

# IRON WORKERS DISTRICT COUNCIL OF SOUTHERN OHIO & VICINITY BENEFIT TRUST

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## HEALTH REIMBURSEMENT ACCOUNT

FOR THE

## IRON WORKERS DISTRICT COUNCIL OF SOUTHERN OHIO & VICINITY BENEFIT TRUST

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The Trustees are pleased to announce a change in the Iron Workers District Council of Southern Ohio and Vicinity Benefit Trust (Benefit Trust) that provides for more participant choice to cover unreimbursed expenses or to extend coverage. **Effective January 1, 2008**, a Health Reimbursement Account (HRA) will be established for you. You can use the amounts in this HRA to help pay for a number of healthcare expenses that are not otherwise covered, including premium self-payments to maintain coverage either as an active or as a retiree. The HRA can be used to reimburse you for eligible healthcare expenses which you, your eligible spouse and your eligible dependents incur beginning January 1, 2008. Because this HRA is subject to certain federal laws, there are restrictions on who can contribute to your HRA and the types of expenses that can be reimbursed. Also, the monies in your HRA can only be used to reimburse eligible expenses. It cannot be "cashed out" at any time.

### **CONTRIBUTIONS TO THE HEALTH REIMBURSEMENT ACCOUNT**

All contributions allocated to your HRA are made by your Employer pursuant to the terms of the Collective Bargaining Agreement, or other written agreement. The Trust will not accept any additional employee contributions. Additionally, contributions cannot be added to your HRA when you are maintaining your coverage under the Trust due to using the Hours Bank, Money Bank or paying Self-Payments.

Any Retiree as of January 1, 2008 will not be eligible for an HRA even if they return to work for a Participating Employer under the 480 Hour Rule. If, however, you are a Retiree who returns to work for a Participating Employer and your monthly pension payments are suspended under the Pension Trust, you will receive an allocation to a HRA from the employer contributions received on your behalf

Finally, self-employed individuals are NOT eligible to participate in the HRA. So, owners of the company who are participating in the Benefit Trust as a non-bargaining unit employee will not be eligible for a HRA.

### **ALLOCATIONS TO THE PARTICIPANT'S HEALTH REIMBURSEMENT ACCOUNT**

The amount of the allocation of the Employer's contribution to your HRA will be determined periodically by the Board of Trustees.

As of January 1, 2008, \$0.25 of the total hourly contribution of \$6.00 will be credited to your HRA.

The Trustees have the right to modify this allocation to your HRA in the future and will provide you with notice if such a change occurs.

Your right to the contributions in your HRA is not vested and may be forfeited under certain circumstances.

### **RECIPROCAL CONTRIBUTIONS**

Reciprocal contributions to the Benefit Trust will be credited to the HRA based on the reciprocal contribution amount divided by the Trust's contribution rate (currently \$6.00).

For example, assume you work out of the area and \$900 in monthly health plan contributions is reciprocated back to the Iron Workers District Council of Southern Ohio & Vicinity Benefit Trust. This will be divided as follows:

$$\begin{aligned} \$900 \div \$6.00 &= 150 \text{ hours to Benefit Trust} \\ 150 \text{ hours (x) } \$0.25 &= \$37.50 \text{ to HRA} \end{aligned}$$

The amount of money allocated to your HRA, along with a summary of the claims which have been paid from the HRA, will be included in your Participant Statements which you will receive quarterly, starting with the June 2008 Statement.

### **ALLOWABLE EXPENSES**

The general rule is that allowable expenses are those medical, prescription drug, dental and vision expenses not compensated by insurance plans and that can be deducted from individual federal income tax returns if a person itemizes deductions. All claims under this HRA must be incurred primarily for medical, prescription, dental and vision care. The claims must be incurred after January 1, 2008 and while you and/or your eligible dependent were an eligible Participant under the Benefit Trust. The HRA allows reimbursement for the following types of medical expenses only:

- Out of Pocket expenses such as deductibles, copayments and co-insurances under the Benefit Trust;
- Out of Pocket expenses such as deductibles, copayments and co-insurances under the dependent's medical, dental or vision plan;
- Eligible items from the list on the following page which are NOT covered benefits by the Benefit Trust or your eligible dependent's plan;
- Expenses for eligible items which are over the maximum covered amount under the Benefit Trust or your eligible dependent's plan;
- Active Self-payments to continue eligibility under the Benefit Trust;
- Retiree Self-payments to continue eligibility in the Benefit Trust.

**SPECIFIC ELIGIBLE ITEMS**

The following is a partial listing of items that fall within the Internal Revenue Service (IRS) definition of medical expenses that this HRA will reimburse as listed as eligible medical expenses in *IRS Publication 502*. (Please see IRS Publication 502 online at [www.irs.gov](http://www.irs.gov) to view the complete list.) This listing may be updated from time-to-time to include items that are determined to be eligible medical expenses by the IRS in the Future.

