

PLUMBERS' WELFARE FUND LOCAL 130, U.A.

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December 9, 2022

SUMMARY OF MATERIAL MODIFICATION

RETIREE MEDICAL PLAN OF THE PLUMBERS' WELFARE FUND, LOCAL 130, U.A.

Dear Retiree or Surviving Spouse:

The Board of Trustees of the Retiree Medical Plan of the Plumbers Welfare Fund, Local 130, U.A. ("Plan") is pleased to inform you that it has made improvements to the Plan. This Notice describes these improvements and is considered to be a "Summary of Material Modifications" or "SMM" altering the terms of the current Summary Plan Description for each of these benefit changes.

RETIREE PLAN CHANGES

The Plan, which governs benefits provided to Retirees and their Spouses and surviving Spouses, has been revised as follows:

New Eligibility Requirements for Pre-Medicare Retirees

Effective January 1, 2023, Retirees must meet the following requirements in order to enroll in the Pre-Medicare Retiree benefit of the Plan:

1. Under age 65;
2. Not eligible for Medicare;
3. *New-* Have ten (10) years of pension credits at the time of retirement from the Plumbers' Pension Fund, Local 130, U.A. (or any pension fund that was previously merged into the Plumbers' Pension Fund);

4. Be eligible for benefits under the Active Employee Health Plan (i.e., the Plumbers' Welfare Fund, Local 130, U.A.) during the month immediately prior to the month pension benefits from the Plumbers' Pension Fund, Local 130, U.A. (including any pension fund that was previously merged into the Plumbers' Pension Fund) could have first been paid to the Retiree had he made proper application, provided that the eligibility for pension benefits continues until the Retiree makes proper application; and
5. Elects Pre-Medicare retiree health coverage within 60 days of his or her retirement date.

New Category of Retirees - Municipal Retirees

Effective January 1, 2023, an employee who leaves employment or retires from a Municipal Employer will be considered a "Municipal Retiree" and will be eligible to elect Pre-Medicare retiree health coverage if he meets the following requirements at the time of application for coverage:

1. Is a member in good standing with the Union.
2. Has accrued at least at least ten (10) years of pension credits at the time of retirement from the Plumbers' Pension Fund, Local 130, U.A. (or any pension fund that was previously merged into the Plumbers' Pension Fund);
3. Is under age 65;
4. Is not eligible for Medicare; and
5. Elects Pre-Medicare retiree health coverage within 60 days of his retirement date.

If a Municipal Retiree elects Pre-Medicare retiree health coverage, his or her Spouse may also elect Pre-Medicare retiree health coverage so long as the Spouse is under age 65 and not eligible for Medicare.

Municipal Retirees may not participate in this Plan while working for a Contractor or Municipal Employer.

New Medicare Advantage Program for Medicare-Eligible Retirees

The Trustees are replacing the current Medicare-Supplement benefit through the Plan with a Medicare Advantage Plan provided through Humana. Effective January 1, 2023, Retirees, Spouses, and surviving Spouses who are at least 65, and enrolled in Medicare Parts A and B are eligible for a Medicare Advantage Plan provided through Humana. Unless you have affirmatively chosen not to receive this benefit under the Plan, all eligible Retirees and Spouses will be automatically enrolled in the new Medicare Advantage Plan. If you are not enrolled in Medicare Parts A and B, you will not be eligible for this benefit.

The new Medicare Advantage Plan provides 100% coverage for a number of Medicare-approved services. The following services are including in the Medicare Advantage benefit so long as such

services are Medicare-approved: office visits, specialist visits, diagnostic procedures/tests, lab services, preventive services, therapy (occupational/physical/speech), inpatient and outpatient services, skilled nursing facility (\$0 paid for the first 100 days), urgent care services, ambulance services, routine chiropractic services, routine acupuncture services, and emergency services for foreign travel. Additionally, a \$50 allowance is provided every three months for select over-the-counter health and wellness products through the Medicare Advantage benefit.

Please note that benefits not otherwise covered by the Humana Medicare Advantage Plan will be denied. Any denied claims may be appealed pursuant to the Plan's claim and appeal procedures set forth in Article XIII of your Plan/SPD.

