



LOCAL 36 BENEFIT FUNDS

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The Trustees are pleased to announce the Retiree Dollar Bank effective January 1, 2019.

The Retiree Dollar Bank will be implemented for Members who retired on or after October 1, 2017. Members who retired prior to October 1, 2017 will continue to receive coverage under the existing premium system.

Members Who Retired Prior to October 1, 2017

Retirees and Spouses of Retirees in the Non-Medicare Retiree Plan

Any Member who retired before the Active Dollar Bank was implemented on October 1, 2017 and who did not receive an allocation into a Premium Reserve Bank (PRB) will continue to receive non-Medicare retiree coverage (for the Member and Spouse) under the current approach where the premium is subsidized from the assets of the Plan. The subsidy for these individuals is not based on the amount any specific individual has accumulated in his or her PRB. Premiums will continue to be deducted from monthly pension benefits. The monthly premiums for 2019 will be:

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| Member with less than 25 years of service: | \$525/covered individual |
| Members with 25 or more years of service: | \$475/covered individual |

Retirees and Spouses of retirees in the Medicare Retiree Plan

Any Member who was retired before the Active Dollar Bank was implemented on October 1, 2017 and who did not receive an allocation into a Premium Reserve Bank (PRB) will continue to be eligible for Medicare retiree coverage (for the Member and Spouse) under the current approach. This means paying the Humana premium and any premium for vision or dental from Pension benefits or directly to the Welfare Fund. The monthly premiums for the Medicare Retiree coverage in 2019 will be:

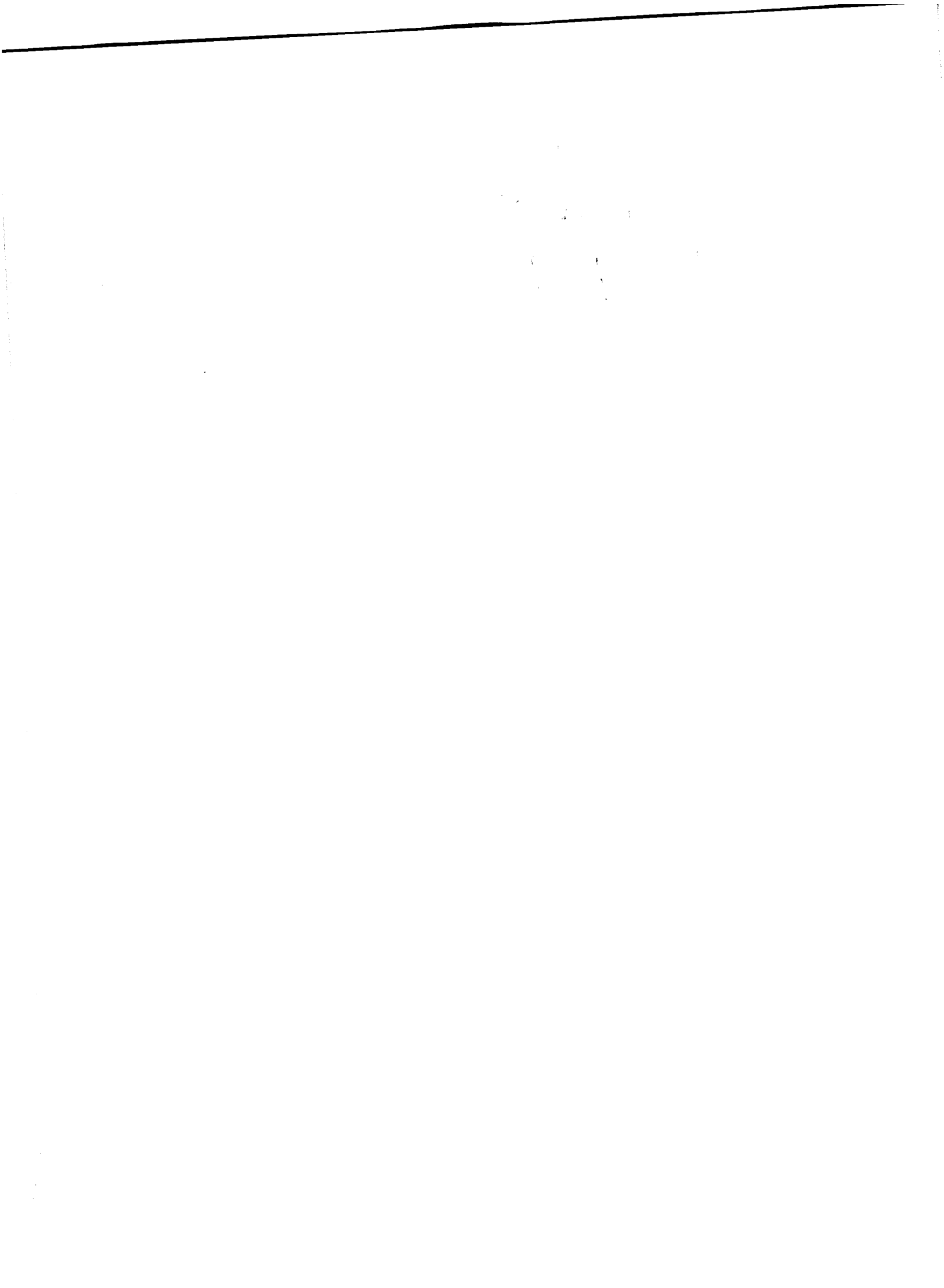
| | |
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| Humana only: | \$218.32/covered individual |
| Humana plus vision and hearing aid benefit: | \$226.32/covered individual |
| Humana plus dental benefit: | \$254.84/covered individual |
| Humana plus vision/hearing aid, and dental benefit: | \$262.84/covered individual |

