

# Welfare Fund Benefits Office

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November 2008

UFCW • Local 655 • Welfare Fund  
13537 Barrett Parkway Drive • Suite 100  
Manchester, Missouri 63021  
(314) 835-2700 • Toll Free (866) 565-2700  
Fax (314) 966-9848

To UFCW Local 655 Welfare Fund Plan Participants:

Pursuant to your collective bargaining agreement, you are required to enroll/decline health care benefits for the benefit period beginning January 1, 2009. Below is information that will help guide you through the open enrollment/premium sharing process.

You will be electing/declining benefits for yourself and all eligible dependents.

Please note: You should elect coverage based on your personal preference regardless of your current eligibility status. For example, if you are interested in purchasing family coverage but you are eligible for Unit 2 employee-only benefits you should elect coverage for your family members during the enrollment period. Your Pre-tax weekly payroll deduction will be adjusted to \$12 during months that you qualify for Unit 1 family benefits. In addition, payroll deductions will not be taken during months that you do not qualify for benefits.

## Eligible Dependents

### **Your Legally Married Spouse**

- Please note: If your spouse is employed and your spouse's employer pays any part of the cost of an employee health plan, your spouse must enroll in that plan in order to be covered by this Plan. This means that if your spouse has other health coverage available through his or her employer and your spouse's employer pays any portion of the cost of that coverage, your spouse must elect coverage under that employer's plan. If your spouse has employer subsidized coverage available and does not enroll in that coverage, your spouse will not be covered by this Plan. This requirement applies only to your spouse. Eligibility requirements for dependent children are described in the next section.

### **Dependent Children**

- Your dependent children who maintain their principal residence with you during more than one-half of the calendar year. Students who are away at school may meet this requirement by maintaining your address as their principal residence, even though they live at school for most of the year. You must continue to provide more than 50% of your children's support, and they must be under age 19 (or under age 23 if they are full-time students). Please note that a handicapped child does not have the age restrictions, but must meet the financial support and principal residence qualifications.
- Stepchildren under age 19 (or under age 23 if they are full-time students) who maintain their principal residence with you.

### Election Time Period

- Plan Enrollment will run from September 1-October 31, 2008. During this two-month period, you will be required to elect/decline benefits for yourself and each family member who meets the definition of a dependent under the IRS guidelines (listed above.) Please note: You cannot select coverage for *dependents only*. You must be included in the selection.
- The election will consist of electing/declining Health & Welfare benefits (in their entirety) and designating/declining benefits for yourself and each family member.

### Period for open enrollment

- Enrollment selection will be required each year in the months of September and October with specified coverage commencing each January 1<sup>st</sup>.

### Length of time that enrollment selection is in effect

- Enrollment selection will remain valid until the end of each calendar year unless a "life changing event" occurs and you notify the Fund Office within thirty-one (31) days of the event. A life-changing event (such as marriage, divorce, birth of a child) will allow you to modify your enrollment selection based on the event.

### Premium Sharing (once election is made and enrollment is complete)

#### When Payroll Deductions are Taken

- Payroll deductions will be taken from each paycheck that is dated in a month in which you have benefits. For example, January hours reported in February determine March coverage—if you are eligible for benefits in March 2009 and you receive a paycheck during the month of March, a payroll deduction will be taken.
  - If your employer's payroll is weekly, a premium-sharing deduction will be taken from paychecks dated March 7, 14, 21, and 28.
  - If your employer's payroll is bi-weekly, a premium-sharing deduction will be taken from paychecks dated March 7 and March 21.
- The premium-sharing deduction will not apply to any period in which you are covered as a result of short-term disability, FMLA, or worker's compensation.

#### Amount of Pre-Tax Payroll Deduction (weekly)

- Below is the amount that will be taken out of your paycheck on a weekly pre-tax basis. PLEASE NOTE: If you are *not* paid weekly, you should calculate your deduction accordingly.

○ Single (employee-only) benefits	\$ 4.00
○ Self and Spouse	\$ 8.00
○ Self and Children (no spouse)	\$ 8.00
○ Family (self, children, and spouse)	\$12.00

If you have questions regarding your eligibility or benefits, please contact the Welfare Fund Office at (314)835-2700 or toll-free (866)565-2700 (Monday-Friday) 8:00 AM to 5:30 PM.

Sincerely,

Board of Trustees,  
UFCW Local 655 Welfare Fund

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## FACT SHEET

### **If I elect coverage, when will payroll deductions be taken?**

- Payroll deductions will be taken from each paycheck in which you are eligible for health care benefits. For example, if you elect self-only coverage and are eligible for benefits in January 2009 (based on hours worked in November 2008) you will have a \$4 deduction taken out of each paycheck that you receive in January. If you are paid on Fridays (on a weekly basis), you will have a deduction taken out of your checks dated January 4, 11, 18, and 25.

### **What is a pre-tax deduction?**

- It is a payroll deduction made with pre-tax dollars and it is exempt from federal income taxes, as well as Social Security (FICA) and State Tax. In other words, your gross pay is reduced by the deduction prior to federal and state tax withholding. This means that you do not pay taxes on the amount deducted and it is not reported on your W-2 tax form.
- The exact amount saved by each individual will vary depending on an employee's tax bracket and the amount of the deduction. For example, if your gross pay is \$350.00, your health-care deduction of \$4, \$8, or \$12, will be subtracted before federal and state taxes are calculated.

### **What if I want to insure my family but I am currently eligible for Unit 2-employee only coverage?**

- You should elect family coverage and complete all of the enrollment information regarding dependents and spousal insurance. During any months that you qualify for family coverage, your employer will adjust your pre-tax payroll deduction based on your benefit eligibility.

### **If my hours are reduced and my coverage is reduced or terminated, am I able to purchase health insurance?**

- The Fund office will send a COBRA notice to you the first day of the month in which your benefits are reduced or terminated due to a reduction in hours worked. [COBRA coverage is a self-pay option that allows you to continue your active health care benefits; excluding short-term disability and life insurance.] No payroll deductions will be taken if COBRA is purchased.

### **What if I elect employee-only coverage and get married or have a child prior to the next open enrollment period?**

- If you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you will be able to enroll your new dependents prior to

the next enrollment period. Please note: You must notify the Welfare Fund Office of your new dependents within 31 days after the marriage, birth, adoption, or placement for adoption in order for them to be eligible prior to the annual enrollment period.

**What if I elect family coverage and get divorced prior to the next enrollment period?**

- If your divorce is finalized prior to the next enrollment period, you will be able to drop coverage on your ex-spouse. Please note: You must notify the Welfare Fund Office of the divorce within 31 days after it is finalized. Deductions will be adjusted based on the life-changing event.

**My spouse and I both have benefits with the Welfare Fund. What coverage should we elect?**

- If you would like to have the Fund pay as primary on one of you (and any eligible dependent children) and coordinate benefits on the other (this is the current procedure) you should both elect family coverage.
- If you only want coverage under one policy and have one pre-tax deduction taken, you should each elect employee-only coverage.
- If you have dependent children and only want coverage under one parent:
  - If you are both natural parents of the dependent children that you want to enroll, and only one of you continuously qualify for Unit 1 family coverage, the Participant that qualifies for Unit 1 family coverage should elect benefits for the dependent children. If both participants qualify for Unit 1 family coverage, the Participant whose birthday falls first in the calendar year should enroll the children.
  - If you have dependent children in which only one of you is the natural parent, the natural parent should enroll the children.