# Eligibility & ERTS Update – Reciprocal Best Practices

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LINECO

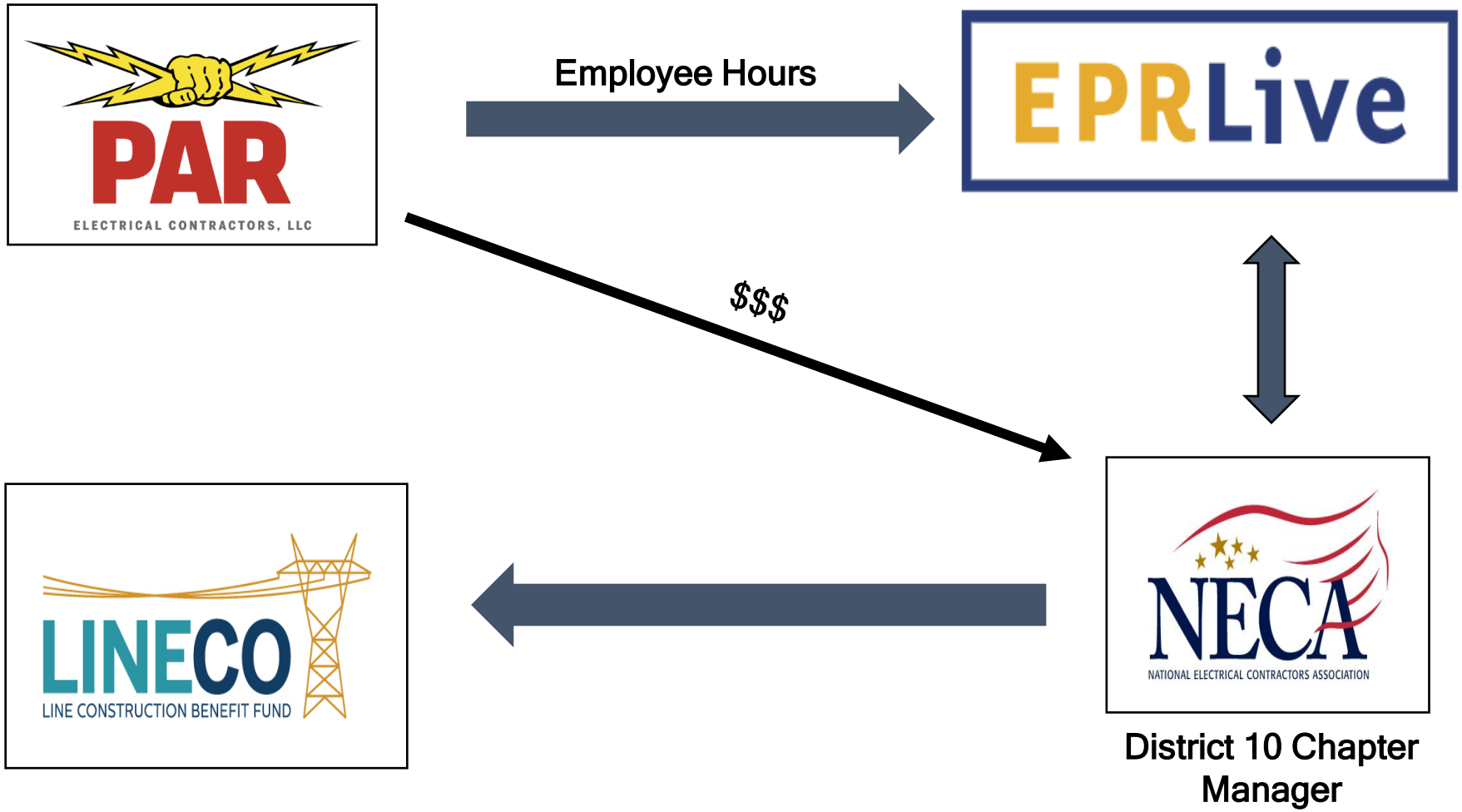
# ELIGIBILITY IN THE FUND

- Eligibility and Collection of Working Hours
  - ❑Critical To Our Success

Coordinated Cooperation Between:

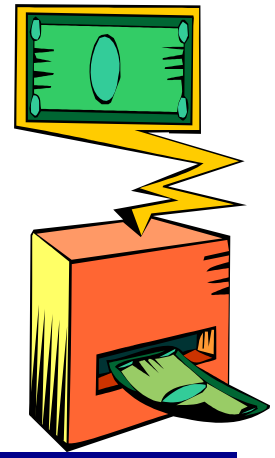
- ➢Contractors
- ➢NECA – DISTRICT 10
- ➢IBEW – ERTS SYSTEM
- ➢EPR.LIVE – REPORTING SOFTWARE
- ➢LINECO

