

Iowa Laborers District, Council Health & Welfare Fund
150 1st Avenue NE Suite 450
Cedar Rapids, IA 52401

To All Plan Participants:

The Board of Trustees of the Iowa Laborers District Council Health & Welfare Fund is pleased to announce the addition of a Health Reimbursement Account program to your Plan of Benefits. Please read this notice carefully and keep it with your Summary Plan Description booklet (SPD) for future reference.

Health Reimbursement Account
Effective January 1, 2009

What is the Health Reimbursement Account? Health Reimbursement Accounts (HRAs) are individual flexible spending accounts funded by employer contributions. The amount in an HRA account can be used for certain healthcare expenses not payable by the regular Welfare Fund. HRA accounts will also be used for self-payments to keep employees from losing eligibility under the Welfare Plan..

Amounts contributed to and withdrawn from your HRA account are - not considered - taxable income to you, allowing-you to pay for qualifying healthcare expenses with untaxed income. (Tax laws and regulations change from time to time, so you should contact your tax advisor concerning the taxation of HRA reimbursements.)

How Does the Health Reimbursement Account Work? For each hour reported and paid on your behalf at the \$5.20 contribution rate, 10¢ of this employer contribution will be- put in the HRA account established in your name. This hourly contribution amount is determined by the collective bargaining agreement under which you are working, and may change from time to time.

The Trustees also took action to deposit into your account the employer contributions received for hours worked over 2080 in the last year. The opening balance will be shown on your Quarterly Statement.

Rules and Features

- 1. The Fund Office will automatically make any withdrawals necessary from your account to maintain your eligibility if you have insufficient hours. This will allow you to maintain coverage with less chance of missing a notice or billing.**
- 2. There' is no "use it or lose it" rule. Amounts in your HRA will carry over from year to year.**
- 3. You cannot make self-payments into your account. And, if you make self-payments to maintain your eligibility, no amount of that self-payment will be credited to your HRA.**
- 4. Retirees can authorize direct payment from their HRA to the Welfare Fund for retiree coverage.**
- 5. There is no limit to the amount that can accumulate in your account.**

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6. No administrative fees will be charged for using your HRA.
7. No interest will be credited to HRAs.
8. The contributions made on your behalf into your HRA will be shown on your quarterly statement along with your balance for the period of the statement.

In the Event of Your Death - If you die, your surviving dependents can continue to use your Health Reimbursement Account for covered HRA expenses. They can also use your account to make self-payments to continue their coverage under the Plan. In addition, if you incurred covered expenses before your death, reimbursement for those expenses may be made to your representative.

Forfeiture Rule - Contributions received into your HRA account cannot be forfeited. The balance can only be used to cover eligible expenses or continue eligibility under the Plan.

Important

Your Health Reimbursement Account is not a savings account and NO interest will be credited to your balance. As with all Health Fund benefits you are not vested in the balance. This means that you do not have a legal claim to your HRA balance. The Trustees reserve the right to change, modify or terminate the Health Reimbursement Account program at any time.

How to File an HRA Claim

You can file an HRA claim after May 1, 2009.

Fill out a Health Reimbursement Account claim form and send it to the Fund Office along with copies of your bills and receipts. If any part of the expense was covered by the regular Welfare Plan, or another healthcare plan, you must submit the explanation of benefits (E.O.B.).

1. You may submit a request for reimbursement at any time, but the minimum request should be \$50. You can claim multiple expenses whose total is \$50 or more. If you accumulate less than \$50 in HRA expenses in a year, you may file a claim at the end of the year.
2. HRA claims must be filed within one year of the date the expense was incurred.
3. Only you or your spouse may file an HRA claim. All reimbursement checks will be made payable to you, the employee.
4. You will be reimbursed up to the amount of the covered HRA expense, as long as you have sufficient funds in your HRA.
5. If you don't have enough in your account, the Fund Office will pay up to the amount available, and you can resubmit the unpaid balance at a later date (within one year from date incurred).

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What are Covered BRA Expenses? The expenses for which you can be reimbursed are based on Internal Revenue Service rules and may change from time to time. Currently, the expenses for which you can request reimbursement are as follows, but only if the expense is considered a deductible healthcare expense by the IRS:

- Deductibles and co-payments from the regular benefit plan
- Wellness exams, Immunizations, Smoking cessation programs
- Lasik surgery

-Medical/dental/vision expenses in excess of regular plan maximums

- Hearing aids, Acupuncture
- Birth control pills, Fertility enhancement
- Retiree self-payments for Welfare Fund coverage
- Psychiatric care, Smoking cessation programs
- Medically supervised weight loss programs (but not food/supplements)
- Special telephone and television equipment for hearing impaired persons
- Guide' dogs for blind or deaf persons
- Over-the-counter 'drugs" as" follows;

Allergy medications	Cough drops & throat lozenges	Anti-diarrhea medicine
Antibiotic ointments	Calamine lotion	Cold medicine
Antacids	First aid cream	Motion sickness pills
Nicotine medications	Pain relievers	Sinus medications & nasal sprays
Sleep aids	Hemorrhoid suppositories & creams	Wart removal medication

Claims must be incurred on or after January 1, 2009.

The family member for whom the claim is made must be eligible for Welfare Fund benefits at the time the charge is incurred.

What Expenses are not reimbursable? You cannot use your HRA for any of the following:

- Cosmetic surgery and treatment
- Health club memberships or expenses or Child and elder care
- * Household help
- Electrolysis
- Non-prescription drugs, medicines and vitamins (except as shown above)
- Premiums for long-term care insurance
- Expenses for which you have been reimbursed **by** some other source

If you have any questions about the Health Reimbursement Account, please contact the Fund Office -at 319-365-2810.