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 **Published by:** EIT

Keeping Your Health Care Coverage in a Troubled Economy

Your EIT health insurance coverage is funded by contributions made by your employer for the hours you work. Unfortunately, during these times of economic uncertainty, layoffs are inevitable. As a result, you should know how your health insurance benefits will be affected if you are laid off.

Read on for more information about why EIT provides health care coverage, how your coverage eligibility is determined, and how to maintain your coverage if you are laid off.

A Brief History of Your Benefits

Nearly eight decades ago on June 24, 1930, Electrical Insurance Trustees (EIT) was born. The first benefits offered were Group Life Insurance and Total Disability Benefits.

Before the Depression, fewer than 5 percent of this country's workforce had any type of health care benefit; for those who did, health care benefits usually came in the form of a company clinic. Companies that provided clinics usually did so because healthy employees meant less sick time and more productivity.

The onset of World War II gave labor unions, including Local 134, incredible bargaining power. This is because skilled labor was in high demand but in short supply. The war proved to be a double-edged sword: Unions' hard-won bargaining power was tempered by the fact that our country was at war — work needed to be done and skilled workers were needed to do it. However, it would be unconscionable for any union to bargain for higher wages while across the country, U.S. citizens, who were still reeling from the Depression, were making do with less and sacrificing for the war effort. As a result, health care plans came into fashion.

In the 1940s, health insurance wasn't considered a big deal — it was a relatively low-cost fringe benefit that gave union members something that non-union members did not have and did not adversely impact the war effort. On July 7, 1944, Local 134 members first became eligible for Hospital Insurance, in 1949 coverage for spouses became available, and in 1950 dependent children became eligible.

The forerunner of the health insurance benefits that we enjoy today — coverage for doctor visits, lab tests and medications — did not become a benefit until 1965. Vision, dental and orthodontia benefits followed in 1971. Today health insurance is very important to working men and women.

THE COST OF A **HOSPITAL STAY**
IN 1944 IS ROUGHLY EQUIVALENT TO
THAT OF A **SINGLE OFFICE**
VISIT TO A SPECIALIST IN 2009.

How Your Health Coverage Works

Because health care is so important to our participants, EIT is committed to providing this benefit coverage to those who are eligible.

To determine eligibility, EIT reviews each Construction ("A card") and Communication ("C card") participant's contributed hours on a quarterly basis. Termination of eligibility dates are on the first day of January, April, July and October. Additionally, the length of time that a participant was covered prior to his or her termination date is not a factor when determining continued eligibility.

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Termination of eligibility is based on contributed hours from a pre-determined period of time. EIT uses two separate methods to determine continuing eligibility:

- If a participant has 300 contributed hours during the quarter of review (previous contribution quarter), his or her eligibility continues.
- If he or she does not have 300 contributed hours during the quarter of review, EIT then checks to see if he or she had 1,200 hours in the year of review (previous four contribution quarters).

The chart below outlines the timeframes that are used to determine eligibility.

As of the end of this quarter...	If you meet one of the contributed hours requirements, coverage continues through...	If you fail to meet either contributed hours requirement, coverage ends on this date (unless you make self-pay contributions)...
January 1 – March 31	Quarter 3, ending September 30	June 30
April 1 – June 30	Quarter 4, ending December 31	September 30
July 1 – September 30	Quarter 1, ending March 31	December 31
October 1 – December 31	Quarter 2, ending June 30	March 31

An Example

◀ We would like to introduce you to **John Smith**, a fictional A card participant who was laid off due to a reduction in workforce in mid-December 2008. We are going to follow John's insurance eligibility trail for the next few quarters. Note: These provisions apply to both the Construction and Communication groups.



Work History						
Period Begin	Period End	Status	Contractor Billing Entry	Report Status	Emp Type	Hours
Jan 1, 2009	Jan 31, 2009	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	0.00
Dec 1, 2008	Dec 31, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	89.50
Nov 1, 2008	Nov 30, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	275.00
Oct 1, 2008	Oct 31, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	249.00
Sep 1, 2008	Sep 30, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	157.00
Aug 1, 2008	Aug 31, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	86.00
Jul 1, 2008	Jul 31, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	86.00
Jun 1, 2008	Jun 30, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	156.00
May 1, 2008	May 31, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	248.50
Apr 1, 2008	Apr 30, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	276.50
Mar 1, 2008	Mar 31, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	254.50
Feb 1, 2008	Feb 29, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	248.00

For John's health insurance to continue on January 1, 2009, he must have had a minimum of 300 contributed hours in July, August and September 2008. John's accumulated total was **329** hours, so his health insurance was not terminated on January 1. John's health insurance coverage is also protected on April 1, 2009 because he accumulated a total of 613.50 contributed hours in October, November and December 2008.

