

**SAN FRANCISCO ELECTRICAL WORKERS
HEALTH & WELFARE TRUST**

720 MARKET STREET, SUITE 700 • SAN FRANCISCO, CA 94102
(415) 263-3670 • FAX (415) 263-3672

Date: September 30, 2013

Re: **Important Notice from San Francisco Electrical Workers Health and Welfare Plan about Health Insurance Marketplace Coverage and Our Medical Plan**

THIS NOTICE IS FOR ALL CURRENT AND NEW EMPLOYEES COVERED BY ONE OF THE FOLLOWING AGREEMENTS:

- **Inside Agreement between Local Union 6, IBEW and the San Francisco Electrical Contractors Association**
- **IBEW Local 6/SFECA Residential Agreement**
- **IBEW Local 6/SFECA Material Handlers' Agreement (Who Entered the Trade before 7/31/2011)**
- **IBEW Local 6/San Francisco Housing Authority Agreement**
- **IBEW Industry Reciprocal Agreement**

Please read this cover letter and the attached Notice carefully and keep this information where you can find it in the future. You are receiving the Notice because it is required by the Affordable Care Act (ACA), also known as Health Care Reform.

Attached to this cover letter is a Notice called the “**New Health Insurance Marketplace Options and Your Health Coverage.**”

IF YOU ARE COVERED UNDER THE SAN FRANCISCO ELECTRICAL WORKERS HEALTH & WELFARE PLAN, YOU DO NOT NEED TO TAKE ANY ACTION OR SHOP FOR INSURANCE IN THE MARKETPLACE.

THE HEALTH INSURANCE MARKETPLACE

You will see in the Notice (attached to this cover letter) that the Health Insurance Marketplace is a new place to purchase medical plan coverage. The open enrollment period for coverage in the Marketplace begins soon, in October 2013. Coverage under a medical plan you purchase from the Health Insurance Marketplace can begin as early as January 1, 2014.

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ASSISTANCE WITH THE COST OF PREMIUMS ON THE HEALTH INSURANCE MARKETPLACE

Starting in October of 2013, individuals who apply for health insurance coverage through the Health Insurance Marketplace may qualify for financial assistance to help buy that coverage. Depending on their annual household income, certain individuals may be eligible for premium assistance (such as a premium tax credit or a cost-sharing subsidy) to help lower the amount they pay toward the monthly health insurance premiums. Individuals must apply for the premium assistance by completing an application form through the Health Insurance Marketplace.

A few helpful points:

- An individual is not eligible for premium assistance if he or she is offered the opportunity to enroll in employer-sponsored medical plan coverage that is affordable and meets a required minimum value. If an employee is offered the opportunity to enroll in employer-sponsored medical plan coverage and they decline that employer-sponsored coverage, premium assistance may not be available to help the employee buy coverage in the Marketplace.
- Premium assistance may not be available to an individual if they make too much money to qualify for it.
- The amount of the premium assistance declines as an individual's income rises. Where an individual has received more premium assistance than they may have been eligible to receive, an adjustment will be coordinated with the IRS (meaning you may have to repay part of the premium assistance you received if your income increases during the year).

IF YOU CURRENTLY ARE NOT ELIGIBLE FOR COVERAGE UNDER THE SFEW HEALTH & WELFARE PLAN

We know that some employees are not eligible to enroll for coverage under our medical plan because they have chosen to reciprocate contributions made on their behalf to their home fund in lieu of participating in the SFEW Health and Welfare Plan; however, employers are nonetheless required by law to distribute this Notice to all existing employees and all new employees. If you are not enrolled for coverage under our medical plan or a comparable medical program through your home fund, you may consider taking the opportunity to see if coverage under the Health Insurance Marketplace is a good option for you. And, because you are not offered employer-sponsored coverage, you may have the chance to qualify for premium assistance to help you buy that coverage in the Marketplace. If you have questions, please contact your home fund's plan office for information concerning your coverage.

