

IATSE Local 504 Health & Welfare Trust Fund

Administered by: Benefit Programs Administration
(562) 595-6463 • FAX: (562) 463-5894 • Toll Free (888) 806-8943
January 22, 2016

TO: ACTIVE EMPLOYEES

EFFECTIVE: FEBRUARY 1, 2016

**RE: IMPROVED ELIGIBILITY RULES –
SUMMARY OF MATERIAL MODIFICATION (SMM)**

We are pleased to announce a reduction in the number of hours required for initial and ongoing eligibility. The new rules are highlighted below. The current rules are shown on the attached.

**The NEW ELIGIBILITY RULES EFFECTIVE FEBRUARY 1, 2016
(BASED ON HOURS WORKED DURING OCTOBER 1, 2015 – DECEMBER 31, 2015)**

INITIAL ELIGIBILITY

If you are a new Employee, you will become eligible for benefits after you have worked for an Employer under contract with the Union a ***total of 425 work hours in a six-month period for which Health and Welfare contributions were paid to the Fund. Your eligibility becomes effective on the first day of the month following the month the employer reports and pays for the 425 hours or more worked (generally hours are reported and paid for the month following the month in which the hours are worked)***. These hours shall become the Employee's bank out of which the first hours for eligibility will be deducted.

CONTINUING ELIGIBILITY

If an Employee becomes eligible for benefits in the second or third month of a Benefit Quarter and ***does not have the required 325 hours in his hours bank to provide eligibility for the following full benefit quarter, he may pay the Fund the hourly contribution rate set by the Trustees for the number of hours necessary to bring his account balance up to 325 hours for that Benefit quarter. However, eligibility for subsequent Benefit Quarters will be contingent on the Employee's employer submitting a minimum of 325 hours*** or the Employee's payment of the full cost of benefits (COBRA).

You will maintain eligibility if Health and Welfare contributions are received for 325 hours worked per quarter. If you work less than 325 hours (effective with hours worked on or after February 1, 2016) but greater than 162.50 hours in a calendar quarter and contributions do not cover the premium cost, you may continue to maintain your eligibility during the subsequent two quarters provided you pay the Fund the rate for the number of hours necessary to bring your hours bank up to 325 hours for the quarter. The rate will be determined by the Board of Trustees.

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CURRENT ELIGIBILITY RULES (Through January 31, 2016)

INITIAL ELIGIBILITY

If you are a new Employee, you will become eligible for benefits after you have worked for an Employer under contract with the Union a ***total of 450 work hours in a six-month period for which Health and Welfare contributions were paid to the Fund. Your eligibility becomes effective on the first day of the month following the month the employer reports and pays for the 450 hours or more worked (generally hours are reported and paid for the month following the month in which the hours are worked)***. These hours shall become the Employee's bank out of which the first hours for eligibility will be deducted.

CONTINUING ELIGIBILITY

If an Employee becomes eligible for benefits in the second or third month of a Benefit Quarter and ***does not have the required 350 hours in his hours bank to provide eligibility for the following full benefit quarter, he may pay the Fund the hourly contribution rate set by the Trustees for the number of hours necessary to bring his account balance up to 350 hours for that Benefit quarter. However, eligibility for subsequent Benefit Quarters will be contingent on the Employee's employer submitting a minimum of 350 hours*** or the Employee's payment of the full cost of benefits (COBRA).

You will maintain eligibility if Health and Welfare contributions are received for 350 hours worked per quarter. If you work less than 350 hours (effective with hours worked on or after January 1, 2012) but greater than 200 hours in a calendar quarter and contributions do not cover the premium cost, you may continue to maintain your eligibility during the subsequent quarter provided you pay the Fund the rate for the number of hours necessary to bring your hours bank up to 350 hours for the quarter. The rate will be determined by the Board of Trustees.

Please contact the Administration office for any further clarification or with questions.

Issued under direction of
the Board of Trustees