

December 2016

TO: Participant of the Health Reimbursement Account

FROM: Board of Trustees

**Re: Northern California Pipe Trades Health and Welfare Health Reimbursement Account
Prepaid Benefits Debit Card**

Effective January 1, 2017, eligible Participants with a Health Reimbursement Account (“HRA”) will be issued a Prepaid Visa Card (“Benny Card”). The Benny Card allows a Participant to directly pay for Qualified Healthcare Expenses at the point of service.

The Benny Card is scheduled to be mailed to Participants in the middle of December. Therefore, Participants will receive two (2) Benny Cards by the end of December. One Card is for the Participant and the second Card is for use by the eligible Spouse/Dependents, if applicable. The Card will need to be activated prior to use. Activation instructions will be provided with the card.

The Benny Card also provides the My Wex Health Card website where a Participant can view an account balance, view transaction activity, and print activity statements. Currently, the My Wex Health Card site can be accessed by either www.mybenny.com, as stated on the back of the Card, or www.my.wexhealthcard.com. (Note: www.mybenny.com will be phased out in 2017. It is recommended to begin using www.my.wexhealthcard.com)

The My Wex Health Card site will require a Participant to register the first time using the site. The registration will require that a Participant enter Member Id (your Social Security Number), Card Number, Zip Code, an E-mail address, and create a Password.

Listed below is information on the Benny Card.

Who is eligible for a Benny Card?

Participants who are enrolled and have Health Plan coverage under the Northern California Pipe Trades Health and Welfare Plan and have HRA contributions made on their behalf.

Can the Benny Card be used for expenses for my Spouse and Dependents?

Yes, providing that your Spouse and Dependents are enrolled as Dependents under the Northern California Pipe Trades Health and Welfare Plan.

Can the Benny Card be used for expenses for my Domestic Partner?

No. Domestic Partners, Children of a Domestic partner and Dependents covered through legal guardianship are not considered eligible Dependents under the Health Reimbursement Account.

When is the Benny Card effective?

The Benny Card can be used on January 1, 2017 for expenses with a service date on or after January 1, 2017.

What is my account balance?

You can check your balance at www.my.wexhealthcard.com. You will need to register the first time you log into your account. Account balances will change with account activity such as new contributions and payment of claims submitted through an HRA Reimbursement Claim Form. We recommend that you check your account balance prior to use of the Card.

When will my HRA payroll contribution be available on the Benny Card?

Contributions will generally be credited to your account monthly. For example, Contributions received for the January work month will generally be credited to your account the end of February (usually by last day of the month) and will be available on your Benny Card the following business day.

Can I use the Benny Card for Self Payments/COBRA Payments?

No. You will need to pay for the expense and then submit a Health Reimbursement Claim Form along with proof of payment to Kaufmann and Goble for reimbursement.

Do I need to keep receipts for expenses paid with the Benny Card?

Yes. You should keep receipts for expenses paid with the Benny Card. You might be required to submit copies of the receipts if your transactions cannot be confirmed as eligible expenses. You will be notified by mail if more information is required.

What happens if I lose Health Plan coverage under the Northern California Pipe Trades Health and Welfare Plan?

Loss of coverage could result in suspension of your Benny Card. You will be notified by mail if your Benny Card will be suspended.

How do I get reimbursed for expenses incurred prior to January 1, 2017?

You will need to complete and submit a Health Reimbursement Account Claim Form along with supporting documentation to Kaufmann and Goble for reimbursement. A Claim Form will be enclosed with your 2016 Year End Statement. A Claim Form can also be requested by contacting Kaufmann and Goble at 1-855-512-1170 or on the Northern California Pipe Trades Trust Funds site at www.ncpttf.com.

Further information can be found in the attached ***Frequently Asked Questions about your Prepaid Benefits Debit Card ("Benny Card")*** Notice. You should read the notice prior to use of your card.

If you do not receive your Benny Card by the first week in January or have further questions, please contact Kaufmann and Goble at 1-855-512-1170.

