

January 2021

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

FROM: Board of Trustees

SUBJECT: AMENDED PANDEMIC FURLOUGH CREDIT RULE

In August and November 2020, you were sent notices regarding the Trust Fund's Pandemic Furlough Credit Rule. This is to notify you that the Board of Trustees has amended the Rule as follows:

If you lose coverage because of a furlough, your eligibility shall be reinstated on the first day of the calendar month following the end of the furlough upon resumption of employment (80 or more compensable hours in a month immediately following a month which you were on furlough with a contributing employer. Your coverage shall not again be subject to termination for failure to meet the minimum Credited Work requirement until you have been covered for a full Eligibility Month, provided you continue to be employed by a contributing employer. The reinstatement for a full Eligibility Month shall be applied on a one-time only basis, regardless of the number of times you are furloughed and resume employment for a contributing employer.

For your use, also enclosed is a copy of the November 2020 Par Notice defining the Pandemic Return to Work Credit Rule.

Should you have any questions, visit the Trust Fund's website at 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

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. 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.

November 2020

TO: All Active Hotel Bargaining Unit Participants
AFL HOTEL & RESTAURANT WORKERS HEALTH & WELFARE TRUST FUND

FROM: Board of Trustees

SUBJECT: REVISED PANDEMIC RETURN TO WORK CREDIT RULE

In August, you were sent the enclosed notice that The Board of Trustees of the AFL Hotel & Restaurant Workers Health & Welfare Trust Fund had amended the Pandemic Furlough Credit Rule by adding a Return to Work Credit Rule to bridge a gap in benefit eligibility when Participants return to work.

As of October 2020 work hours, the Board of Trustees is amending the rule as to when an employee is determined to have Returned to Work, as follows:

- ***An employee will be deemed Returned to Work from furlough when he/she has one month of 80 or more compensable hours (based on employer's monthly reporting period) immediately following a month which he/she was on furlough.***

Example of how the Plan will administer this Return to Work Credit Rule:

1. Employer reports employee with 80+ compensable hours in the month of October
2. Plan considers employee Return to work in the month of October
3. November eligibility would be the "Free" eligible month
4. December eligibility the Plan would use the 80 Return to Work Credits
5. January eligibility is based on the 80+ compensable hours reported by employer in the month of October.
6. In this example, employees with less than 80 compensable hours in October would not be eligible for the Free eligible month or the Return to Work Credits (80).

An employee on furlough who earns 80+ compensable hours in an employer reporting month will be eligible for the "free month". An employee on furlough who earns 80+ compensable hours in an employer reporting month will also be eligible for the (one-time credit maximum) 80 Return to Work Credits, provided the employee had continuous eligibility under the plan.

Just a reminder, the Pandemic Furlough Credit Rule and Return to Work Credit Rules apply to all Hotel Active participants eligible for coverage on or after May 1, 2020. These provisions will cease if you become gainfully employed for 20 hours or more per week for four (4) consecutive weeks by an employer, other than a contributing employer; or if you are no longer furloughed.

Should you have any questions regarding the above or need assistance, please email the Trust Fund office at hiaflinfo@brmsonline.com or call (808) 523-0199; neighbor islands toll free at 1-866-772-8989.