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WISCONSIN LABORERS' HEALTH FUND

Health Reimbursement
Arrangement (HRA) Brochure

2019

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Dear Participant:

The Board of Trustees of the Wisconsin Laborers' Health Fund is pleased to provide our participants with comprehensive healthcare coverage. Realizing that no two participants are alike, the Fund provides a Health Reimbursement Arrangement (HRA), which gives you the flexibility to use the Plan in the way that best meets your—and your family's—needs.

The Plan's HRA is designed to provide reimbursement of certain healthcare expenses on a tax-free basis. You can use it to pay for non-reimbursable healthcare expenses you and your dependents incur while you are an active employee and after you retire (if you are eligible for retiree coverage) to help offset your out-of-pocket healthcare costs. This booklet explains how the HRA works for you.

We encourage you to read this brochure carefully to help you understand how your HRA works and how it can benefit you.

If you have any questions about your HRA benefit, please feel free to contact us at 608-846-1742 or 800-397-3373. You can also email us at wlhra@bpalja.com.

Sincerely,
Board of Trustees

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HRA HIGHLIGHTS

If you are enrolled in other group health plan coverage and the coverage does not provide minimum value, or if you fail to provide proof of other coverage, your reimbursements will be limited. If you are enrolled in coverage other than the Wisconsin Laborers' Health Fund, and have questions about what items can be reimbursed, please contact the Fund Office at 608-846-1742 or 800-397-3373.

The more you work, the more contributions are made to your HRA account and the more your HRA account grows, tax-free.

Plus, money in your HRA account and amounts reimbursed for eligible expenses are not included in your income, which means you aren't taxed on this money.

How the Fund's Health Reimbursement Arrangement (HRA) works:

- You are eligible for the HRA if you work for an employer that contributes to the Health Fund on your behalf and you are enrolled in coverage through the Health Fund or through other group health plan coverage. If you are enrolled in other group health plan coverage through your spouse or domestic partner, that coverage must provide minimum value and you must provide proof of coverage.
- When you are initially eligible for Plan coverage and employer contributions are received on your behalf, an HRA account is established in your name.
- For each hour of contributions made on your behalf on and after June 1, 2015, a portion of the hourly contribution rate is credited to your HRA account.
- You determine how you want to use the money in your HRA account. You can use it as you incur eligible healthcare expenses or save up and use it in the future.
- A debit card is sent to you that you can use to pay your eligible out-of-pocket expenses as you incur them or you can claim reimbursement for other items such as coinsurance.

Money in your HRA account may be used to pay for eligible healthcare expenses as defined in Section 213(d) of the Internal Revenue Code (refer to page 7). The IRS document is available on the member portal or at www.IRS.gov.

A wide range of expenses are eligible for reimbursement if you are enrolled in coverage through the Health Fund, including:

- Payments for coverage, including: self-payment contributions to continue coverage under the Plan when you are not working enough hours, COBRA continuation coverage self-payments, retiree coverage self-payments; and
- Other out-of-pocket costs like deductibles, copayments and coinsurance.

You can also use the funds in your HRA account to pay for non-reimbursable healthcare expenses you and your eligible dependents incur while you are an active employee, and after you retire (if you are eligible for retiree coverage and have an HRA account balance).

HRA ELIGIBILITY

You are eligible for the HRA if you work for an employer that contributes to the Health Fund on your behalf and you are enrolled in coverage through the Health Fund or other group health plan through your spouse or domestic partner. If you are enrolled in other group health plan coverage, it must provide minimum value and you must provide the Fund Office with proof of such coverage. Alternatively, if you enroll in other group health plan coverage and that coverage does not provide minimum value, then reimbursements under the HRA Plan benefit will be limited. Those reimbursements include the reimbursement of copayments, coinsurance, deductibles and premiums for the other group health plan coverage, to the extent such premiums are paid on an after-tax basis, as well as medical care as defined under Internal Revenue Code Section 213(d) that does not constitute an essential health benefit.

Once you are eligible for coverage under the Health Fund, HRA contributions are credited to an HRA account established in your name and you can begin to access your HRA account balance. Only HRA contributions earned during the 12-month eligibility period are credited to your HRA account.

If you become ineligible or are never eligible for coverage under the Health Fund, your HRA contributions will be frozen and possibly forfeited.

