

## **LABORERS' NATIONAL HEALTH AND WELFARE FUND**

### **Amendment To Plan Description - Plan 2**

(Regarding Preventive Care Incentive Program)

**Effective January 1, 2025**

Pursuant to its authority under the Agreement and Declaration of Trust, the Board of Trustees of the Laborers' National Health and Welfare Fund, acting through its Executive Committee, hereby amends the Plan Description of Benefit Plan 2 for the purpose of adding to the Plan a preventive care incentive program. 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 reduce the long-term cost of care. The program is effective January 1, 2025.

Specifically, the Plan is amended by adding a “SECTION 8A: PREVENTIVE CARE INCENTIVE (‘FIT FOR DUTY’) PROGRAM” between “Section 8: Membership Assistance Plan (MAP) Benefits” and “Section 9: How To Claim Benefits & Appeal Denials Of Benefits”, as follows:

### **SECTION 8A: PREVENTIVE CARE INCENTIVE (“FIT FOR DUTY”) PROGRAM**

#### **8A.1: Overview**

- (a) The Preventive Care Incentive (“Fit For Duty”) Program (“the Program”) is intended to encourage eligible Participants and Spouses to obtain certain annual preventive care services by offering them financial incentives to obtain the services. This Section describes who is eligible to participate in the Program, which preventive services qualify for the incentives, the incentives, and other terms and conditions of the Program. In general, if an eligible Participant or Spouse has an annual medical physical examination and/or dental cleaning in any calendar year, the Participant or Spouse will receive a Plan Credit in the following year.
- (b) The Program is intended to qualify as a Health Reimbursement Arrangement (“HRA”) under applicable provisions of the Internal Revenue Code and rulings by the Internal Revenue Service so that Participants and Spouses will not incur Federal income tax on their Plan Credit amounts.
- (c) The Plan Credit amounts provided under the Program will be paid from the general assets of the Fund which consist of employer contributions and investment earnings. No Participant contributions are required or permitted, except in the case of COBRA Coverage under Plan Section 10.
- (d) The Fund will establish and maintain a notional Plan Credit account for each Participant but will not create a separate fund or otherwise segregate assets for this purpose. The account will merely be a recordkeeping account for the purpose of

keeping track of Plan Credit balances.

#### **8A.2: Eligibility**

- (a) A Participant who meets the Plan's eligibility requirements of Section 1 is eligible for the program, regardless of whether the Participant has Single Coverage or Family Coverage. A Participant on COBRA coverage remains eligible under Section 1 until his or her COBRA coverage terminates.
- (b) The Spouse of an eligible Participant who has Family Coverage is eligible to earn Plan Credit for the Program. Other Dependents of the Participant are not eligible to earn Plan Credit under the Program.
- (c) If a Participant ceases to be eligible under Section 1 of the Plan, he/she will cease to be eligible to earn Plan Credit. However, he/she will be permitted to continue to use his/ her Plan Credit balance, if any, until it is exhausted. If the Participant regains eligibility under Plan Section 1, he/she will be eligible to resume earning Plan Credit and any new Plan Credit that he or she earns will be added to his/ her earlier unused Plan Credit.
- (d) If a Participant loses Family Coverage but remains eligible under Plan Section 1 for Single Coverage, he/she will remain eligible under the Program to earn Plan Credit and to use his/her unused Plan Credit. However, his/her Spouse will cease to be eligible to earn Plan Credit until the Participant regains eligibility for Family Coverage under Section 1.

#### **8A.3: Qualifying Preventive Care Services**

The preventive care services that qualify a Participant and/or Spouse for the financial incentive are the following:

- (a) An annual medical physical examination by an appropriate Health Care Practitioner that is covered by the Plan. Plan Section 2.11(a) entitles eligible Participants to an annual medical physical examination by a Primary Care Physician without any cost-sharing (that is, no deductible or co-payment). Plan Section 2.11(b) entitles eligible Participants and Spouses to annual "well-woman" preventive care medical visits without any cost-sharing (that is, no deductible or co-payment).
- (b) A dental cleaning by a Dental Hygienist that is covered by the Plan. Plan Section 4.2 and 4.3 entitle an eligible Participant and Spouse to two dental cleanings per calendar year with the allowable charge paid 100% by the Fund.

