

Summary of Material Modification To The  
Summary Plan Description, Restated January 1, 2020

**SMM 2020SPD-9**

October 10, 2024

This summary of material modification (“SMM”) describes changes made to the IBEW Local 163 Health & Welfare Fund’s plan of benefits (the “Plan”) and supplements the Summary Plan Description, Restated January 1, 2020 (“SPD”). These changes are effective as of January 1, 2025, unless otherwise indicated. You should read this SMM very carefully and retain this document with your copy of the SPD for future reference.

**Summary of Changes:**

1. Post-Retirement Benefits

*A new Section K is added to Part IV of the SPD, “Post-Retirement Benefits”, to clarify and better explain the eligibility rules and benefits available upon your retirement, as follows.*

*The most significant changes are that the SPD now adds rules to clarify:*

- *When you retire, your Benefit Credit Account is converted into a Retiree-Only HRA -
  - *The Retiree-Only HRA can be used for reimbursement of the same expenses as your Benefit Credit Account.*
  - *Additionally, your Retiree-Only HRA can be used for reimbursement of the premiums for an individual health insurance policy covering you and your beneficiaries.**
- *What happens when you return to Covered Employment after Retirement –
  - *You will be required to satisfy the existing initial eligibility requirements as if you are new to the trade.*
  - *Any balance in your Retiree-Only HRA will be forfeited upon your re-employment.*
  - *You will start with a zero balance in your Dollar Bank/Benefit Credit Account and build up your account based on your Covered Employment after Retirement.**

## **K. Post-Retirement Benefits**

The Fund provides the following Post-Retirement Benefits:

- Pre-Medicare Hospital, Medical, Surgical, Prescription Drug, Vision, Dental & Life and Accidental Death and Dismemberment Insurance
- “Benefit Credit Account”: Retiree-Only HRA (Health Reimbursement Account)
- Retiree Death Benefits

This Section K explains how you become eligible for the Fund’s Post-Retirement Benefits, and what those Benefits are.

### **1. Eligibility**

If you are a Participant in the Fund on the annuity starting date of your National Electrical Benefit Fund (NEBF) pension (your “Retirement Date”), you are eligible for the Fund’s Post-Retirement Benefits. If you have Covered Beneficiaries on your Retirement Date, they will also be eligible for Post-Retirement Benefits, subject to this Section H.

### **2. Pre-Medicare Hospital, Medical, Surgical, Prescription Drug, Vision, Dental & Life and Accidental Death and Dismemberment Insurance**

If your Retirement Date precedes your date of Medicare eligibility, you will be entitled to self-pay to maintain your hospital, medical, surgical, prescription drug, vision, dental, and life and accidental death and dismemberment insurance coverage as outlined in Section A of this Part IV. You will be required to make monthly payments out of pocket, or by deduction from your Retiree-Only HRA (see 3 below), equal to the Fund’s current contribution rate times 130. Your coverage will terminate effective on the first of the month that you fail to make the required self-payment. The Fund’s rules regarding opting out of coverage, open enrollment, and special enrollment events (as detailed in Part I, Section C, 10-12) apply.

### **3. Retiree-Only HRA**

This benefit is an arrangement that reimburses you for medical care expenses incurred by you and your Covered Beneficiaries, subject to the following.

#### *a. Account Rules*

On your Retirement Date, the Fund will establish a Retiree-Only HRA account for you. Your Retiree-Only HRA account’s initial account balance will be equal to the balance of your Benefit Credit Account (as described in Section I of this Part IV) as of the day before your Retirement Date. When you receive a reimbursement from your Retiree-Only HRA account, your account balance will be reduced by the amount of the reimbursement.

You are not allowed to make contributions to your Retiree-Only HRA account.

Under no circumstances will you be eligible for a Retiree-Only HRA if you are engaged in Covered Employment.

