

**NORTHERN CALIFORNIA PIPE TRADES
HEALTH AND WELFARE PLAN**

Health Reimbursement Account (HRA) Supplemental Accounts

This Health Reimbursement Account Document shall be considered an Amendment to the Northern California Pipe Trades Health and Welfare Plan (“Plan”) and is an Appendix to the Plan Document.

Article 1. Establishment of Supplemental Accounts

1. Each Active Participant for whom contributions are made under a Collective Bargaining Agreement for the purpose of a Supplemental account will receive Supplemental Account credit for those contributions. These Supplemental Accounts will be separate from, and in addition to, the amounts credited to each Active Participant for the purposes of determining current coverage and accruing a Reserve Hour Bank. Notwithstanding the above:
 - a. If a Participant working under a Collective Bargaining Agreement of UA Local Union 342 has reciprocity in effect, he or she shall not have a Supplemental Account in this Plan. Instead, his or her Supplemental Account contributions shall be reciprocated to his or her home Trust Fund, to be allocated at the discretion of the home Trust Fund’s Trustees and are sent as Health and Welfare Contributions. Travelers will not be permitted to participate in the Plan under any classifications above the mandatory amount.
 - b. If a participant of UA Local Union 342 is working under a collective bargaining agreement of another UA Local Union which has contributions dedicated to Supplemental Accounts or the equivalent, the participant shall receive credit towards his/her Reserve Hour Bank to give eligibility. The Board has determined that this is more beneficial to participant’s since other UA Local Union plans have lower contribution rates and these supplemental benefits can help maintain his/her eligibility.
 - b. Contributions to this Plan shall be in amounts provided in the Collective Bargaining Agreement.
2. Supplemental Accounts may be used for any purpose allowed under the Plan rules below and only for such purposes. Nothing in these rules for Supplemental Accounts shall be construed as making Supplemental Accounts vested at any time or subject to use in any manner except as provided herein.
3. Supplemental Accounts that have a year-end balance may be credited (or charged) an amount reflecting the income (or loss) on those Accounts for the Plan Year at the discretion of the Board of Trustees. Regardless of whether income or losses are allocated to Supplemental Accounts, the Board of Trustees reserves the power to assess an administrative charge against Supplemental Accounts. Statements are to be mailed on an annual basis, unless special circumstances prevent such distribution.
4. **Eligibility Rules.** Effective July 1, 2014, in order to comply with the Patient Protection and Affordable Care Act, IRS Notice 2013 54, and EBSA Technical Release 2013-03 the following eligibility rules apply:
 - a. In order to use the HRA for reimbursements, the Active or Retired Participant must be actually enrolled in the Northern California Pipe Trades Health and Welfare Plan or other group health coverage that provides minimum value pursuant to the Internal Revenue Code Section 36B(c)(2)(C)(ii), regardless of whether the other group health coverage is sponsored by the Northern California Pipe Trades Health and Welfare Trust Fund.
 - b. Proof of other group health coverage will be required in a manner to be determined by the Board of Trustees. If the Active or Retired Participant does not provide proof of enrollment in other group coverage that provides minimum value, in a manner determined by the Board of Trustees, benefits from the HRA will be limited to reimbursement of co-payments, co-insurance, deductibles, and

premiums, as well as medical care defined under the Internal Revenue Code Section 213(d) that does not constitute essential health benefits.

- c. Any Participant who has an HRA account balance **is permitted to** permanently opt out of and waive future reimbursements from his or her HRA account at least annually.
- d. Upon termination of employment, the Participant **may** elect to either: forfeit his or her HRA account balance **or** permanently opt out of and waive future reimbursements from his or her HRA account.

