

New Eligibility Rules for Members “On the Book”

The Toledo Electrical Welfare Fund (TEWF), at the direction of our Board of Trustees, has elected to take advantage of a federal subsidy of COBRA coverage. The government will pay for 65% of the cost of continuation health insurance for an individual who has lost coverage due to a lay-off.

The thing to remember is that for the vast majority of you, there will be NO CHANGE IN YOUR COVERAGE. (If your spouse has other coverage, please see below.)

Briefly, here’s how the TEWF plans to take advantage of this governmental assistance:

Effective 5/1/09 or later:

- When you sign the book, your coverage lasts until the last day of that month, at which point we will move you to COBRA continuation coverage.
- COBRA is the same as your regular coverage, including dental and vision insurance.
- You will remain on COBRA either until you re-establish eligibility in the health plan as an active (at least 100 hours per month on average over a 3-month test period) or for 9 months (the limits of the COBRA subsidy).
- While you are on COBRA, the government will pay for 65% of the full COBRA rate, and the TEWF will pay the other 35% through a new Severance Benefit Plan.
- The Severance Benefit is taxable income. In order to receive this benefit, you must complete a W-4 Form, which can be accessed at www.electricalfunds.org, and return it to the Funds’ Office.
- At the end of the subsidy period, you will once again be eligible to participate in the health plan via self-paying, if you are still unemployed.

Once again, for practical purposes, your health coverage will not change. The health plan made this administrative change in order to take advantage of federal funds.

Things are different if your spouse has other health coverage. The government has mandated that if you have access to other coverage (i.e. from your spouse’s employer) then you are not eligible for the COBRA subsidy. **However, the Toledo Electrical Welfare Fund will pay for your coverage on your spouse’s insurance and for all out-of-pocket costs incurred by you or your spouse and dependents – co-pays, deductibles and co-insurance costs.** Our goal is to make you equal to or better in coordinating health insurance with your spouse’s coverage. In order to administer this aspect of the COBRA Subsidy more efficiently, the Funds’ Office asks that you fill out the “Severance Benefit and Employee Retention Plan” Questionnaire, which can be accessed at www.electricalfunds.org, and return it to the Funds’ Office along with your completed W-4 Form.

This is in your best interest, as we can provide the money to pay for your coverage on your spouse’s plan and for your out-of-pocket medical costs on a tax-free basis. If you were to take advantage of the subsidy and stay with your TEWF coverage, instead of letting us know you have access to other coverage, the government has mandated that you be taxed on the ENTIRE value of your coverage. Please contact the Funds’ Office so we can help you maximize your benefits.

Our mandate for this program was to insure that you, the member, was not in any way harmed by this change. For some, this program will be a wash. For most, you will actually come out ahead with this program.

If you have any questions about this program, or need copies of the required W-4 form and the “Severance Benefit and Employee Retention Plan” Questionnaire, please feel free to contact the Funds’ Office at 419-666-4450.