While contributions are only made on your behalf while you are working for a contributing employer in a bargaining unit position or through a participation agreement, you do not have to be an active participant to use your HRA account. Your HRA account balance is available as long as you have money in your HRA account and are eligible for active or retiree health coverage, provided you have not waived coverage under the HRA. In addition, your HRA account balance is available to your surviving spouse and/or eligible dependents for reimbursement in the event of your death.

Continued Eligibility

Your eligibility for HRA contributions is based on your continued eligibility for the Health Fund. Once you are eligible, your eligibility will continue as described in the *Eligibility* section of your SPD (Summary Plan Description), provided the required contributions are made on your behalf. You will continue to receive HRA contributions as long as you are actively working. Once you retire or terminate employment, no contributions are made into your HRA account.

Refer to information in the *Life Events* section of this brochure regarding what occurs if you refuse to work or stop working.

When Eligibility Ends

Your eligibility to use your HRA account ends on the earliest date of the following occurrences:

- The date you waive coverage under the HRA; or
- The date your balance in your HRA account equals \$0; or
- The date you are no longer eligible for the Health Fund.

In addition, your HRA funds may also be frozen if you refuse to work or stop working, as described in the *Life Events* section of this brochure.

You are eligible for reimbursement of covered expenses incurred by you and any of your eligible dependents whom you can claim as a dependent on your tax return.

The Trustees reserve the right to discontinue contributions to your HRA at any time.

You should file a claim for reimbursement online or with the Fund Office as soon as possible. If your claim is not filed within one year of the date of the expense, your claim will be denied.

After Eligibility Ends

After you are no longer eligible for the Health Fund, you may continue to submit eligible expenses for reimbursement from your HRA account for expenses you incurred while eligible, unless your account is frozen. However, contributions into your HRA account will stop.

If you lose eligibility due to a lack of hours, and then become eligible again, the contributions for some portion of the hours you worked during the period of ineligibility will be deposited into your HRA once you regain eligibility for Health Fund coverage. If you re-establish eligibility prior to a two-year break, then any HRA credits that you earned during the ineligibility period will be credited to your HRA account balance. If your break is longer than two years, then only those HRA contributions you earned in the two-year period immediately prior to your re-established eligibility date will be credited to your HRA account balance.

Opting Out of HRA Coverage

Annually on January 1, you are allowed to permanently opt out of HRA coverage and waive future reimbursements from your HRA account.

For instance, you may wish to opt if you cannot have access to an HRA because you are receiving a subsidy for the premiums of an individual insurance plan purchased from a state or federal Health Insurance Marketplace.

If you opt out, you will not receive any contributions toward your HRA account and the balance in your HRA account will be frozen. Note that when your account is frozen, it may be reinstated (refer to the *Life Events* section).

If you terminate employment, you may elect to forfeit your HRA account balance at any time, unless an opt-out was elected in which case, your HRA account will be frozen.

YOUR HRA ACCOUNT

Establishing the Account

When you are initially eligible for the Health Fund and employer contributions are received on your behalf, an HRA account is established in your name and a portion of the employer contributions made on your behalf is credited to that account.

The Plan establishes and maintains an HRA account for each eligible participant to track contributions, reimbursements and available balances.

The more you work for a contributing employer, the more contributions are made to your HRA, which means your HRA continues to grow.

Contributions

Your HRA account is funded *exclusively* through contributions made by your employer on your behalf in accordance with the collective bargaining agreement applicable to you. All contributions credited to your HRA account are assets of the Health Fund; you are not vested in contributions made on your behalf and you may use your HRA account only for the purposes stated in the governing Plan document.

The HRA account will be funded at an hourly rate determined by the Trustees. Only amounts contributed above the Health Fund rate set by the Board of Trustees will be credited to your HRA account.

If you work under a reciprocity agreement, reciprocal contributions will first be allocated to your HRA account and then the balance will be applied toward the monthly cost to maintain Health Fund coverage. If your HRA account balance falls under the amount needed to maintain eligibility, you will need to pay the amount necessary to maintain coverage under this Plan.

If money remains in your HRA at the end of a year, it rolls over into the next year, allowing you to save for future healthcare expenses.

Your HRA Account Balance

Your HRA account balance is the total of employer contributions made on your behalf to the HRA account minus any reimbursements you receive from your HRA account.