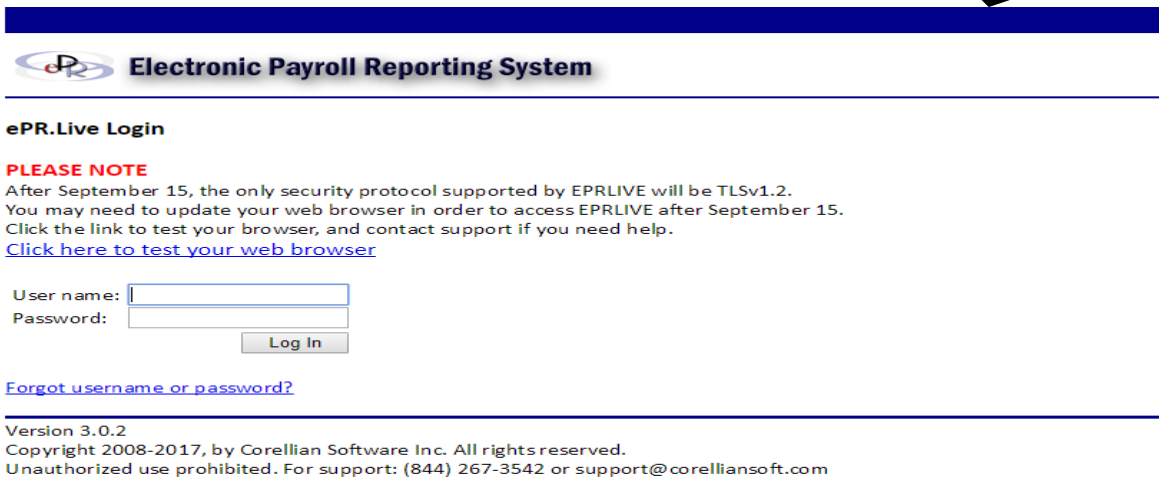
# Monthly Eligibility Workflow



# Employer Report Processing

- Filing employer reports & money electronically via NECA Chapter and the epr.live / Corellian Software
  - Participating NECA chapters
    - Northwest Line Constructors
    - Southwestern Line Constructors
    - Western Line
    - Missouri Valley Line
    - American Line Builders
    - Southeastern Line Constructors
    - Northeastern Line





# ERTS - RECIPROCAL

- Electronic Reciprocal Transfer System (ERTS)
- Employee registers on-line at Local Union and designates Home Fund
  - "Home Fund" is ***either*** :
    - Trust Fund for Local Union employee is a member of (if eligible last 6 years); ***or***
    - Trust Fund currently eligible with (if not eligible last 6 years)
  - When employee travels out of home fund's jurisdiction, reciprocating Local needs to advise that employee cleared into their jurisdiction

