

TRANSITIONAL RULES FOR GROUPS NEWLY PARTICIPATING IN THE MICHIGAN CONFERENCE OF TEAMSTERS WELFARE FUND

This is to highlight certain of the MCTWF's rules that should be considered when deciding whether to transition a group into MCTWF participation. This is not intended to be a comprehensive statement of such rules, but rather, it is intended to alert you to key issues. MCTWF's Field Services staff should be contacted with all questions.

Contribution Rates

MCTWF's Weekly Contribution Rates are applicable to all groups in Michigan, Ohio and Indiana. While these rates may also apply to certain groups outside the tri-state area, rate adjustments may be necessary depending on the locale and group size. MCTWF requires information on age, gender, family status, and prior claims experience to determine the contribution rate. You should contact MCTWF's Field Services Department for rates for all new groups outside the tri-state area.

Benefit Bank Week Entitlement

Employees of newly participating Employers and newly hired employees of already participating employers will become entitled to benefit bank weeks once contributions have been made on their behalves for 8 consecutive weeks, or 9 out of 13 weeks.

Eligibility for MCTWF Plan Benefits

Active Employees of newly participating Employers are eligible for immediate coverage.

Employees Not Actively Working

When the Employer has no obligation to contribute for the Employee

If an Employee is not actively working (e.g. laid off or disabled, etc.) on the effective date of the Employer's initial contribution obligation to MCTWF and the Employer has no obligation to contribute for that Employee, no eligibility will be established for MCTWF benefits until the Employee returns to active employment. The Employee will have immediate eligibility upon his or her return to active employment as of the first day (Sunday) of the week for which contributions resume on the Employee's behalf.

When the Employer is obligated to contribute for the Employee

If an Employee is not actively working (e.g., laid off, disabled, etc.) on the effective date of the Employer's initial contribution obligation to MCTWF, but the Employer has an obligation to contribute for that Employee, the Employee will be eligible for all benefits for the weeks for which the Employer contributes except for weekly disability (LOT) or total & permanent disability benefits.

When an Employee is Purchasing COBRA

If an Employee is currently purchasing COBRA continuation coverage on the effective date of the Employer's contribution obligation to MCTWF, the Employee will have the option of participating in the MCTWF's COBRA plan for the remainder of his COBRA coverage period. MCTWF must receive notification of the Employees and/or eligible dependents currently on COBRA and verification from the Employer of their COBRA qualifying event and effective date of such coverage. MCTWF will communicate directly with the Employee and/or eligible dependents regarding his or her options. It is the Employee's responsibility to respond to MCTWF's COBRA notice timely.

Eligible Dependents

MCTWF provides coverage for the Employee's spouse (defined as "an individual recognized as a spouse under the law of any state of the United States) and the Employee's natural or step child, or child who has been placed with an Employee for adoption, or whom the Employee has adopted, through the end of his 26th birthday month, or regardless of age (except that such child over the age of 26 must be unmarried), who has been determined by a physician, psychologist, or psychiatrist to be totally and permanently disabled. If the Employee's disabled child is age 26 or greater, and the disability began before the child was covered under a MCTWF benefit package, the Employee must present adequate evidence that the child was covered as the Employee's dependent under the Employee's health plan on the day immediately preceding the MCTWF coverage.

Employees Considering Retirement

MCTWF's eligibility rules must be met before a retiring Employee will qualify for participation in MCTWF's Retiree Medical Program.

Retirees must be at least age 57 to be eligible. However, those who retire under a "30-and-Out" Central States Pension Fund pension may participate as early as age 50. In addition to age, the following requirements must be satisfied:

- The Employee must have been contributed for under a MCTWF plan that includes the Retiree Medical Program benefit (either by an Employer or by appropriate self-contributions) made on his or her behalf for at least 40 weeks in each of the five consecutive 52 week periods immediately preceding retirement (the "5 out of 5" rule) or at least 40 weeks in seven out of the ten consecutive 52 week periods immediately preceding retirement (the "7 out of 10" rule); except that –

For periods while an Employee performed seasonal work, contributions must have been made for an average of at least 40 weeks per 52-week period for five consecutive 52-week periods immediately preceding retirement (the "seasonal 5 out of 5" rule), or, an average of at least 40 weeks per 52 week period for seven out of the ten consecutive 52-week periods immediately preceding retirement (the "seasonal 7 out of 10" rule). The appropriate test shall be applied pro rata based on the type of work in which the Employee was engaged during the measuring period; and

The Employee must not be eligible for Medicare coverage or engaged in Prohibited Employment.

- MCTWF will allow Employees who choose to retire prior to the satisfaction of the "5 out of 5" or "7 out of 10" rules, after a minimum of 26 weeks of active participation to maintain eligibility under the active Plan for so long as the Employer continues to make active Plan contributions on their behalf. Once the employee is able to satisfy the "5 out of 5" or "7 out of 10" rule (by counting the continued Employer contributions), the Employee will be eligible, for 90 days following cessation of active coverage, to enroll in MCTWF's Retiree Medical Program.
- Effective with groups or individuals whose participation in the MCTWF commenced on or after November 30, 2003, MCTWF ceased recognizing participation years in the Central States Health and Welfare Fund or in any other Fund, for purposes of establishing eligibility to participate in MCTWF's Retiree Medical Program or in determining the years of service to establish the required Program self-contribution rates.

Retirees Currently Covered by a Group Health Plan

MCTWF permits retirees participating in an employer sponsored medical plan at the time of the active group's transition to participate in MCTWF's Retiree Medical Program pursuant to a "cost based" contribution rate schedule, which schedule is subject to annual revision, or to participate in a MCTWF active plan (as determined by the Local Union and Employer, but exclusive of short term or long term disability benefits) at contribution rates that are adjusted based on the average of the youngest initial age for entitlement and the oldest age that a retiree can remain covered under the plan (not to exceed 65 years of age or the date of Medicare eligibility).

Michigan Conference of Teamsters Welfare Fund
2700 Trumbull Avenue, Detroit, Michigan, 48216
313-964-2400 / Field Services Department Extensions 496 and 414

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