

Locals 302 and 612 of the International Union of Operating Engineers Trust Funds

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Administered by
Welfare & Pension Administration Service, Inc.

May 31, 2019

**TO: All Eligible Plan Participants
Locals 302 and 612 IUOE Construction Industry Health and Security Fund**

RE: Upcoming Changes to Dollar Bank Deduction for Monthly Coverage

This is a Summary of Material Modification describing changes to your health plan adopted by the Board of Trustees. Please be sure that you and your family read it carefully and keep this document with your Summary Plan Description Booklet.

The Trust is primarily funded with contributions required under collective bargaining agreements between the IUOE 302 and 612 and signatory employers in Washington and Alaska. When those collective bargaining rates change, monthly amounts required for continued eligibility in the health plan also change.

Effective with June 2019 hours for August 2019 coverage, the following changes have been made to the eligibility provisions that apply to Hourly Employees:

The \$100 and/or \$200 monthly credits that have been applied to participant dollar banks will be eliminated **effective with June 2019 hours. Participant dollar banks will receive the May 2019 credits.** Any monies in excess of the Dollar Bank Maximum that a participant has in the bank on June 30, 2019 will be grandfathered and available for use if needed. For example, a participant would use the “grandfathered” bank money to maintain coverage when active hours are not adequate. As the grandfathered bank monies are used, they cannot be replenished beyond the newly established Dollar Bank Maximum (see below).

Initial Eligibility

The minimum contribution required to establish initial dollar bank eligibility:

- Washington will decrease from \$1,752 to \$1,509, and
- Alaska will decrease from \$2,097 to \$1,852

(Contribution amount must be accumulated within a consecutive three-month period).

Continued Coverage

The monthly dollar bank deduction for coverage will change as follows for Bargained Hourly employees whose employers remit contributions for ALL hours worked, with **June hours for August coverage**:

- from \$1,168 to \$1,006 per month in Washington
- from \$1,398 to \$1,235 per month in Alaska

The monthly dollar bank deduction for coverage will change as follows for Bargained Flat Rate employees with **July hours for September coverage**:

- from \$1,264 to \$1,347 per month for Washington
- from \$1,469 to \$1,575 per month for Alaska

The new Associate monthly contribution rates will be:

- \$1,347 for Washington associate employees, and
- \$1,575 for Alaska associate employees.

Any participant covered by a collective bargaining agreement that has an hourly contribution which is not at least equivalent to the AGC Master Labor Agreement and whose employer remits contributions on less than all of participants' hours worked in a month, will be charged the higher Bargained Flat Rate deduction factor, for a month of coverage.

Dollar Bank Maximum

Effective August 1, 2019, the maximum dollar amount that can accumulate in an hourly employee's dollar bank is:

- \$8,048 in Washington, and
- \$9,880 in Alaska

If you have any questions, please contact the Administration Office at (206) 441-7314 or (877) 441-1212, option 4.

Sincerely,

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