

Washington-Idaho Operating Engineers-Employers Health & Security Trust Fund

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Administered by
Welfare & Pension Administration Service, Inc.

July 8, 2022

**TO: All Participants, Retirees, Eligible Dependents of
Washington-Idaho Operating Engineers-Employers Health and Security Trust Fund.**

**RE: August 1, 2022 Merger of Health Plans:
Washington-Idaho Operating Engineers-Employers Health and Security Trust Fund
and
Locals 302 & 612 IUOE-Employers Construction Industry Health & Security Trust**

Great news! The Trustees of the *Washington-Idaho Operating Engineers-Employers Health and Security Trust Fund* (“WA-ID Trust”), after a thorough and diligent review, are merging the WA-ID Trust into the *Locals 302-612 of the International Union of Operating Engineers Health and Security Trust* (“302-612 Trust”), effective August 1, 2022.

As Trustees we understand a merger can bring on a lot of questions regarding what is going to happen to your benefits, coverages, providers, eligibility, hour bank, and more. This introductory document covers many aspects of the merger and provides answers to some of the questions you may have as active participants and retirees.

More detailed information will follow over the next several weeks and a schedule of meetings at the Locals to discuss this merger is enclosed with this notice.

Why Merge?

When IUOE Local 370 merged into Local 302 in October, 2016, the Union operations consolidated across the states of Washington and Idaho. This merger of the health trusts now consolidates access to health coverage for all Local 302 members.

Merging the two Trusts into one provides:

- Economies of scale in administration of health benefits,
- More stability in health plan costs,
- Larger and more stable participant base,
- Improved portability of benefits for participants and
- Improved benefits in many areas, for example, access to better prescription drug benefits for retirees.

Overall, with some exceptions, the benefits in the 302-612 Plan are the same or better than benefits in the WA-ID Plan.

The active and retiree plans for the WA-ID and 302-612 Trusts both have Premera as the PPO medical network, and the Trusts have the same vendors for prescription drugs (OPTUM) and vision (VSP). Both Trusts offer an active dental plan option with Willamette Dental. The WA-ID Plan also has an active dental option through Delta Dental while the 302-612 Plan has a self-funded dental option administered by the Trust Administration Office. The 302-612 plan offers two dental coverage options for retirees, through Delta Dental.

Included with this packet is a **Benefits Comparison** of some of the most frequently utilized benefits.

WHAT'S NOT CHANGING?

Many key aspects of your health plan will remain the same:

You can keep your same Medical, Dental and Vision care providers.

The 302-612 Plan and the WA-ID Plan both use the Premera PPO network and have many common vendors including:

- **OPTUM** (pharmacy benefits for Actives and non-Medicare Retirees),
- **Willamette Dental (Actives)**
- **VSP** (for vision benefits).

NOTE: You will be issued new member ID cards closer to the merger date. Your member ID number will remain the same, but there will be a new alpha prefix to identify you as a 302/612 Plan member. Be sure to share your new identification card with all your health care providers.

Claims with service dates prior to August 1, 2022, should be billed to the WA-ID Plan and claims with service dates on or after August 1, 2022, should be billed to the 302-612 Plan, using the information listed on your new ID card.

Active Eligibility and Monthly Charge for Coverage.

The way eligibility is determined isn't changing. Monthly coverage for actives will be earned by hours worked and employer contributions paid to the health plan, which will go into your bank*. The monthly cost for coverage is charged against your bank based on the sum of 130 hours multiplied by the hourly rate under the Master Labor Agreement, which as of August 1, 2022 will be \$8.65. This is the initial cost for coverage and the dollar bank charge will be evaluated annually.

***NOTE:** Your hour bank will be converted to a dollar bank by multiplying the total hours in your bank on July 31, 2022 by the hourly contribution rate of \$8.65. The number of months of future coverage in your bank after the conversion will be the same as it was prior to the conversion. However, under the 302-612 Trust active participants will be able to accumulate up to eight months of future coverage.

Qualifying for Retiree or Disabled coverage.

