

## TEAMSTERS LOCAL 639 – EMPLOYERS PENSION FUND

Teamsters Local 639 Center  
3130 Ames Place, NE  
Washington, DC 20018-1513



(202) 636-8181 – Phone  
(800) 983-2699 – Toll Free  
(202) 526-7959 – Fax

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### NOTICE TO THE PARTICIPANTS IN THE TEAMSTERS LOCAL 639-EMPLOYERS PENSION TRUST FUND

#### SUMMARY OF MATERIAL MODIFICATIONS

*This Notice reports changes to the Teamsters Local 639-Employers Pension Trust Fund Plan document. You should read it carefully and keep it in a safe place. If there are conflicts between this Notice or other communications and the official Plan document, the official Plan document will govern.*

**Date:** December 21, 2023

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

**Subject:** Notice of Plan Changes

Dear Participant:

We are writing to inform you about an important change that has been made to the Teamsters Local 639 – Employers Pension Trust Fund (the “Pension Plan” or “Plan”) and also to clarify the language of the Plan regarding payment of the Lump Sum Death Benefit.

#### **1. Change in Eligibility for Spousal Health Care from the Retiree Medical Plan**

Generally, when a married Participant retires from the Pension Plan, they and their spouse must elect to participate in the Retiree Medical Plan before they begin to receive their pension. (A spouse who is still working and receiving healthcare from their employer may elect to defer entry into the Retiree Medical Plan).

**Effective January 1, 2024**, if a Participant who is already retired and participating in the Retiree Medical Plan gets married after retirement, the Participant’s spouse shall become eligible to participate in the Retiree Medical Plan provided they elect such coverage within forty-five (45) days of the date of the marriage. The spouse shall not be allowed to elect benefits at a later date unless they are receiving health coverage from their employer. In that case, when the spouse’s coverage is subsequently terminated, the spouse can then elect coverage in the Retiree Medical Plan within forty-five (45) days of their termination of coverage from their employer. The spouse must also provide proof of the termination of coverage within the same forty-five (45) daytime period.

In either case, if the spouse is not yet eligible for Medicare, the monthly contribution rate will be the rate in effect at the time the spouse enters the Retiree Medical Plan based on the Participant’s entry age in the Retiree Medical Plan. This rate may be adjusted from time to time.

For example, if John entered the Retiree Medical Plan in 2021 at age 58 and then marries Jane in 2024, Jane would be entitled to coverage in the Retiree Medical Plan. The amount of Jane's monthly contribution rate would be the rate in effect in 2024 for a Retiree whose entry age in the Plan is age 58. This rate may be adjusted by the Trustees at any time.

If or when the spouse is eligible for Medicare, the monthly contribution rate for the spouse's Medicare supplemental coverage will be the rate in effect at the time the spouse enters the Retiree Medical Plan as may be adjusted from time to time.

For example, based on the above, if John entered the Retiree Medical Plan in 2021 and then marries Jane in 2024 and Jane is Medicare-eligible, the amount of Jane's monthly contribution rate would be the rate in effect in 2024 for a Spouse who enters the Plan in 2024. As with all Retiree Medical Plan rates, the spousal contribution rates are subject to change by the Trustees.

## **2. Clarification of the Priority of Payment for Lump Sum Death Benefits if No Designated Beneficiary**

The Plan provides a lump sum death benefit to the beneficiary of eligible Participants if they die while working or after retirement. The benefit that is paid for eligible Participants who die after retiring is provided under a contract with an insurance company and is subject to the terms of that contract. Under the terms of the current contract, if an eligible Participant dies after retirement and has not designated a beneficiary to receive the benefit or the designated beneficiary is not living, the lump sum death benefit shall be payable in the following order of priority:

- a. surviving spouse;
- b. child or children, in equal shares if more than one;
- c. parents, in equal shares;
- d. brothers and sisters, in equal shares; or
- e. the Participant's estate.

The lump sum death benefit to the beneficiary of eligible Participants who have not yet retired, is also paid in the above order of priority.

If you have not designated a beneficiary or need to change your beneficiary designation, please contact the Fund Office.

If you have any questions about this change or clarification, please call the Fund Office at (202)-636-8181.

Sincerely,

The Board of Trustees