

# EMPLOYEES SECURITY FUND OF THE ELECTRICAL PRODUCTS INDUSTRIES

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November 1, 2010

Established 1944

HARRY VAN ARSDALE JR.  
Founder

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## IMPORTANT INFORMATION FOR ALL PARTICIPANTS IN THE EMPLOYEES SECURITY FUND OF THE ELECTRICAL PRODUCTS INDUSTRIES HEALTH AND WELFARE PLAN AND OTHER PLANS!

### PLEASE READ THIS NOTICE CAREFULLY

#### **Changes Mandated by Health Care Legislation**

While the new Patient Protection and Affordable Care Act ("The Act") has many components, only a few will apply to **the Employees Security Fund of the Electrical Products Industries Health and Welfare Plan** immediately, while others will not be implemented until some time in the future.

The important changes that will become effective January 1, 2011 are:

#### ● **Dependent Children Now Covered Up to Age 26**

Under the new health care reform law, a child (including a step-child) of a participant in the Employees Security Fund of the Electrical Products Industries Health and Welfare Plan ("the Plan") must now be offered the opportunity to enroll in the Plan until his or her 26th birthday, regardless of marital or student status. A child who previously lost coverage, was denied coverage, or was not eligible for coverage under the Plan's old rules and who will not have attained age 26 by January 1, 2011 is now eligible to enroll in the Plan. (Under the old rules, coverage of dependent children ended upon their marriage or at age 19 (23 for full-time students). *Please note that, if applicable, this provision also pertains to the Additional Security Benefits Plan of the Electrical Industry and the Health Reimbursement Account Plan of the Electrical Industry.*

Individuals may request enrollment for their children under the age of 26 for 30 days from December 1, 2010 through December 31, 2010. Enrollment will be effective as of January 1, 2011. Please note that if a child is not enrolled during this 30-day enrollment period, the child may enroll at a later date, assuming he or she is still not 26 years old, but coverage will be provided only with respect to claims incurred on or after January 1, 2011 **and** within one year of enrollment.

**If this dependent child was never enrolled in the Plan, you must enclose a copy of the birth certificate with the completed enrollment form.** If this dependent was previously covered under the Plan but subsequently lost coverage, and you have already provided the Joint Industry Board with a copy of a birth certificate, **there is no need to send another copy.**

All claim payments will be sent to the participant.

#### **For Participants with adult children (over age 19) only:**

**Upon review of the Act and in accordance with regulations, the Trustees of the Plan have decided to exclude from coverage any adult child who is eligible for group health coverage through their own or their spouse's**

**employer. This exclusion will be in effect through December 31, 2014, as allowed under the law. Eligible for coverage means that coverage may be currently provided to such adult child or may be elected at an out-of-pocket cost or through COBRA, even if such coverage is not in fact elected. If no other employer-provided coverage is available, your adult child may be enrolled in the Plan.**

Here are some examples of who can and cannot be enrolled at this time:

1. John, an adult child, is 21 years old and works full time. His employer does not offer health coverage at all and John is not eligible for any employer-sponsored coverage through a spouse. John is eligible for coverage under the Plan.
2. John's employer, at a later date, offers coverage to his employees at a cost. Because John is now eligible for coverage on his own, he will no longer be eligible for coverage under this Plan, whether or not he elects to purchase coverage under his employer's plan.
3. Mary, an adult child, is 23, married and is a full time student. She has coverage under her husband's health plan. Mary is not eligible for coverage under this Plan.
4. Mary's husband loses his coverage in February 2011. Mary is not eligible for coverage under this Plan as of the time she becomes eligible for COBRA coverage, regardless of whether she actually elects COBRA coverage. Mary may seek to enroll in this Plan at the expiration date of the COBRA coverage period (e.g. 18 or 36 months, whether or not she actually elects such coverage) if she is still not eligible for coverage through her own or her husband's employer.
5. Mary's husband lost his coverage prior to January 1, 2011. Mary did not elect COBRA coverage at that time and the COBRA election period has already lapsed. If she is still not eligible for coverage through her own or her husband's employer, Mary is eligible for coverage under this plan.

