

SUMMARY OF MATERIAL MODIFICATIONS

Date: June 1, 2019

To: ALL PARTICIPANTS
TEAMSTERS LOCAL 639 – EMPLOYERS HEALTH TRUST FUND

From: The Board of Trustees of the Teamsters Local 639 - Employers Health Trust Fund

Subject: Notice of Plan Changes

Dear Participant:

This Summary of Material Modifications announces changes to the Fund's coverage for benefits related work-related injuries or illnesses effective June 1, 2019.

Please read this document carefully and keep it in a safe place.

Effective July 1, 2019, the Fund will no longer advance payments for your medical coverage for injuries or illnesses that are job related. By law, your employer is required to provide you with medical coverage for all work-related injuries or illnesses. Your working spouse and dependent children's employers are also required to do the same. Accordingly, the Plan will not pay any claim for benefits where it reasonably appears that the claim is in connection with an injury or illness for which benefits are payable in accordance with the provisions of any Workers' Compensation or similar law.

Upon receipt of any such claim, the Fund Office will return the claim to the provider and notify them that the claim should be submitted to the participant's employer or employer's Workers' Compensation insurance carrier. You will receive a copy of this notification. If the Workers' Compensation carrier denies the claim, you must appeal the decision to the appropriate administrative authority. If the appeal is denied you may submit the claim to the Fund Office for processing in accordance with the rules of the Plan.

This change does not apply to your Weekly Accident and Sickness Benefits. If you are out of work due to a work-related injury or illness and your employer's Workers' Compensation insurance carrier has denied your initial claim for benefits, the Plan will pay you Weekly Accident and Sickness Benefits provided that you comply with the requirements in Section 16 regarding Reimbursement and Subrogation. You must complete a Reimbursement and Subrogation Agreement assigning to the Plan any benefits you receive as a result of your Workers' Compensation appeal. The Reimbursement and Subrogation Agreement must be completed by you and the attorney

who represents you in your Workers' Compensation appeal. The attorney must also confirm in writing that you are appealing your employer's Workers' Compensation decision and provide the name of the administrative authority to which you are appealing and the jurisdiction in which the appeal will be filed. In Maryland and Virginia, these are called the Workers' Compensation Commissions. In the District of Columbia, this administrative body is known as the Department of Employment Services, Office of Workers' Compensation. Your claim for Weekly Accident and Sickness Benefits will be considered only after you and your attorney sign the Reimbursement and Subrogation Agreement and provide the necessary information.

When the Workers' Compensation appeal authority makes its decision, you must forward a copy of this decision to the Fund Office. If the decision is in your favor and grants you Workers' Compensation benefits, you must reimburse the Plan all Weekly Accident and Sickness Benefits paid on account of the work-related injury or illness in accordance with the terms of the Reimbursement and Subrogation Agreement both you and your attorney signed. If the Workers' Compensation appeal authority's decision is not in your favor, you still have the right to appeal the decision to the appropriate court in the jurisdiction involved. If you do so, the Reimbursement and Subrogation Agreement (assignment of benefits) you and your lawyer signed will remain in effect and will continue to be binding. Please note that you are not required to appeal any adverse decision from the appeal authority to a court of law.

If you do not appeal the Workers' Compensation appeal authority's decision to the appropriate court, the Plan will recognize the claim you filed as a legitimate, non-work-related claim and will not require you or your attorney to reimburse the Plan for Weekly Accident and Sickness Benefits that were paid on your behalf.

This SMM describes changes to the Fund's benefits and should be kept with your SPD for handy reference and safekeeping.

If you have any questions, please do not hesitate to contact the Fund Office at (202) 636-8181.

The Trustees continue to reserve the right to amend, modify, or terminate the Fund and any or all benefits provided thereunder.

Sincerely,
The Board of Trustees

GRANDFATHERED HEALTH PLAN

This group health plan believes it is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the "Affordable Care Act"). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan

may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits. Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Fund Office. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at (866)-444- 3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans. You may also contact the U.S. Department of Health and Human Services at www.healthreform.gov.