

Carpenters and Joiners Welfare Fund Dollar Bank Eligibility Structure Questions and Answers

1) What is the difference between the current hourly eligibility structure and the Dollar Bank eligibility structure?

Prior to January 1, 2017, you may become covered under the Carpenters and Joiners Welfare Fund ("Plan") under the "Quarterly (Rolling Three Month) Rule" for initial and ongoing eligibility or the "Six Month Rule" for initial eligibility. Effective January 1, 2017, the Plan has been changed to a new method of eligibility for initial and ongoing eligibility. Instead of eligibility being based on hours worked in Covered Employment, eligibility now depends on the amount of contributions made to the Plan on your behalf and credited to your Dollar Bank.

2) What is the Dollar Bank?

- The Dollar Bank is an account that is established for you as an Employee.
- When you work for an Employer, the hourly contributions submitted on your behalf are credited to your Dollar Bank.
- The hourly contribution amount is set forth in the applicable collective bargaining agreement. The currently hourly contribution rate is \$6.81.
- The Dollar Bank is merely a record keeping account with the purpose of keeping track of contributions.
- A Dollar Bank is a non-vested benefit and can be forfeited.
- **If you have sufficient contributions in your Dollar Bank to cover the Plan's Required Contribution (monthly premium), the monthly premium will automatically be drawn from your Dollar Bank to pay for your coverage.**

3) What is the Required Contribution (monthly premium)?

The Required Contribution is the amount of Employer Contributions necessary to pay for one month of coverage under the Plan. **The Required Contribution for 2017 is \$975.00.** The Required Contribution is reviewed by the Board of Trustees on an annual basis and is subject to change at the discretion of the Board of Trustees based on the Plan's actual experience of health care costs.

4) How do I become Covered Under The Plan with a Dollar Bank?

- Initial Eligibility - You will become initially eligible on the first day of the calendar month following the calendar month in which the dollar amount of total contributions in your Dollar Bank exceeds the monthly premium amount for Plan coverage established by the Trustees.
- Continuing Eligibility - Once you are covered in accordance with the Initial Eligibility rules, you will remain covered for any succeeding month provided the total dollar amount of contributions made on your behalf by the 15th of the prior month is equal to or exceeds the monthly premium amount established by the Trustees or you continue coverage pursuant to the Self-Payment Procedures stated in question 5 below.

Beginning January 1, 2017, if the Employer Contributions you earn during a month exceed the amount required to maintain coverage under the Plan, the excess amount will be added to your Dollar Bank. Your Dollar Bank will automatically be used for months in which the Employer Contributions on your behalf are insufficient to pay for coverage to continue.

4) How do I become Covered Under the Plan with a Dollar Bank (continued)?

Dollar Bank — Initial and Continuing Eligibility - Example		
Work Month	Lag Month	Coverage Month If you have at least \$975 in your Dollar Bank on the 1 st of the month
January	February	March
February	March	April
March	April	May
April	May	June

Dollar Bank — Initial and Continuing Eligibility Detailed Example									
Work Month	Hours Worked at \$6.81 per Hour	Lag Month	Employer Contributions Reported in Lag Month	Dollar Bank at Start of Month	Dollar Bank available for Eligibility	Eligibility Deduction, Monthly Premium Dollars	Dollar Bank at End of Reporting Month	Coverage Month	Eligible
Apr-17	50	May-17	\$340.50	\$0.00	\$340.50	-	\$340.50	Jun-17	NO
May-17	89	Jun-17	\$606.09	\$340.50	\$946.59	-	\$946.59	Jul-17	NO
Jun-17	135	Jul-17	\$919.35	\$946.59	\$1,865.94	(\$ 975.00)	\$890.94	Aug-17	YES
Jul-17	148	Aug-17	\$1,007.88	\$890.94	\$1,898.82	(\$ 975.00)	\$923.82	Sep-17	YES
Aug-17	159	Sep-17	\$1,082.79	\$923.82	\$2,006.61	(\$ 975.00)	\$1,031.61	Oct-17	YES
Sep-17	201	Oct-17	\$1,368.81	\$1,031.61	\$2,400.42	(\$ 975.00)	\$1,425.42	Nov-17	YES

In this example, the participant is credited with enough contributions to meet and exceed the 2017 monthly premium of \$975 following the participant's June 2017 work hours (April 2017 work hours: \$340.50 + May 2017 work hours: \$606.09 + June 2017 work hours: \$919.35 = **\$1,865.94**).