The amount available for reimbursement of eligible expenses is the amount credited to your HRA account, less prior reimbursements and any administrative fees. Contributions made on your behalf will be credited to your HRA account within 30 days of receipt by the Health Fund. Therefore, there may be a lag between the time contributions are required on your behalf and when they are available for you to use.

If you lose your HRA debit card, you will have to pay an administrative charge of \$10 for the cost of sending you a new one. This amount will be deducted from your HRA balance.

Tax Status

Contributions credited to your HRA account are not taxable income when made and generally are not taxable when paid out as eligible benefits. However, certain actions may cause your HRA account to be taxable. For instance:

- You receive reimbursement from your HRA account for contributions for health coverage that are paid or could have been paid pre-tax from an IRC Section 125 plan;
- Reimbursements are made for individuals that are not “dependents,” as defined under IRC Section 152; and
- Your dependents may still receive reimbursements from the HRA account balance for eligible expenses in the event of your death.

Contact your tax expert to ensure that expenses reimbursed from your HRA are non-taxable under the Internal Revenue Code (IRC).

If you submit an expense for reimbursement under the Plan's HRA, you cannot deduct that expense on your tax return.

LIFE EVENTS

When you, your spouse, and/or your dependents are eligible for COBRA continuation coverage, your HRA balance may be used for self-payments to continue this coverage.

If You Do Not Work Enough Hours

If you do not work enough hours to continue eligibility for the Health Fund, you may use your HRA to make self-payments to continue your coverage (if eligible). You must contact the Fund Office and complete any necessary paperwork to use your HRA balance towards any required self-payment amounts, including COBRA continuation coverage. You do not receive employer contributions to your HRA for hours for which you are making self-payments; however, you will receive contributions for hours you work.

If You Refuse or Stop Working

If you refuse to work or stop working, your HRA account will be frozen beginning on the first day of the first month following the date that you either are called to work and refuse or stop working under a collective bargaining agreement with the Wisconsin Laborers' District Council or its affiliated Local Unions and then you subsequently start working:

- In the construction industry in a non-laborers trade; or
- In a laborers' trade or sub-trade in the geographic area of Wisconsin under a collective bargaining agreement that is not with the Wisconsin Laborers' District Council, its affiliated Local Unions or the International Laborers' Union.

This Plan rule applies if your employer has entered into a collective bargaining agreement with the Wisconsin Laborers' District Council or its affiliated Local Unions.

Your frozen HRA account will be forfeited (in other words, closed and forever unavailable to you) as of the first day of the 12th month following the month you are called to work and refuse or stop working under a collective bargaining agreement with the Wisconsin Laborers' District Council or its affiliated Local Unions and subsequently start working in the construction industry in a non-laborers trade or in a laborers' trade or sub-trade in the restricted geographic area. If, however, prior to forfeiture, you return to work for an employer that is required to make contributions to the Health Fund under a collective bargaining agreement with the Wisconsin Laborers' District Council, its affiliated Local Unions or the International Laborers' Union, your account will not be forfeited. **(Note: If your frozen account is not forfeited, it may be reinstated on the first day of the month following the month in which you satisfy the Plan's initial eligibility requirements.)**

EXAMPLE:

John was called to work on August 1, 2018 but refused to work or stopped working under a collective bargaining agreement with the District Council or its affiliated Local Unions. He subsequently started working in the construction industry in a non-laborers trade, or in a laborers' trade or sub-trade in the restricted area, so his HRA account was frozen on September 1, 2018.

If John's HRA account remains frozen for 12 months, his account will be forfeited on August 1, 2019. But, if John returns to work prior to the forfeiture, let's say on June 1, 2019, and he works consecutively 600 hours between June 1, 2019 through May 31, 2020, and the Fund receives contributions from his employer for 600 hours on June 1, 2020, John's account could be reinstated when the eligibility requirements are met.

When You Retire

In order to receive retiree benefits through the Health Fund, you must be eligible for retiree coverage and make self-payments for that coverage.

While contributions are only made to your HRA account while you are an active employee, you can use your HRA account for reimbursement of expenses in retirement. When you retire, your HRA account balance is carried forward until no balance remains or until you are no longer eligible for coverage under the Health Fund.

You may use the balance in your HRA towards your self-payments for retiree coverage. In addition, you may also use your HRA account to pay for any eligible expenses you incur during retirement.