**** LINECO Does Not Accept "Inside Electrician" Transfers In ****

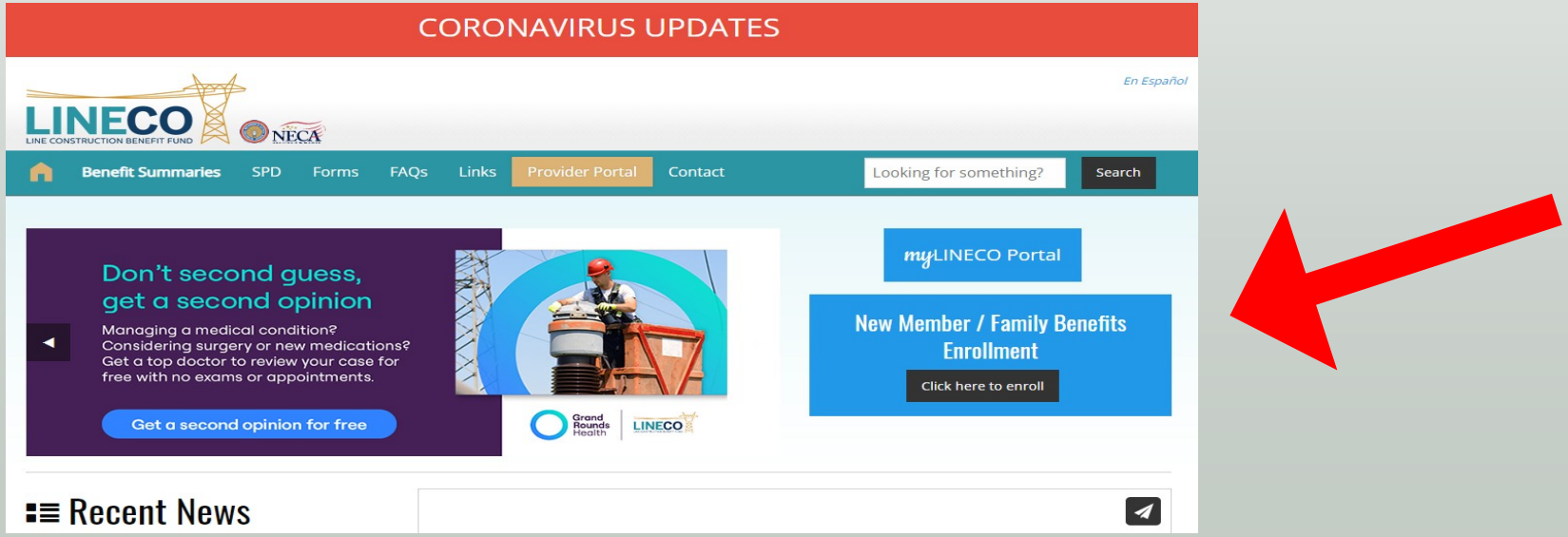
# NEW MEMBERS ENROLLING IN THE FUND

***IMPORTANT***

COMPLETE THE ONLINE ENROLLMENT AT:

WWW.LINECO.ORG

Upload supporting enrollment documents & designate your life insurance beneficiary on the online enrollment form



# Initial Eligibility

## Employees

- ❑ Initial eligibility requires 125 hours of work in one month
- ❑ Continue eligibility if work 125 hours per month

**For Example**: In order to be eligible on January 1st, you would have to work 125 hours in November.

## Dependents (Spouse & Children)

Spouse: Need certified copy marriage certificate during initial enrollment

Children: Need birth certificates / legal documentation for change in family status

**Children covered up until age 26**

- Natural or Adopted Child or Step Children
- Disabled Children
- Court Ordered (QMSCO)
- Certain Family Members Living with Employee and Foster Children

# Maintaining Eligibility

## Rollback Rule

- ❑ This rule helps you keep coverage if you do not work 125 hours during a month
- ❑ You may still be eligible as long as you have averaged at least 125 hours per month for a period looking back for up to 12 months.

## Losing Eligibility Coverage

Your insurance coverage ends when you do not obtain at least 125 hours of credited work in a month and the rollback rule does not average 125 hours for the past 12 months.

- ❑ COBRA  Continuation Coverage
- ❑ Short – Hours Self – Payment Program
- ❑ **IF YOU LOSE ELIGIBILITY, above options and their details will be mailed to your home address with instructions of how to continue benefits and the associated cost.**

# Rollback Rule

## Rollback Rule

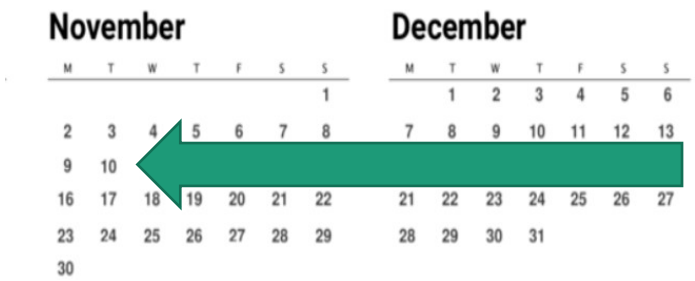
- ❑ This rule helps you keep coverage if you do not work 125 hours during a month
- ❑ You may still be eligible as long as you have averaged at least 125 hours per month for a period looking back for up to 12 months.

