



CALIFORNIA FIELD IRONWORKERS TRUST FUNDS

Pension Trust • Welfare Plan • Vacation Trust
Apprenticeship Training & Journeyman
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March 2009

SPECIAL NOTICE TO ALL PARTICIPANTS REGARDING THE SUPPLEMENTAL RETIREE BENEFIT ACCOUNT

Effective March 1, 2009, there will be significant changes to the way in which the Supplemental Retiree Benefit Account may be utilized. The California Ironworkers Field Welfare Plan Summary Plan Description with regard to the Supplemental Retiree Welfare Benefit has been amended to include the following:

If the participant is not eligible for retiree coverage under the California Ironworkers Field Welfare Plan and ceases to have contributions for 24 months and the Participant signs a statement stating that they intend to retire, then the participant's account will not remain in the SRB and shall be paid out to the participant as taxable wages; **or** he may utilize the balance in his SBR Account to pay his monthly COBRA premiums, if said coverage is so elected. **However, COBRA payments are not reimbursable directly to the member.**

If a Retired Participant is eligible for Retiree Health and Welfare benefits through the California Ironworkers Field Welfare Plan, the SRB can be used to pay for retiree self payments for retiree coverage in the California Ironworkers Field Welfare Plan, Medicare supplemental insurance premiums, or for reimbursement for non-covered expenses (including co-payments) for medical care (as defined in IRC Section 213(d) of the Code and outlined below) which are excludable from the gross income of the retiree under section 105(b) of the Code. These payments will not be taxable to the retiree.

1. Hospital and nursing services, medical, laboratory, surgical, dental, and other diagnostic and healing services, x-rays, artificial teeth and limbs and ambulance hire.
2. Costs of eyeglasses, contacts, a Seeing Eye dog, a wheel chair and crutches.
3. Qualified Long Term Care services which are necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services and maintenance or personal care services, which are required by a chronically ill individual and are provided pursuant to a plan of care prescribed by a licensed health care practitioner. Amounts paid for qualified long term care service shall not be treated as medical care if the services are provided by the spouse, or relative of the individual, unless the service is provided by a licensed professional with respect to each service.
4. For insurance (including amounts paid as premiums under part B of title XVIII of Social Security Act, relating to supplementary medical insurance for the aged) covering medical care or for any qualified long-term care insurance contract.
5. Prescription Drugs
6. Medical care does not include cosmetic surgery or other similar procedures, unless the surgery or procedure is necessary to ameliorate a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or disfiguring disease.

If a Participant is eligible for Retiree Health and Welfare benefits through the California Ironworkers Field Welfare Plan, but chooses to opt out of this coverage, the SRB can be utilized for any of the following reasons:

- If the retiree is covered under his spouse's health plan, the retiree's SRB balance will be preserved and can be used by the retiree for self-payments and non-covered medical expenses (as defined in section 213(d) of the Code) which are excludable from the gross income of the retiree under section 105(b) of the Code once he resumes coverage under the Welfare Plan.

The retiree may also use the SRB account to obtain reimbursements for premiums paid for the spouse's plan, Medicare supplemental insurance premiums, and for non-covered expenses (including



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co-payments) for medical care (as defined in section 213(d) of the Code) which are excludable from the gross income of the retiree under section 105(b) of the Code. These payments would not be taxable.

- If the retiree obtains an individual plan, the retiree may use the SRB account to obtain reimbursements for premiums paid for the individual plan, Medicare supplemental insurance premiums, and for non-covered expenses (including co-payments) for medical care (as defined in section 213(d) of the Code) which are excludable from the gross income of the retiree under section 105(b) of the Code. These payments would not be taxable.
- If the retiree obtains no coverage, the retiree may use the SRB account to obtain reimbursements for Medicare supplemental insurance premiums and for non-covered expenses (including co-payments) for medical care (as defined in section 213(d) of the Code) which are excludable from the gross income of the retiree under section 105(b) of the Code. These payments would not be taxable. The amounts in the retiree's SRB account will also remain in the California Ironworkers Field Welfare Plan and upon his death the amount will be paid to the retiree's beneficiary or his estate in the calendar year after the retiree or active employee's death. These payments will be taxable income (but not taxable wages).

If a retiree or active employee dies with a balance in his SRB, the balance shall be payable to the retiree's or active employee's beneficiary or estate in the calendar year after the retiree or active employee's death. These payments will be taxable income (but not taxable wages).

All conditions above require the member to complete the required SRB Application for Disbursement. All applications received requesting reimbursement based on any of the reasons outlined above, must be accompanied by a current billing statement or Explanation of Benefits **and** proof of payment, which may be in the form of a receipt indicating the payee, a cancelled check or a check stub showing automatic payroll deduction (insurance premiums).

Special provision regarding COBRA and Active Participants

Should an Active Participant lose his Active Health and Welfare benefits, he may elect to have his monthly COBRA premiums directly deducted from his SRB Account. **COBRA payments are not reimbursable directly to the member.**

Requests for applications can be made to the Trust Fund Office at (800) 527-4613. If you have any questions or require additional information, please do not hesitate to contact the Trust Fund Office.