2008	Sep 30, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	157.00
2008	Aug 31, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	86.00
2008	Jul 31, 2008	ACT	0007050 - 007050 - CONSTR01	Released	Journeyman	86.00

During the next quarter of review — January, February and March 2009 — John has no contributed hours; however, EIT will now look to see how many hours were contributed on John's behalf between April 2008 and March 2009. John has a total of 1624 contributed hours, so his insurance will not terminate on July 1 but will stay in effect for himself and his family through September 30.



REMEMBER, to continue coverage, a participant needs 300 contributed hours in the quarter of review or 1,200 hours in the year of review.

EIT will next examine John's contributed hours for the October 1 eligibility period. John has no contributed hours for April, May or June, and the yearly review shows that between July 2008 and June 2009, John has a total of **942.5** contributed hours — 257.5 short of the 1,200 hours needed to maintain his health insurance coverage. John does not meet either of the hours requirements to extend his coverage, and his health insurance will terminate on October 1 ... or will it?

Start Date	Stop Date	Status	Plan Description	Plan Name	Units	Source
01-01-2010	03-31-2010	Cancelled	P85010-0000 0001	PP	0.00	Work History
10-01-2009	12-31-2009	Cancelled	P85010-0000 0001	PP	0.00	Work History
07-01-2009	09-30-2009	Insured	P85010-0000 0001	A1-CONS	0.00	Work History
04-01-2009	06-30-2009	Insured	P85010-0000 0001	A1-CONS	0.00	Work History
01-01-2009	03-31-2009	Insured	P85010-0000 0001	A1-CONS	0.00	Work History
10-01-2008	12-31-2008	Insured	P85010-0000 0001	A1-CONS	613.50	Work History
07-01-2008	09-30-2008	Insured	P85010-0000 0001	A1-CONS	329.00	Work History
04-01-2008	06-30-2008	Insured	P85010-0000 0001	A1-CONS	681.50	Work History
01-01-2008	03-31-2008	Insured	P85010-0000 0001	A1-CONS	654.50	Work History
10-01-2007	12-31-2007	Insured	P85010-0000 0001	A1-CONS	529.50	Work History
07-01-2007	09-30-2007	Insured	P85010-0000 0001	A1-CONS	424.00	Work History
04-01-2007	06-30-2007	Insured	P85010-0000 0001	A1-CONS	640.50	Work History
01-01-2007	03-31-2007	Insured	P85010-0000 0001	A1-CONS	586.00	Work History

Self-Pay Contributions

When John was laid off in December, he immediately went to the Referral Hall and registered for work. He also applied for and was eligible to receive SUB Benefits from EIT. John has complied with the Referral Hall's daybook procedures, and he has not turned down any work. Because he has completed these requirements, John is eligible to self-pay, which means he can purchase his shortfall in hours out of pocket — at the same rate an employer would have paid — and continue his coverage through December 31, 2009.

EIT uses the same calculation methods to determine how many hours John will have to self-pay to maintain his coverage as we do to determine eligibility. John will pay the lesser of either the quarterly shortfall or the yearly shortfall.

Because John is 300 hours short of the quarterly hours requirement, but only 257.50 hours short of the yearly hours requirement, he will need to pay the contractor's hourly contribution rate, (currently) \$10.83 times 257.50, or \$2,788.72, to continue his insurance through December 31.

As an A card member, John can do this for up to three consecutive quarters; C card members can receive two consecutive quarters of self-pay eligibility. Self-pay contributions will vary each quarter depending on the number of shortfall hours and contribution rate, if changed.

If John takes advantage of the three quarters of self-pays available to him, his insurance will remain in effect until June 30, 2010, even though he has not worked for 18 months. Additionally, during periods of high unemployment, the Board of Trustees has the power to *wave* the self-pay requirement and continue coverage without requiring a participant contribution. Waivers of self-pay are determined on a quarterly basis and are not a guaranteed benefit.


If John had not been registered for work or had not complied with the Referral Hall's daybook procedures and his number had been rolled, he would not have been eligible for either the self-pay or a possible waiver of self-pay, and his benefits would have terminated on October 1, 2009. In that case, his only option to continue his EIT health insurance coverage would have been to elect COBRA continuation coverage and make monthly premium payments for up to 18 months.

With regards to an election for COBRA continuation coverage, you may have heard that the federal government has included a COBRA subsidy as part of the American Recovery and Reinvestment Act of 2009. The federal government should be releasing specific guidance on this issue. When the information becomes available, EIT will share how the COBRA subsidy may affect you.

EIT's Commitment to You

Health insurance benefits have come a long way since 1944, and Local 134 has been — and continues to be — on the leading edge when it comes to protecting benefits for participants and their families. We are doing everything possible to help you and your family maintain your health insurance coverage for as long as possible during these difficult times.