General Rules for Members Who Retired Prior to October 1, 2017

- Surviving Spouses of Members who retired prior to October 1, 2017 will continue to be eligible as if they were a Member who retired prior to October 1, 2017.
- For 2019 the Trustees will again provide a Retiree Premium HRA of \$1,200 (Members) or \$600 (eligible surviving spouse) which can be used by the Retiree (or Surviving Spouse) to offset the cost of Retiree premiums. The HRA will be provided to Members and Surviving Spouses of members who retired on or after January 1, 2006 but before October 1, 2017.
 - Members who retired before January 1, 2006 are receiving a 13th Pension check under Amendments to the Pension Plan.
 - Members who retire October 1, 2017 and later will be able to use their Premium Reserve Banks to offset a portion of their retiree premiums as described later in this SMM.
- The premium rates for Non-Medicare Retiree coverage through the SMART 36 Health and Welfare Plan, for Medicare Retiree coverage through the International Plan (currently Humana), for Medicare vision and dental benefits through the SMART 36 Health and Welfare Plan, and any Retiree Premium HRA are all subject to review and change by the Trustees or by Humana.

Examples of 2019 Premiums for Members Who Retired Prior to October 1, 2017

- Max Weld retired in 2016 with 30 years of service and is 62 years old. His spouse is also 62. Both are enrolled in the Non-Medicare Retiree plan. Their monthly premium will be 2 x \$475 and he may apply for reimbursement of \$100 per month from the Retiree Premium HRA. This is a premium cost for the 2 of them of \$850/month.
 - If Max had 20 years of service the monthly premium would be \$525 x 2 minus \$100 or \$950/month.
- Paul Tin retired in 2016 with 30 years of service. He is 66 years old and his spouse is 62. Paul is enrolled in the Humana Plan with dental, vision, hearing aid benefits and his spouse is in the Non-Medicare Retiree Plan. Their premium will be \$262.84 for Paul plus \$475 for the spouse and he may apply for reimbursement of \$100 per month from the Retiree Premium HRA. This is a premium cost for the 2 of them of \$637.84/month.
 - The rate would be the same if Paul was 62 and his spouse was 66.
- Art Metal retired in 2010. Both Art and his spouse are 70 and are enrolled in the Humana Plan with dental, vision, hearing aid benefits. Their monthly premium will be 2 x \$262.84 and Art may apply for reimbursement of \$100 per month from the Retiree Premium HRA. This is a premium cost for the 2 of them of \$425.68/month.



