

U.A. LOCAL 159 TRUST FUNDS

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Notice to Participants Re: Health Reimbursement Accounts

Participants in the U.A. Local No. 159 Health & Welfare Plan have been accumulating credit in individual Health Reimbursement Accounts (“HRAs”) since January 1, 2012. This is a summary of the rules governing the use of your Health Reimbursement Account.

QUESTIONS & ANSWERS:

1. What can my HRA be used for?

Your HRA can be saved until you need it to pay for retiree coverage premiums for you and your eligible dependents under the Plan.

2. Can HRAs be used for anything else?

Yes. Your HRA can also be used to reimburse you for certain allowable medical expenses that are not covered by the Plan, including deductibles and medical and prescription copayments. To be eligible for reimbursement, the medical expense must be incurred by you or by your eligible dependent.

Also, your HRA may be used to pay for your Self-Payment premiums under the Plan, and for COBRA coverage under the Plan, if you otherwise qualify. Likewise, in the event of your death, your eligible dependents may use your HRA to pay for COBRA coverage.

3. When can I start using my HRA Benny Card?

Your HRA can be used to pay for expenses as soon as it is activated. It can be utilized to pay outstanding balances at doctor’s offices, etc. The IRS requires that certain reimbursable expenses be substantiated. Therefore, **You must keep your invoices and receipts for all reimbursable expenses**, and submit them online through the web portal, or to the Trust Fund Office. Some expenses, such as prescription copays, etc. will automatically be substantiated with the Debit Card use. A letter will be sent to you requesting receipts in instances where substantiation is needed.

4. What medical expenses are reimbursable?

The attached sheet gives some examples of medical expenses that are and are not reimbursable through your HRA. The IRS has strict rules about what kind of expenses are reimbursable. The Plan follows those rules to ensure that the benefits are tax-free to you.

5. Why can't the HRA be used as a cash death benefit?

IRS rules expressly forbid any cash benefit from an HRA plan. In order for the benefits to remain tax-free, they can only be used to pay premiums or to reimburse other medical expenses.

6. How much money will accumulate in my HRA?

The Collective Bargaining Agreement specifies the amount of contributions for each hour you work to your HRA. You will be able to check showing how much has accumulated in your Account, and your balances, through the Website.

7. Can my HRA be terminated for any reason?

Yes. Your HRA will be terminated if any of the following occurs:

- You work for a non-union-signatory employer in any capacity
- You have a permanent break in service under the U.A. Local No. 159 Defined Benefit Plan, so that you will never be eligible for benefits under that Plan.
- After your death, once your surviving eligible dependents are no longer eligible to maintain coverage under the Plan, or choose not to maintain such coverage.

8. What happens if my Account is terminated?

If your Account is terminated, any credit remaining in the Account is forfeited and is returned to the Plan's administrative account fund, or credited to the HRAs of other employees. You cannot regain the amounts that were forfeited, even if you return to coverage under the Plan. You may not use the forfeited amounts for any purpose, even for expenses that were incurred during the time you were covered.

This is just a summary of the formal rules governing the HRA Plan.

REMINDER: You must retain all receipts and/or invoices for any medical expenses to substantiate reimbursements and debits from your Health Reimbursement Account.

**UA Local 159 Health and Welfare Plan
Health Reimbursement Account (HRA) Claim Form**

SUMMARY OF GENERAL CATEGORIES OF ELIGIBLE & INELIGIBLE MEDICAL EXPENSES

Summary of the General Categories of Qualified Medical Expenses ELIGIBLE for Reimbursement

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| <ul style="list-style-type: none">• Acupuncture• Alcoholism Treatment• Ambulance Service• Annual Physical Exam• Birth Control• Blood Tests• Cardiographs• Chiropractor• Christian Science Practitioner• Contact Lenses• Crutches• Dental Treatments• Dental X-Rays• Dermatologist• Diagnostic Devices (e.g. Diabetes Test Kits)• Drug Addiction Treatment• Eye Exam• Eyeglasses• Eye Surgery• Fertility Procedures• Guide Dog or Service Animal• Gynecologist• Hearing aid and Batteries• Hospital Services• Insulin Treatments | <ul style="list-style-type: none">• Insurance Premiums that cover medical care• Laboratory Fees• Legal Fees (To Authorize Mental Illness Treatment)• Lodging (Away From Home For Outpatient Care)• Medicare B and D• Medical care in a nursing home• Metabolism Tests• Nursing Services• Operating Room Costs• Ophthalmologist• Oral Surgery• Organ Transplant (Including Donor's Expenses)• Orthodontia/Braces/Invisalign• Orthopedist• Osteopath• Oxygen and Oxygen Equipment to Relieve Breathing Problem• Physicians & Specialists• Premiums for Health & Welfare Active/Retiree Self Pay, COBRA• Premiums for Long-Term Care Insurance | <ul style="list-style-type: none">• Prescription Drugs• Prosthesis• Psychiatric Care• Psychoanalyst• Psychologist• Qualified Long-term care expenses• Special Education• Speech Therapy• Sterilization• Stop-Smoking Program• Telephone or TV Equipment to Assist the Hearing Impaired• Therapy Equipment• Transportation Expenses (Essential to Medical Care)• Vasectomy• Vision Correction Surgery (LASIK)• Weight-Loss Program (for specific disease diagnosed by a physician)• Wheelchair• Wig (hair loss due to disease)• X-Ray for medical reasons |
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Summary of the General Categories of Qualified Medical Expenses NOT ELIGIBLE for Reimbursement

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| <ul style="list-style-type: none">• Baby Sitting, Childcare, and Nursing Services for a Healthy Baby• Controlled Substances (such as marijuana)• Cosmetic Surgery and Procedures• Cosmetics, Hygiene Products and Similar Items• Dancing Lessons• Diaper Service• Electrolysis or Hair Removal• Flexible Spending Account• Funeral, Cremation or Burial Expenses• Future Medical Care• Hair Transplant• Health Club Dues• Household Help | <ul style="list-style-type: none">• Illegal Operations and Treatments• Insurance Premiums for Life Insurance, Income Protection, Disability, Loss of Limbs, Sight or Similar Benefits• Maternity Clothes• Medicine and Drugs from Other Countries• Nutritional Supplements• Over-the-counter Medicines and Drugs• Personal Use Items• Swimming Lessons• Teeth Whitening• Veterinary Fees• Weight-Loss Programs• Premiums for Individual Insurance Coverage (including premiums subsidized by the Premium Tax Credit) purchased inside or outside of the Marketplace/Exchange, as prohibited under IRS Notice 2013-54 |
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(More information on such expenses is also presented in IRS Publication 502)