Frequently Asked Questions about your Prepaid Benefits Debit Card (“Benny Card”)

Northern California Pipe Trades Health and Welfare Health Reimbursement Account

General Questions on the Benny® Prepaid Benefits Card

1. What is the Benny Prepaid Benefits Card?

The Benny Prepaid Benefits Card is a special-purpose Visa® Card that gives Participants an easy, automatic way to pay for eligible health care or benefit expenses. The Card lets Participants electronically access the pre-tax amounts set aside in their respective Employee Benefits Accounts such as a Health Reimbursement Accounts (“HRA”).

2. How does the Prepaid Benefits Card work?

It works like a Visa® Card, with the value of the Participant’s account stored on it. When Participants Incur eligible health care expenses at a business that accepts Visa® debit cards, they simply use their Card. The amount of the eligible purchases will be deducted – automatically – from their account and the pre-tax dollars will be electronically transferred to the provider or merchant for immediate payment.

3. How does the Prepaid Benefits Card change how the Participant is reimbursed for expenses?

Before the Prepaid Benefits Card became available, Participants had to pay for their eligible expenses at the time of purchase, submit claim forms along with all receipts, and then wait for the reimbursement to be processed. Checks were issued and mailed to the Participants, who then cashed the checks.

However, with the Prepaid Benefits Card, Participants simply swipe their Cards and the funds are automatically deducted from their respective benefit account(s) for payment of eligible expenses. The Card eliminates most out-of-pocket cash outlays and paperwork, as well as the need to wait for reimbursement checks.

The Health Reimbursement Account Claim Form will still be available to submit for reimbursement for those eligible expenses that are not processed through the Card.

4. Is the Prepaid Benefits Card just like other Visa® Cards?

No. The Prepaid Benefits Card is a special-purpose Visa® Card that can be used only for eligible health care/benefits expenses. It cannot be used, for instance, at gas stations or restaurants and it cannot be cashed out. However, there are no monthly bills and no interest.

5. How many Prepaid Benefits Cards will the Participant receive?

The Participant will receive two Cards.

6. What if the Prepaid Benefits Card is lost or stolen?

Participants should call Kaufmann and Goble to report a Card lost or stolen as soon as they realize it is missing, so the Administrator can turn off their current Card(s) and issue replacement Card(s). There will be a \$5.00 fee for a replacement card. The fee will automatically be deducted from the Participant’s account.

Card Activation

1. How do Participants activate the Card?

Participants should call the toll-free number on the activation sticker on the front of the Card.

Participants can use both Cards once the first Card is activated – they do not need to activate both. They should wait one business day after activation to use their Cards. Each Card user should sign the Card with his or her own name.

2. What dollar amount is on the Prepaid Benefits Card when it is activated?

The current balance in your HRA account. You can check your balance at www.my.wexhealthcard.com. You should check your balance prior to use of the card. Account balances will change with account activity such as new contributions and payment of claims submitted through an HRA Reimbursement Claim Form.

Using the Card

1. Where may Participants use the Prepaid Benefits Card?

IRS regulations allow Participants to use their Prepaid Benefits Cards in participating pharmacies, mail-order pharmacies, discount stores, department stores, and supermarkets that can identify HRA-eligible items at checkout and accept Visa® prepaid cards. Eligible expenses are deducted from the account balance at the point of sale. Transactions are fully substantiated, and in most cases, no paper follow-up is needed. Participants can find out which merchants are participating by visiting www.my.wexhealthcard.com.

Some plan designs may also allow Participants to use their Cards in pharmacies that have certified that 90% of the merchandise they sell is HRA-eligible. However, since these pharmacies cannot identify the eligible items at the point of sale, another form of auto substantiation or paper follow-up may be required.

Participants may also use the Card to pay a hospital, doctor, dentist, or vision provider that accepts Visa® prepaid cards. In this case, auto-substantiation technology is used to electronically verify the transaction's eligibility according to IRS rules. If the transaction cannot be auto-substantiated, paper follow-up might be required.