Acupuncture	In Vitro Fertilization / Fertility Services
Alcoholism Treatment	Injections
Ambulance Service	Lab Fees
Artificial Limbs	Learning Disability Tuition
Birth Control Pills	Nursing Home Services (if medically necessary and not custodial)
Braille Books and Magazines	Optometrist Fees
Car Controls for Handicapped	Organ Transplants
Chiropractic Care	Orthodontic Treatment
Contact Lenses	Oxygen
Cosmetic Surgery (must be medically necessary)	Smoking Cessation Programs
Crutches	Special Schools for the Handicapped
Dental Fees & Implants	Surgery
Diagnostic Tests	Telephone for the Deaf
Doctor's Fees	Therapy for Mental or Nervous Disorders
Duplicate Prosthetic Devices	Transportation for Medical Care
Durable Medical Equipment and Supplies	Vaccinations
Eye Surgery (such as LASIK)	Vitamins (prescribed in writing by a doctor)
Guide Dogs	Weight Loss Programs (if the doctor advises in writing that the program is for a specific diagnosed disease)
Hair Transplants	Wheelchairs
Hearing Aid & Exams	Wigs
Hearing Treatment	
Hospital Services	

**SPECIFIC ITEMS NOT ELIGIBLE FOR REIMBURSEMENT**

Below is a list of some items that are not eligible for reimbursement from your HRA:

Dancing/swimming lessons (even if recommended for general improvement of the person's health)

Group medical insurance premiums from any plan or insurance carrier other than the Benefit Trust and all COBRA premiums

Nursing services for a healthy baby

Diaper service

School expenses for problem children

Psychoanalysis you receive as a part of your training to be a psychoanalyst

Expenses for trip or vacation taken for a non-medical reason (even if on doctor's advice)	Meal and lodging away from home for medical treatment not received at a medical facility.	Maternity clothes
Funeral expenses	Hot tub or Jacuzzi	Health Club dues or membership fees
Electrolysis or Hair Removal	Non-prescription or Over-the-Counter medications	Nutritional supplements
Teeth whitening	Weight loss programs (which are not prescribed by a physician or if merely recommended for general improvement of the person's health).	

The Board of Trustees, in their sole discretion, will determine, or delegate the determination to the Trust Office, whether a request for a distribution from your HRA is for a covered medical expense. This determination will be made upon all relevant facts and circumstances.

**OBTAINING REIMBURSEMENT UNDER THIS PROGRAM**

Once you or your dependent(s) have paid eligible expenses in excess of \$25, you will be able to file a claim for reimbursement from your HRA. The Trust Office will determine the available HRA balance and issue payment of the claim. If the claim exceeds the available HRA balance, then the entire HRA balance will be paid to you at that time. You will receive an Explanation of Benefits which details the amount paid and the fact that the remainder was denied due to lack of sufficient funds in your HRA. If additional money is contributed to your HRA, you will need to file a separate claim at that time for reimbursement of the remainder of the prior claim which was not paid in full due to lack of sufficient funds at the time it was filed with the Benefit Trust.

A claim form along with general instructions for filing a claim is enclosed. Be sure to submit all the needed information and sign the form. If you need additional claim forms, please contact the Trust Office. It is a good idea to make a copy of all materials you submit for your records. The copies you submit will not be returned to you.

Requests for reimbursement can be submitted to the Trust Office after April 1, 2008. Do not submit claims before April 1, 2008. Claims must be submitted within one year of the date of service in order to be reimbursed.

In the event that you do not use the entire balance of your HRA during the calendar year, the unused portion will then be carried over until it is used or otherwise forfeited.

If you are no longer eligible for coverage under the Benefit Trust because you have not worked enough hours to maintain your eligibility, you will have the option to continue your coverage by making Self- Payments or electing COBRA continuation coverage. If you decide to make Self-Payments to maintain your coverage under the Benefit Trust, you can use the money in your HRA to pay the premiums or other eligible medical expenses until the HRA is exhausted.

Additionally, if you retire with an account balance, and you meet the eligibility requirements for the Retiree Insurance Program, you can use the HRA balance you have to offset your retiree premium coverage until your HRA is exhausted.

In the event that an eligible Participant or retiree dies with a balance in the HRA, this balance will be transferred to the surviving eligible spouse or surviving eligible dependent(s) if the participant or retiree does not have an eligible spouse at the time of death. The surviving eligible spouse or surviving eligible dependent(s) will be treated the same as the participant or retiree and given the same opportunity to reimburse out of pocket medical expenses or pay retiree premiums.

In the event that you are no longer covered under this Benefit Trust but you have a balance remaining in your HRA, you have the ability to use the money to pay eligible medical expenses that you may incur after the date you terminate from this Benefit Trust. If you do not use the balance within 18 months of the date you were last eligible under the Benefit Trust, the remaining balance will be forfeited. Please note, however, if your coverage is terminated automatically by the Benefit Trust because you work in non-covered employment in violation of the Trust rules, you will forfeit your right to spend down your HRA. You do not have the ability to take a lump sum cash out of the money in your HRA at the time you terminate coverage under the Benefit Trust.

The Trustees believe that you will find this program to be of great value to you and your family. Please call the Trust Office if you have any questions.

Sincerely,

BOARD OF TRUSTEES