

**NOTICE TO PLAN A+ PARTICIPANTS
OF THE
LOCAL 802 MUSICIANS HEALTH FUND**

Important Information Regarding Option to “Buy Down” to Plan A

This document is intended to inform you of a temporary change to the eligibility and enrollment rules of the Local 802 Musicians Health Fund (the “Fund”) and constitutes a Summary of Material Modifications (“SMM”) to the Plan rules. You should take the time to read this SMM carefully and keep it with the copy of the summary plan description (“SPD”) that was previously provided to you. If you have any questions regarding this notice, please contact the Fund Office at (212) 245-4802.

July 2020

Dear Participant and Family,

In light of the ongoing loss of work due to the COVID-19 pandemic, the Fund’s Board of Trustees has evaluated ways to help Fund participants continue to receive health coverage while maintaining financial stability of the Fund. The Board has determined that for the six-month Coverage Period beginning September 1, 2020, participants that qualify for Plan A+ will be offered the option to “buy down” to Plan A and “bank” any excess employer contributions made on their behalf toward future coverage (in accordance with the Fund’s existing rules for banked contributions). This will place the participant who does buy down in a better position to continue coverage under the Plan beyond February 2021, regardless of when employer contributions resume.

This “buy down” option only applies to the six-month Coverage Period that begins September 1, 2020 and ends February 28, 2021. The Board will continue to assess whether the Fund is able to offer this option in the future, and also consider other possible options and Plan changes in light of the extraordinary impact of the pandemic on the Fund and its participants.

All participants who elect Plan A+, as well as those who elect to “buy down” to Plan A, will still be required to pay the quarterly participant and family premiums for the coverage they elect. If you are eligible for Plans A or A+ and do not pay the required premiums by the due date, you will automatically receive Plan B benefits at no cost, but you will not be able to enroll in Plans A or A+ until the next Coverage Period (and only if you qualify for such coverage at that time).

The enclosed Election Form and your first quarterly premium for the Coverage Period beginning September 1, 2020 are **due on August 26, 2020**. You will receive an invoice for the second quarter premium closer to the beginning of that quarter. At this time, there is no change to the quarterly participant premium amounts which are listed below.

Quarterly Participant Premiums

Plan A+ (\$4,500 level of Employer contribution)	\$300 for Individual Coverage \$1,200 for Family Coverage
Plan A (\$2,000 level of Employer contributions)	\$300 for Individual Coverage \$1,200 for Family Coverage

Plan B (\$500 level of Employer contributions)	None
Plan B Dental and Vision “Buy-up” for Plan A and A+ Participants (six-month premium paid in advance)	\$247 for Individual Coverage \$692 for Family Coverage

Considerations in Choosing to Buy Down to Plan A:

Plan A Has Higher Out of Pocket Costs than Plan A+. You should carefully consider your and your family’s coverage needs before buying down to Plan A. The cost sharing (i.e., the amount a participant pays for a covered service) is generally higher in Plan A, as are the deductibles. Summaries of the current cost sharing requirements under Plan A and Plan A+ have been previously distributed to you, and can be found by visiting <https://www.local802afm.org/healthcare/> (in the “Plan Descriptions, PDF Forms, Applications and Waivers” menu, under “Summary of Benefits & Coverage (“SBC”)”). Below for your reference are the deductibles and out-of-pocket payment limits for Plan A and Plan A+:

	<u>Plan A+</u>	<u>Plan A</u>
In-Network Deductible	\$0	\$250/Individual \$500/Family
Out-of-Network Deductible	\$1,500/Individual \$3,750/Family	\$2,500/Individual \$6,250/Family
In-Network Out-of-Pocket Payment Limit	\$5,050/Individual \$10,100/Family	\$5,050/Individual \$10,100/Family
Out-of-Network Out-of-Pocket Payment Limit	None (this amount is unlimited)	None (this amount is unlimited)

Please note that both the deductibles and out-of-pocket payment limit accumulate on a calendar year basis. Therefore, if you decide to buy down to Plan A, you will be responsible for meeting the Plan A in-network deductible amount for the period September 1, 2020 through December 31, 2020, and then again in 2021. However, in determining whether this will result in higher out-of-pocket costs for you or your family, please keep the following in mind:

- Any amounts you pay toward deductibles or the in-network out-of-pocket payment limit for services incurred under the Plan in 2020 will be credited toward those Plan A requirements for calendar year 2020. For example, if you satisfied the Plan A+ out-of-network family deductible of \$3,750 and buy down to Plan A beginning September 1, 2020, you will meet the Plan A out-of-network family deductible for 2020 after incurring another \$2,500 in out-of-network deductible expenses (\$6,250 - \$3,750). Similarly, if while enrolled in Plan A+ you incurred \$10,000 toward your family’s in-network out-of-pocket payment limit and you buy down to Plan A beginning September 1, 2020, you will meet the Plan A in-network out-of-pocket payment limit for 2020 after incurring another \$100 of applicable expenses.

- The “Three Month Carry Over Rule”: This existing Plan rule provides that any amounts you incur toward deductibles in the last quarter of 2020 will count toward your 2021 deductible. For example, if you buy down to Plan A family coverage beginning September 1, 2020, and incur \$2,500 in out-of-network deductible expenses during the period October 1, 2020 through December 31, 2020, that \$2,500 will be credited toward your out-of-network deductible for 2021. Similarly, if you buy down to Plan A individual coverage beginning September 1, 2020, and incur \$250 in in-network deductible expenses during the period October 1, 2020 through December 31, 2020, that amount will be carried over to satisfy your in-network deductible for 2021. Please note that this rule does not apply to the out-of-pocket payment limit.

An Election Form is included with this notice. If you are eligible for Plan A+ as of September 1, 2020 and would like to enroll in Plan A for the Coverage Period that begins September 1, 2020, you will need to complete, sign, and submit the Election Form to the Fund Office at the above address **no later than August 26, 2020**. If the Election Form is not received by that date along with your participant premium(s) for the first quarter, you will not be able to enroll in Plan A coverage for the September 1, 2020 Coverage Period, and you will remain in Plan A+, subject to your timely payment of the required premiums for that coverage.

The Fund will have an informational Zoom meeting on July 29 at 3:00pm to fully explain the “buy down” option for those eligible and to answer any questions you might have. As always, if you need assistance or have any questions regarding Fund benefits, please contact the Fund Office at (212) 245-4802. If you need information about your “banked” contributions, log into your member portal at www.local802afm.org.

Sincerely,

Board of Trustees
Local 802 Musicians Health Fund

This SMM is intended to provide you with an easy-to-understand description of certain temporary changes to the Plan. A full description of benefits available from the Fund is set out in the SPD (as amended by prior SMMs), except to the extent that this SMM explicitly modifies the SPD.

The Board of Trustees reserves the right, in its sole and absolute discretion, to amend, modify or terminate any benefits provided under the Fund, in whole or in part, at any time and for any reason, in accordance with the applicable amendment procedures established under the SPD and the Agreement and Declaration of Trust establishing the Fund (the “Trust Agreement”). The Trust Agreement and the SPD are available at the Fund Office and may be inspected by you free of charge during normal business hours. No individual other than the Board of Trustees (or its duly authorized designee) has any authority to interpret the Plan documents, make any promises to you about benefits under the Plan, or to change any provision of the Plan. Only the Board of Trustees (or its duly authorized designee) has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Plan and decide all matters, legal and/or factual, arising under the Plan.