



Laborers' National Health & Welfare Fund

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LABORERS' NATIONAL HEALTH AND WELFARE FUND

905 16th Street, N.W.
Washington, D.C. 20006
202-737-1898 or 1-800-540-0113

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IMPORTANT NOTICE ABOUT THE NEW PREVENTIVE CARE INCENTIVE ("FIT FOR DUTY") PROGRAM

Summary of Material Modifications To Plan 1 and Plan 2 Benefits

To All Participants In The Laborers' National Health and Welfare Fund (Plan 1 & Plan 2):

The Board of Trustees has amended the terms of Benefit Plans 1 and 2 of the Laborers' National Health and Welfare Fund ("LNHWF" or "Fund") to add a preventive care incentive program called "Fit For Duty," to the Plans. The program is intended to encourage eligible participants and spouses to obtain certain annual preventive care services by offering financial incentives. The Board believes that the program will help to improve the health of participants and their spouses, and to reduce the long-term cost of care for participants and the Fund. The program is effective as of January 1, 2025.

Program Overview

In general, if an eligible Participant or his/her Spouse has an annual medical physical examination and/or an annual dental examination and cleaning in any calendar year, while they are covered by the LNHWF, the Participant or Spouse will receive an incentive "Plan Credit" in a health reimbursement arrangement account ("HRA") in the following year. Each eligible Participant and/or Spouse who undergoes an annual medical physical examination during a calendar year will receive a Plan Credit of \$100.00 in the following calendar year. Each eligible Participant and/or eligible Spouse who undergoes a dental cleaning during a calendar year will receive a Plan Credit of \$25.00 in the following calendar year. The Plan Credit is available only for one medical exam and one dental cleaning per calendar year, per participant and spouse for a maximum annual family incentive of \$250.

As soon as practicable after the close of each calendar year, the Fund will determine which eligible Participants and eligible Spouses earned Plan Credit for that year. An eligible Participant's HRA account will be credited with any Plan Credit amount earned by him/her together with any Plan Credit earned by his/her eligible Spouse. The Fund will send the eligible Participant and the eligible spouse a HRA debit card (the "Laborers' Health Fund HRA Debit Card") that is electronically linked to a Fund bank account. The Participant/spouse can use their HRA card to pay for Qualifying Medical Care Expenses, and those expenses will be deducted from their Plan Credit balance. Any future Plan Credit earned by the eligible Participant and/or eligible Spouse will be added to their existing balance on the Laborers' Health Fund HRA Debit Card each year. Unused Plan Credit amounts will roll over and accumulate from year to year.

Plan Credit amounts can be used by a Participant to pay for Qualifying Medical Care

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Fit for Duty!

Expenses incurred by the Participant, his/her Spouse and/or other enrolled Dependents of the Participant. Plan Credit cannot be converted to cash or used for any benefit other than Qualifying Medical Care Expenses. Generally, Qualifying Medical Care Expenses:

- > Include Cost-Sharing (e.g. Deductibles, Co-Payments) required to be paid by a Participant, Spouse or other Dependent under the Plan with regard to any medical, prescription drug, dental or vision benefit.
- > Include costs incurred for “medical care”: the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body; and transportation primarily for and essential to such medical care.
- > Include costs incurred for medicines, drugs, and medical equipment whether prescribed or over-the-counter.
- > Exclude medicine, drugs, equipment and services, whether over-the-counter or prescribed, used for general well-being, personal hygiene or purely cosmetic purposes.
- > Specific information regarding eligible expenses may be found on the IRS Publication 502 available on their website at www.irs.gov

A Participant can use his/her Plan Credit by presenting his/her Laborers' Health Fund HRA Debit Card at a medical care provider's office or facility (e.g. doctor's offices, dental offices, urgent care facility, hospitals and other medical facilities) or pharmacy in payment or partial payment for Qualifying Medical Care Expenses. Alternatively, a Participant can pay out of pocket for a Qualifying Medical Care Expense and obtain reimbursement from the Fund by submitting to the Fund a claim form and proof of purchase in accordance with the Fund's instructions. The amount of the Qualifying Medical Care Expense will be deducted from the Participant's Plan Credit balance by the Fund.

Example 1: Joe, an eligible Participant, undergoes a medical physical examination in June 2025, and has a teeth cleaning in August 2025. His wife Sue, an eligible Spouse, has a well-woman medical examination in October 2025, and a dental exam and cleaning in November 2025. Joe and his wife earn \$250 in Plan Credit (\$100 for Joe's medical exam, \$25 for Joe's teeth cleaning, \$100 for Sue's medical exam, and \$25 for Sue's dental cleaning). In early 2026, the Fund will send each of them a Laborers' Health Fund HRA Debit Card with \$125 credit, that they can use to pay for Qualifying Medical Care Expenses incurred by themselves or their eligible dependents.

Example 2: Joe uses his Laborers' Health Fund Debit Card at a pharmacy to pay for first aid supplies and his co-payment for a prescription medicine. The total cost of these Qualifying Medical Care Expenses is \$50. The Fund, which receives electronic notice of this transaction from the pharmacy, reduces Joe's Plan Credit balance by \$50, leaving a balance of \$75.

Example 3: Sue has an office visit with her primary care doctor. She uses her Laborers' Health Fund HRA Debit Card to pay her \$20 deductible at the office. The

Fund, which receives electronic notice of this transaction from the doctor's office, reduces Sue's Plan Credit balance by \$20, leaving a balance of \$105.

***Example 4:** During 2026, Joe undergoes another annual medical examination, and Sue undergoes a well-woman medical examination. For each of those exams, another \$100 is added to their Plan Credit balances in early 2027. If Joe's balance at the end of 2026 was \$75, his new Plan Credit balance would be \$175. Similarly, Sue's ending balance of \$105 would be increased to \$205.*

The Board of Trustees will engage a third party administrator to administer the Program for the Fund, perform recordkeeping functions, and provide the debit cards and electronic debiting system for the Program. When eligible Participants are sent their Laborers' Health Fund HRA Debit Cards in 2026, the Fund will include instructions on using the Debit Card.

The full text of the Plan amendments will be posted on the Fund's website (www.lnhwf.org)

As with all other benefits provided under Benefit Plans 1 and 2, the Board of Trustees retains the right to modify or terminate the Fit For Duty Program at anytime.

If you have any questions regarding this notice, you can contact LNHWF Fund Administrator Brian Kaniewski or Assistant Fund Administrator Paul Mac Kinnon for information. They may be contacted by telephone at 202-737-1898 or 1-800-540-0113, or by email at bkaniewski@lnipf.com or pmackinnon@lnipf.com.
