

OPERATING ENGINEERS LOCAL 825 WELFARE FUND

IMPORTANT INFORMATION REGARDING RETIREE HEALTH COVERAGE

(Medicare and Benefit Coordination)



Members who retire under the Pension Plan with at least 10.00 years of Credited Service and who satisfy eligibility criteria detailed in the Welfare Plan may purchase continued health coverage as a retiree for a period of time which is based upon years of Credited Service at retirement. Please refer to Eligibility of Retired Members in the Summary Plan Description (benefit booklet) for the Welfare Plan. It is important that you notify any health care plans under which you are covered that you are retiring and evaluate the impact your retirement may have on your continued eligibility under such plans. Also, if you are married and you and/or your spouse are covered under another health care plan based on your spouse's active employment, you may wish to evaluate what impact your spouse's retirement may have on your and/or your spouse's continued eligibility under such plan.

When you retire, you will be given the option to continue or decline to continue your health coverage. If you elect to continue your health coverage as a retiree, coverage will be provided under the Welfare Plan for you and/or your eligible dependents who are not Medicare eligible. When you and/or your eligible dependents become Medicare eligible, hospital, medical and prescription drug coverage will be provided under an Aetna Medicare Advantage program; life insurance, accidental death and dismemberment, and dental benefits will continue to be provided under the Welfare Plan.

The Welfare Plan requires that retired members and spouses of retired members who do not have employment based health coverage sign up for Medicare when first eligible. You and your eligible dependents become eligible for Medicare upon turning age 65, after receiving Social Security disability benefits for 24 months or when suffering from end-stage renal disease (kidney failure).

If you are retired and receiving continued health coverage as a retiree under the Welfare Plan, whether based on exhaustion of your eligibility bank as an active member or self-payment of retiree premium, and fail to obtain Medicare coverage for yourself or your eligible dependents when eligible, claims will not be considered for coverage under the Welfare Plan.

Once you or your spouse become Medicare-eligible, coverage under the Welfare Fund is provided under a Medicare Advantage plan through a contract between the Welfare Fund and Aetna Life Insurance Company. The Welfare Fund will automatically enroll you or your spouse in this plan for hospital, medical, and prescription drug coverage. Aetna will send all enrolled individuals a membership ID card, which is the only card to be used when receiving covered services (hospital, medical, pharmacy). In order to enroll an individual in the Aetna plan, he/she must have both Medicare Parts A and B. If you have Medicare because you have end-stage renal disease, you are eligible for enrollment in the Aetna plan starting with the 31st month of becoming Medicare eligible (for first 30 months the Welfare Plan is your primary coverage).

It is important that you contact Social Security several months prior to your Medicare eligibility so that your coverage under the Welfare Fund can be transitioned to the Aetna Medicare Advantage plan as of your Medicare-eligible date and you do not incur a gap in coverage. To sign up for Medicare Parts A and B, call Social Security at 1-800-772-1213/TTY: 1-800-325-0778, apply at socialsecurity.gov/retirement or visit your local Social Security office. Send the Pension Department a photocopy of your Medicare card as soon as you receive it. This photocopy can be mailed to: IUOE Local 825 Pension Fund, 65 Springfield Avenue, 2nd Floor, Springfield, NJ 07081 or faxed to: 973-774-1305. A spouse covered under a group health plan based on current employment who plans to delay signing up for Medicare until such employment or coverage ends must notify the Welfare Fund in writing. Coverage for this spouse will terminate. When spouse enrolls in Medicare at a later date he/she can request enrollment in the Aetna Medicare Advantage Plan.

I have read the above information regarding the requirement for enrolling for Medicare Part A and B coverage and submitting a photocopy of my Medicare card to the Pension Department: Initial _____

Non-Medicare eligible dependents will remain covered under the Welfare Fund. When Medicare eligible, they will be enrolled in the Aetna Medicare Advantage Plan.

Below are answers to some questions you may have about continued health coverage as a retiree. After you have read through the questions and answers, sign and date the acknowledgement at the end and return to the Pension Department.

If I retire, will my dependents still be covered? Yes. As long as they remain eligible, your dependents will be covered after retirement.

Do I pay extra for my spouse or dependent children to be covered? No. As a retiree, you pay one premium for family coverage. Your spouse and dependent children are covered at no additional cost provided they remain eligible.