Credits earned and hours accumulated as of the merger date by WA-ID Trust Participants will be credited towards meeting the Retiree/Disabled coverage eligibility requirements under the 302-612 Trust. Future hours and credits earned will also count toward meeting eligibility requirements.

Notably, the Retiree-subsidized premium under the 302-612 Plan changes based on years of service and attained age each year as you participate in the Plan. This is different than the WA-ID subsidized premium, which locks your subsidy based on years of service and age at retirement.

The Administration Office.

Welfare & Pension Administration Service, Inc. (WPAS) will continue to be your administration office.

You will continue to access the WA-ID website at www.wa-idengineerstrustfunds.com for your pension contributions and claims information (for dates of service prior to August 1, 2022). Effective August 1, 2022, you will need to access the 302/612 website at www.engineerstrust.com for eligibility and claims information. Note, you will need to request a new PIN to access the 302/612 website.

The phone numbers for the 302-612 Trust are 206-441-7314 or toll-free 877-441-1212. Please note that a team of dedicated staff members will be able to assist you under the 302-612 Plan and the same representatives who have assisted you under the WA-ID Plan will continue to do so until all of your needs for assistance with matters prior to the August 1, 2022 merger date are completed.

WHAT IS CHANGING?

Plan of Benefits.

As the WA-ID Trust is merging into the 302-612 Trust, your benefits will be determined by the benefit plans of the 302-612 Trust for all active and retired participants. Overall, the benefits are the same or better in the 302-612 Plan. There are some benefits which are less than provided under the WA-ID Plan. Enclosed here are the SBC's and a Benefit Comparison which covers the most frequently utilized Retiree plan benefits.

You will be receiving additional and more detailed benefit information, including the Plan's SPD (Summary Plan Description) in July.

ID Cards.

You will receive a new Identification Card in late July for use with your doctors and providers beginning August 1, 2022. Be sure to share your new identification card with **all** your health care providers.

Your WA-ID Hour Bank will convert to a 302-612 Trust Dollar Bank

The 302-612 Trust uses a dollar bank system rather than the current hour bank system that the WA-ID Trust uses. In a dollar bank system, you receive credit to your bank based on the hourly amount contributed by your employer multiplied by the number of hours you work. For each month of coverage, the cost of coverage (referred to as the "back-out factor") is deducted from your dollar bank.

On the merger date your hour bank in the WA-ID Trust will convert to a dollar bank in the 302-612 Trust. This is done by multiplying the number of hours in your bank by the hourly health contribution rate under the Master Labor Agreement at the date of the merger. For example, if you have 300 hours in your hour bank, your dollar bank will total \$2,595.00 (300 x \$8.65 = \$2,595.00).

For collectively bargained employees, the monthly backout factor will be equivalent to the current charge for hour bank coverage under the WA-ID Plan (130 hours) times the current Master Labor Agreement hourly contribution rate (for example, 130 X \$8.65, or \$1,124.50). This dollar amount – rather than a prescribed number of hours -- will be deducted from your bank each month for health coverage. The monthly charge for coverage is reviewed by the Trustees each year and subject to change, just like the WA-ID Plan.

All banks will convert and transfer at the time of merger. The maximum dollar bank balance under the 302-612 Plan is the value equivalent to eight months of coverage (versus a six-month maximum in the WA-ID Plan).

Time Loss Benefits.

If you are receiving time-loss benefits under the WA-ID Trust as of July 31, 2022, you will continue to receive these benefits at the WA-ID rate and benefit limits. New time-loss claims after the merger date will be provided in accordance with the provisions of the 302-612 Trust.

Benefit Comparison:

Enclosed are helpful summaries of benefits:

- **the SBC's for the 302-612 Retiree Plan.**
- **Special Information for Retirees**
- **Benefit Comparison for Retiree Coverage.**

Also enclosed is a schedule of informational meetings at the Local offices – please attend one of these meetings for more information.

You will be receiving the new Plan documents and benefit information in the mail soon.

In the meantime, if you have any questions, please contact the Administration Office at (800) 351-6480, option 1.

Please also refer to the Trust website for additional details: www.wa-idengineerstrustfunds.com.

Board of Trustees

Washington-Idaho Operating Engineers-Employers Health and Security Trust Fund