In the Event of Your Death

Your HRA will continue to be available to provide reimbursement for your surviving dependents' eligible expenses in the event of your death. In other words, your HRA account balance is available to your surviving spouse and/or eligible dependents after your death. Your spouse and/or dependents may use your HRA account to pay for eligible expenses (including expenses you incurred before your death) or to make self-payments to continue coverage until the earliest of when your HRA account balance is zero or the Plan ends. However, in no event will amounts be paid in cash to any person for other than reimbursement of an eligible expense (for example, there are no lump sum distributions of the HRA account balance as a death benefit).

While your surviving spouse and/or dependents may continue to use your HRA account, no further employer contributions will be made to the HRA account.

If You Take an FMLA or USERRA Leave of Absence

If you take a leave of absence that qualifies under the Family Medical Leave Act (FMLA) or the Uniformed Services Employment and Reemployment Rights Act (USERRA), the HRA account will be treated as if you were still an active employee. You must notify the Fund of your leave. However, if your leave is not subject to FMLA or USERRA, such leave will be treated as a termination of participation.

No contributions are put into your HRA account once you retire, unless you return to work for which contributions are required to be made on your behalf. If you enroll for Medicare Part D (prescription drug coverage), you will not be eligible for prescription drug reimbursements from your HRA account.

If you have no surviving spouse and/or other eligible dependents at the time of your death, any balance in your HRA will be forfeited and become a part of the Plan's general assets.

WHAT IS OR IS NOT AN ELIGIBLE EXPENSE

Expenses Eligible for Reimbursement

You determine how you want to use the money in your HRA account. As you, your spouse and/or your covered dependents incur eligible healthcare expenses, you can use the money in your HRA account to pay for those expenses. You can also save up and use the money in your HRA account in the future.

Examples of eligible expenses, as defined by the Plan include:

- Coverage costs, including self-payment contributions or premiums:
 - To continue Health Fund coverage when you are not working enough hours;
 - For COBRA continuation coverage;
 - For retiree coverage, if eligible; and
 - Amounts you and your spouse pay for group health coverage through your spouse's employer only if the premiums are paid on an after-tax basis and could not have been paid under an IRC Section 125 Plan. Please contact the Fund Office for additional information.
- Healthcare expenses, including:
 - Out-of-pocket Plan costs, such as deductibles, copayments, and coinsurance; and
 - Expenses not covered, or only partially covered, under the Plan, such as expenses that exceed benefit maximums.

Healthcare expenses may include medical, prescription drug, dental, hearing and vision expenses.

In general, expenses eligible for reimbursement only include those that:

- Are incurred while you are eligible for coverage under the Plan's HRA;
- You, your spouse, and/or your eligible dependents are required to pay;
- Are not reimbursed by insurance or any other source; and
- You, your spouse, and/or your dependents have not taken (or will not take) as a tax deduction.

An eligible medical expense is defined as an expense paid for care as described in Section 105 and Section 213(d) of the Internal Revenue Code.

Again, if you are enrolled in other group health plan coverage and the coverage does not provide minimum value, or if you fail to provide proof of other coverage, your reimbursements will be limited. If you are enrolled in coverage other than the Wisconsin Laborers' Health Fund, and have questions about what items can be reimbursed, please contact the Fund Office.

Please note that federal and state tax regulations are subject to change. **The above eligible expenses are only examples; it is not a complete list and does not include the provisions relating to each individual expense.**

Expenses Not Eligible for Reimbursement

Expenses not eligible for reimbursement from the HRA account include any item that does not constitute "medical care" as defined in Internal Revenue Code Section 105 or Section 213(d), such as:

- Individual health insurance premiums for active participants.
- Funeral and burial expenses.
- Health club or fitness program dues or equipment for general well-being, paid to improve your general health or to relieve physical or mental discomfort even if the program is necessary to alleviate a specific medical condition, such as obesity, unless you have a physician's letter stating a specific diagnosis and prescribing the membership or equipment.

