Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund

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Administered by
Welfare & Pension Administration Service, Inc.

October 14, 2026

MEDICARE NOTICE OF NON-CREDITABLE COVERAGE
Important Notice From Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund Regarding Your *Retiree* Prescription Drug Coverage and Medicare

If you or your eligible dependents are currently Medicare eligible or will become Medicare eligible during the next 12 months, you need to be sure that you understand whether the prescription drug coverage that you elect under the Medical Plan is or is not creditable with (as valuable as) Medicare's prescription drug coverage.

You should review the Plan's Medicare Part D Notice of Non-Creditable Coverage in paragraph 2.

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are three important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

2. **Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund has determined that the *Retiree* prescription drug coverage option under which you are covered in the Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund is, on average for all retired plan participants in this plan option, NOT expected to pay out as much as standard Medicare prescription drug coverage pays. Therefore, your coverage is considered Non-Creditable Coverage. This is important because, most likely, you will get more help with your drug costs if you join a Medicare drug plan, than if you only have prescription drug coverage from the Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund. This also is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible.**

3. You can keep your current coverage from the Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund However, because your coverage is non-creditable, you have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join a drug plan. When you make your decision, you should compare your current coverage, including what drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Read this notice carefully – it explains your options.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from **October 15th** to **December 7th.**

However, if you decide to drop your current coverage with the Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund, since it is employer/union sponsored group coverage, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan; however, you also may pay a higher premium (a penalty) because you did not have creditable coverage under the Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

Since the coverage under the Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund is not creditable and depending on how long you go without creditable prescription drug coverage, you will pay a penalty to join a Medicare drug plan. Starting with the end of the last month that you were first eligible to join a Medicare drug plan but didn't join, if you go 63 continuous days or longer without prescription drug coverage that's creditable, your monthly premium will go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium will always be at least 19% higher than what most people pay. You will have to pay this higher premium (penalty) as long as you have Medicare prescription drug coverage. In addition, you will have to wait until the following October to enroll.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund coverage will not be affected. Under the Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund, the Prescription Drug Program for retirees requires a separate $50 deductible for each person receiving benefits in each calendar year. After the deductible has been met for the current calendar year, the plan will reimburse 80% of the cost of a generic prescription and 70% of the cost of a brand-named prescription drug. Reimbursement will be made based upon reasonable and customary charges. The maximum benefit per year is $1,000 per family. Your current coverage pays for other medical expenses, in addition to prescription drugs. You will still be eligible to receive all of your current medical benefits if you choose to enroll in a Medicare prescription drug plan. If you or your Dependent are Medicare eligible and are enrolled in a Medicare Part D Prescription Drug Plan, this Plan will reimburse your Medicare Part D deductible, copays and coinsurance up to the $1,000 maximum benefit per family per year.

If you do decide to join a Medicare drug plan and drop your current Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund Retiree coverage, be aware that you and your dependents will not be able to re-enroll in this coverage at a later date.

For More Information About This Notice Or Your Current Prescription Drug Coverage

If you have specific questions about the Trust's prescription drug coverage, call the Administration Office at (877) 441-1212.

NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through the Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Non-Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date:	October 14, 2026
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Contact Office	Welfare & Pension Administration Service, Inc.
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