

Toledo Electrical Welfare Fund: Eligibility and Self-Payments

Updated for \$7.99 JIW contribution, effective 5/1/2009
Updated for first of month after 300 hours for reinstatement, effective 11/1/2007
Updated for \$946 monthly self payment, effective 9/1/2009

Eligibility

Eligibility in the Toledo Electrical Welfare Fund (TEWF) is established by hours worked over a three (3) month test period for coverage two (2) months later. Please refer to the chart below, as seeing this laid out makes this easier to visualize.

For a member's INITIAL eligibility in the Fund, he/she is required to work 420 hours over a three (3) month period for eligibility two (2) months later. For example, if a member works 420 hours or more during January, February, and March, he/she would establish initial eligibility in June. (Note: Please refer to "Special Eligibility Rules" at end for rules covering newly organized members, reinstatement of eligibility, apprentices, retirees, etc.)

To MAINTAIN eligibility, a member is required to work 300 or more hours over a three (3) month period to maintain eligibility two (2) months later. For example, an eligible member works 300 or more hours during March, April and May maintains his/her eligibility for August.

Eligibility is based on a ROLLING three (3) month average. We use a rolling three (3) to account for vacations, short lay-offs, or other short breaks in continuous employment that is common in the construction industry. By using a rolling average, a member can maintain continuous coverage when a short lapse occurs.

Eligibility is based on HOURS WORKED, not HOURS PAID.

Following is a chart to illustrate the rolling three (3) month average and the eligibility month.

Hours Worked Over the Following Three (3) Month Test Periods	Establishes Eligibility for the Upcoming Month of
January / February / March	June
February / March / April	July
March / April / May	August
April / May / June	September
May / June / July	October
June / July / August	November
July / August / September	December
August / September / October	January
September / October / November	February
October / November / December	March
November / December / January	April
December / January / February	May

After INITIAL ELIGIBILITY is obtained, EXTENDED ELIGIBILITY is the term used to define the time period from hours worked over a three (3) month test period for eligibility two (2) months later. For example, if a participant earns eligibility for working enough hours for October, November, and December for eligibility in March, the period January, February and March is referred to as extended eligibility. Whenever an active participant stops working, he / she will be an “active eligible” in the Fund for a few more months.

Examples of Maintaining Eligibility

- A. Member works 160 hours in February, 150 hours in March, and 170 hours in April. For the three (3) month test period of February, March, and April, the total hours are 480. Eligibility is established for July.
- B. Member has established eligibility for July, as in the above example. For August eligibility, the next rolling three (3) month test period is used – March, April, and May. However, at the end of April, the Member was laid off. The hours worked are 150 in March, 170 in April, and 0 for May. Total hours for the March, April, and May test period is 320 (150+170+0). The Member has enough hours (300 or more) to establish eligibility for August.
- C. Same Member continues to be laid off for two (2) months and now 170 hours for April, has zero (0) hours for May, and zero (0) hours for June. Total hours for the next rolling three (3) month test period of April, May and June (to establish eligibility for September) are 170 (170+0+0). Eligibility is not established for September because the total work hours for the test period are less than 300. If this member wants to continue eligibility for September, he/she will have to make a “self-payment.” Self-payments and self payment calculations are discussed next.

Self Payment

Self-Payment is the process of a Member paying a monthly contribution to maintain eligibility when the number of hours worked over a three (3) month test period fall below 300.

The Self-Payment amount is an estimated value of our health program, calculated periodically (usually once a year) and approved by the Board of Trustees. As of this writing, the Self-Payment amount is \$946 per month. The amount a member needs to Self-Pay to maintain eligibility is determined by the Self-Payment Formula. THERE IS NO CREDITING OF HOURS WHEN A SELF-PAYMENT IS MADE. Once a Member needs to Self-Pay to maintain eligibility, the health coverage goes from month to month. The Extended Eligibility has already been exhausted. If a Self-Payment is not made, coverage is lost.

Members have a 30-day grace period to make a Self-Payment to maintain eligibility.

Self-Payment Formula

The Self-Payment Formula determines the actual monthly amount a Member would have to pay to maintain eligibility. The purpose is to give credit for partial worked months, short calls, etc.

The formula is the total number of work hours from the three month test period related to the month of eligibility divided by three (3), multiplied by the current hourly contribution rate (not including Supplemental Fringe Benefit Fund/VEBA or Employee Retention Plan [ERP]), and subtract that number from the Monthly Self-Payment amount. The monthly Self-Pay required by formula will never be greater than the full monthly Self-Pay amount (\$946, effective September 2009). The Fund will not pay anyone an amount greater than \$946 per month as derived by the Self-Payment Formula. The contribution rate would have to be at least \$8.69 for this to be a factor.

