

IATSE Local 504 Health & Welfare Trust Fund

Administered by: Benefit Programs Administration
Toll Free (888) 806-8942 • FAX (562) 463-5894 • (562) 595-6463

December 2016

TO: ACTIVE EMPLOYEES

EFFECTIVE: FEBRUARY 1, 2017

**RE: IMPROVED ELIGIBILITY RULES –
SUMMARY OF MATERIAL MODIFICATION (SMM)**

We are pleased to announce a reduction in the number of hours required for initial eligibility (from 425 to 400 hours) and ongoing eligibility (from 325 to 300 hours). We have also reduced the hours required for buy-up for coverage and adopted a new rehire rule. The new rules are set out below.

NEW ELIGIBILITY RULES EFFECTIVE FEBRUARY 1, 2017

INITIAL ELIGIBILITY

If you are a new Employee, you will become eligible for benefits after you have worked for Employers under contract with the Union a total of 400 work hours in a six-month consecutive period for which Health and Welfare contributions were paid to the IATSE Local 504 Health and Welfare Fund (Fund). Your eligibility becomes effective on the first day of the month following the month the employers report and pay for the 400 or more hours worked (generally hours are reported and paid for the month following the month in which the hours are worked). These hours become the Employee's Reserve Bank out of which the first hours for eligibility will be deducted.

CONTINUING ELIGIBILITY

You will maintain eligibility if Health and Welfare contributions are received for 300 hours worked per eligibility quarter. If you work less than 300 hours (effective with hours worked on or after October 1, 2016), but greater than 150 hours in a calendar (eligibility) quarter, you may continue to maintain your eligibility during the subsequent two quarters, provided you pay the Fund the rate of \$4.75 per hour for the number of hours necessary to bring your account balance up to 300 hours for the eligibility quarter.

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If your hours fall under 150 during a calendar (eligibility) quarter, then you may elect COBRA and will be responsible for the full cost of benefits.

Eligibility Table for Continuing Eligibility:

After Initial Eligibility If You Work 300 or More Hours During This Eligibility Quarter	You Will Be Eligible During This Benefit Quarter
January – February – March	May – June – July
April – May – June	August – September – October
July – August – September	November – December – January
October – November – December	February – March – April

REHIRE RULE

Effective February 1, 2017, the Trustees have adopted a new rehire rule. For Employees, who became eligible, yet subsequently lose eligibility, they may requalify within one year after they exhaust their ability to buy up the Employee's Reserve Bank, if they accrue at least 300 hours within any eligibility quarter within the year to requalify for their benefits. If the Employee is unable to accrue 300 hours within an eligibility quarter within the 12-month period, then they will need to requalify under the "Initial Eligibility" rules above.

Please contact the Administration Office for any further clarification or with questions.

Yours very truly,

Board of Trustees