What happens if my spouse and I divorce post-retirement? Your spouse is covered for as long as he/she remains your legal spouse. Your former spouse may be eligible for COBRA continuation coverage provided notice of divorce is supplied within 60 days of your divorce date.

Will enrollment in the Aetna Medicare Advantage plan sponsored by the Local 825 Welfare Fund impact my or my spouse's participation in other plans? Medicare rules don't allow individuals to participate in a group Medicare Advantage Medical and Prescription plan and an individual or employer-sponsored Medicare Part D prescription drug plan or another Medicare Advantage plan. If you're enrolled in any of these other plans, Medicare will cancel the other coverage when enrolled in the Local 825 Aetna Medicare Advantage Medical and Prescription Drug plan. Conversely, if you are enrolled in the Local 825 Aetna Medicare Advantage Medical and Prescription Drug plan first, Medicare will cancel this coverage when enrolled in any of the other plans. Coverage under a commercial prescription drug plan does not impact participation in other plans. If you want to opt out of automatic enrollment in the Local 825 Aetna Medicare Advantage plan, contact the Fund Office for an opt out form.

When should I sign up for Medicare?

You should contact Medicare about three months before turning age 65. Your initial enrollment period for Medicare Part A and/or Part B begins three months before the month you turn 65, includes the month you turn 65, and ends three months after the month you turn 65. If you enroll the month you turn 65 or during the last three months of your initial enrollment period, the start date for Medicare coverage will be delayed. If you do not sign up during your initial enrollment period and you are not eligible for a Special Enrollment Period, you can sign up during the first three months of the calendar year (General Enrollment Period); coverage will begin July 1 and you may have to pay a higher premium for late enrollment. You may also be able to sign up for Medicare during a Special Enrollment Period provided you are age 65 or older and have had health insurance under an employer's group health plan because you or your spouse *currently* work. You can sign up for Medicare during a Special Enrollment Period (1) anytime you or your spouse is working and you have coverage under a group health plan based on that employment and (2) during the 8-month period that begins the month after the WORK ends or coverage ends, whichever occurs first. **It is important that you familiarize yourself with Medicare's enrollment rules and its definition of current employment.**

How does other insurance work with the Aetna Medicare Advantage Plan? Medicare payer rules decide whether other insurance or Aetna pays first. These rules provide:

- If you have coverage as a retiree from your or your spouse's former employment, Medicare pays first.
- If you are 65 or older and have group health plan coverage based on your or your spouse's *current* employment, the group health plan pays first.
- If you are under 65 and disabled and have group health plan coverage based on your or a family member's *current* employment, the group health plan pays first.
- If you have end-stage renal disease and have group health plan coverage, the group health plan generally pays first for the first 30 months after you become eligible to enroll in Medicare. Thereafter, Medicare pays first.

Example: You're 65 or older, retired, and receiving continued health coverage as a retiree under the Aetna Medicare Advantage Plan. You are also eligible for group health plan coverage based on your spouse's current employment. Your spouse's group health plan pays first and Aetna Medicare Advantage pays second.

Since the existence of other coverage determines the order of benefit payment, you should tell your health care provider, hospital, and pharmacy as well as any plans under which you are covered about the existence of other coverage. Failure to do so may result in claims being denied for payment.

Once I become Medicare eligible, are any benefits still covered under the Welfare Fund? The Welfare Fund will continue to provide your life insurance, accidental death and dismemberment, and dental benefits.

Can I choose not to be enrolled in the Aetna Medicare Advantage Plan? If you wish to opt out of enrollment in the Aetna Medicare Advantage Plan, call the Fund Office to request an opt out form. This form must be completed and returned to the Fund Office. The Aetna Medicare Advantage Plan replaces your coverage under the Welfare Plan. If you opt out of the Aetna plan, you won't be covered by the Welfare Plan and all your benefits will terminate, including the life insurance, accidental death and dismemberment, and dental benefits. You can still be covered by Original Medicare Parts A and B; you will have to find other supplemental coverage on your own (if desired); the cost of coverage deducted from your monthly pension check will cease.

I have read the above information regarding retiree health coverage and understand the requirement for timely enrolling for Medicare coverage and the impact the existence or absence of other coverage may have with regard to coverage under the IUOE Local 825 Welfare Plan.

Signature of Participant

Date