The hourly Contribution Rate is as per the Collective Bargaining Agreement.

The Self-Payment Formula is better illustrated with the following examples:

- D. A Member works 120 hours in February, 110 hours in March, and 12 hours in April. The total worked hours these three (3) test period months is 242. The February, March and April test period determines eligibility for July. The Self-Payment Formula is
- ✓ Step 1: 242 hours divided by 3 = 80.667
 - ✓ Step 2: 80.667 times the \$7.99 hourly contribution rate = \$644.53
 - ✓ Step 3: \$946 less \$644.53 = \$301.47
 - ✓ \$301.47 is the monthly Self-Payment for this member to maintain eligibility for July.
- E. Same Member as in example D above, a month later. Hours worked are 110 in March, 12 in April, and zero (0) in May for a total of 122. The three (3) month test period determines eligibility for August. The Self-Payment Formula is:
- ✓ Step 1: 122 hours divided by 3 = 40.667
 - ✓ Step 2: 40.667 times the \$7.99 hourly contribution rate = \$324.93
 - ✓ Step 3: \$946 less \$324.93 = \$621.07
 - ✓ \$621.07 is the monthly Self-Payment for this member to maintain eligibility for August.

Self-Payment Waiver exceptions are discussed next.

Self-Payment Waiver

If a Member loses employment through no fault of their own, (i.e. – lay off) and is on the Out of Work list, he/she is eligible for a Self-payment Waiver. Self-Payment Waivers are available for 20 consecutive months. If you return to work and re-established eligibility in the Fund, and get laid off again which lasts long enough to require another Self-Payment, you will be eligible for another 20 consecutive months of Self-Payment Waivers (as long as you became laid off through no fault of your own).

If you voluntarily quit, get fired, or take a retirement distribution, you are not eligible for a Self-Payment Waiver. If you “roll the book,” or are disabled, you are not entitled to a Self-Payment Waiver.

Amount of Self-Payment Waiver

The Self-Payment Waiver is the amount of the monthly Self-Payment to a maximum of \$746 per month.

For Members who by the Self-Payment Formula are required to make a Self-Payment of \$946, the affect of the Self-Payment Waiver is that he/she will be required to make a payment of **\$200** per month to maintain eligibility. The Self-Payment Formula determines your Self-Payment.

Special Eligibility Rules

- Newly organized members are eligible for health benefits the first of the month following 300 hours worked.
- Effective 11/1/2007: Reinstatement of eligibility occurs the first of the month following 300 hours worked. If you were once an active member in this plan, then lost eligibility (if you make self-payments, you maintain eligibility), and are once again working in the industry, this rule applies to you.
- Residential Trainees in Classification/Division One (1) or Two (2) are not eligible for health benefits.
- Residential Trainees in Classification/Division Three (3), Four (4), or Five (5), Cable Pullers, and Teledata Classification/Division One (1) or Two (2) are eligible for Base Benefits Only – a reduced benefit program.
- Apprentices who are eligible for benefits and are laid off through no fault of their own (as described above) do not have to make Self-Payments.
- Apprentices become eligible for health benefits upon receipt by the Fund office of confirmation from the JATC regarding their work referral and participation in the JATC program.
- Apprentices and Residential Trainees (not including Residential Trainees Classification/Division One (1) or Two (2)) are eligible for One Self-Payment if not on Out of Work list.
- Effective 8/27/07: Cable Pullers will be eligible for initial eligibility after 1,000 hours worked. If they meet the initial eligibility requirement of 420 hours over a 3-month test period, a Cable Puller will be eligible for Base Benefits
- When someone retires, there are a few months of extended eligibility (depending on number of hours worked in last three months prior to retirement). Active benefits remain

in force during extended eligibility. As extended eligibility expires, you will pay the lesser of a Self-Payment (as determined by the Self-Payment Formula) or the required monthly contribution for retiree benefits.

- Whenever a Self-Payment is made as per the Self-Payment Formula, full active benefits apply.

Making Self-Payments

- Fund office will notify you in writing of your required Self-Payment.
- Self-Payments are reimbursable from the Supplemental Fringe Benefit Fund / VEBA.
- Fund office will transfer Self-Payment from SFBF / VEBA if you contact the Fund office and let them know that this is what you desire.

Due Date for Making Self-Payment

- A Self-Payment to maintain eligibility must be made before the month coverage is in force. For example, Self-Payment for October eligibility is due in September.
- There is a thirty-day grace period. Any claims for a member and his/her family will be pended until the Self-Payment is made.