2. Are there places the Prepaid Benefits Card won't be accepted?

Yes. The Card will not be accepted at locations that do not offer eligible healthcare expenses, such as hardware stores, restaurants, bookstores, gas stations and home improvement stores.

Cards may not be accepted at pharmacies, mail-order pharmacies, discount stores, department stores, and supermarkets that **cannot** identify HRA-eligible items at checkout. The Card transaction may be declined. Participants can find out which merchants are participating by visiting www.my.wexhealthcard.com.

3. If asked, should Participants select "Debit" or "Credit"?

Your Prepaid Benefits Card is actually a prepaid card. But, since there is no "prepaid" selection available, Participants should select "Credit." Participants do not need a PIN and cannot get cash with the Prepaid Benefits Card.

4. How does the Card work in participating pharmacies, discount stores, department stores, and supermarkets?

- a. Bring prescriptions, vision products, eligible Over-the-Counter products (OTCs) and other purchases to the register at checkout to let the clerk ring them up.
- b. Present the Card and swipe it for payment.
- c. If the Card swipe transaction is approved (e.g., there are sufficient funds in the account and at least some of the products are HRA-eligible), the amount of the HRA-eligible purchases is deducted from the account balance and no receipt follow up is required. The clerk will then ask for another form of payment for the non-HRA-eligible items.
- d. If the Card swipe transaction is declined, the clerk will ask for another form of payment for the total amount of the purchase.
- e. The receipt will identify the HRA-eligible items and may also show a subtotal of the HRA-eligible purchases.
- f. In most cases, the Participant will not receive requests for receipts for HRA-eligible purchases made in participating pharmacies, discount stores, department stores, or supermarkets.

5. Why do participants need to save all of their itemized receipts?

Participants and their other eligible Dependents should always save itemized receipts on HRA purchases made with the Prepaid Benefits Card. They may be asked to submit receipts to verify that their expenses comply with IRS guidelines. Each receipt must show the patient's name, merchant or provider name, the service received or the item purchased, the date, and the amount of the purchase. The IRS requires that every card transaction must be substantiated. This can occur through automated processing as outlined by the IRS (e.g. copay matching, etc.). If the automated processing is unable to substantiate a transaction, the IRS requires that itemized receipts must be submitted in order to validate expense eligibility.

6. How long do Participants need to save their itemized receipts?

Participants should save itemized receipts for a period of six (6) months.

7. May Participants use the Prepaid Benefits Card if they receive a statement with a Patient Due Balance for a medical service?

Yes. As long as they have money in their account for the balance due, the services were incurred on or after January 1, 2017, and the provider accepts Visa[®] debit cards. Participants can simply write the Card number on their statement and send it back to the provider.

8. Sometimes the Participant is asked for the CVV when paying the balance due or when placing an order by phone or online. What is this and where is it found?

CVV stands for "Card Verification Value." It is a 3-digit number that can be found on the back of the card to the right of the signature panel.

9. How do Participants know how much is in their account?

They can visit their personal Account Summary page at www.my.wexhealthcard.com. Participants should always know their account balance before making a purchase with the Card.

10. What if Participants have an expense that is more than the amount left in their account?

By checking their account balance often Participants will have a good idea of how much is available. When incurring an expense that is greater than the amount remaining in their account, Participants may be able to split the cost at the register (check with the merchant). For example, Participants may tell the clerk to use the Prepaid Benefits Card for the exact amount left in the account, and then pay the remaining balance

separately. Alternatively, Participants may pay by another means and submit the eligible transaction manually via a claim form with the appropriate documentation to Kaufmann and Goble.

11. What are some reasons that the Prepaid Benefits Card might not work at point of sale?

The most common reasons why a Card may be declined at the point of sale are:

- a. The Card has not been activated.
- b. The Card has been used before the 24-hour period after activation is over.
- c. The Participant has insufficient funds in his or her employee benefit account to cover the expense.
- d. Non-eligible expenses (e.g. grocery items) have been included at the point-of-sale. (Retry the transaction with the eligible expense only.)
- e. The merchant is encountering problems (e.g. coding or swipe box issues).
- f. The pharmacy, discount store, department store, or supermarket cannot identify HRA-eligible items at checkout according to IRS rules.