For more information about your Medicare Advantage benefits provided through Humana, please contact Labor First at 312-248-9922 (TTY 711) or toll-free at 855-433-1672. Labor First is a company which specializes in the ongoing member support of retiree health and drug programs and has been retained by the Fund to provide you with a dedicated team of professionals to answer your questions about the Medicare Advantage benefit. You may also contact Humana directly at 1-800-733-9064.

A New Step Therapy Program applies to your Pre-Medicare Prescription Drug Benefits

In many instances there are a number of drugs available to treat a particular long-term Sickness (like arthritis, asthma or high blood pressure) or Injury. Effective January 1, 2022, a Step Therapy Program administered by the Plan's Pharmacy Benefit Manager, Express Scripts, has been implemented for the *Pre-Medicare Retiree* benefit in order to reduce the costs of the Plan and its Participants.

Under the Step Therapy Program, the Plan will require that you first try an available generic medication or a lower cost brand medication in the therapeutic class. These are referred to as "first-line" medications. If you elect to purchase a higher cost medication (a "second-line" medication) without trying an appropriate generic or lower cost brand name medication, you will be denied coverage of the second-line medication.

If you try the generic or lower cost brand medication, and your Physician finds that the first-line medication is not effective in treating your condition, you will be able to receive the higher cost second-line brand medication at the applicable copayment.

Express Scripts or the pharmacist will communicate with you and/or your Physician about any drugs that you are taking for which there is an available first-line medication to treat your condition. You can also log in to your account at www.express-scripts.com to find out if step therapy applies to the medication your Physician prescribed. Select "Price a Medication" from the menu under "Prescriptions." After you look up a medication, look to see if a generic equivalent is also listed as available; if one is not, click View formulary alternatives to see a list of first-line alternative options. If your medication does require step therapy, give the list of first-line alternatives to your doctor to choose a medication that your plan covers that best treats your condition, or call Express Scripts at the number on your member ID card.

If you do not properly complete the Step Therapy Program requirements, Express Scripts may deny your claim. In which case, you may submit an appeal to the Fund Office for review within 180 days of Express Scripts' decision. The Fund Office will make a determination within a reasonable period of time, taking into account the medical circumstances, but no later than 15 days after receipt of the appeal. If that claim is again denied by the Fund Office, you may appeal that denial to the full Board of Trustees which will make a determination within five days following the next scheduled full Board of Trustees meeting which immediately follows the Plan's receipt of a request for review, unless the request for review is received within 30 days preceding the date of the next scheduled Board of Trustees meeting. In such case, a benefit determination may be made by no later than the date of the second meeting following the Plan's receipt of the request for review. Special circumstances may arise which may require a further extension of time to the third meeting of the Board of Trustees. In such instances, the Fund Administrator will notify you of the extension. Consistent with Sections 13.8 and 13.9, you will receive a notice of adverse benefit determination in the event your appeal is denied.

Please review Article XIII of your Plan/SPD for further information about your rights and obligations when filing a claim or an appeal.

We have enclosed a list of Frequently Asked Questions from Express Scripts related to the Step Therapy Program.

New Employer Trustee

Effective June 27, 2022, Employer Trustee Michael Falk was replaced by Mr. Derek Patton of Tribco Construction Services, 10 South LaSalle, Suite 202, Chicago, IL 60603.

Subject to the changes set forth above, all benefits, conditions and exclusions of the Plan still apply, even if not spelled out above. The benefits provided under the Plan are not vested and are subject to change at any time at the discretion of the Board of Trustees.

Should you have any questions concerning the contents of this SMM, please contact the Fund Office at (312) 226-5000.

Sincerely,

Board of Trustees
Retiree Medical Plan of the Plumbers' Welfare Fund, Local 130 U.A.

This announcement, which serves as a Summary of Material Modification ("SMM"), contains only highlights of recent changes to the Plan. In order to understand this announcement in context, please refer to your Plan Document and Summary Plan Description ("SPD"). If there is a discrepancy between the wording here and the Plan Document and SPD, the Plan Document and SPD will govern, except to the extent expressly modified in this SMM. The Trustees reserve the right to amend, modify, or terminate the Plan at any time. Please file this SMM together with your SPD.