Therefore, \$975 is subtracted from the participant's Dollar Bank to grant coverage for **August 2017**. Following coverage for August 2017, the participant now has \$890.94 remaining in his Dollar Bank (\$1,865.94 - \$975 = \$890.94) to be used for future months of coverage.

5) Can I make self-payments to the Plan if I don't have sufficient contributions in my Dollar Bank to cover the Plan's Required Contribution?

Yes. Once you have established eligibility for coverage under the Plan, if the amount of contributions received and the amount in your Dollar Bank are insufficient to pay the established premium for one month's coverage, you may continue your coverage by either:

- Self-Paying the difference between (a) the amount of employer contributions made on your behalf plus any available amount in your Dollar Bank and (b) the required monthly premium established by the Trustees; or
- Electing COBRA Continuation of Coverage

(If you have insufficient contributions in your Dollar Bank, you will receive a self-pay notice from the Fund Office. Once you have made your election between self-payment and COBRA Continuation Coverage, it cannot be changed. You will not be allowed to make full or partial self-payments for a period lasting longer than eighteen (18) months.)

Dollar Bank — Self-Pay Coverage Option Example

Work Month	Hours Worked at \$6.81 per Hour	Lag Month	Employer Contributions Reported in Lag Month	Dollar Bank at Start of Month	Dollar Bank available for Eligibility	Eligibility Deduction, Monthly Premium Dollars	Dollar Bank at End of Reporting Month	Coverage Month	Eligible
Apr-17	50.00	May-17	\$340.50	\$0.00	\$340.50	-	\$340.50	Jun-17	NO
May-17	89.00	Jun-17	\$606.09	\$340.50	\$946.59	-	\$946.59	Jul-17	NO
Jun-17	135.00	Jul-17	\$919.35	\$946.59	\$1,865.94	(\$ 975.00)	\$890.94	Aug-17	YES
Jul-17	148.00	Aug-17	\$1,007.88	\$890.94	\$1,898.82	(\$ 975.00)	\$923.82	Sep-17	YES
Aug-17	27.00	Sep-17	\$183.87	\$923.82	\$1,107.69	(\$ 975.00)	\$132.69	Oct-17	YES
Sep-17	98.00	Oct-17	\$667.38	\$132.69	\$800.07 + \$174.93 Self-Pay = \$975	(\$ 975.00)	\$0.00	Nov-17	YES

Monthly Premium:	\$975.00
Available Dollar Bank:	- \$800.07
Self-Pay Option:	\$174.93
Amount for November 2017 Coverage	

In this example, following the participant's September 2017 work hours, the participant does not have enough contributions in their Dollar Bank to meet or exceed the Monthly Premium of \$975 for November 2017 coverage. In this example, the participant has the option to continue coverage for November 2017 by making a self-payment to the Plan for the difference between the monthly premium of \$975 and the remaining amount in their Dollar Bank of \$800.07, which is **\$174.93**. In this example, the participant chose to make the \$174.93 self-payment, which grants the participant November 2017 coverage.

**This document is for general information purposes and does not replace the Carpenters and Joiners Welfare Fund Summary Plan Description and Plan Document ("SPD"). If there are any discrepancies or differences between this document and the SPD, the language in the SPD supersedes and prevails over any content on this document.

6) If I lose coverage, how do I regain my coverage under the Plan?

If you become ineligible for Plan benefits because of insufficient contributions in your Dollar Bank and you fail to make the required self-payment to maintain eligibility, you will have to satisfy the Plan's initial eligibility rules in order to restore your eligibility for Plan benefits without self-payments. See question 4 above.

If you lose eligibility through active employment, but then maintain coverage through COBRA Continuation Coverage, you will need to satisfy the Plan's initial eligibility rules to restore your eligibility for coverage without self-contributions for COBRA Continuation Coverage.