- Personal use items such as cosmetics, toiletries, toothpaste, etc.
- Vitamins and food supplements taken to maintain your own good health.
- Uniforms and special clothing, such as maternity clothing.
- Over-the-counter medications and other medical supplies without a prescription (except insulin).
- Long-term care services.
- Cosmetic or Reconstructive Surgery or other similar procedures, unless the surgery or procedure is necessary to ameliorate a deformity arising from, or directly related to, a congenital abnormality, personal Injury resulting from an accident or trauma, or disfiguring disease. “Cosmetic or Reconstructive Surgery” means any procedure that is directed at improving the patient’s appearance and does not meaningfully promote the proper function of the body or prevent or treat Sickness or disease.
- The salary expense of a nurse to care for a healthy newborn at home.
- Household and domestic help (even though recommended by a qualified physician due to a participant’s or dependent’s inability to perform physical housework).
- Massage therapy.
- Home or automobile improvements.
- Custodial care.
- Costs for sending a child with discipline issues to a special school for benefits that the child may receive from the course of study and disciplinary methods.
- Social activities, such as dance lessons (even though recommended by a physician for general health improvement).
- Bottled water.
- Maternity clothes.
- Diaper service or diapers.
- Automobile insurance premiums.
- Transportation expenses of any sort, including transportation expenses to receive medical care.
- Marijuana and other controlled substances that are in violation of federal laws, even if prescribed by a physician.
- Premiums paid through salary reduction contributions under the terms of a Code Section 125 plan.
- Premiums for individual market coverage or insurance plans purchased from a state or federal Health Insurance Marketplace. Individual Medicare Supplement, Medicare Prescription Drug Plan, or Medicare Advantage policies are also not reimbursable; however, Medicare Part B, Medicare Part D and Medicare supplemental plan premiums (for those not enrolled in Fund coverage) are reimbursable for terminated employees, including retired employees or dependents of deceased employees who are spending down the HRA account balance.
- Prescriptions for retirees who have enrolled in a Medicare Part D plan.
- Any expense reimbursed or reimbursable from another source.

For more information, refer to IRS Publication 502 titled, “Medical and Dental Expenses.” Go to <https://www.irs.gov/forms-pubs/about-publication-502>.

YOUR DEBIT CARD

How to Use Your HRA Debit Card

The HRA debit card is not a credit card.

To make it easy for you to access the funds in your HRA account, you are provided with a debit card that you can use at the point-of-service or point-of-sale to pay for eligible expenses out of your HRA account as you incur them. Note that the debit card is only being provided as a way for you to pay for those expenses that are eligible under the HRA.

You may use the debit card at the point of service or point of sale for eligible medical expenses at medical care providers or at approved merchants who provide health-related services and products and who accept the Plan's card. For example, you may use the card for medical office visit copayments, deductibles and coinsurance or for prescription drugs.

Check your debit card balance at any time by logging onto www.bpalja.com.

You should retain copies of receipts for any expenses incurred with the HRA debit card. You are required to provide the Fund Office with a copy of your receipt for certain types of expenses. When applicable, the Fund Office will send a letter to you requesting that a copy of your receipt be sent to the Fund Office.

Send a copy of your receipt to the Fund Office through the WEX link on the member portal at www.bpalja.com.

If the Fund Office does not receive a copy of the receipt within 30 days of the date of its letter, you will receive a second notice. If the Fund Office does not receive a copy of the receipt following the second notice, use of your debit card will be suspended until a copy of the requested receipt is received. Suspension of your debit card will end within 10 business days of the Fund Office's receipt of the needed document. If the receipt is not received, the expense may be reported as taxable income.

You can upload your receipt on the member portal by selecting "Dashboard" and then "I Want To" file a claim.

If the debit card purchase and receipt do not qualify as an eligible expense, you will need to reimburse the HRA account. You will then have those monies available to you for a future qualified expense. If the monies are not reimbursed, the expense may be reported as taxable income.

Debit Card Misuse

Refer to the next section for more information on claims and reimbursement procedures.

You must only use the card to pay for Medical Expenses as defined in section 213(d) of the Internal Revenue Code. In addition, you must not seek reimbursement under any other source (such as a health savings account or individual insurance plan) for any expense paid for with the card and you must retain sufficient documentation (including invoices and receipts) for any expenses paid with the card. The Plan will automatically deactivate your card when you become ineligible for the Plan (for active employees) and when you opt out of the HRA.

If the Plan seeks to verify a purchase and you do not respond to the request for additional information or if the Plan determines there is an improper payment, the Plan must follow certain correction procedures under IRS rules. For instance, the Plan may deactivate your card until you submit the requested documentation or repay the improper amount. In addition, the amount may be deducted from your other claim reimbursements or the amount may be treated as a bad debt. The amount may also be reported as taxable income.

