



AUTOMOBILE MECHANICS' LOCAL 701 WELFARE FUND

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IMPORTANT BENEFIT PLAN CHANGES

The Trustees of the Automobile Mechanics' Local No. 701 Union and Industry Welfare Fund previously made certain changes to the **HRA for Medicare Eligible Retirees** plan (the "Plan") in connection with the COVID-19 public health emergency and national emergency, which are documented in previous summaries of material modifications to the applicable combination Summary Plan Description and Plan Document ("SPD/Plan"). At the end of January, the Biden Administration announced its intention to end both the public health emergency and the national emergency. If the Biden Administration goes through with this plan, your benefits will change as described below. The Fund Office will follow up if the Biden Administration ends either the public health emergency or the national emergency on a different date and/or issues further guidance that impacts the information provided below. Capitalized terms not defined in this Notice have the meaning as defined in the SPD/Plan:

1. Certain time frames related to COBRA Continuation Coverage and claims periods due to the COVID-19 pandemic were temporarily extended. These extensions are no longer effective as of the end of the "Outbreak Period," as described below.

SUMMARY OF MATERIAL MODIFICATIONS

This document, referred to as a “summary of material modifications,” is intended to supplement the SPD/Plan. You should retain this summary of material modifications with your copy of the SPD/Plan. If you have any questions, you may contact the Fund Office (708) 482-0110 ~ Toll Free (800) 704-6270.

1. End of Extensions of COBRA Continuation Coverage and Claims Periods During the COVID-19 Outbreak Period

The time periods described below were tolled between March 1, 2020 and the earlier of (a) one year from the date on which an individual first became eligible for relief under the COVID-19 extensions or (b) the 60th day after the announcement of the end of the National Emergency that was declared for the COVID-19 pandemic (the “Outbreak Period”). Though President Biden recently signed into law legislation that ended the National Emergency as of April 10, 2023, the Department of Labor has announced in informal, verbal guidance that the end of the Outbreak Period is anticipated to be July 10, 2023 (60 days following May 11, 2023). Assuming the Outbreak Period ends July 10, 2023, as anticipated, the extensions will no longer apply to the following deadlines beginning July 10, 2023:

- The time period for you to enroll your Dependent spouse in the Plan after you get married (i.e., 90 days after such marriage)
- The time period for you to notify the Plan of a qualifying event that would make you eligible for continuation coverage under the Consolidated Omnibus Budget Reconciliation Act (“COBRA”), such as a divorce or separation (60 days after the qualifying event)
- The 14-day time period for the Plan to send you a COBRA election notice once it learns of a qualifying event that you report or that your employer reports (such as a divorce or separation)
- The time period for you to elect COBRA continuation coverage (60 days after you receive the COBRA election notice)
- The time period for you to pay your COBRA premiums if you have elected COBRA continuation coverage (45 days for the initial premium, by the first of the month for each month of coverage thereafter subject to a 30-day grace period)
- The time period to file a benefit claim (generally 1 year from the date of service)
- The time period to appeal the denial of a benefit claim or an adverse benefit determination (generally 180 days after the denial of the claim)
- The time period to seek an external review if the denial of your benefit claim involved medical judgment (generally 4 months from the denial of the claim)
- The time period to submit information necessary to perfect your claim for external review

Example – How this Impacts Enrollments For Life Events

If you got married May 1, 2022 and wish to enroll your spouse in the Plan, you have until 90 days after May 1, 2023 (or until July 30, 2023) to enroll your spouse under the COVID-19 extensions. If you got married, or get married, any time between July 11, 2022-July 10, 2023, you have until 90 days following July 10, 2023 (or until October 8, 2023) to enroll your spouse in the Plan under the COVID-19 extensions. If you get married any time after July 10, 2023, the normal time periods will apply, and you will have 90 days from the date of your marriage to enroll your spouse in the Plan.

Example – How this Impacts Time To File and Appeal Benefit Claims

If you received outpatient medical treatment on May 1, 2022 and incurred medical expenses related to that treatment, you have 1 year following May 1, 2023 (or until April 30, 2024) to file a claim for reimbursement related to that treatment under the COVID-19 extensions. If you received outpatient medical treatment and incurred medical expenses related to that treatment, or if you receive outpatient medical treatment and incur medical expenses related to that treatment, any time between July 11, 2022-July 10, 2023, you have until 1 year following July 10, 2023 (or until July 9, 2024) to file a claim for reimbursement related to that treatment under the COVID-19 extensions. If you incur medical expenses any time after July 10, 2023, the normal time periods will apply and you will have 1 year following the date you incur expenses to file a claim for reimbursement.

If you submitted a claim that was denied on May 1, 2022, you have until 180 days following May 1, 2023 (or until October 28, 2023) to file an appeal. If you submitted a claim that was denied any time between July 11, 2022-July 10, 2023, you have until 180 days following July 10, 2023 (or until January 6, 2024) to file an appeal. If you submit a claim any time after July 10, 2023, the normal time periods will apply and you will have 180 days following the date of denial to file an appeal.

Example – How this Impacts Time To Enroll in COBRA Continuation Coverage

If you divorced your spouse and they were sent a COBRA election notice on May 1, 2022, they will have 60 days following May 1, 2023 (or until August 30, 2023) to elect COBRA continuation coverage. If you divorced, or divorce, your spouse and they receive a COBRA election notice any time between July 11, 2022-July 10, 2023, they will have until 60 days following July 10, 2023 (or until September 8, 2023) to elect COBRA continuation coverage under the COVID-19 extensions. If you divorce your spouse and they receive a COBRA election notice any time after July 10, 2023, the normal time periods will apply and they will have 60 days following receipt of the COBRA notice to elect coverage.

Example – How this Impacts The Time To Pay COBRA Premiums

Under the Plan's written terms, premiums for COBRA coverage are due on the first day of the month of coverage (e.g., premiums are due May 1 for COBRA coverage in May). You generally have a 30-day grace period for existing COBRA elections (45-day for initial COBRA coverage elections) to pay the premium before COBRA coverage is terminated. If you do not pay the premium by the end of the grace period, your COBRA coverage is terminated **retroactively** to the first of the month for which you failed to pay the premium.

However, despite this general rule, if, for example, you elected COBRA continuation coverage effective as of January 1, 2023, and failed to make the May 1, 2023 payment or any subsequent payments, you will have until 30 days after July 10, 2023 (or until August 9, 2023) to pay the past-due premium for May 2023 and any subsequent past-due premiums under the COVID-19 extensions. If you fail to pay all past due premiums when the COVID-19 extensions end, your coverage will be terminated **retroactively** to the first day of the first month of coverage for which no premium was paid, and the Plan will seek to recover any benefits that were paid on your behalf for all months of coverage for which no payment was made. Recovery will be sought from you and/or your medical (including prescription drug) or vision service providers, which could leave you with large and unexpected out-of-pocket expenses.

However, please note that claims that come in during a month of coverage for which no COBRA premium has been received will be suspended and not paid until the premium for that month of coverage is received. If the premium is received, the claims will be paid retroactively.

A Final Note

As noted above, this “summary of material modifications,” is intended to supplement the SPD/Plan. Full details are contained in the SPD/Plan. The Trustees reserve the right to amend, modify, or terminate the Plan at any time and from time to time. Receipt of this document does not confer or guarantee eligibility for benefits. If you have any questions, you may contact the Fund Office (708) 482-0110 ~ Toll Free (800) 704-6270.