

# ARIZONA SHEET METAL TRUST FUNDS

HEALTH AND WELFARE

ADMINISTRATIVE OFFICE

PENSION

2400 W. Dunlap Ave., Suite 250  
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**Date: October 1, 2010**

**To: All Active Employees, Retirees and their Dependents, including COBRA beneficiaries, of the Arizona Sheet Metal Trade Trust Fund**

## **PARTICIPANT NOTICE ABOUT BENEFIT MODIFICATIONS**

This Participant Notice will advise you of certain material modifications that have been made to the Arizona Sheet Metal Trade Trust Fund to comply with the new health care reform law effective October 1, 2010. **This information is VERY IMPORTANT to you and your dependents.** Please take the time to read it carefully.

### **COVERAGE FOR DEPENDENT CHILDREN TO AGE 26 EFFECTIVE OCTOBER 1, 2010**

***Attention Parents* - please make sure to provide a copy of this notice to any children entitled to this special enrollment right. Under the law and applicable regulations, this notice is being transmitted to you for delivery to your children.**

The Affordable Care Act, the short-hand name for the health care reform law signed by President Obama on March 23, 2010, allows young adults to be covered by their parents' plan until they reach age 26. The law states that the extension of dependent coverage for children is effective for plan years beginning on or after September 23, 2010.

For our Plan, this law is effective October 1, 2010, and therefore, the Trust Fund is extending dependent child coverage from the current limiting age of 19 (or to age 23 if a full-time student) up to the end of the month in which a dependent child turns age 26.

Effective October 1, 2010, dependent children do not have to be unmarried or be full-time students or reside with the employee in order to qualify for this extended coverage. For more information on the appropriate enrollment forms, contact the Administrative Office.

### **ONE-TIME SPECIAL ENROLLMENT**

Individuals whose coverage ended, or who were denied coverage (or were not eligible for coverage), because the availability of dependent coverage of children ended before attainment of age 26 are eligible to enroll in the Arizona Sheet Metal Trade Trust Fund health plan.

Individuals have 30 days to request enrollment and coverage will be effective October 1, 2010. For more information contact the Administrative Office at 602-249-3582.

### **One-Time Special Enrollment**

If you have a child who is under age 26 (whether married or unmarried), including a child that is currently on COBRA continuation coverage, that child may be eligible to enroll in the Plan with coverage effective on October 1, 2010.

This special enrollment opportunity applies to children whose coverage under the Plan already ended (or eligibility was never approved) because they did not meet the eligibility requirements of the Plan including reaching the limiting age, were not full-time students or graduated from college, married, were not residing with the employee or not meeting the financial support requirements of the Plan along with children who are currently on COBRA continuation coverage because they lost eligibility under the Plan.

**NOTE:** This Special Enrollment opportunity **does not apply** to adult dependent children who are eligible to enroll in another employer-sponsored health plan (other than their parent's group health plan).

**The Special Enrollment period is the 30-day period from October 5, 2010 through November 4, 2010.**

- To enroll a dependent child, the employee must complete an Enrollment Form available from the Administrative Office.
- Be prepared to present the child's birth certificate at the time you complete the Enrollment Form.
- A dependent child enrolled during this period will have coverage effective on October 1, 2010.
- Any dependent children added during this Special Enrollment opportunity will have all the same benefits that are available to similarly situated individuals.

This new Special Enrollment opportunity afforded under the Federal law applies to the child who is enrolled and **does not** create any eligibility for coverage for the husband or wife of the child (the employee/retiree's son-in-law or daughter-in-law) or the children of the child (the employee/retiree's grandchild).

The Plan will continue to provide coverage for disabled adult children who are age 26 and older in accordance with the eligibility rules set out in the SPD/Plan Rules, including the Eligible Employee's unmarried Dependent children who are incapable of self-sustaining employment by reason of a **mental or physical handicap** provided that the Eligible Employee continues Dependent coverage and such incapacity commenced prior to the date the Dependent child's coverage would otherwise terminate, and provided that the child is dependent upon the Eligible Employee for support and maintenance.

**ELIMINATION OF THE \$1,000,000 LIFETIME MAXIMUM  
EFFECTIVE OCTOBER 1, 2010.**

**PLAN IS REPLACING THE LIFETIME MAXIMUM WITH  
AN ANNUAL MAXIMUM ON ESSENTIAL BENEFITS**

The Plan's \$1,000,000 Lifetime Maximum and reinstatement of the lifetime maximum is being removed effective October 1, 2010. This means that there will be no overall lifetime maximum on essential medical plan benefits. Instead, the **Plan will increase the calendar year maximum for all essential benefits for all plan participants to \$750,000 effective October 1, 2010.**

**ONE-TIME SPECIAL ENROLLMENT OPPORTUNITY**

The lifetime limit on the dollar value of benefits under the Arizona Sheet Metal Trust Fund group health plan no longer applies as of October 1, 2010. Individuals whose coverage ended by reason of reaching a lifetime limit under the Plan are eligible to enroll in the Plan. Individuals have 30 days to request enrollment and coverage will be effective October 1, 2010. For more information, contact the Administrative Office at their phone number on the last page of this document.

**The Special Enrollment period is the 30-day period from October 5, 2010 through November 4, 2010.** To enroll an eligible individual who previously lost coverage on account of exceeding the lifetime maximum, the employee must complete an Enrollment Form available from the Administrative Office. Be prepared to present proof of dependent status such as the marriage certificate or birth certificate at the time you complete the Enrollment Form. The effective date for coverage for individuals who enroll under this Special Enrollment opportunity will be October 1, 2010.

This notice is being provided to employees and retirees who should also share this notice with any dependents who may now be eligible to enroll for coverage.

**CERTAIN CALENDAR YEAR MAXIMUMS CHANGED  
EFFECTIVE OCTOBER 1, 2010**

The Plan will be removing the following calendar year maximums effective October 1, 2010:

- There will no longer be a \$100,000 per year maximum for 24 months for Employees and their dependents who attained or renewed eligibility under the Initial Eligibility provisions of the Plan.
- There will no longer be a \$2,000 annual dental plan maximum for pediatric dental care for children up to age 19 years. The \$2,000 per year annual dental plan maximum will remain for individuals age 19 and older.

In addition, any other calendar year dollar maximums currently in the Plan that relate to "essential health benefits," a technical term in the new law, will not apply.

Instead of the above noted maximums, the **Plan will add a \$750,000 calendar year maximum for all essential benefits effective October 1, 2010.**

**NO RETROACTIVE CANCELLATION OF COVERAGE  
EFFECTIVE OCTOBER 1, 2010**

In accordance with the requirements in the Affordable Care Act, effective October 1, 2010, the Plan will not retroactively cancel coverage except when contributions are not timely paid, or in cases of fraud or intentional misrepresentation of material fact.

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Because this Plan is a “grandfathered health plan,” we are required by law to provide this notice to you:

This group health plan believes this plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted.

Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Administrative Office at 801-908-5781 or Toll Free at 877-416-8181. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform). This website has a table summarizing which protections do and do not apply to grandfathered health plans.

Please keep this important notice with your Plan Document/Summary Plan Description (SPD) for easy reference to all Plan provisions. Should you have any questions, please contact the Administrative Office at 602-249-3582.

Sincerely,

Board of Trustees

Receipt of this notice does not constitute a determination of your eligibility. If you wish to verify eligibility, or if you have any questions regarding the Plan changes, please contact the Administrative Office.