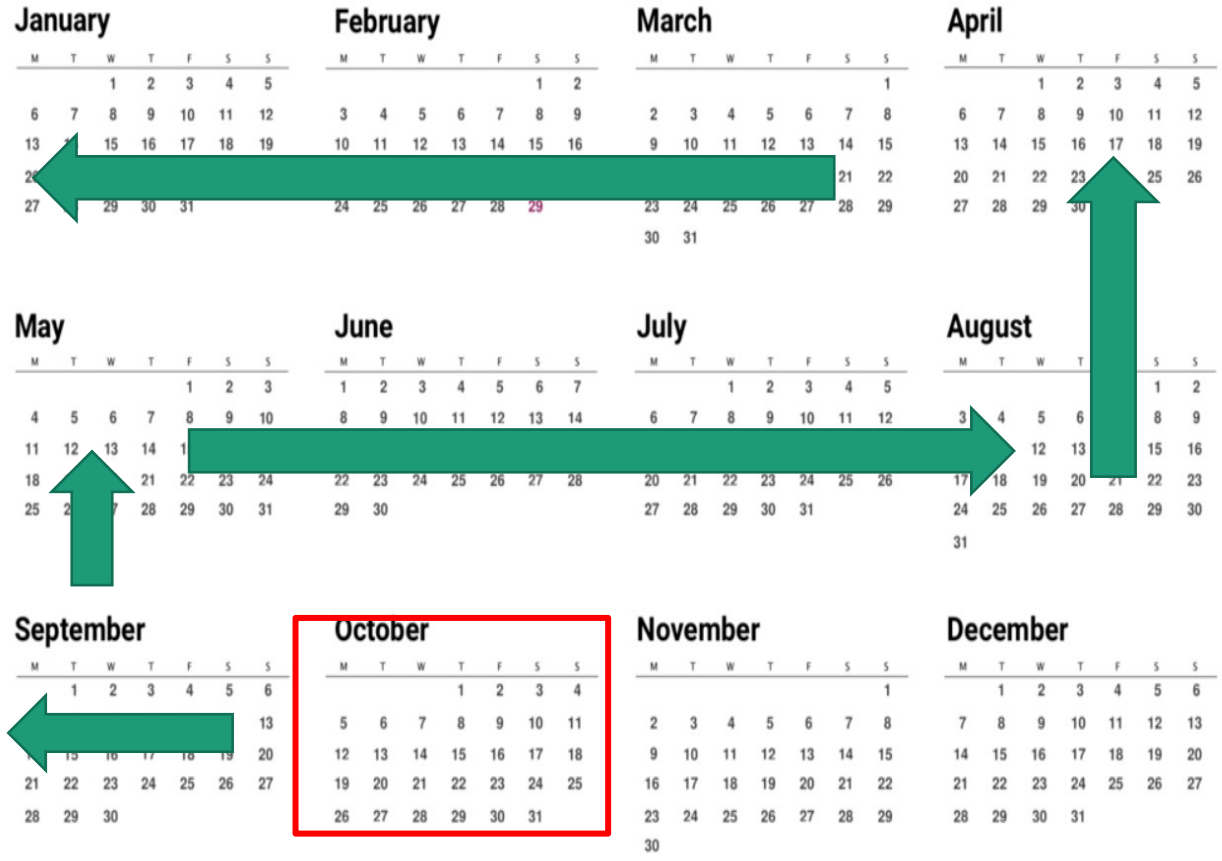
- ❑ THIS IS NOT an HOURS BANK.
- ❑ The LINECO Eligibility System continuously looks back at a members most recent 12 months of reported hours.
- ❑ If the member loses eligibility (didn't work enough hours) . . . . . If the most recent 12 months the member averaged at least 125 hours worked . . . . They will remain eligible in the Fund.
- ❑ In essence, if a member is working steady hours . . .the rollback rule will usually give them 1 – 3 months cushion into the future if they work less than 125 hours in a month.

# Rollback Rule

**Rollback Rule Example:**

- ❑ Member Only Works 50 Hours in October 2022.
- ❑ Look Back 12 Months of Hours (October – November)



