

NORTHERN NEW ENGLAND BENEFIT TRUST

ELIGIBILITY

A1-A2 PLANS W/CARRYOVER

WELCOME



ELIGIBILITY, PARTICIPATION REQUIREMENTS AND ENROLLMENT

A1 & A2 Plans with Carryover

ELIGIBILITY

NNEBT provides two Benefit plans: A1 and A2. All new employees who become eligible are first covered under the A1 Plan. After an initial two-month period of eligibility, the new member's coverage under either Plan A1 or A2 is determined based on the number of hours NNEBT receives from the employer on the member's behalf.

ELIGIBILITY SCHEDULE

A member's eligibility for coverage is determined month-to-month based on the following eligibility schedule:

Work Month	Coverage Month
January	April
February	May
March	June
April	July
May	August
June	September
July	October
August	November
September	December
October	January
November	February
December	March

INITIAL ELIGIBILITY – NEW MEMBERS

To become eligible for benefits, a new employee must have a minimum of 250 cumulative hours of employer contributions during a consecutive three-month period. When the minimum hours of contributions are met, eligibility for coverage will begin on the first day of the second month and will be for an initial period of two months.

Example 1: Employee A is hired January 1 and the employer makes contributions to NNEBT for Employee A for the following hours during the three-month period January - March: January – 100 hours; February – 80 hours; and March - 80 hours. Employee A will have accrued a total of 260 hours during this three-consecutive month period and will be eligible for coverage May 1, and also will be eligible for coverage in June.

Contribution Month	Contribution Hours	Accumulated Hours	Initial Eligibility Status
January	100	100	Accruing-Not Yet Eligible
February	80	180	Accruing-Not Yet Eligible
March	80	260	Minimum Met-Eligibility Pending
April			Minimum Met-Eligibility Pending
May			Initial Eligibility-Month 1 of 2
June			Initial Eligibility-Month 2 of 2

Example 2: Same facts as in Example 1, except the employer makes contributions to NNEBT for Employee A for the following hours: January – 80 hours; February – 80 hours; March - 60 hours and April – 80 hours. Employee A is not eligible for coverage since he only had 220 hours in the three-consecutive month period January, February and March and then only had 220 cumulative hours of employer contributions during the three-consecutive month period of February, March and April.

Contribution Month	Contribution Hours	Accumulated Hours	Initial Eligibility Status
January	80	80	Accruing-Not Yet Eligible
February	80	160	Accruing-Not Yet Eligible
March	60	220	Accruing-Not yet Eligible-Did not meet Minimum Hours January through March
April	80	220	Accruing-Not Yet Eligible-Did not meet Minimum Hours February through April

Example 3: Same facts as in Example 2, except the employer makes contributions to NNEBT for Employee A for 80 hours in March and 90 hours in April. Employee A will have accrued a total of 250 hours during the three-consecutive month period of February (80), March (80) and April (90) and will be eligible for coverage under the A1 Plan June 1 and also will be eligible for coverage under the A1 Plan in July.

Contribution Month	Contribution Hours	Accumulated Hours	Initial Eligibility Status
January	80	80	Accruing-Not Yet Eligible
February	80	160	Accruing-Not Yet Eligible
March	80	240	Accruing-Not yet Eligible-Did not meet Minimum Hours January through March
April	90	250	Minimum Met-Eligibility Pending
May			Minimum Met-Eligibility Pending
June			Initial Eligibility-Month 1 of 2 Eligible for A1 Coverage
July			Initial Eligibility-Month 2 of 2 Eligible for A1 Coverage

Example 4: Employee A is hired on January 1 and the employer makes contributions to NNEBT for Employee A for the following hours: January - 80 hours; February – 80 hours; and March –160 hours. Employee A will have accrued a total of 320 hours during this three-consecutive month period and will be eligible for coverage under the A1 Plan May 1, and also will be eligible for coverage under the A1 Plan in June.

Contribution Month	Contribution Hours	Accumulated Hours	Initial Eligibility Status
January	80	80	Accruing-Not Yet Eligible
February	80	160	Accruing-Not Yet Eligible
March	160	320	Minimum Met-Eligibility Pending
April			Minimum Met-Eligibility Pending
May			Initial Eligibility-Month 1 of 2 Eligible for A1 Coverage
June			Initial Eligibility-Month 2 of 2 Eligible for A1 Coverage

Example 5: Same facts as in Example 4, except the employer makes contributions to NNEBT for Employee A for 160 hours in April. Employee A will become eligible for coverage under the A2 Plan in July.