Article 2. Use of Supplemental Accounts

1. **Retiree Health and Welfare Payments.** Supplemental Accounts are intended primarily to be used to make Retiree Health and Welfare payments under this Plan. Once a Participant is receiving a Retirement Benefit from the Northern California Pipe Trades (NCPT) Pension Plan and is enrolled for Retiree Health and Welfare coverage under this Plan, the credits accrued in his or her Supplemental Account may be used to pay the monthly charge set by the Board of Trustees for Retiree Health and Welfare coverage.
2. **Qualified Expenses.** Any Active or Retired Participant who is eligible for benefits under this Plan may be reimbursed from his or her Supplement Account for any Qualified Expenses that are not otherwise covered under the Plan. A Retired Participant who is receiving a benefit under the NCPT Pension Plan but who is not covered as a Retiree under this Plan may also be reimbursed for Qualified Expenses. To qualify for payment through a Participant's Supplemental Account an expense must satisfy all of the following requirements:
 - a. The expense must have been for medical care as defined in Internal Revenue Code § 213(d), except as follows: An expense for premiums for medical coverage shall be reimbursable only if:
 - (i) A Surviving Spouse or Surviving Eligible Dependent of a Participant is using the Participant's Supplemental Account to make monthly payments required for Surviving Dependent Health and Welfare Coverage, or to pay premiums for COBRA continuation of Coverage based on the death of the Participant as the Qualifying Event. If the eligible Dependent(s)' Surviving Dependent Health and Welfare Coverage or COBRA Continuation of Coverage period ends before the Participant's Supplement Account is exhausted, that Account may be used to pay for the extended coverage for the Participant's Dependent(s), at the COBRA Continuation of Coverage rate, until the earlier of the following time (1) the Supplemental Account is exhausted; or (2) other coverage becomes available (including, but not limited to, coverage through Medicare or through another group health plan); or
 - (ii) The Participant is using his/her Supplemental Account to make Subsidized Self-Payments or COBRA payments for his/her coverage or covered as a Retiree, and the premium is for coverage of a Dependent under insurance or a group health plan other than this Plan.
 - (iii) Surviving Eligible Dependents who are enrolled at the time of a Participant's death may be eligible to continue to use the remaining Supplemental Account.
 - b. The expense must have been incurred once Initial Eligibility was established for HRA Benefits.
 - c. The expense must have been incurred by the Participant or by a person who was then either a covered Eligible Dependent of the Participant (Active Participants) or a Dependent within the meaning of Internal Revenue Code § 152. No cash Death Benefit distribution may be made unless permitted by the Internal Revenue Code or lawful regulations issued thereunder.
 - d. Domestic Partners and their Eligible Dependents or Dependents covered through legal guardianship are not considered Dependents pursuant to the Internal Revenue Code.
 - e. The claim for Supplemental Account Benefits may be made at any time after the expense is incurred.
 - f. The expense must be incurred on or after January 1, 2007.
 - g. The Participant or Dependent must provide proof satisfactory to the Board of Trustees that the claim satisfies the requirements under Section 3.

- h. Effective July 1, 2014, amounts credited to the Participant's HRA cannot be used to reimburse premiums or expenses for individual market coverage or individual coverage purchased from the Public or Private Health Insurance Marketplace (also known as the Exchange).

3. Procedures for Payment of Benefits.

- a. Benefits will be paid only to a Participant or an Eligible Surviving Dependent. Benefits will be paid only after a Participant or an Eligible Surviving Dependent has incurred a Qualified Expense, and submitted a claim with supporting documents. Assignment of Supplemental Account Benefits is not allowed. If a claim is submitted with incomplete or no supporting information for expenses and a request for more information has been sent, but the Participant or Eligible Surviving Dependent fails to respond, the claim will automatically be denied one (1) year from the date the request for additional information was sent.
- b. Claims may be submitted at any time. Generally reimbursements for claims filed by the end of a month with all necessary documentation will be paid by the 15th of the next month. If a Participant, Retiree, or Dependent is aggrieved by the action on a claim, he or she may appeal that action to the Board of Trustees under the general appeal procedures in the Northern California Pipe Trades Health and Welfare Plan. The Plan has discretion to process claims less often than monthly if necessary, and may require more than 30 days to process claims if deemed appropriate.
- c. Claims for submission are generally the same eligible expenses as determined by the Northern California Pipe Trades Health and Welfare Plan. Exclusions and limitations as noted in that Plan apply.
- d. If a claim has unreimbursed expenses and an entire calendar year has passed without receipt of any HRA contributions the claim will be deemed closed.

4. Claims and Appeal Rights. The same claims and appeal rights in the Northern California Pipe Trades Health and Welfare Plan apply to this Plan.

5. Benefits are not Vested. The Board of Trustees may amend, reduce, eliminate or otherwise change the Supplemental Plan at any time and may change, reduce, or discontinue any Plan Benefits, in whole or in part, at any time. The Board of Trustees may change the eligibility requirements and any other Plan rules at any time.