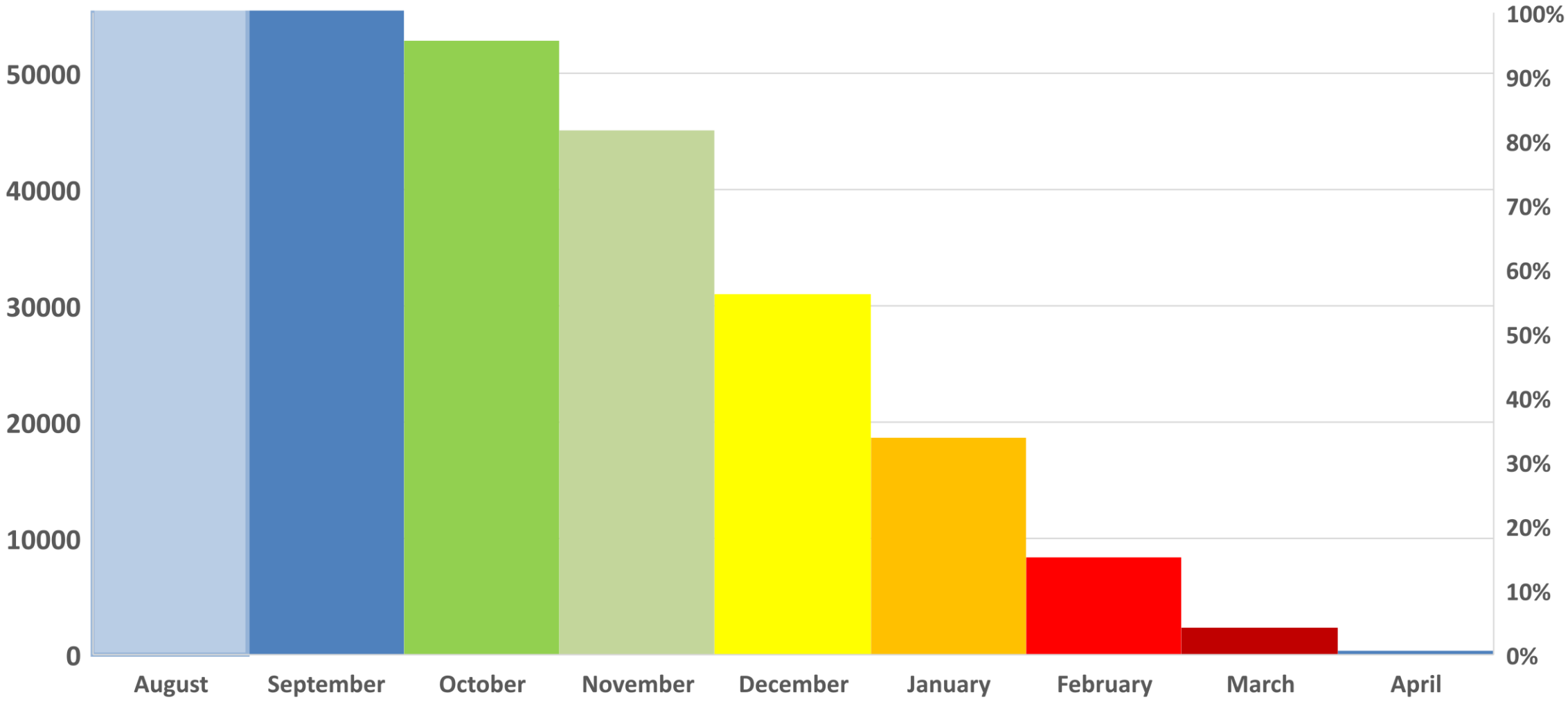

- ❑ **Member worked:**

**200 Hours / Each of the past 11 Month plus 50 hours in Oct.**

**= 2,250 Hours past 12 months.**

- ❑ **Averaged 187.5 hours > 125. Would Make Member Eligible for December even though he only Worked 50 hours in October.**

# Current Extended Eligibility By Rollback Rule



# Eligibility – Self Contributions

## COBRA

Employee

- ❑ Reduction in hours (including retirement)
- ❑ Maximum 18 months (29 if disabled)
- ❑ Credited with 125 hours for each monthly COBRA payment

Dependent

- ❑ Loss of dependent status (divorce, death of employee / retiree)
- ❑ Maximum 36 months (29 if disabled)
- ❑ Must notify of change in status within 60 days

- ❑ 60 Days to elect COBRA, an additional 45 days to actually pay COBRA premium.

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# Eligibility – Self Contributions

## COBRA

- ✓Always due on the 1st of the month
- ✓Not eligible until COBRA payment received
- ✓Once payment received, cannot be refunded
- ✓**NEW FEATURE:** May pay COBRA online via credit card

❑COBRA Rates (modified each year on March 1)

- Medical - **$994 / month**
- Medical / Dental / Vision - **$1,067 / month**
- Medical / Dental Vision / Life - **$1,073 / month**

* REA /Cooperative Rates – Slightly More Than Above Rates

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# Eligibility – Self Contributions

## Self – Pay (Short Hours)

It may be cheaper to pay short – hours (buy hours) in order to keep your eligibility especially if you know you will be returning to work.

- **Short – Hours Self** – Payment Program is sent at the same time of the initial COBRA notice.
- Must already be eligible in the prior month.
- **Can make short hours payments for up to 6 consecutive months.**
- Must be postmarked by the 15th of benefit month. Work Month of October is due December 15th (December is benefit month)
- Short Hour Contribution Calculation = (160 Hours – Hours Worked) X contribution rate ($7.00/hour).
- **NEW FEATURE: Short Hours Can Be Paid Online via Credit Card.**
- **NEW FEATURE: Short Hours Can Be Paid via HRA (must call LINECO Fund)**

# Eligibility – Opting Out

## Opting Out of LINECO

Allowed for a spouse / dependent to “opt – out” of LINECO for other insurance purposes provided by another group health plan.

- ❑Must notify the LINECO Fund Office and provide proof of other coverage.
- ❑Allowed to reinstate LINECO only within 30 days of other coverage ending.
- ❑If opting out for State Medicaid or CHIP program, by law, we will allow a 60 day window to reinstate LINECO.