7) Is there a maximum amount I can have in my Dollar Bank Account?

No. There is not a maximum amount that you can have in your Dollar Bank.

8) Can my Dollar Bank be forfeited?

Yes. While you are in the process of obtaining initial eligibility and once contributions start being made to the Plan, you will have a rolling six (6) month period to establish initial eligibility for coverage under the Plan. If you are unable to establish initial eligibility during the first six (6) months, the contributions made on your behalf in the first month of the initial six (6) month period will be forfeited. The rolling six (6) month initial eligibility period will continue until the dollar amount of total Employer Contributions during a consecutive six (6) month period exceeds the Required Contribution.

If you stop working in a job classification for which Contributions must be made to the Plan, you will immediately become ineligible for Plan benefits, your accumulated Dollar Bank will be forfeited, any previously earned rate discount for retiree coverage will be forfeited, and you will have no right to continue to be Covered Under The Plan (other than any right you may have under COBRA), if both of the following are true:

- You work for an employer or as an employer that is not obligated to contribute to the Plan; and
- Your work is of a type for which Employers contribute to the Plan.

9) How will my current coverage and Supplemental Reserve Credits (Hour Bank) be converted with the change of the hourly eligibility structure to the Dollar Bank eligibility structure?

Upon conversion from the hourly eligibility structure to the Dollar Bank eligibility structure, you may be credited with an initial Dollar Bank Balance. Your initial Dollar Bank Balance, if any, will be the product of multiplying your extended eligibility based on the existing hourly eligibility structure, which includes any Supplemental Reserve Credits (Hour Bank), by the 2017 Required Contribution (\$975).

For example: If upon conversion, your projected eligibility provides you extended coverage for a period of fifteen (15) months, the initial Dollar Bank balance that you will be credited with will be fifteen months (15) multiplied times \$975, which equates to an initial Dollar Bank balance of: \$14,625.

If you were recently new to the Plan and working to establish eligibility under the hourly eligibility structure, the partial contributions made on your behalf, dollar-for-dollar, will be credited to your initial Dollar Bank Balance so that you are given the opportunity to add to the partial contributions to achieve Dollar Bank eligibility. This partial credit will only be given to new participants who did not have the opportunity to establish eligibility under the hourly eligibility structure prior to the Dollar Bank conversion effective date of January 1, 2017.

10)What happens with my Dollar Bank when I retire?

When you retire, if you have sufficient contributions in your Dollar Bank to cover the Plan's Required Contribution (monthly premium), the monthly premium will automatically be drawn from your Dollar Bank to continue to pay for Active coverage. Once you no longer have enough Dollar Bank contributions to pay for a month of Active coverage under the Plan, and you otherwise meet the criteria for retiree coverage as provided in the Summary Plan Description, you may continue coverage for yourself and your Dependents on a self-payment basis by making the correct and on time Retiree Self-Contributions to the Plan. Retiree Self-Contribution rates are set by the Board of Trustees and they are typically evaluated on an annual basis.

11)What happens to my Dollar Bank if I pass away?

If you, the Employee, die while Covered Under The Plan, the coverage which was in force at the time of your death will be continued for your Dependents until any Dollar Bank dollars that you have are exhausted. After your Dollar Bank is exhausted, coverage for your Dependents may be continued, so long as they make the required Self-Contributions.

12)What happens to my coverage if I am unable to work as a result of an accidental bodily Injury or Sickness?

If you are eligible to or are receiving accident and sickness benefits under this Plan, or if you are eligible to receive benefits under any worker's compensation, occupational disease law, or no-fault automobile insurance policy, you will receive the equivalent of one quarter (1/4) of the Required Contribution for each week that you are entitled to or are drawing such benefits. In no case will the Employer Contributions for a month under this section exceed the amount required to pay for one month of coverage. Any excess Employer Contributions (above the amount required to pay for one month of coverage) will be credited to you at the end of your disability.

These contribution credits will cease when the entitlement to benefits ceases, or if earlier, when you have received twenty-six (26) consecutive weeks of contributions under this provision.