

NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

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IMPORTANT: NOTICE ABOUT EXPIRATION OF TEMPORARY EXTENSION OF COBRA ELECTION, SPECIAL ENROLLMENT, AND CLAIMS & APPEALS DEADLINES DURING COVID-19 OUTBREAK PERIOD

Certain COBRA Election and Payment Rights, Special Enrollment Rights and Claims and Appeals Procedures deadlines under the Northern California Pipe Trades Health and Welfare Plan (“Health and Welfare Plan”), Northern California Pipe Trades Pension Plan (“Pension Plan”) and Northern California Pipe Trades Supplemental 401(k) Retirement Plan (“Supplemental 401(k) Plan”) were, under federal mandate, temporarily extended during the COVID-19 “National Emergency”. This notice supersedes notices you may have previously received. Please read it carefully. If your situation met the temporary suspension rules for meeting certain deadlines, your end date for meeting a deadline may be quickly approaching. If you have any question, please contact the Trust Fund Office to determine your individual situation.

PRIOR EMERGENCY RULES SUSPENDING CERTAIN PLAN DEADLINES.

You and your family, may have previously received notice about the temporary suspension of certain deadlines relating to COBRA Election and Payment Rights, Special Enrollment Rights and Claims and Appeals Procedures under the Health and Welfare Plan, Pension Plan and Supplemental 401(k) Plan. On May 4, 2020, the Internal Revenue Service (“IRS”) and U.S. Department of Labor (“DOL”) jointly adopted an emergency regulation that extended certain Plan deadlines during the COVID-19 (also known as Coronavirus) “Outbreak Period.” The Outbreak Period is defined as the period between March 1, 2020, and the date that is sixty (60) days following the announced end of the “National Emergency”. The duration of the National Emergency is determined by the Secretary of the Department of Health and Human Services and expires automatically if not renewed every three (3) months. As of the date this notice was prepared, it has been extended through at least April 21, 2021.

Beginning March 1, 2020, the **Health and Welfare Plan, Pension Plan, Supplemental 401(k) Plan, and Health Insurance Carriers** disregarded the Outbreak Period when determining certain deadlines ONLY related to COBRA election, submitting COBRA premium payments, special enrollment periods and claims and appeals including external review. (Please note only the claims and appeals extended deadlines relate to the Pension Plan and Supplemental 401(k) Plan. The other extended deadlines mentioned all relate to the Health and Welfare Plan).

UPDATE ON HOW TO DETERMINE WHEN THE CLOCK BEGINS RUNNING AGAIN ON THE TEMPORARY SUSPENSION OF CERTAIN PLAN DEADLINES AS IT RELATES TO YOU AND YOUR FAMILY.

On February 26, 2021, the federal agencies released additional guidance to clarify that the period disregarded when determining these deadlines will terminate (in other words the clock begins ticking again) at the earlier of:

- (1) One (1) year from the date an individual was first eligible for an extended deadline; or
- (2) the end of the Outbreak Period (which is an unknown date at this point in time).

IN NO CASE WILL THE DISREGARDED PERIOD EXCEED ONE (1) YEAR.

To help you understand the new clarifying rules, we have provided some examples of how this may apply to several deadlines. Please note, the below is being provided for example purposes only. If you believe your situation or circumstances meets the rules in this Notice, please contact the Trust Fund office for more information.

- **HEALTH AND WELFARE PLAN**

Special Enrollment: Special enrollment allows (1) Participants, Spouses and new Dependents to enroll in the Health and Welfare Plan following a marriage, birth, adoption, or placement for adoption and (2) permits Participants and Dependents to enroll upon loss of eligibility for other coverage, such as a Spouse's plan.

EXAMPLES:

- 1) **Newborn Dependent.** A Participant is the parent of a newborn baby born on February 15, 2020. Under the Plan's normal (non-emergency) special enrollment rules, the Participant had 30 days to enroll their baby in Plan coverage. This deadline was suspended during the Outbreak Period. The first 14 days of the special enrollment period were prior to the Outbreak Period (which started March 1, 2020) and counted toward the special enrollment period deadline (30 days minus 14 days = 16 days), which was suspended March 1, 2020. One year from March 16, 2020, is March 16, 2021. The baby's special enrollment period will end on the earlier of March 16, 2021, or 16 days after the end of the Outbreak Period (which is an unknown date at this point in time). Therefore, the baby's special enrollment period will most likely end March 16, 2021, since the end of the outbreak period is still unknown.
- 2) **New Dependent Spouse.** A Participant married their Spouse on August 1, 2020. Under the normal (non-emergency) special enrollment rules, the Participant had 30 days to enroll their new Spouse in Plan coverage, which is August 30, 2020. This deadline was suspended during the Outbreak Period. One year from August 30, 2020, is August 30, 2021. The Spouse's special enrollment period ends on the earlier of August 30, 2021, or 30 days after the end of the Outbreak Period (which is an unknown date at this point in time).