12. Whom do Participants call if they have questions about the Prepaid Benefits Card?

Call Kaufmann and Goble at the phone number shown on the back of the Card.

13. How will a Participant know to submit receipts to verify a charge?

The Participant will receive a letter or notification from Kaufmann and Goble if there is a need to submit a receipt. All receipts should be saved per the IRS regulations.

14. What if a Participant fails to submit receipts to verify a charge?

If receipts are not submitted as requested to verify a charge made with Prepaid Benefits Card, then the Card may be suspended until receipts are received. The participant may be required to repay the amount charged. Kaufmann and Goble will advise the Participant that the Card has been suspended, if a receipt is not received. Submitting a receipt or repaying the amount in question will allow the Card to become active again.

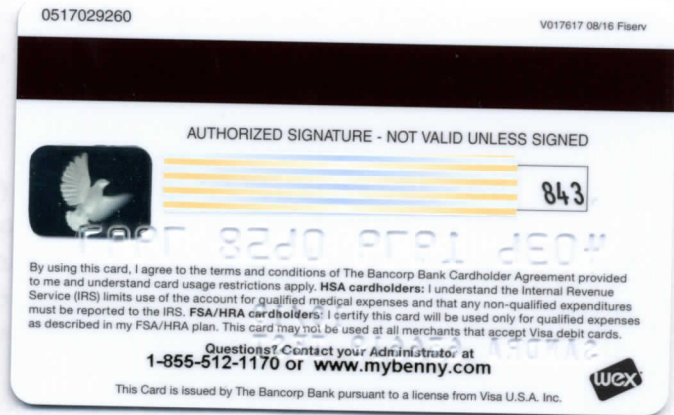
Congratulations on choosing the Health Benefits Prepaid Visa® Card to access your Health Reimbursement Account (HRA). It's the easy way to pay for qualified covered health care expenses without having to pay cash up front.

ACTIVATE YOUR CARD TODAY BY...

Calling toll free 1-866-898-9795.

Processes protected under US Patent Nos. 7,174,302, 7,197,468, 6,000,608 and 6,189,787 with additional patents pending

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Using Your Health Benefits Prepaid Visa[®] Card makes HRAs Fast, Easy, Automatic!

STEP 1: Activate and sign your Card(s).

- To activate your Card, follow the instructions on the Card sticker.
- For activating, your member ID is usually your Social Security Number or Health Plan Member ID.
- Sign the back of your Card and have the other eligible user sign the other Card.
- Check with your plan administrator on when your HRA funds are available.
- Don't throw your Cards out at the end of the plan year as they will be reloaded with the new plan year election.

STEP 2: Use your Card for current plan year qualified expenses only, for you and your dependents.

*For prescriptions and **eligible** over-the-counter (OTC) expenses:*

- Visit the web site on the back of your card or consult your Plan Administrator for the merchant list of pharmacies, discount stores, department stores and supermarkets where you can use your Card. If a store is not on the merchant list, your Card may decline due to IRS regulations.
- Swipe your card for the amount you owe for prescriptions and **eligible** over-the-counter (OTC) items covered by your health plan.
- Enter your card number on mail order prescription invoices and online pharmacies.

For medical, dental and vision expenses:

- Swipe your card for health plan copayments, dental expenses, vision services and eyeglasses and co-insurance.
- Enter your card number on "Amount Due" medical and dental statements.

STEP 3: Save all itemized receipts.

- You may be contacted by your Plan Administrator to submit receipts to verify expenses comply with IRS rules.

STEP 4: Check your account balances often.

- Check your balance via the web site or phone number on the back of your Card.
- Make sure you have sufficient funds in your account to cover your expenses.