

May 2020

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

FR: Board of Trustees

SUBJECT: Pandemic Furlough Credit Rule

At their meeting of May 13, 2020, the Board of Trustees approved the Pandemic Furlough Credit Rule to help participants extend their benefit eligibility.

I. Pandemic Furlough Credit Rule

If while you are eligible for benefits a **pandemic resulting in a furlough** occurs, you will be given credit for 20 hours of Credited Work per week (**applied to your Hour Bank**) for the duration of the **furlough**, up to a **maximum of 240 hours** for the **furlough**.

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 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.”

This new rule applies to all Plan participants eligible for coverage on or after May 1, 2020. Crediting will start the week of May 24, 2020.

Your Hour Bank cannot exceed the maximum of 100 hours.

Also, the Pandemic Furlough credit shall 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

Example A

(Member has 100 hours in Bank)

Example B

(Member has 20 hours in Bank)

You are furloughed as of April 1, 2020	You are furloughed as of April 1, 2020
You are eligible for benefits as of May 1, 2020 (because you have at least 80 compensable and/or bank hours in February)	You are eligible for benefits as of May 1, 2020 (because you have at least 80 compensable and/or bank hours in February)
You are eligible for benefits as of June 1, 2020 (because you had at least 80 compensable and/or bank hours in March)	You may (or may not) be eligible for benefits as of June 1, 2020 (because you did or did not have at least 80 compensable and/or bank hours in March)
You have <u>100</u> hours in your Hour Bank as of May 24, 2020	You have <u>20</u> hours in your Hour Bank as of May 24, 2020

If your Bank is at the maximum (Exhibit A) the 20 Hours of Credited Work will not be added to your Hour Bank during the week of May 24, 2020. However, 80 hours will be deducted from your Hour Bank in June, for your July eligibility and you will have 20 hours remaining in your Hour Bank. Thereafter, if furloughed, 20 work hour credits will be applied every week and 80 hours deducted once a month for eligibility for the following month.

If your Bank is 20 hours (Exhibit B); the 20 hours of Credited Work will be added to your Hour Bank during the week of May 24, 2020. Thereafter, if furloughed, 20 work hour credits will be applied every week each month, beginning in June, 80 hours will be deducted for eligibility for the following month.

You will continue to receive weekly credits up to the maximum of 240 Hours of Credited Work or until the furlough ends, whichever comes first.

In Summary, if you were eligible in the Plan on May 1, 2020 or thereafter, and considered furloughed, you will at minimum, be eligible in the months of July, August and September.

Should you have any questions regarding the above or need assistance please contact the Trust Office at 808-523-0199 or neighbor islands call toll free at 1-866-772-8989.

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 website 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.