Month	Contribution Hours	Accumulated Hours	Initial Eligibility Status
January	80	80	Accruing-Not Yet Eligible
February	80	160	Accruing-Not Yet Eligible
March	160	320	Minimum Met-Eligibility Pending
April	160		Minimum Met-Eligibility Pending
May			Initial Eligibility-Month 1 of 2 Eligible for A1 Coverage
June			Initial Eligibility-Month 2 of 2 Eligible for A1 Coverage
July			Eligible for A2 Coverage

ENROLLMENT OF NEW MEMBERS

New members who meet the eligibility requirements may enroll in the Plan by submitting a completed enrollment application to NNEBT. Members who meet the eligibility requirements but who do not enroll in the Plan may not be entitled to benefits or may only be entitled to limited benefits.

MAINTAINING ELIGIBILITY

To remain eligible each Coverage Month, members must meet the monthly minimum requirement for cumulative hours of employer contributions for the corresponding Work Month in accordance with the monthly schedule described above.

The monthly minimum requirements are A1 Plan - 134 hours and A2 Plan - 150 hours.

If a member meets or exceeds the minimum requirement during a Work Month, the member will be automatically eligible for the corresponding Coverage Month.

BANKING PROVISION

Every eligible member will have a “bank” into which hours that are contributed for the member by the employer for a work Month in excess of the monthly minimum requirement will be deposited.

Banked hours will be converted to dollars which can be applied automatically to a subsequent Work Month in which the member falls short of the required minimum hours. Banked dollars may eliminate, but at least will reduce, the amount of a member’s pay-in.

Banked hours will “expire” on May 31 of each year, at which time the corresponding dollar amount will be removed from the member’s bank.

Please Note: The dollar amounts in the following examples are only generic amounts and do not necessarily correspond to the dollar amounts that will be applied to a member’s hours for banking purposes. The actual dollar amount will be the hourly contribution rate in the collective bargaining agreement that corresponds to the Work Month for which the excess hours are reported.

Example 1: Employee A has 240 hours of contributions per month (at \$7.00 per hour) during the months of June through October (total 1,200 hours). An excess of 90 hours per month (converted to \$630.00 per month) is banked for later use.

Contribution Month	Coverage Month	Contribution Hours	Hours Excess or Shortage	Dollar Conversion
June	September	240	90 Excess	90 x \$7.00 = \$630.00
July	October	240	90 Excess	90 x \$7.00 = \$630.00
August	November	240	90 Excess	90 x \$7.00 = \$630.00
September	December	240	90 Excess	90 x \$7.00 = \$630.00
October	January	240	90 Excess	90 x \$7.00 = \$630.00
			TOTAL	\$3,150.00

Example 2: Using the total banked dollars from Example 1: Employee A has Zero contribution hours for November, December and January. Employee A has a total of \$3,150.00 banked dollars. The banked dollars will be used to compensate for the 150 hours per month shortage.

Contribution Month	Coverage Month	Contribution Hours	Hours Excess or Shortage	Dollar Conversion
June-October	September-January	1200	450	450 x \$7.00 = \$3,150.00
November	February	0	150 Shortage	150 x 7 = \$1,050 used
December	March	0	150 Shortage	150 x 7 = \$1,050 used
January	April	0	150 Shortage	150 x 7 = \$1,050 used

Example 3: Same facts as example 2, except employee A has zero contribution hours for February. Member will receive a pay-in notice to continue coverage for May, as all banking dollars have been exhausted.

Contribution Month	Coverage Month	Contribution Hours	Hours Excess or Shortage	Dollar Conversion
June-October	September-January	1200	450	450 x \$7.00 = \$3,150.00
November	February	0	150 Shortage	150 x 7 = \$1,050 used
December	March	0	150 Shortage	150 x 7 = \$1,050 used
January	April	0	150 Shortage	150 x 7 = \$1,050 used
February	May	0	150 Shortage	\$1,050 pay-in required to continue coverage

PAY-IN PROVISION

A member may “pay-in” the difference between the monthly minimum contribution requirement and the amount of hours actually contributed for the member by the member’s employer. Any banked dollars will be automatically applied to any shortfall of hours to reduce the deficit. A member who has no employer contributed hours for a Work month and who has no available banked dollars, may pay-in the full hourly amount, *i.e.* 150 hours, on a one-time basis. If a member chooses not to make the pay-in, the member will lose coverage for the corresponding Coverage Month and must satisfy the reinstatement rule in order to regain eligibility.

Please Note: The dollar amounts in the following examples are generic amounts and do not necessarily correspond to the dollar amounts that will be used to calculate a member’s pay-in. The actual dollar amount will be the hourly contribution rate in the collective bargaining agreement that corresponds to the Work Month for which the minimum number of hours is not reported.