The Plan, in order to comply with this provision, must ask all Participants who are enrolling an adult child who is eligible for coverage under the Plan to verify that the adult child is not covered by or eligible for their own or a spouse's employer-sponsored health coverage, and complete, sign and return the enclosed affidavit that states that the adult child is neither covered by nor eligible for coverage under a group health plan through the child's or spouse's employer. Please return the completed affidavit to the Members' Records Department ("ESF") at the Joint Industry Board, located at 158-11 Harry Van Arsdale Jr. Avenue, Flushing, NY 11365.

**To enroll an adult child, you must complete both an enrollment form and an affidavit.** Once the enrollment form and affidavit are received and it is determined that your adult child is eligible for coverage under the Plan, his or her coverage will become effective as follows: If the original enrollment form was mailed on or prior to January 31, 2011, coverage will be effective as of January 1, 2011. If the enrollment form was mailed after January 31, 2011, coverage will be effective as of the date the enrollment form was received. **If such affidavit is not returned, your child will not be enrolled into the Plan.**

Your receipt of new medical and prescription drug identification cards within a few weeks will acknowledge the enrollment of the child.

**DO NOT RETURN THE ENROLLMENT FORM AND AFFIDAVIT IF:**

- a) **YOUR DEPENDENT CHILD IS UNDER AGE 19 AND IS CURRENTLY COVERED UNDER THIS PLAN, OR**
- b) **YOUR ADULT CHILD IS ELIGIBLE FOR HIS OR HER OWN (OR SPOUSE'S) INSURANCE THROUGH EMPLOYMENT.**

● **Elimination of Lifetime Maximums and Adoption of Annual Limit**

Effective January 1, 2011, the \$500,000 individual lifetime maximum will no longer apply.

Instead, an aggregate annual limit of \$750,000 for calendar year 2011 will apply. Under this rule, a participant may incur a total of up to \$750,000 in eligible claims. **Please note that annual maximums for specific benefits (such as the current annual family prescription drug maximum of \$4,125 and all Plan "A" maximums) still applies.** The aggregate annual maximum for 2012 is \$1,250,000 and is \$2 million for 2013.

Participants who have reached their lifetime maximum as of January 1, 2011 and would otherwise have been eligible for coverage will be reinstated. If you believe this applies to you, please contact the ESF Members' Records Department at (718) 591-2000, ext. 2011.

● **Mandated changes by the government pertaining to Over the Counter medicine and products will affect your Additional Security Benefits Plan and Health Reimbursement Account Plan benefits.**

Effective January 1, 2011, Over the Counter ("OTC") medicines will not be reimbursable under the Additional Security Benefits Plan and Health Reimbursement Account Plan unless you have a valid prescription.

**Exceptions**

Insulin still qualifies for reimbursement without a prescription.

Equipment, supplies, and diagnostic devices such as bandages, hearing aid batteries, and blood sugar test kits remain eligible for reimbursement without a prescription.

Following is a list of examples of OTC medicine categories that are no longer covered for reimbursement without a prescription by the Plan as of January 1, 2011 (but remain covered through December 31, 2010):

Allergy Medicine	Antihistamines	Analgesics
Antacids	Anti-Diarrhea Medication	Aspirin
Cold Medicine	Contact Lens Solution	Cough Drops
Hemorrhoidal Medications	Laxatives	Menstrual Cycle Products
Calcium Supplements (only if recommended by a doctor for a specific condition)	First Aid Cream (Bactine, special diaper rash ointment, calamine lotion, bug bite medication, wart remover treatments)	Motion Sickness Pills

Muscle/Joint Pain Relief	Nasal Sinus Spray	Nicotine Gum/Patches
Pain Reliever	Pedialyte	Lactose Intolerance Pills
Reading Glasses	Rubbing Alcohol	Sinus Medication
Smoking Cessation Products	Throat Lozenges	Visine
Wound Care Products		

Each claim must be accompanied by a valid original prescription. All refills on one prescription must be submitted at the same time.

Participants will be able to submit claims to the Plans for above-referenced OTC medicines purchased without a prescription prior to January 1, 2011. Such claims can be filed for up to one year after the date of purchase.

