

SANTA MONICA UNITE HERE HEALTH BENEFIT TRUST FUND

Administered By: Benefit Programs Administration
Telephone • (866) 345-5189 • (562) 463-5075 • FAX (562) 463-5894
www.santamonicauniteherefunds.org

ATTENTION! IMPORTANT! PLEASE READ!

April 2021

To: All Participants in the Santa Monica UNITE HERE Health Benefit Trust Fund
From: Administrative Office
Re: Important Changes to Your Fund Benefits
Summary of Material Modifications (SMM) - Effective March 31, 2021

Dear Participant:

The Board of Trustees of the Santa Monica UNITE HERE Health Benefit Trust Fund has made the following changes to your health plan effective March 31, 2021.

I. EARLY TERMINATION OF FUND PROVIDED COBRA SUBSIDY ON MARCH 31, 2021

As you may have heard, as part of the American Rescue Plan Act of 2021 ("ARPA"), signed into law by President Biden on March 11, 2021, the Federal Government will be providing a 100% COBRA subsidy from April 1, 2021 through September 30, 2021, to qualifying Health Plan Participants. **This means that you may qualify for free, fully-paid, COBRA continuation coverage effective April 1, 2021.**

As a result of the federal subsidy, the Fund's Board of Trustees has decided to end its previously announced 3-month COBRA subsidy (from March 2021-May 2021) early. Specifically, the Fund's previously announced COBRA subsidy will end on March 31, 2021.

Please do not worry! Most participants who have elected COBRA will qualify for FREE COBRA subsidized by the Federal Government for up to six months. And, if you don't qualify for FREE COBRA from the Federal Government, you can still qualify for a new Fund-provided COBRA subsidy for April and May of 2021.

Please see Part II below for more information about the federal COBRA subsidy and the two months of Fund-provided COBRA subsidy for participants who do not qualify for the federal subsidy.

II. FEDERAL COBRA SUBSIDY: PRELIMINARY INFORMATION

The Federal Government will provide COBRA coverage **at no cost** to qualifying Plan Participants (including Dependents) from April 1, 2021 through September 30, 2021 (referred to as the "Subsidy Period").

Details about this federal COBRA Subsidy are still being worked out. We are expecting additional government guidance in the next several weeks. Please watch your mailbox, as we will be mailing you additional information and forms that must be completed if you wish to qualify for the federal COBRA Subsidy.

Here is some information that is available at this time:

Who is Eligible for the Federal COBRA Subsidy?

The federal COBRA subsidy is available to Participants (the Employee and the Employee's enrolled Dependents) who satisfy both of the following requirements:

- (1) The Participant has a loss of coverage as a result of the Employee's reduction in hours or involuntary termination of employment. (Thus, for example, if the loss of coverage is due to the Employee voluntarily quitting his or her job, a divorce, or a dependent reaching age 26, the Employee and/or the Employee's Dependent will not qualify for this subsidized COBRA).
- (2) Some part of the Participant's maximum COBRA coverage period (generally 18 months following loss of coverage) falls within the Subsidy Period (April 1, 2021 to September 30, 2021). This means that the subsidy is available to:
 - Participants who have already lost coverage but are still within their maximum COBRA coverage period, whether or not they previously elected COBRA. (Thus, the federal COBRA subsidy is available even if COBRA was not previously elected, or it was elected and discontinued before April 1, 2021).
 - Participants whose COBRA coverage will start during the Subsidy Period. (For example, if an Employee has a reduction in hours in April 2021, causing a loss of coverage on June 30, 2021, the Employee may qualify for the subsidy from July 2021 through September 2021).

The federal COBRA subsidy will terminate early (or will not be available) if: (i) the Participant is or becomes eligible for another group health plan (such as a spouse's plan or a parent's plan) or Medicare during the Subsidy Period; or (ii) if the Employee returns to work and becomes eligible for coverage as an active Employee; or (iii) the Participant reaches the end of his or her maximum COBRA coverage period (generally 18 months following the loss of coverage) before the end of the Subsidy Period.

How Much is the Federal COBRA Subsidy?

During the Subsidy Period, the Federal Government will pay the full cost of COBRA. This means that COBRA coverage during the subsidy period will be free to qualifying Participants.

What Do I Have to Do to Get the Federal COBRA Subsidy?

In order to receive the federal COBRA subsidy (FREE COBRA coverage), you will need to complete a form establishing your eligibility for the subsidy, and you may also have to complete a COBRA election form (if you have not already done so). Please look out for additional information from the Plan. We expect to mail out more detailed information in April to any Participants who may be eligible for this relief, and will provide the appropriate form(s) for requesting the subsidy in that mailing. **Please make sure you update your address with the Administrative Office.**

What If I Am Not Eligible for the Federal COBRA Subsidy?

As described above, if you establish that you are not eligible for the federal COBRA subsidy, the Fund will provide you two months (April and May) of free COBRA. To get this free COBRA from the Fund for April and May, you must complete a form that establishes your ineligibility for the federal COBRA subsidy, and you must elect COBRA (if you have not already done so).

If you elect COBRA but you do not complete the form establishing your eligibility or ineligibility for the federal COBRA subsidy, the Fund will provide you a more limited COBRA subsidy for April and May. Your monthly COBRA premium for April and May will be \$50 if you elect COBRA under the MLK Program and \$100 if you elect COBRA under Kaiser or Health Net. Note, however, that the \$100 premium for Health Net is available only if you live outside the MLK Service Area (more than 15 driving miles from MLK Hospital). If you live within the MLK Service Area, and you do not complete the form to establish your eligibility or ineligibility for the federal COBRA subsidy, you will have to pay the full premium for COBRA coverage under the Health Net Plan.