Example 1: Employee A has 230 hours of contributions per month (at \$7.00 per hour) during the months of June through October (total 1,150 hours). An excess of 80 hours per month (converted to \$560.00 per month) is banked for later use.

Contribution Month	Coverage Month	Contribution Hours	Hours Excess or Shortage	Dollar Conversion
June	September	230	80 Excess	80 x \$7.00 = \$560.00
July	October	230	80 Excess	80 x \$7.00 = \$560.00
August	November	230	80 Excess	80 x \$7.00 = \$560.00
September	December	230	80 Excess	80 x \$7.00 = \$560.00
October	January	230	80 Excess	80 x \$7.00 = \$560.00
			TOTAL	\$2,800.00

Example 2: Using the total banked dollars from Example 1: Employee A has Zero contribution hours for November, December and January. Employee A has a total of \$2,800.00 banked dollars. The banked dollars will be used to compensate for the 150 hours per month shortage for November and December and a pay-in notice for \$350 will be issued for January. (150 x \$7.00 = \$700 remaining in bank). If the member makes the pay-in, coverage will continue through the month of April. **If the member does not make the pay-in, coverage will end on March 31, a COBRA notice will be issued and banked dollars will be forfeited.**

Contribution Month	Coverage Month	Contribution Hours	Hours Excess or Shortage	Dollar Conversion
June-October	September-January	1150	400	400 x \$7.00 = \$2,800.00
November	February	0	150 Shortage	150 x 7 = \$1,050 used
December	March	0	150 Shortage	150 x 7 = \$1,050 used
January	April	0	150 Shortage	\$350.00 pay-in to continue coverage

Example 3: Same facts as example 2, except employee A has 0 contribution hours for February and March. A 100% pay-in is allowed on a one-time basis for May Coverage. COBRA is the only option to maintain coverage for the month of June.

Contribution Month	Coverage Month	Contribution Hours	Hours Excess or Shortage	Dollar Conversion
June-October	September-January	1150	400	400 x \$7.00 = \$2,800.00
November	February	0	150 Shortage	150 x 7 = \$1,050 used
December	March	0	150 Shortage	150 x 7 = \$1,050 used
January	April	0	150 Shortage	\$350.00 pay-in made for April coverage (balance of banked dollars also used)
February	May	0	150 Shortage	\$1,050 pay in (one-time 100% allowed)
March	June	0	150 Shortage	COBRA to continue coverage

REINSTATEMENT OF COVERAGE

If a member's coverage is terminated for any reason, *e.g.* failure to make a pay-in, the former member will be required to meet the requirements for gaining initial eligibility, *i.e.* 250 cumulative hours of contributions in a three-consecutive month period, with reinstated coverage beginning the first of the second month.

EXTENSION OF COVERAGE BASED ON DISABILITY

A member who is disabled, who qualifies for weekly disability income benefits from NNEBT and who has exhausted his/her bank will be eligible for a one-month disability extension that will apply to the first month the member is short contributions because of the member's disability.

After the one-month disability extension, the member will be entitled to make monthly pay-ins equal to 150 hours at the then-applicable hourly contribution rate for as long as the member remains eligible for weekly disability income benefits from NNEBT.

Any periods of coverage under the disability extension rule will be deducted from a member's COBRA entitlement.

ELIGIBLE DEPENDENTS

ELIGIBLE SPOUSE

An eligible spouse is the lawful spouse of a member, including a legally separated spouse.

Adding a spouse: If the Trust is notified within 30 days of the marriage, the spouse will be covered by the Plan as of the date of the marriage. Otherwise, the spouse will be added as of the date of notification.

ELIGIBLE CHILDREN

For purposes of the plan, an eligible dependent includes the child of a member who is under the age of 26; **provided however**, that an adult child between the ages of 19 and 26 is not an eligible dependent if the plan is a grandfathered plan and the adult child is eligible to enroll in an employer-sponsored health plan. [Questions concerning whether the plan is grandfathered should be directed to NNEBT at 1-800-258-9732.] A child who attains the age of 26 shall retain his/her dependent status until the end of the calendar month in which s/he attained age 26. **An adult dependent child may be married; however the spouse and any children of the adult dependent are not eligible.**

“Child” as used above includes the member’s own biological child, a child that has been placed for adoption with the member, a child for whom the member has been appointed as legal guardian with custody or a step child; **provided however**, that step children will not continue to be eligible dependents after a divorce.