If you have any questions concerning OTC claims, please contact the Annuity Department at the Joint Industry Board at 718-591-2000, ext. 2222.

Please note that this change does not pertain to the Deferred Salary Plan. You may still submit claims for OTC medicines and products as defined in the Summary Plan Description.

● **“Grandfathered” Plan Status**

The Employees Security Fund of the Electrical Products Industries Health and Welfare Plan, Additional Security Benefits Plan of the Electrical Industry and the Health Reimbursement Account Plan of the Electrical Industry believe these plans are “grandfathered health plans” 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 plan administrator at the Joint Industry Board of the Electrical Industry at 718-591-2000. 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.

**The Employees Security Fund of the Electrical Products Industries Health and Welfare Plan**

I, \_\_\_\_\_,  
*Print Participant's Name*

Social Security No.: \_\_\_\_\_, hereby request that my adult child(ren):

Name: \_\_\_\_\_, Date of Birth: \_\_\_\_\_

Name: \_\_\_\_\_, Date of Birth: \_\_\_\_\_

(List names and birth dates of additional adult children on the back of this form)

be enrolled for coverage as my eligible adult child(ren) under the Employees Security Fund of the Electrical Products Industries Health and Welfare Plan (“the Plan”).

I attest that the adult child(ren) listed above are not now either eligible for or enrolled in another health plan through their employment or their spouse’s employment. I have verified that the child(ren) listed in this document are not now eligible for or enrolled in another health plan through their employment or their spouse’s employment. I understand that if my adult child(ren) are in fact eligible for coverage now or become eligible for coverage or become covered under such a health plan in the future before turning age 26, they will no longer be eligible for coverage under the Plan, and any coverage provided by the Plan to such child(ren) in reliance on this affidavit will be rescinded. I further attest that I will inform the Plan if my adult child’s status changes and understand that, by failing to do so, I will be responsible for any claims incurred by the Plan on behalf of my adult child while they were not eligible.

I attest to the fact that the above statement is true. The Trustees of the Employees Security Fund of the Electrical Products Industries Health and Welfare Plan may act upon this affidavit. I agree to indemnify and hold the Employees Security Fund of the Electrical Products Industries Health and Welfare Plan, the Joint Industry Board of the Electrical Industry, the Plans, their trustees, employees and their fiduciaries harmless against any claims that may arise as a result of these statements.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

**DEPENDENT ENROLLMENT FORM**  
**THE EMPLOYEES SECURITY FUND OF THE ELECTRICAL PRODUCTS INDUSTRIES**  
**HEALTH AND WELFARE PLAN**

**SECTION 1: PARTICIPANT INFORMATION:**

\_\_\_\_\_  
Last Name First Name

\_\_\_\_\_  
Social Security Number Date of Birth

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone Number Cell Phone Number Email Address

**SECTION 2: DEPENDENT INFORMATION:**

\_\_\_\_\_  
Dependent Child Last Name First Name Social Security Number

\_\_\_\_\_  
Address

Dependent Child Date of Birth: \_\_\_\_\_  
(List names and other information pertaining to additional adult children on the back of this form.)

**SECTION 3: COORDINATION OF BENEFIT INFORMATION**

If your dependent is a participant in **another group health plan**, please provide information about this coverage below:

Name of other health plan: \_\_\_\_\_

Type of Plan (check one):       Individual                       Family

Name of Person(s) Covered: \_\_\_\_\_

Policy Holder is (check one):       Actively Working       Retired       Other (i.e. disabled)

Effective date of coverage: \_\_\_\_\_

**SECTION 4: PARTICIPANT'S SIGNATURE**

Please print, sign your name, and date this form.

\_\_\_\_\_  
Print Name Date

\_\_\_\_\_  
Sign Name

**The Employees Security Fund of the Electrical Products Industries**  
**Health and Welfare Plan**  
**158-11 Harry Van Arsdale Jr. Avenue**  
**Flushing, NY 11365**  
**Phone: (718) 591-2000      Fax: (718) 380-7741**