

Summary of Material Modification  
To  
Teamsters Local Union 671 Health Services and Insurance Plan  
For Active Members  
Plan 501C  
June 5, 2017

TO OUR ACTIVE FULL TIME GOLD PLUS PLAN MEMBER

The Trustees of the *Teamsters Local 671 Health Services and Insurance Plan* announce the following change regarding continued eligibility rules for FULL-TIME Active Participants in the Gold Plus Plan. Also, attached to this letter is Substitute Plan Language, which, effective JULY 1, 2017, replaces existing language in the Summary Plan Description (“SPD”). Please keep this notice and, especially, the Substitute Plan Language with your SPD and refer to them when you have a question about eligibility.

***TERMINATION OF ELIGIBILITY***

For **FULL-TIME** Participants in the Teamster Gold Plus Plan

1. Effective JULY 1, 2017, your continued eligibility will be based on the receipt by the Fund Office of a total of 640 hours in contributions on your behalf in four (4) consecutive months. Prior July 1, 2017, your continued eligibility was based on the receipt by the Fund Office of a total of 384 hours in contributions on your behalf in three (3) consecutive months.

Therefore, the average number of hours you will need to work to maintain eligibility has been increased from 128 hours per month to 160 hours per month. PLEASE KEEP IN MIND that each four-month period will include ***at least one five-week month***.

2. IN PRACTICE, *your eligibility will end* three months after the Fund Office receives less than a total of **640 hours** in contributions in **four (4) consecutive months**. Prior to JULY 1, 2017, your eligibility would end three months after the Fund Office receives less than a total of 384 hours in contributions in three (3) consecutive months.
3. EXAMPLE: *The Fund Office received 640 hours contributed for work performed in July, August, September & October, eligibility is earned for the following three months of November, December & January.*

*But, the Fund office receives less than 640 total hours contributed going forward for work performed in August, September, October & November, you would lose eligibility on January 31.*

4. **EXCEPTION FOR LAY OFFS: IF YOU ARE LAID OFF DUE TO LACK OF WORK YOU MUST INFORM THE FUND OFFICE:**
- a) Your eligibility will terminate at:  
The end of the 4<sup>th</sup> week following:
    - (i) Any period of three consecutive months in which the Fund Office receives a total of at least 128 hours, and
    - (ii) At least one month in that period is at least 64 hours.
    - (ii) *Example: Because you are laid off due to a lack of work, you work 96 hours in March, 64 hours in April and 0 hours in May. Your eligibility ends at the end of the fourth week in June.*
5. The special rules still apply if you cannot work because of disability.
6. The special rules still apply if you cannot work because of a strike or lockout.

In order to maintain the fiscal health of the Plan, the Trustees, in consultation with Plan professionals, have instituted this change in a manner intended to affect the fewest Participants possible and still have a positive financial impact on the Plan. Please contact the Fund Office at 860-243-0671 if you have any questions.

This Summary of Material Modification updates and amends your Summary Plan Description (SPD) booklet for the Teamster Gold Plus Plan dated March 1, 2003. However, the changes discussed in this notice are effective for any eligibility and continued eligibility determinations on or after July 1, 2017. The language changes on the last page replace the existing language in your SPD as noted.

If you have any questions about these Plan changes, please contact the Board of Trustees.

In brotherhood,  
The Board of Trustees

**Example 1:**

<b>July</b>	160 work hours contributed	} 680 work hours contributed (only need 640 hours)
<b>August</b>	200 work hours contributed	
<b>September</b>	160 work hours contributed	
<b>October</b>	160 work hours contributed	
Total 4 months:	680 work hours contributed	

Earns Eligibility for three (3) months; November, December & January

**Example 2:**

<b>August</b>	200 work hours contributed	} 560 work hours contributed (640 needed)
<b>September</b>	160 work hours contributed	
<b>October</b>	160 work hours contributed	
<b>November</b>	40 work hours contributed	
Total 4 months:	560 work hours contributed	

Eligibility terminates three (3) months from when the Fund Office last receives 640 hours on your behalf in a four-month period, which was July through October; therefore, Eligibility terminates January 31.

Calendar showing five (5) weeks months

						Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
							5 weeks			5 weeks	
<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Apr-18</b>	<b>May-18</b>	<b>Jun-18</b>	<b>Jul-18</b>	<b>Aug-18</b>	<b>Sep-18</b>	<b>Oct-18</b>	<b>Nov-18</b>	<b>Dec-18</b>
5 weeks				5 weeks			5 weeks		5 weeks		
<b>Jan-19</b>	<b>Feb-19</b>	<b>Mar-19</b>	<b>Apr-19</b>	<b>May-19</b>	<b>Jun-19</b>	<b>Jul-19</b>	<b>Aug-19</b>	<b>Sep-19</b>	<b>Oct-19</b>	<b>Nov-19</b>	<b>Dec-19</b>
5 weeks				5 weeks		5 weeks			5 weeks		
<b>Jan-20</b>	<b>Feb-20</b>	<b>Mar-20</b>	<b>Apr-20</b>	<b>May-20</b>	<b>Jun-20</b>	<b>Jul-20</b>	<b>Aug-20</b>	<b>Sep-20</b>	<b>Oct-20</b>	<b>Nov-20</b>	<b>Dec-20</b>
5 weeks			5 weeks			5 weeks		5 weeks			5 weeks

**Substitute Plan Language (put this Summary in your SPD booklet)**

1. The following language amends and clarifies, the “Full-Time Employee Termination Rules” on pp. I-2 and I-3 of the Teamster Gold Plus Plan SPD.

“Your eligibility terminates on the last day of the third month following four consecutive months in which the Fund Office receives a total of at least 640 hours in contributions unless:

1. You were LAI D OFF DUE TO LACK OF WORK and you notify the Fund Office; your eligibility terminates at the end of the fourth week following (a) any period of three consecutive months in which your Employer did contribute a total of at least 128 hours on your behalf, and (b) at least one contribution month in that period is at least 64 hours on your behalf; or
2. You were disabled and you either received Weekly Accident and Sickness Benefits from the Plan or received Workers' Compensation Benefits from a contributing Employer during all or part of the three-month period. In such cases, your eligibility will be continued for up to a maximum of two months during which you continue to be disabled; or
3. You could not work for all or part of such three-month period as the result of a strike or lockout. In such case, your eligibility will be continued for the number of weeks of the continuance of the strike or lockout, subject to a maximum of three additional months; or
4. Your Employer ceases to contribute to the Plan on your behalf because it has transferred your coverage to another health policy or plan including, without limitation, a health maintenance organization ("HMO"). In such cases, your coverage terminates on the day when you initially become eligible for coverage under the replacement plan/policy or when your eligibility would terminate as described above, whichever occurs first.

If there is any consecutive four-month period you work fewer than 640 hours, your benefits will terminate and you must become eligible again. If you lose eligibility, you and your dependents generally are eligible for the self-pay, COBRA Continuation Coverage, described in Section VII.

If your eligibility terminated and you return to work, you will become covered again either:

1. On the first day of the second month following a month in which the Fund Office receives a total of 150 hours of contributions on your behalf, provided the reinstatement occurs within twelve (12) months of your date of termination; or
2. On the first day of the second month following two consecutive months in which the Fund Office received a total of 250 hours of contributions on your behalf.

After the Plan Office determines that the Employee is no longer eligible, the Employee is notified of the termination of his benefits. Any covered medical expenses incurred on or after his termination date will not be covered.

If you lose eligibility, you and your dependents generally are eligible for COBRA Continuation Coverage, described in Section VII.”