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# Eligibility – Retiree Plan

## Retiree Criteria

- ❑ Eligible in LINECO on the day immediately preceding your retirement AND
- ❑ 55 years old AND
- ❑ Proof of retirement award (SSA, NEBF, etc.) AND
- ❑ Eligible 48 of last 60 months before retirement with LINECO/Industry AND
- ❑ Retired from any / all employment in the industry.
  - ➢ Can only make COBRA payments for up to 6 consecutive months prior to retirement.
  - ➢ Rates Determined Annually.
  - ➢ If retiree dies, spouse can continue making payments.
  - ➢ Retirees NOT eligible for life insurance or weekly income.

**Please Call LINECO 3 Months Prior to Retirement**

# Eligibility – Retiree Return to Active Status

## Retirees Occasionally Return to Active Work

- ❑ LINECO will automatically return a Retiree to “Active” LINECO Benefits and Status when we receive 6 months of reported work hours.
- ❑ Retiree will be notified in writing of this change.
- ❑ Retiree may need to again provide proof of of retirement award (SSA, NEBF, etc.) if they stop working.

- ❑ LINECO needs to do this as there are significant Fund financial savings as we coordinate with Medicare on an over 65 year old (Medicare eligible) working adult.

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# Retiree Monthly Premium Rates

| TYPE OF COVERAGE | MEDICAL / Rx ONLY | MEDICAL / Rx / DENTAL AND VISION |
|---|---|---|
| **MARRIED** | | |
| Both Employee and Spouse have Medicare Part A & Part B | $496.00 | $534.00 |
| Employee or Spouse has Medicare Part A & Part B | $940.00 | $987.00 |
| Neither one has Medicare Part A & Part B | $1,387.00 | $1,440.00 |
| **SINGLE** | | |
| Single with Medicare Part A & Part B | $248.00 | $267.00 |
| Single without Medicare Part A & Part B | $694.00 | $719.00 |
| Single with Medicare Part A & Part B covering child/children | $372.00 | $401.00 |
| Single without Medicare Part A & Part B covering child/children | $818.00 | $843.00 |

# Special Eligibility Situations

## Non-Bargaining Members

- ❑ Participating Employers may petition the Fund for coverage as a Non-Bargaining Unit
- ❑ Must Be Approved by Board of Trustees
- ❑ If Approved, Must Contribute on ALL non-bargaining employees working more than 90 hours a month.

## Rural Electrical Associations & Electrical Cooperatives

- ❑ May petition the Board of Trustees if less than 50 IBEW members in the bargaining unit.
- ❑ Only bargaining members allowed
- ❑ Contribution rate is $9.10/hour and must report 174 hours each month.
- ❑ No Weekly Income or Life Insurance Benefit Extended.

# Disability & FMLA

## Weekly Income Disability

- ❑ Approval for Weekly Income Disability Benefit
- ❑ 8 Hours / Day Will Be Credited to Members Eligibility Tracking Up To 12 months
- ❑ Ultimate Goal: Help Our Disabled Member Retain Coverage For Family While Unable To Work

## Family Medical Leave Act (FMLA)

- ❑ Employers May Submit Approved FMLA Forms To LINECO
- ❑ LINECO Will Review and Can Add Up To 8 hours per day While on FMLA
- ❑ No LINECO Hourly Contribution Required
- ❑ Employer May Send Email to: fmla@lineco.org

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# Eligibility & ERTS

**QUESTIONS ? ? ?**

# Health Reimbursement Account (HRA)

Kevin Chesniak
LINECO

Roger Demers &  Alyssa Schmidt
WEX

# HRA Overview

- **LINECO HRA “At A Glance”**
- **Strategic Partner – WEX Healthcare**
- **Program Overview**
- **HRA Reimbursable Expenses**
- **HRA Mobile Application**
- **Important Reminders**

# LINECO HRA - At A Glance

- LINECO HRA was established on June 1, 2012.
- Started with approximately 2,100 participants.
- Integrated HRA with the LINECO Health and Welfare Plan.
- In 2020, LINECO's Fund Office retained day to day administration and is partnering with WEX Health to deliver the benefit to our participants.