CLAIMS AND REIMBURSEMENT PROCEDURES

An eligible expense is incurred at the time the medical care or service giving rise to the expense is furnished, and not when the individual incurring the expense is formally billed for, charged for, or pays for the medical care. Expenses incurred before an employee, retired employee or eligible dependent first becomes covered by the HRA are not eligible for reimbursement from the HRA account. This section explains the Plan's claims and reimbursement procedures.

When to Submit a Claim

If you do not use your debit card at the time of service to pay for expenses or your debit card is not accepted (for example, if you used an unapproved vendor), you must submit a written claim form to the Fund Office to receive a reimbursement check. Checks that are not cashed for 12 months after the end of the calendar year in which the expense was incurred will be forfeited to the Fund. Checks for approved claims will be sent within 30 days of the receipt of the claim.

Written claim forms for reimbursement of any eligible expense must be submitted to the Fund Office within one year of the date you incurred the expense in order for you to receive reimbursement.

While requests for reimbursement can be made at any time, to limit administrative expenses, the Plan requires that requests for reimbursement be for a minimum of \$100. Therefore, you generally have to hold your requests for reimbursement until you have at least \$100 in eligible expenses. If you do submit claims for less than \$100, the Fund will hold them until the total reimbursement reaches a minimum of \$100. In addition, the amount reimbursed for any eligible expense will not exceed your HRA account balance at the time reimbursement is requested. In the event your Plan coverage ends, you may submit eligible expenses totaling less than \$100 to close out your HRA account.

How to Submit a Claim

Reimbursement requests must be accompanied by a properly completed form, which can be obtained on the online Consumer Portal or from the Fund Office. The form will include a statement that you must sign verifying that the eligible expenses:

- Have not been otherwise reimbursed, nor will they otherwise be reimbursed, through any other source;
- For premiums paid for other coverage have not been paid or are not eligible for payment on a pre-tax basis; and
- Have not been taken, nor intend to be taken, as a tax deduction.

Along with the form, you must provide any of the following, as applicable:

- An itemized bill from the service provider that includes the name of the person incurring the charges, date of service, description of services, name of provider, and amount of charge;
- An Explanation of Benefits (EOB) from any coverage (including any EOB from this Plan) when requesting reimbursement of the balance of charges for which coverage is available plus original receipts verifying payment;
- Proof of the amount and date paid when requesting reimbursement for other insurance premiums, such as a spouse's group health coverage premiums and verification that the premium was not paid or eligible for payment under an IRC Section 125 plan;
- A receipt and proof of purchase or rental for covered items (such as for crutches or wheelchairs); and
- Any additional documentation requested by the Plan.

Reimbursement is paid directly to you; you are responsible for paying any providers. To limit administrative expenses, the Plan requires that requests for reimbursement be for a minimum of \$100. Hold your requests for reimbursement until you have a total of at least \$100 in eligible expenses.

All expenses must be incurred prior to being considered for reimbursement except for certain advance payments for orthodontia services.

If you need an HRA reimbursement form, please contact the Fund Office or download the form by logging onto www.bpalja.com.

It's a good idea to make a copy for your records of all materials you submit.

Materials you submit will not be returned to you. You may also submit claims directly through the online link.

Again, if you, your spouse, and/or your dependents are eligible for other coverage, you must include a copy of the Explanation of Benefits (EOB) from the other coverage as well as any EOB from this Plan. Only eligible expenses that have not been reimbursed, as shown on the EOB(s), will be considered eligible for reimbursement. In completing the claim, you will need to provide the following information:

- The person or persons who incurred the medical care expenses;
- The date and nature of the incurred expense;
- The amount of the requested reimbursement; and
- A statement that these expenses have not been reimbursed and are not reimbursable through any other source including a Health Flexible Spending Account (FSA). If you have a FSA, such as through a spouse's employer, you must have expenses paid through the FSA first, before you request a reimbursement through the HRA account.

Where to File a Claim

You must file a claim for reimbursement with the Plan within one year of the date of the expense or your claim will be denied.

