



CARPENTERS TRUSTS

of Western Washington

Health and Security Retirement Vacation Industry Fund

Carpenters Health and Security Trust of Western Washington

Summary of Material Modifications

January 1, 2019

Increase In Dollar Bank Deduction Effective January 1, 2019 Western and Central Washington Benefit Package

Dollar Bank Change

The purpose of this notice is to advise you that the Board of Trustees amended the Carpenters Health and Security Plan of Western Washington to increase the dollar bank deduction from \$850.00/month to \$900.00/month effective January 1, 2019. The maximum dollar bank amount will also increase from \$6,800.00 to \$7,200.00 to preserve the eight-month future eligibility maximum. In certain circumstances, this increase in the dollar bank deduction may cause a loss of one or two months of future dollar bank eligibility. Even with this increase, the \$900.00/month dollar bank deduction continues to be less than the actual cost of coverage which is \$1,249.00/month in 2019.

Background

As you may recall, each of you have a dollar bank account. Employer contributions made on your behalf are added to your dollar bank account. Your current and future eligibility are calculated based on the balance of this account. The amount credited to your dollar bank account equals the hourly contribution received from employers less the hourly amount credited to the Retiree Health Reserve Fund. For example, the June 1, 2018 Area Master Agreement in Western Washington calls for an employer contribution of \$7.96/hour to the plan. Currently, \$0.60/hour funds the Retiree Health Reserve Fund leaving \$7.36/hour for your dollar bank account. If, for example, you work 160 hours in January 2019 for an employer who is signatory to the Western Washington Area Master Agreement, \$1,273.60 is submitted to the plan on your behalf. Of that amount, \$1,177.60 is contributed to your dollar bank account. If you have dollar bank eligibility, \$900.00 is subtracted from your dollar bank beginning in January 2019.

Initial Eligibility

If you are new to the Carpenters Health and Security Plan or you have not had coverage under dollar bank eligibility for 12 months or more, you earn initial eligibility as follows:

- The hourly contributions from your employer(s) are added to your dollar bank account.

(over, please)

- For initial eligibility, you must now have \$2,700.00 (\$900.00/month x 3 months) or more in your dollar bank account within a three-month period. This is a \$150.00 increase over the \$2,550.00 required when the dollar bank deduction was \$850.00/month. The fourth month is the “lag month.” This is the time required for your employer to send updated contribution records to the plan and the time required for the plan to process those records. At least \$1.00 of contributions must be earned in the first month of the three-month period.
- You are then eligible for benefits beginning on the first day of the fifth month. The number of months of eligibility is based on the amount in your dollar bank and the current dollar bank deduction rate.

For example, if you work 160 hours/month in December, January and February, and the contribution rate to your dollar bank is \$7.36/hour, your dollar bank will accumulate \$3,532.80 over this three-month period. Because your dollar bank has at least \$2,700.00, you will be eligible beginning on April 1, 2019. March 2019 is the lag month. You will then have three months of eligibility (April, May and June 2019). You then must have \$900.00 in your dollar bank in June 2019 to be eligible for a fourth month (July 2019), and so on for future months.

When Eligibility Ends

Your eligibility ends on the first day of any month your dollar bank account is less than the amount required to buy one month of eligibility (\$900.00 effective January 1, 2019). If you lose eligibility under the dollar bank system, you may still qualify for Self-Contribution Coverage or COBRA Continuation Coverage. Please see the Carpenters Health and Security Plan booklet for details on how to apply.

Questions?

If you have any questions about the new dollar bank deduction amount or dollar bank eligibility in general, please contact Participant Services at Carpenters Trusts: (800) 552-0635.