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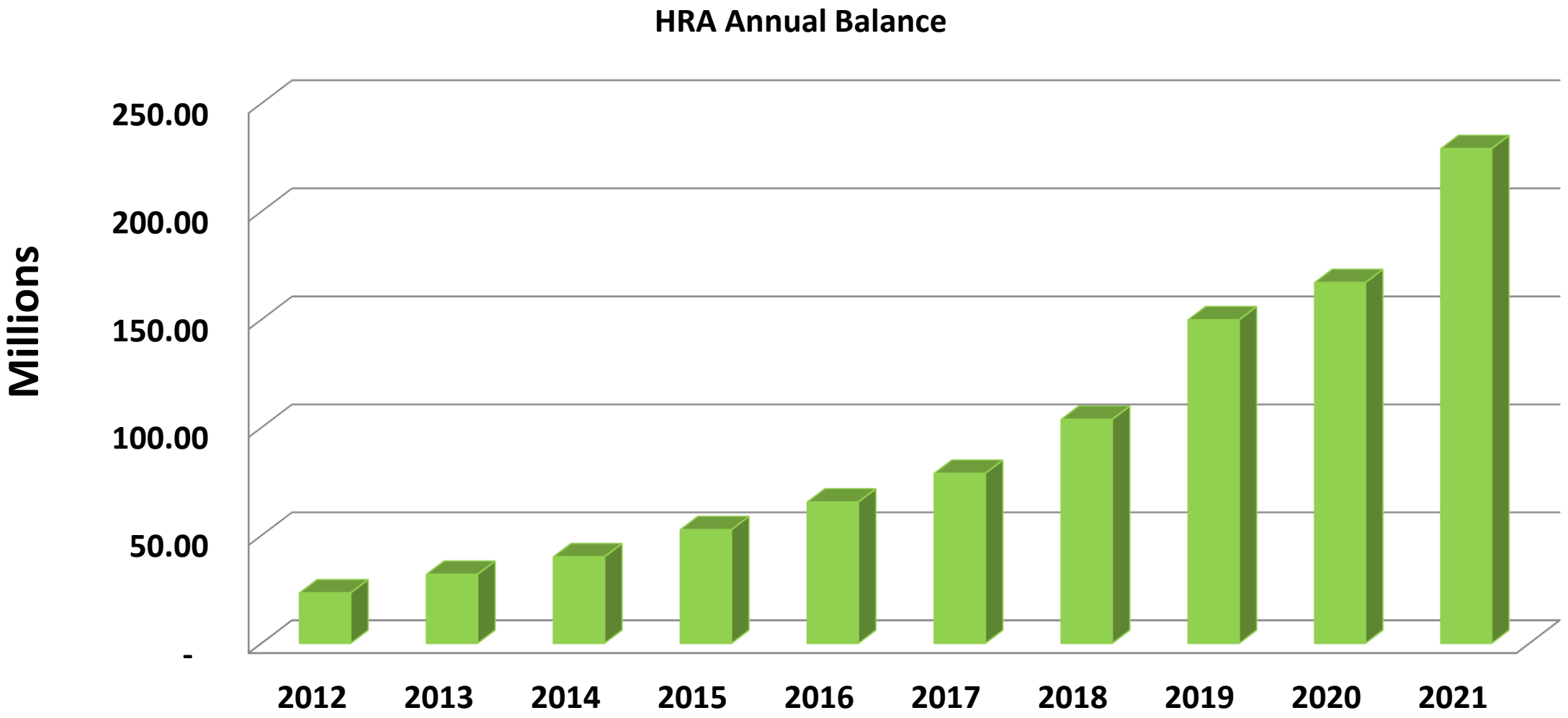
# Annual HRA Growth



# Re-Branded HRA in 2020

***OLD CARD***

**NEW CARD**

# Key Strategic Partner of LINECO HRA – WEX

- LINECO's HRA Program is "powered" by WEX.
- WEX is leading global services company.
- WEX Simplifies HRA Programs for benefit plans and members.

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# Investment Return & Administration Fees Shared

| Year | Investment Yield | Annual Administration Fee |
|---|---|---|
| 2013 | 5.6% | $16.91 |
| 2014 | 3.8% | $18.72 |
| 2015 | -0.20% | $20.59 |
| 2016 | 6.2% | $21.97 |
| 2017 | 7.4% | $16.47 |
| 2018 | -1.0% | $16.12 |
| 2019 | 9.4% | $11.69 |
| 2020 | 7.0% | $9.69 |
| 2021 | 6.3% | $8.58 |

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# Program Overview

- What is an HRA?
  - An IRS approved vehicle that allows an employer to set aside funds to reimburse medical expenses paid by participating employees. Using an HRA yields “tax advantages to offset health care costs” for both employees as well as an employer.

  - Employer ONLY contributions go into the fund on a pre-tax basis
  - Benefits paid from the account for employee (qualified dependents) not taxed
  - Funds ($$$) in account rolls over from year to year
  - Funds ($$$) can be used from account for certain “qualified medical expenses” determined on an annual basis by the IRS.

# Program Overview

- Types of reimbursable expenses NOT determined by Trustees
  - To keep HRA tax-exempt, expenses can only be those allowed as tax deductible by IRS (213d eligible expenses)
  - LINECO HRA does NOT provide death benefit
  - LINECO HRA available immediately (no restriction on age/retirement status)
  - LINECO HRA assets invested by LINECO Board of Trustees, not member directed.