For purposes of the plan, an eligible dependent also includes a member’s unmarried child over the age of 25 who, prior to attaining age 26, is an eligible dependent and is incapable of independent financial self-support because of a mental or permanent physical disability; who is dependent on the covered member for support and maintenance; and who is not covered by any other plan; **provided however**, that the member submits to NNEBT adequate proof of handicapped status prior to the end of the calendar month in which the handicapped child attains the age of 26.

DIVORCE

In the event of divorce of a covered NNEBT member, the member must notify the Trust of the divorce within 30 days of the divorce and, at the same time, provide the Trust with a copy of the Divorce Decree.

In the case of members for whom contributions are made under a tiered family status, *e.g.* single, double or family, the member must notify his employer of the divorce and, if not addressed in the collective bargaining agreement, make arrangements for the continuation of contributions to cover the former spouse.

Coverage for the former spouse will continue only if such coverage is required by the Divorce Decree. Otherwise, the spouse's coverage will end as of the date of the divorce. A former spouse may be considered an eligible dependent subject to the following conditions:

1. The Divorce Decree must require that the member maintain coverage for his/her former spouse;
2. Neither the former spouse nor the member has remarried; and
3. The former spouse is not eligible for Medicare.

If the member does not notify NNEBT of the divorce in the required time frame and claims are paid, the member will be required to repay NNEBT for the cost of those claims.

The member is responsible for providing NNEBT with current contact information for the former spouse.

The biological or adopted children of the member who otherwise meet the dependent eligibility requirements of the SPD will retain coverage after the member's divorce. Children of the former spouse who are not the biological or adoptive children of the member will not be covered after the divorce.

TERMINATION OF COVERAGE

A member's coverage under the Plan will end:

1. If the member does not meet the minimum monthly contribution requirement and does not make a pay-in, the member's coverage will end on the last day of the Coverage Month prior to the Coverage Month corresponding to the Work Month for which the pay-in was not made.
2. If the member has no employer contributed hours in 2 successive Work Months and has no banked dollars, the member's coverage will end after the Coverage Month corresponding to the first Work Month in which the member had no hours.
3. If a member retires and qualifies for subsidized retiree benefits from NNEBT, coverage will end at the end of the month following the month in which employer contributions cease.
4. If the member's employer ceases to be a contributor to NNEBT, coverage will end at the end of the month following the month in which employer contributions cease.
5. If the member otherwise becomes ineligible, coverage will end.
6. If NNEBT ends or modifies the Plan in a manner that makes the member no longer qualified for coverage, coverage will end.

Example 1: *Employee A has no banked dollars and has no employer contributed hours in January and February and makes the required pay-in for January. Employee A will lose coverage at the end of April.*

Contribution Month	Coverage Month	Contribution Hours	Eligibility Status
January	April	0	Eligible by pay-in
February	May	0	Not Eligible (Coverage ends April 30)

Example 2: *Employee A receives a pay-in notice for the Work Month of January (April coverage) and does not make the pay-in. Employee A will lose coverage at the end of March.*

Pay-In Notice	Coverage Month	Hours	Coverage Loss
January	April	0/Pay In Notice Sent	Does not make pay-in; coverage ends March 31

Example 3: Employee A, who is eligible for subsidized retiree benefits from NNEBT, retires at the end of December with 4 weeks of paid vacation and the employer makes contributions in January for the vacation hours. The last month of full contributions will grant coverage for the corresponding Coverage Month. Employee A will lose coverage at the end of April.

Last Physical Work Date	Vacation Month	Coverage Month	Coverage Ends
December 31	January (4 weeks)	April	April 30

Example 4: Same facts as Example 3, with member being owed 6 weeks of paid vacation; the employer makes contributions in January and February for the vacation hours. The last month of full contributions (January) will grant coverage for the corresponding Coverage Month (April). Retirees are not permitted to make pay-ins and must access the Retiree coverage as soon as coverage under the active plan is terminated. Employee A will lose coverage at the end of April.

Last Physical Work Date	Vacation Weeks Remitted	Coverage Month	Coverage Ends
December 31	January (4 weeks) February (2 weeks)	April	April 30

TERMINATION OF DEPENDENT COVERAGE

A spouse's coverage under the Plan will end –

1. When the member's coverage ends.
2. If the individual no longer meets the Plan's definition of "Eligible Dependent."

A dependent child's coverage under the Plan will end –

1. When the member's coverage ends.
2. If the individual no longer meets the Plan's definition of "Eligible Dependent."

All of the above notwithstanding, in the event a member dies, the member's otherwise eligible dependents will remain covered for a maximum period of one year. Any such periods of coverage will be deducted from the COBRA entitlement(s) of the eligible dependent(s).