#### **8A.4: Financial Incentive - Plan Credit**

- (a) Each eligible Participant and/or eligible Spouse who undergoes an annual medical physical examination during a calendar year is entitled to receive a Plan Credit of \$100.00 in the following calendar year. The Plan Credit is available only for one annual medical physical examination per calendar year.
- (b) Each eligible Participant and/or eligible Spouse who undergoes a dental cleaning during a calendar year is entitled to receive a Plan Credit of \$25.00 in the following calendar year. The Plan Credit is available only for one dental cleaning per calendar year.
- (c) 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 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 Participant will be sent by the Fund a plastic debit card (the "Laborers' Health Fund Debit Card") that is electronically linked to a Fund bank account from which the amount of Plan Credit will be drawn and applied to the Qualifying Medical Care Expenses selected by the Participant. If the eligible Participant and/or eligible Spouse have unused Plan Credit for an earlier calendar year, all of that unused Plan Credit and the newly earned Plan Credit will be available through the Participant's debit card. Unused Plan Credit amounts rollover and accumulate from year-to-year.

#### **8A.5: Use Of Plan Credit Amounts: Laborers Health Fund Debit Card**

- (a) Plan Credit amounts can be used by a Participant to pay for Qualifying Medical Care 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.
- (b) For purposes of the Program, and subject to the Exclusions and Limitations described in subsection (c) below, Qualifying Medical Care Expenses include:
  - (1) 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.
  - (2) Costs incurred for "medical care" within the meaning of Internal Revenue Code Section 213(d)(1)(A) and (B): 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.

- (3) Cost of medicines, drugs, and medical equipment whether prescribed or over-the-counter.
- (c) Exclusions and Limitations: Not Qualifying Medical Care Expenses
  - (1) Medicine, drugs, equipment and services, whether over-the-counter or prescribed, used for general well-being, personal hygiene or purely cosmetic purposes are not Qualifying Medical Care Expense.
  - (2) A medicine, drug, medical test, or medical equipment requiring a prescription is not a Qualifying Medical Care Expense unless a valid prescription has been issued to the Participant, Spouse or Dependent.
  - (3) Long term care services.
  - (4) Funeral and burial expenses.
  - (5) Household and domestic help.
  - (6) Custodial care.
  - (7) Items of clothing.
  - (8) Any item that does not constitute “medical care” as defined in Section 213(d) of the Internal Revenue Code and regulations and rulings issued by the Internal Revenue Service.
- (d) A Participant can use his/her Plan Credit by presenting his/her Laborers Health Fund 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. The amount of the Qualifying Medical Care Expense will be deducted from the Participant’s Plan Credit balance. The Fund will receive from the medical care provider or pharmacy electronic confirmation that the Plan Credit was used only for a Qualifying Medical Care Expense (auto-substantiation).
- (e) 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 in accordance with the Fund’s instructions. Proof of payment by the Participant for the Qualifying Medical Care Expense must be submitted with the claim, as required by the medical care expense substantiation rules of the Internal Revenue Service. Upon approval of the claim, the amount of the Qualifying

Medical Care Expense will be deducted from the Participant's Plan Credit balance.

**8A.6: Administration Of The Program**

- (a) The Board of Trustees may engage a third party administrator to administer the Program for the Fund, perform recordkeeping functions, provide an electronic payment and debiting system, and perform other services necessary or appropriate for implementation of the Program.
- (b) The Fund Administrator is authorized to develop, adopt and publish to Participants such rules and procedures as he deems necessary or appropriate to implement and administer the Program. Any such rules and procedures shall be deemed rules of the Fund and be enforceable as such. Such rules may include charging Participants fees for individualized services (including replacement of a lost Laborers Health Fund Debit Card) and debiting the Participant's Plan Credit balance to obtain payment.
- (c) All Participants are required to cooperate with requests for information by the Fund for the purposes of administering the Program in compliance with the law and Internal Revenue Service requirements.

**8A.7: Amendment Or Termination Of The Program**

- (a) The Board of Trustees, in its discretion, may amend or modify the Program in any respect, or may terminate the Program, at any time.
- (b) Participants' Plan Credit balances are not vested benefits and may be affected or even reduced or canceled by any amendment, modification or termination of the Program by the Board of Trustees.

Adopted by the Executive Committee  
of the Board of Trustees on this  
\_\_\_\_ day of February 2025.

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Michael F. Sabitoni, Co-Chairman

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James F. Grosso, Co-Chairman