COBRA Election and Payment Coverage: Group Health Plans (such as the Northern California Pipe Trades Health and Welfare Plan) must disregard the Outbreak Period when determining deadlines for (1) electing COBRA coverage, (2) payment of COBRA premiums, and (3) for notifying the Plan of a Qualifying Event that is a Divorce, Separation, Loss of Dependent Status, Loss of Employment, Reduction of Hours, or a Determination of Disability by the Social Security Administration, for COBRA purposes only.

EXAMPLES:

- 1) A Participant lost coverage on January 1, 2020, due to a reduction of hours and received a COBRA election notice on January 15, 2020. They did not elect COBRA coverage by March 15, 2020, which was the 60-day deadline under the normal (non-emergency) COBRA election rules. The first 45 days of his COBRA election window were prior to the Outbreak Period and counted toward their election deadline (60 days minus 45 days = 15 days), which was suspended on March 1, 2020. However, the suspension of the election deadline for the Participant ended on March 1, 2021, one year after they became eligible for the extended deadline (counted from March 1, 2020). The Participant will have 15 days remaining in their COBRA election period, which will now end on March 15, 2021.
- 2) A Participant lost coverage due to a reduction of hours and received a COBRA election notice on September 1, 2020. The Participant's COBRA election period under normal (non-emergency) COBRA election rules would have ended October 31, 2020, but the deadline was suspended during the Outbreak Period. One year from October 31, 2020, is October 31, 2021. The Participant's election period will now end on the earlier of October 31, 2021, or 60 days after the end of the Outbreak Period (which is an unknown date at this point in time).
- 3) A Participant was receiving COBRA coverage on April 1, 2020. The Participant last made a timely COBRA premium payment for their April 2020 COBRA coverage but has not made any payments since then. Under normal (non-emergency) COBRA rules, premium payments are due within a 30-day grace period that begins on the first day of the coverage month. For purposes of this example, assume that the Outbreak Period ends on July 30, 2021. The Participant's premium payments for May 2020 through July 2021 are due within 30 days from the end of the Outbreak Period which is August 29, 2021. Their August premium would be due by August 30, 2021 (the 30-day grace period for their August premium payment).

NOTE: The deadline extensions did not extend the maximum period of COBRA coverage. If COBRA is elected and premiums are paid, claims for covered expenses will be paid retroactive to the first date of COBRA coverage, for every month for which premiums are paid in full. The Plan will not pay any claims for health care expenses until COBRA is elected and COBRA premiums are paid in full.

- **HEALTH AND WELFARE PLAN**
PENSION PLAN
SUPPLEMENTAL 401(K) PLAN

Claims and Appeals: The deadlines for filing a claim for benefits, appealing a claim denial (an “adverse benefit determination”) and filing a request for external review of certain claim denials were suspended during the Outbreak Period. For instance, generally there is a 180-day deadline for filing an appeal related to Health and Welfare and disability-related claims. For Pension and/or Supplemental 401(k)-related claims, there is a 60-day deadline for filing an appeal.

EXAMPLE:

A Participant received a Health and Welfare claim denial (an “adverse benefit determination”) on July 1, 2020. Under normal (non-emergency) Plan rules, they had the right to file a written appeal within 180 days of the denial notice (July 1, 2020) which would be December 28, 2020. This deadline was suspended during the Outbreak Period. One year from July 1, 2020, is July 1, 2021. Their appeal window would resume the earlier of 180 days from July 1, 2021 (which is December 28, 2021), or 180 days after the end of the Outbreak Period. In other words, their appeal window ends on the earlier of December 28, 2021, or 180 days after the end of the Outbreak Period (which is an unknown date at this point in time).

HOW DOES THIS IMPACT ME OR MY FAMILY?

If you believe your circumstances fits into any of the rules above (i.e. had a claim/appeal denied, experienced a birth of a child, marriage or adoption of a child, or COBRA-related event summarized in this Notice), please contact the Trust Fund Office at 925/356-8921, ext. 246, for more information.