

March 2021

**TO: Hotel Bargaining Unit Active Participants  
AFL Hotel and Restaurant Workers Health and Welfare Trust Fund**

**FROM: Board of Trustees**

**SUBJECT: Implementation of Trust Fund COBRA 100% Subsidy, Termination of Furlough Credit and Return to Work Credit Rule and Extended Deadlines**

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021. In accordance with the ARPA, **effective April 1, 2021**, the Trust Fund will be offering a 100% COBRA Subsidy for the months of April 2021 through September 2021, if you lost health coverage due to involuntary job loss or a reduction in hours. The COBRA Subsidy does not apply if you voluntarily terminated your employment.

You qualify for the COBRA Subsidy if you are either:

1. eligible for COBRA prior to April 1, 2021 and the 18-month period of COBRA coverage to which you would be entitled includes any month from April 2021 through September 2021, even if you did not elect COBRA when it was initially offered or elected COBRA but discontinued it before April 1, 2021. This means the COBRA Subsidy could be available if you lost coverage in November 2019 because the 18 months of COBRA coverage extends through April 2021.
2. enrolled in COBRA or you become eligible for COBRA on or after April 1, 2021, and before September 30, 2021.

The COBRA Subsidy will be available through the earliest of:

1. September 30, 2021, or
2. the last month of your COBRA maximum period of coverage if the last month ends prior to September 2021, or
3. the date you become eligible for coverage under another group health plan such as through your spouse's group health plan or Medicare.

Because of the 100% COBRA Subsidy, **effective April 1, 2021**, the Trust Fund's Pandemic Furlough Credit Rule and Return to Work Credit Rule will be terminated. Any remaining Furlough Credits and Return to Work Credits will be eliminated and the provision for reinstating eligibility on the first day of the calendar month following the end of the furlough upon resumption of employment with a contributing employer is also terminated.

**In the next several weeks, the Trust Fund will be mailing individualized notices and COBRA Election Forms** with instructions on how to apply for the COBRA Subsidy. The Trust Fund is

currently waiting for rules and certain notices to be issued by the U.S. Department of Labor, which will do so no later than April 10, 2021.

The following are several questions and answers on the ARPA COBRA Subsidy:

*Question #1: I am an employee furloughed due to reduced work hours and I am still furloughed. My Trust Fund coverage ended on October 1, 2020 (I did not have enough furlough and hour bank hours to continue eligibility). I did not elect COBRA when offered because I could not afford the COBRA premium. Can I use the COBRA Subsidy?*

*Answer: Yes. You have a second chance to elect COBRA coverage with a 100% COBRA Subsidy for coverage during the months of April 2021 through September 2021. Furthermore, if you want to continue coverage only during the 100% COBRA Subsidy period, you may choose to start COBRA continuation coverage from April 2021. The COBRA Subsidy will cease on the earlier of October 1, 2021 or the date you become eligible for coverage under another group health plan or Medicare.*

*Question #2: My Trust Fund coverage ended on November 1, 2020. I elected COBRA and I paid the COBRA premium for the months of November and December 2020. Can I use the COBRA Subsidy to get reimbursed for my November and December 2020 COBRA payments?*

*Answer: No. The COBRA Subsidy may only be applied for coverage during the months of April 2021 through September 2021.*

*Question #3: I returned to work in March 2021 and I don't have any remaining Hour Bank hours. How will the COBRA Subsidy help me continue coverage?*

*Answer: Under the Trust Fund's eligibility rules, March 2021 work hours are used to determine June 2021 eligibility for health coverage. You may elect COBRA with the 100% COBRA Subsidy for coverage for April and May 2021. You may also use the 100% COBRA Subsidy to continue your coverage for June 2021 if you work less than 80 hours in March 2021 (as reported by your Employer).*

*Question #4: I already elected COBRA and have COBRA coverage through the Trust Fund. I need to make my COBRA payment for April 2021 coverage. Do I make the payment to the Trust Fund or will I be covered by the COBRA Subsidy starting April 2021?*

*Answer: As long as you are eligible for COBRA, beginning in April 2021, you are no longer required to pay the monthly premium through the end of September 2021. For coverage in October 2021, you are required to pay the COBRA premium again.*

### **Clarification on End of Relief Period for Extended Deadlines**

Last year, the federal government extended certain plan deadlines during the coronavirus "Outbreak Period" defined as the period beginning March 1, 2020, and ending 60 days after the end of the National Emergency as declared by the President. During the Outbreak Period, plans have suspended plan deadlines related to COBRA enrollment and payments, special enrollment

periods and claims and appeals. The President has not yet declared the end of the National Emergency and the Outbreak Period remains in effect.

The federal agencies have now clarified that any deadlines related to COBRA enrollment and payments, special enrollment periods and claims and appeals will be temporarily suspended until the end of the applicable time period described below:

The applicable time period will run from March 1, 2020 until the earlier of:

- One year from the date of the original deadline; or
- Sixty (60) days after the end of the COVID-19 National Emergency (end of Outbreak Period).

Fund Office staff will automatically apply this temporary extension in assessing whether any of your claims, appeals or other election deadlines have been met. There is no application and nothing special you need to do in order to take advantage of the relief. If you believe you are subject to a plan deadline described above that has already expired or will expire before April 30, 2021, please contact the Trust Fund office. Any retroactive election for COBRA under this extended deadline is independent from any prospective election for the COBRA subsidy for coverage beginning April 1, 2021 explained above.

Please note that government guidance regarding COVID-19 relief for plans is constantly evolving, and there may be changes in the relief described in this notice. If you have concerns with respect to your benefits with the plans, or with meeting an applicable deadline due to the COVID-19 National Emergency, please contact the Trust Fund Office to determine if relief may be available to you.

Should you have any questions, visit the Trust Fund's website at [www.unitehere5trustbenefits.com](http://www.unitehere5trustbenefits.com) or contact the Trust Fund Office at 523-0199; neighbor islands, call toll free at 1 (866) 772-8989. If you are unable to contact the Trust Fund Office during normal business hours, inquires may be emailed to [hiaflinfo@brmsonline.com](mailto:hiaflinfo@brmsonline.com)

#### *Disclosure of Grandfathered Status*

*The Trust Fund believes its group health plans are "grandfathered health plans" 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 plan administrator, Benefit & Risk Management Services, Inc., at 560 North Nimitz Highway, Suite 209, Honolulu, Hawaii 96817-5315 or 1-(808) 523-0199. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform). This Web site has a table summarizing which protections do and do not apply to grandfathered health plans.*

*In accordance with ERISA reporting requirements, this document serves as your Summary of Material Modifications to the Plan. Please keep this important notice with your Plan Document/Summary Plan Description (SPD) for easy reference to all Plan provisions.*