



NECA/IBEW FAMILY MEDICAL CARE PLAN

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CHANGES TO THE WORKING SPOUSE RULE

A working spouse rule was added to the Plan requiring spouses to enroll in their employers' health plans in order to be covered under the NECA/IBEW Family Medical Care Plan (FMCP). The new rule became effective April 1, 2010. In response to the questions and concerns of many participants, the Trustees have revised the rules as follows:

1. A **hardship rule** was added to exempt certain spouses with low incomes and high insurance costs.
2. Instead of paying no benefits for a spouse who doesn't enroll in his or her employer's plan, **the FMCP will pay 20%** of that spouse's covered medical claims.
3. Your spouse is **not required to enroll in a plan that he or she is required to pay the full cost for** (because the employer contributes nothing toward the cost of the coverage).

The changes are also effective April 1, 2010.

THE BASIC WORKING SPOUSE RULE

If your spouse works and is eligible for coverage through his or her employer, then your spouse is required to enroll in his or her employer's health plan. If your spouse fails to enroll in his or her employer's plan, this Plan will only pay 20% of your spouse's covered medical expenses.

HARDSHIP EXEMPTION

The working spouse rule (and the 20% Plan payment percentage) will NOT apply if your spouse:

1. Has gross annual wages of **less than \$20,000**; or
2. Has gross annual wages **greater than or equal to \$20,000 but less than \$30,000 and must pay more than \$150 per month** toward the cost of the least expensive health plan offered by his or her employer.

You are responsible for demonstrating your entitlement to a hardship exemption by submitting a letter attesting to wages and cost of coverage from the employer on company letterhead. The Fund Office will determine whether a spouse with variable wages qualifies for the hardship exemption by looking at the spouse's average wages over the past 12 months.

GRANDFATHERING UNTIL THE NEXT ENROLLMENT OPPORTUNITY

If as of April 1, 2010 your spouse has already declined to enroll in his or her employer-sponsored health plan, the working spouse rule will NOT apply to your spouse **UNTIL his or her next enrollment opportunity**. The same applies to newly eligible participants whose spouses have already declined to enroll in their employers' plans.

For example, many plans have annual open enrollment periods in November or December for coverage during the next calendar year. If this applies to your spouse, the FMCP will not apply any penalty reductions to your spouse's claims as long as your spouse opts into his or her employer's plan during the next open enrollment period.

Some plans allow participants to opt in on the first day of any month, provided they enroll at least 30 days prior to that date. In that case, the FMCP's grandfathering will last until the coverage starts, provided your spouse enrolls in a timely manner.

ADDITIONAL PROVISIONS AND EXCEPTIONS TO THE 20% PLAN PAYMENT RULE

1. The working spouse rule only applies to your spouse's claims, not to claims incurred by your children.
2. The rule only applies to medical and drug expenses. Enrollment in the employer's dental and/or vision plan is not required. (However, if your spouse does enroll in the employer's dental and/or vision programs, this Plan will coordinate benefits and pay secondary to the employer's plan).
3. The working spouse rule applies EVEN IF any of the following apply:
 - The employer's plan does not have a single-only coverage option.
 - Medical coverage is an option under a cafeteria plan.
 - The employer's plan is an HMO.
 - Your spouse works part-time.
 - You are a retiree, but your spouse is still actively employed.
 - You are in one of the FMCP single-only coverage plans and you are paying for dependent coverage (Plans S, T or U).
 - The employer offers an incentive to induce employees not to enroll.
4. The working spouse rule will NOT apply in any of the following situations:
 - Your spouse's only other option for group insurance is retiree coverage.
 - Your spouse's only other option for group insurance is COBRA coverage.
 - Your spouse's only other coverage option is an HMO and your residence is more than 25 miles outside the HMO service area.
 - Your spouse's employer does not provide medical or prescription drug coverage (for example, if the employer provides only a dental plan).
 - Your spouse's claim would have been denied under the employer's plan (for example, if the claim was for a pre-existing condition incurred during the pre-existing waiting period).
5. If this Plan pays 20% of your spouse's claims because of this rule, his or her coinsurance shares will not apply to the Plan's out-of-pocket limits, nor will the claim be paid at 100% if the applicable out-of-pocket limit was previously met by other charges.
6. If your spouse is covered under his or her employer's plan, then your spouse must receive his or her medical care in accordance with that plan's rules. This Plan will not cover the amount of the other plan's noncompliance penalties, or any charges incurred because of failure to follow the other plan's rules, including failure to use HMO providers or follow the HMO's referral procedures. (This is not a new rule, and it also applies to claims for your children when your spouse's plan is primary).

You are required to provide accurate and timely information to the Fund about your spouse's employment status and benefit entitlement, and the Fund Office may require verification of this information from your spouse's employer.

DUAL COVERAGE SAVES YOU MONEY

When your spouse is covered by his or her employer's plan and this Plan at the same time, the two plans together will usually pay 100% of his or her covered claims under the coordination of benefits rules. If your spouse requires a hospitalization or surgery, you will generally come out ahead financially from the dual coverage, even after your spouse's premiums are taken into account.

SPOUSE EMPLOYMENT DATA FORM

EVERYONE must complete and return a Spouse's Employment Data Form at this time. If you haven't already submitted a data form, please do so at this time. The form must be completed even if your spouse is not employed, or if your spouse's employer does not provide a group health plan, or if your spouse's open enrollment period comes later in the year.