The quickest and most convenient way to file a claim is through the online Consumer Portal located at www.bpalja.com. However, you can mail a completed form and any required documentation to:

Wisconsin Laborers' Health Fund
4633 LIUNA Way, Suite 201
DeForest, Wisconsin 53532-2510

Claim Decisions

A request for reimbursement of an eligible expense is considered a claim. Claim decisions are subject to the Plan's claims procedures for healthcare claims listed in your SPD. If your request for reimbursement is denied, you may appeal the decision. Review the *Claim Filing and Appeal Information* section of your Summary Plan Description (SPD) document for more information on how to appeal a denied claim.

Coordination of Benefits

Reimbursements available under the HRA account are intended to be solely for eligible expenses not previously reimbursed or reimbursable elsewhere. To the extent an eligible expense is payable or reimbursable from another source, that other source must pay or reimburse before reimbursement from the HRA account. If there is any question as to what source should pay benefits first, please refer to the *Coordination of Benefits* section of your SPD for specific information on the Plan's coordination of benefits provisions.

If you, your spouse, and/or your dependents have other coverage, you must first submit any claim for reimbursement of eligible healthcare expenses to the other plan before submitting it for reimbursement from your HRA account. Any portion of your eligible expenses that is not reimbursed after submission to the other plan can be submitted for reimbursement from the HRA account.

If eligible healthcare expenses are covered by both the HRA Plan and by a Health FSA, then the HRA Plan is not available for reimbursement of such medical care expenses until after amounts available for reimbursement under the Health FSA have been exhausted.

Tax Consequences

The Plan makes no guarantee that any amounts reimbursed to you, your spouse, or your dependents under the HRA will be excludable from your gross income for federal, state, or local income tax purposes. It is your responsibility to determine whether payments under the HRA are excludable, and to notify the Plan if you have any reason to believe that such payment is not excludable. If payments made to you are not excludable, you may be liable for any harm your action causes to the Plan.

The Plan may be disqualified if reimbursement under the HRA is made on a tax-free basis when the payment does not qualify for tax-free treatment under the Internal Revenue Code. In this situation, you will be required to indemnify and reimburse the Plan for any liability incurred for failure to withhold federal income taxes, Social Security taxes, or other taxes.

A FINAL NOTE

The HRA was created to help you to use the Health Fund in the way that best meets your needs. This brochure is a summary of the Health Fund's HRA as of January 1, 2019, and is intended to serve as an addition to your Summary Plan Description (SPD)/Plan Document; however, it is not meant to interpret or change provisions of the SPD/Plan Document. Your SPD/Plan Document describe the Plan's eligibility requirements, benefits and related terms and conditions of the Plan in more detail. Please keep this brochure with your SPD/Plan Document. If you have any questions, please contact the Fund Office.

The HRA is a part of the Health Fund and as such is subject to the Plan's provisions relating to all applicable provisions as listed in the Plan's SPD/Plan Document. Benefits will be provided in compliance with ERISA, COBRA, HIPAA, FMLA, USERRA, and other laws applicable to group health plan to the extent required by such laws.

The HRA is intended to qualify as a medical reimbursement plan under §105 and §106 of the Internal Revenue Code of 1986, as amended, and related regulations, and as a health reimbursement arrangement, as defined under IRS Notice 2002-45. Eligible HRA Expenses reimbursed under the HRA are intended to be eligible for exclusion from your gross income under §105(b) of the Internal Revenue Code of 1986, as amended.

The Plan will establish and maintain a Health Reimbursement Arrangement with respect to each eligible participant but will not create a separate fund or otherwise segregate assets for this purpose. These Health Reimbursement Arrangement accounts are recordkeeping accounts with the purpose of keeping track of contributions and available reimbursement amounts.

In the event of any inconsistencies between this brochure and actual HRA Plan Document provisions, the terms of the Plan Document will govern. The Board of Trustees reserves the right to amend, modify, or terminate the HRA Plan at any time.

Statement of Grandfathered Status

The Board of Trustees believes that the Plan is a "grandfathered health plan" under the Affordable Care Act, which means that our Plan existed when the healthcare reform law was signed on March 23, 2010, and that we can preserve certain basic health coverage that was already in effect when the law was passed. However, as with all grandfathered health plans, we must still comply with certain consumer protections in the Affordable Care Act (for example, the elimination of the Plan's lifetime maximums). Consequently, because this Plan is "grandfathered" and not required to adopt other changes required by the Affordable Care Act, this Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan, and what might cause a plan to change from grandfathered health plan status, can be directed to the Plan Administrator at 608-846-1742 or 800-397-3373. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 866-444-3272 or via www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

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