#### *b. Coverage Period, Limits and Carry Overs*

The coverage period for your Retiree-Only HRA is a one-year period beginning on January 1 and ending on December 31. During each coverage period, the maximum reimbursement amount you may receive from your Retiree-Only HRA is your account balance as of January 1 of that coverage period. Any unused amount in your Retiree-Only HRA as of December 31 of a coverage period will be rolled over for use in the following coverage period.

c. *Eligible Reimbursements*

You are eligible to receive a reimbursement for “medical care expenses” incurred by you and your Covered Beneficiaries during a coverage period, provided the reimbursement does not exceed the maximum reimbursement allowed during that coverage period; in other words, you must have a sufficient amount in your Retiree-Only HRA account to cover the medical care expense for which you wish to be reimbursed.

“Medical care expenses” are defined by Section 213(d) of the Internal Revenue Code. For more information, you can review IRS Publication 502. Your Retiree-Only HRA can reimburse you for expenses you would have been eligible to be reimbursed for from the Fund’s Medical Reimbursement Benefit prior to your Retirement Date. However, your Retiree-Only HRA can also be used for certain medical care expenses that might not have qualified for reimbursement from your Medical Reimbursement Benefit.

Examples of common medical care expenses that you may be reimbursed for from your Retiree-Only HRA:

- Premiums for an individual health insurance policy covering you and your Covered Beneficiaries
- Premiums for COBRA continuation coverage from the Fund’s group health plan benefit
- Out of pocket premiums paid by your Spouse for your coverage in your Spouse’s employer’s group health plan (but only if your Spouse pays those premiums after tax)
- Any co-pays, deductibles, or co-insurance payments you or your Covered Beneficiaries make out of pocket that are not reimbursed by another insurance policy
- Premiums you pay for Medicare coverage
- Certain dental or vision expenses as set for in IRS Publication 502

d. *Retiree-Only HRA Claims and Appeals*

You will make claims for reimbursements from your Retiree-Only HRA in the same manner you made claims for Medical Reimbursement Benefits, as described in this SPD in Part IV, Section I, paragraph 3.

If your claim for a Retiree-Only HRA is denied, you may appeal that denial to the Fund’s Board of Trustees. The process for appealing is Part VI below of this SPD, “Appeal of Denied Health Reimbursement Claims”.

e. *Termination of your Retiree-Only HRA*

Your Retiree-Only HRA account will be terminated when you reach the maximum reimbursement amount in a coverage period. Also, if you return to Covered Employment after your Retirement Date, your Retiree-Only HRA account will be terminated and all amounts in your account will be forfeited.

Your participation in the Retiree-Only HRA may prevent you from obtaining federal premium assistance to pay for individual health insurance coverage through the Health Insurance Marketplace. You may voluntarily terminate your Retiree-Only HRA at any time by contacting the Plan Administrator.

#### **4. Retiree Death Benefits**

On and after your Retirement Date, the Fund will pay a \$5,000 death benefit to your beneficiaries upon your death. For more information, see Section G above.

#### **5. Re-Employment After Retirement & Re-Retirement**

If you return to Covered Employment after your Retirement Date, all of the benefits described above in this Section K will be terminated as of the first day of the month in which your Covered Employment resumes. Your eligibility for benefits will be governed by the rules set forth in Part III, Section C of this SPD, which means you will have to satisfy the Initial Eligibility rules before you will become entitled to Fund benefits.

**Additional Information Regarding this SMM:**

If you have any questions, you should refer to your SPD or contact:

Board of Trustees,  
IBEW Local 163 Health & Welfare Fund  
c/o IE Shaffer  
830 Bear Tavern Road  
P.O. Box 1028  
West Trenton, NJ 08628  
(800) 792-3666  
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**General Information:**

Plan Name:	IBEW Local 163 Health & Welfare Fund
Plan Number:	501
Plan Year:	April 1 – March 31
Plan Sponsor/Plan Administrator:	Board of Trustees, IBEW Local 163 Health & Welfare Fund
Plan Sponsor/Plan Administrator Federal Tax EIN:	23-6390518
Legal Service:	Daniel D. Haggerty, Fund Co-Counsel Kang Haggerty & Fetbroyt LLC 123 S. Broad Street; Suite 1670 Philadelphia, PA 19109 - OR - Jason Mettley Meyer, Unkovic & Scott, LLP Henry W. Oliver Building 535 Smithfield Street, Suite 1300 Pittsburgh, PA 15222-2315