries, for up to 11 additional months if all the following conditions are satisfied:

- The disability occurred on or before the start of COBRA Continuation Coverage, or within the first 60 days of COBRA Continuation Coverage; and
- The disabled covered person receives a determination of entitlement to Social Security disability income benefits from the Social Security Administration; and
- The Plan is notified by you or the disabled Qualifying Beneficiary that the determination was received:
 - No later than 60 days after it was received; and
 - Before the end of the 18-month COBRA Continuation Coverage period.

This extended period of COBRA Continuation Coverage will end at the earlier of the end of 29 months from the date of the original Qualifying Event or the date the disabled individual becomes entitled to Medicare.

If you retire between age 60 and 62, and your COBRA Continuation Coverage is extended due to disability, you will not receive an additional 6-month extension in addition to the disability extension. Your COBRA Continuation Coverage will be limited to a maximum of 29 months.

8. Within the Section titled Continuation of Coverage (COBRA), the first paragraph in the second titled subsection on page 22 shall be deleted and replaced as follows:

What is the Payment Amount for COBRA Continuation Coverage?

The Participant, his covered Spouse and/or his covered Dependent Child(ren) will have to pay 102% of the full cost of the coverage during the COBRA continuation period. Any individual or family whose coverage is extended beyond eighteen (18) months because of entitlement to Social Security disability income benefits must pay 150% of the full cost of coverage during the 11-month extension of COBRA continuation coverage.

As always, if you have any questions regarding these eligibility modifications, please contact the Fund Office at (212) 465-8888.

TRUSTEES OF THE METAL TRADES BRANCH LOCAL 638 WELFARE FUND

EMPLOYER TRUSTEES

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UNION TRUSTEES

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This SMM is intended to provide you with an easy-to-understand description of certain changes to the Plan. While every effort has been made to make this description as complete and as accurate as possible, this SMM, of course, cannot contain a full restatement of the terms and provisions of the Plan. Except to the extent that this SMM modifies the Plan, if any conflict should arise between this summary and the Plan, or if any point is not discussed in this SMM or is only partially discussed, the terms of the Plan will govern in all cases.

The Board of Trustees (or its duly authorized designee), reserves the right, in its sole and absolute discretion, to amend, modify or terminate the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason, in accordance with the applicable modification procedures established under the Plan and the Agreement and Declaration of Trust establishing the Plan (the "Trust Agreement"). The Trust Agreement and the full Plan documents are at the Fund Office and may be inspected by you free of charge during normal business hours. No individual other than the Board of Trustees (or its duly authorized designee) has any authority to interpret the Plan documents, make any promises to you about benefits under the Plan, or to change any provision of the Plan. Only the Board of Trustees (or its duly authorized designee) has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Plan and decide all matters, legal and/or factual, arising under the Plan.