The Fund's limited COBRA subsidy, for April and May, applies only to Participants who do not qualify for the federal COBRA subsidy.

III. ELIMINATION OF SPECIAL ACCELERATED ELIGIBILITY RULE ANNOUNCED IN JANUARY 2021.

Under Fund rules, participants whose coverage ended on February 28, 2021, have to re-establish initial eligibility if they have not worked sufficient Hours to establish or maintain eligibility in a calendar month between November 1, 2020 and February 28, 2021.

In January 2021, the Board of Trustees announced a special accelerated initial eligibility rule to be applied to Participants previously on the Fund's COVID eligibility extension. Under that special rule, participants who returned to covered employment in 2021 would gain initial eligibility for coverage beginning the first day of the third calendar month after the month they worked the required hours for eligibility.

Due to the 100% COBRA subsidy under ARPA, the Trustees have decided to cancel the special accelerated eligibility rule announced in January 2021. This means that the Fund's regular initial eligibility rule will apply to you if you have had a period of more than four months since you worked Required Hours (generally 60 Hours, but 80 Hours for Hotel Plan participants other than banquet servers).

Under the Fund's regular initial eligibility rule, your Initial Eligibility Date is the first day of the third month following a period of 3 consecutive months during which you worked the Required Hours. See "How You Become Eligible" on page 3 of the SPD (Article II, Section 1). For example: if you work Required Hours in March, April and May, you will become eligible for benefits on August

* * * *

Please note that government guidance regarding this COBRA relief is evolving. We will be providing additional information about eligibility, coverage, and the application process for the federal COBRA subsidy in the coming weeks.

If you have concerns with respect to your benefits with the Plan or your eligibility for subsidized COBRA, please contact us at (866) 345-5189 or (562) 463-5075 to determine if relief may be available to you.

*Receipt of this notice does not constitute a determination of your eligibility. If you wish to verify your eligibility for benefits, or if you have any questions regarding this notice or your benefits, please call the **Administrative Office at (562) 463-5075 or (866) 345-5189** from 8:30 a.m. to 4:30 p.m., Monday through Friday. The Fund's web site can be found at www.santamonicauniteherefunds.org.*

In accordance with ERISA reporting requirements, this notice serves as a Summary of Material Modifications ("SMM") to the Santa Monica UNITE HERE Health Benefit Trust Fund Summary Plan Description & Plan Document (as in effect on January 1, 2020). Please keep this SMM with your SPD and other plan materials for future reference. If you have any questions, please contact the Administrative Office.

FREE HEALTHCARE TAKE ACTION NOW!

**Most workers will be eligible for
FREE COBRA healthcare from
April through September, 100%
paid for by the U.S. Government!**



STEP 1

**CONFIRM YOUR CURRENT
ADDRESS & PHONE
NUMBER TODAY**

Go to www.unitehere11.org/COBRA

or

CALL the Santa Monica Fund at
866-345-5189

SANTA MONICA
UNITEHERE!
HEALTH BENEFIT FUND

STEP 2

MAKE SURE YOU ARE ELIGIBLE

You lost (or lose) your coverage due to involuntary
loss of your job or reduced hours between November
2019 and September 2021

AND

You are NOT eligible for coverage through Medicare
or other group health insurance
(for example, from another job or a spouse's
coverage) (Medi-Cal or Covered CA is ok)

STEP 3

**SIGN UP FOR FREE COBRA AND
FILL OUT THE BLUE FORM**

If you already enrolled in \$50 or \$100 COBRA:

- Your coverage will be **FREE** starting in April!
- You must fill out the blue form in mid-April
- If you made a payment for April and/or May, the Fund will mail you a refund within 90 days

If you want to enroll in Free COBRA now:

- Call the Fund 866-345-5189 to enroll
- You must fill out the blue form in mid-April

COBRA GRATUITA ¡TOME ACCION AHORA!

La mayoría de los trabajadores
serán elegibles para recibir
atención médica COBRA GRATUITA
de abril a septiembre, ¡100%
pagado por el gobierno de los
EE. UU.!



PASO 1

CONFIRME SU DIRECCIÓN
ACTUAL Y NÚMERO DE
TELÉFONO HOY

Vaya a
www.unitehere11.org/COBRA

o

LLAME al Santa Monica Fund al
866-345-5189

SANTA MONICA
UNITEHERE!
HEALTH BENEFIT FUND

PASO 2

ASEGÚRESE DE SER ELEGIBLE

Perdió (o perderá) su cobertura debido a la
pérdida involuntaria de su trabajo o la reducción
de horas entre noviembre de 2019 y septiembre de
2021

Y

NO es elegible para la cobertura a través de
Medicare u otro seguro médico grupal
(por ejemplo, de otro trabajo o la cobertura de un
cónyuge) (Medi-Cal o Covered CA está bien)

PASO 3

REGÍSTRESE PARA OBTENER
COBRA GRATUITA Y COMPLETE
EL FORMULARIO AZUL

Si ya se inscribió en COBRA de \$ 50 o \$ 100:

- ¡Su cobertura será **GRATIS** a partir de abril!
- Debe completar el formulario azul a mediados de abril
- Si realizó un pago para abril y / o mayo, el Fondo le enviará un reembolso dentro de los 90 días

Si desea inscribirse en COBRA gratis ahora:

- Llame al Fondo al 866-345-5189 para inscribirse
- Debe completar el formulario azul a mediados de abril