NEW HEALTH INSURANCE MARKETPLACE OPTIONS AND YOUR HEALTH COVERAGE

(Read Below. NO ACTION is Required on your Part)

To: Current & New Employees who are covered under any of the below listed agreements:

- Inside Agreement between Local Union 6, IBEW and the San Francisco Electrical Contractors Association
- IBEW Local 6/SFECA Residential Agreement
- IBEW Local 6/SFECA Material Handlers' Agreement (for employees who entered the trade before 7/31/2011)
- IBEW Local 6/San Francisco Housing Authority Agreement
- IBEW Industry Reciprocal Agreement

PART A: GENERAL INFORMATION

The new health care law requires that this letter be sent to you. When key sections of the Patient Protection and Affordable Care Act (known as "PPACA" or the "the new health care law") take effect as of January 1, 2014, there will be a new way to buy health insurance: the Health Insurance Marketplace. This Notice provides basic information about the new Marketplace and employment-based coverage offered by your employer.

Note: IF YOU HAVE COVERAGE UNDER THE SAN FRANCISCO ELECTRICAL WORKERS HEALTH AND WELFARE PLAN ("PLAN"), NO ACTION IS REQUIRED ON YOUR PART. THE PLAN HAS SUFFICIENT BENEFIT LEVELS AND COVERAGE TO MEET THE NEW HEALTH CARE LAW'S MINIMUM COVERAGE REQUIREMENTS. Thus, if you continue to accept health coverage through the Plan you will not have to take any action concerning the Marketplace. Furthermore, if you are currently enrolled as a participant in the Plan, you have satisfied the new health care law's requirement (known as the "individual mandate") that you have medical coverage.

What is the Health Insurance Marketplace?

The Marketplace is designed primarily to help individuals who do not have health coverage to find health insurance that meets their needs and fits their budget. The Exchange offers one-stop shopping to find and compare private health insurance options. Open Enrollment for health insurance coverage through the Marketplace begins in October 2013 for coverage starting as early as January 1, 2014.

Depending upon your household income, if you decided to enroll in an exchange, you might have been eligible for a new kind of tax credit that lowers your monthly premium, but that applies only if you do not have coverage through the SFEW Health and Welfare Plan. **Because the Plan offers affordable health coverage and provides more than minimum value, no further action is required on your part.**

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. As explained above, if you have an offer of health coverage from your employer that meets certain standards, you will not be eligible for a tax credit through the Marketplace. However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provides does not meet the “minimum value” standard set by the Affordable Care Act, you may be eligible for a tax credit. An employer – sponsored health plan meets the “minimum value standard” if the plan’s share of the total allowed benefit cost covered by the plan is no less than 60 percent of such costs.

If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you would lose the employer contribution to the employer-offered coverage. Also, this employer contribution-as well as your employee contribution to employer-offered coverage-is excludible from income for Federal and many State income tax purposes. Payments for coverage through the Marketplace are made on an after-tax basis.

For More Information

You may review the Summary Plan Description for the Plan available on the EISB.org website or contact the Plan Office, 720 Market Street, Suite 700 San Francisco, CA 94102-2509, Phone: (415) 263-3670 if you desire more information about the Plan. The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Visit **HealthCare.gov** for information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

PART B: INFORMATION ABOUT SFEW HEALTH & WELFARE PLAN

This section contains information about the health coverage offered by the SFEW Health and Welfare Plan. If you complete an application for coverage in the Marketplace, you will have to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer Name:	San Francisco Electrical Workers Health & Welfare Plan
4. Employer Identification Number:	94-6061762
5. Employer Address:	720 Market St., Ste 700
6. Employer Phone Number:	(415) 263-3670
7. City:	San Francisco
8. State:	California
9. ZIP code	94102
10. Who can I contact about employee health coverage?	Plan Office, 720 Market Street, Suite 700, San Francisco, CA 94102-2509
12. Email Address	eligibility@eisb.org

Basic Information about health coverage offered by your employer through the Plan.

- ✓ **This Plan offers health coverage to** All persons who are Employees of a Contributing Employer, or who are otherwise entitled to participate in the Plan or to maintain Plan participation are Active members of the Plan, provided the eligibility rules set forth in Summary Plan Description are met. See Summary Plan Description for complete details.
- ✓ **This Plan offers health coverage to Eligible Dependents.** This includes: Spouse, natural children, step-children, adopted children, children placed for adoption, foster children, certain children under legal guardianship: see Summary Plan Description for complete definitions.
- ✓ **This Plan's coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.**

Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week (perhaps you are an hourly employee), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount. If you decide to shop for coverage in the Marketplace, HealthCare.gov will guide you through the process.