Members Who Retired October 1, 2017 and Later

Members who worked in September 2017 received a Premium Reserve Bank based on the contributions paid to the SMART 36 Health and Welfare Plan for the hours they worked throughout their careers. If the Member retired between October 1, 2017 and December 31, 2018, he or she will switch to the new Retiree rules effective with the January 1, 2019 premiums.

Retiree Premium HRA

Any Member who was retired after the Active Dollar Bank was implemented on October 1, 2017 had an allocation into the Premium Reserve Bank (PRB) that was frozen upon retirement. That PRB will be converted to a Retiree Premium HRA effective January 1, 2019.

Any Member who retires December 31, 2018 or later will have his or her Active PRB converted to a Retiree Premium HRA upon retirement. The Member will be able to draw up to the following amounts for each month of coverage in 2019 based on the plan the Member is enrolled in:

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| Member enrolled in non-Medicare Retiree Plan: | can draw up to \$500/month |
| Member enrolled in Medicare Retiree Plan: | can draw up to \$100/month |

A surviving spouse of a Retiree may draw the same amount as the Retiree could have drawn from the Retiree Premium HRA.

The initial amount in a Member's Retiree Premium HRA is the amount in his or her PRB at retirement. A Member (or Surviving Spouse) can draw from the Member's Retiree Premium HRA, at up to the maximum allowed monthly amount, until the Retiree Premium HRA is exhausted.

Retiree Premiums – premiums are per individual (Member or spouse) per month

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| Non-Medicare Retiree Plan: | \$700.00/covered individual |
| Non-Medicare Disabled Members: | \$200.00/ covered member |
| Humana only: | \$218.32/covered individual |
| Humana plus vision and hearing aid benefit: | \$226.32/covered individual |
| Humana plus dental benefit: | \$254.84/covered individual |
| Humana plus vision/hearing aid, and dental benefit: | \$262.84/covered individual |



Examples of 2019 Premiums for Members Who Retire on or after October 1, 2017

- Max Weld retired in 2018 and is 62 years old. He has a Premium Retiree HRA of \$30,000. His spouse is also 62. Both are enrolled in the Non-Medicare Retiree plan. Their monthly premium will be 2 x \$700 and he may apply for reimbursement of \$500 per month from his Retiree Premium HRA until he reaches Medicare age (65). This is a premium cost for the 2 of them of \$1,100/month.
 - If Max wanted to, he could use less than \$500 per month from his Retiree Premium HRA so that there would be more for reimbursement later

- Paul Tin retired in 2018 and is 66 years old. . He has a Premium Retiree HRA of \$22,000. His spouse is 62. Paul is enrolled in the Humana Plan with dental, vision, hearing aid benefits and his spouse is in the Non-Medicare Retiree Plan. Their premium will be \$262.84 for Paul plus \$700 for the spouse and he may apply for reimbursement of \$100 per month from the Retiree Premium HRA. This is a premium cost for the 2 of them of \$862.84/month.
 - If Paul was 62 and his spouse was 66, the premium would be \$700 for Paul and \$262.84 for his spouse but he can draw \$500 from his Retiree Premium HRA resulting in a monthly premium cost of \$462.84

- Art Metal retired in 2018 when both he and his spouse were 70. They are enrolled in the Humana Plan with dental, vision, hearing aid benefits. Their monthly premium will be 2 x \$262.84 and Art may apply for reimbursement of \$100 per month from the Retiree Premium HRA. This is a premium cost for the 2 of them of \$425.68/month.

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Trustees International Association of Sheet Metal, Air, Rail and Transportation Workers
("SMART") Local Union No. 36 Welfare Fund