- HRA can be used to help employee make self-payments to continue coverage, either in active status or as retiree

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# HRA Reimbursed Expenses

- Retiree Premiums
- Smoking cessation
- Active Self-payments
- Expenses not covered by LINECO
- Deductibles, co-pays, coinsurance
- Hearing aids
- Weight loss programs
- Vision surgery
- Vision expenses
- Prescription drug copays
- Dental expenses
- Breast pumps
- Routine exams
- Transportation for treatment
- Well-child care
- Expenses over a maximum benefit
- Electronics for disabled
- Some OTC Drugs
- Long Term Care Premiums

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# Items NOT Eligible for Reimbursement

- IRS does not consider following expenses tax deductible, and therefore are NOT reimbursable under HRA:

- Cosmetic surgery
- Burial expenses
- Household help
- Certain health insurance
- Food / dietary supplements
- Health club memberships
- Maternity clothes
- Child or elder care expenses
- Some over-the-counter drugs
- Death / burial / funeral
- Environmental devices such as air purifiers or humidifiers

**IRS Code Section 213(d) Identifies Medical Expenses Eligible For Reimbursement**

# Participant Experience

- Participant receives “LINECO HRA Card” – debit card - once HRA account balance exceeds $100 and the member becomes eligible for LINECO.
- Participant presents card to provider to pay for allowable services or supplies.
- Provider and card vendor coordinate to verify allowable expenses and available balance.
- Provider is paid available amounts for allowable items and participant pays balance.
- Paper claims possible for unusual services/supplies. ***This is a rare event.***
- Employee can authorize auto-deduct for self-payments.
- Each year, participants may receive an investment contribution based on LINECO overall investment returns.
- Each year, participants will receive an annual administration fee.
- Participant may opt-out of HRA.

# Participant Experience Con't.

**Forfeiture of Inactive Accounts :**

- The LINECO HRA account can only be forfeited due to inactivity. An account will be considered inactive if it has a balance of less than $100 an no account activity for the prior two years (24 months).
  - "**No Account Activity**" means no employer contributions into the account and no withdrawals out of the account for qualified LINECO HRA expenses.

**Participant Death:**

- Death or disability benefits cannot be paid from the LINECO HRA. However, in the event of a participants death, the balance in the account can be used by a surviving spouse or eligible dependents for qualified expenses, including healthcare premiums and LINECO self – payments.

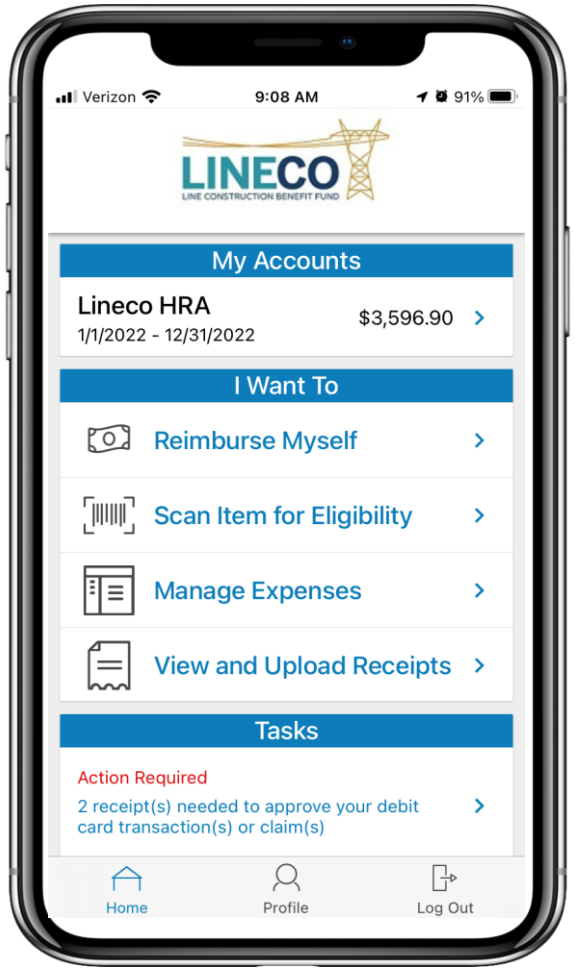
# Key Takeaways

- Very Successful Program
- Growing Quickly
- Average Contribution to the HRA is: $0.75 cents/hour
- Average HRA Account Balance is:  $3,000

# HRA Mobile App Introduced- 2020

- HRA Mobile App
- HRA Updated Website – linecohra.org

# Mobile Application Features




- Real-time HRA balance
- Simple, on-the-go claim filing
- Eligible Expense Scanner
- Receipt Organizer
- Report debit card as lost or stolen

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# Questions????

# AFTERNOON BREAK
# 15 MINUTES