In a letter to the membership dated March 29, 2006, our late Business Manager Michael Fitzgerald wrote, "Take the time to come to the Referral Hall in person on a regular basis. If you get called, take the job, short or long. It's your best bet ... and the only way ... to ensure uninterrupted benefits further down the road."

Whether you take or don't take a call is your personal choice — but remember that every hour that you work can make a difference to your eligibility. 

PROTECT YOUR CHILD'S COVERAGE

If your child is age 19 through 22, he or she is covered under the EIT Benefit Plan only if EIT has an up-to-date student certification on file. Make sure that before your dependent who is 19 to 22 years old starts the summer break, he or she has obtained a student certification for the spring semester. Coverage is provided for 120 days from the last day that EIT has proof of full-time enrollment. A student certification can only be obtained from the school's registrar's office. You can verify your child's eligibility status by visiting our website, www.fundoffice.org, and checking the Student Thru Date next to your dependent's name.



Reinstating Your Benefits Coverage

We've explained how continued health insurance eligibility works once you've experienced a layoff. Now it's time for you to know how to reinstate your health insurance benefits after you've lost your coverage.

In the previous article, we introduced you to John Smith, a fictional A card participant who lost his job in December 2008. Because John was laid off due to a lack of work and he qualified for SUB Benefits, he was able to maintain his health insurance coverage until June 30, 2010. But let's assume that John did *not* qualify to continue his health insurance coverage with self-pay or that he did not make the required payments. Based on John's contributed hours prior to the day he lost his job, his insurance benefits will terminate on October 1, 2009.

What does John have to do to have his health insurance coverage reinstated? The answer, of course, is to work for a contributing employer and to accumulate sufficient contributed hours to meet the reinstatement requirements. The requirements are the same for both the A and the C Plans. But what are those requirements, and how long will John have to work before his health insurance coverage is reinstated?

It is important to understand that only those hours contributed after a termination of health insurance benefits has taken place can be used to regain eligibility. Once health insurance coverage is terminated, it can only be reinstated by working a minimum of 300 contributed hours within a three consecutive month period or 600 contributed hours within a six consecutive month period.

Example 1: John Regains Eligibility Within a Year

Now let's follow John through the process of reinstatement. During October 2009, John picks up a call at McCormick Place, and he works a total of 50 contributed hours. Toward the end of November, John gets a long call with ABC Electric. He works 75 contributed hours in November and 140 hours in December. John's total contributed hours accumulation in October, November and December is 265, so he has not met the reinstatement requirement of 300 contributed hours within three consecutive months.

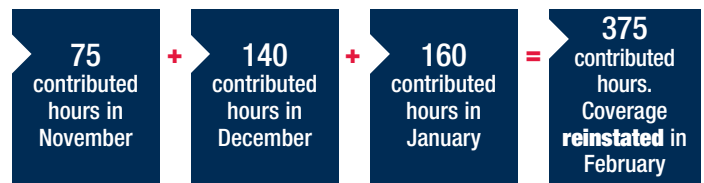
When John's hours are reviewed a month later, October's time rolls out of the equation. John works 160 contributed hours during January 2010. Those 160 hours are added together with the 75 contributed hours from November and 140

contributed hours from December. He now has a total of 375 contributed hours during three consecutive months. John has met the reinstatement requirement, and his health insurance coverage will be reinstated on February 1, 2010.

Three-month period 1 — coverage not reinstated




Three-month period 2 — coverage reinstated



Example 2: John Goes a Full Year Without Coverage

Now let's turn the clock forward to October 1, 2010 and assume John has not regained eligibility. He has been without EIT health insurance coverage for one full year. John must gain eligibility as if he were a new employee, which means he must work a total of 600 contributed hours within a six consecutive month period.

For the purpose of this example we will assume that John picks up a long call with XYZ Electric in October 2010. He works 100 contributed hours in October and in each of the next five months — November through March. John's health insurance coverage will be reinstated on April 1, 2011 because he worked 600 contributed hours within six consecutive months.

Hopefully, you won't find yourself in John Smith's situation, but if you do, you are now armed with the knowledge that you need to make important decisions for yourself and your family. 

This newsletter contains information on various benefits, but it does not give you all of the details. The official plan documents have all of the details. If there are any differences between this newsletter and the plan documents, the plan documents will govern. If you have any questions about your benefits, please contact the Fund Office at (312) 782-5442.

Goodbye EIT and Local 134

Below is a note from Sherry Frankenbach, managing editor of the EIT Conduit and an EIT employee since 1974:

It has been my privilege and my pleasure to be part of the team that brings you this quarterly newsletter. As the managing editor of the *EIT Conduit*, it has been my responsibility to choose topics that, I hope, you have found interesting as well as informative. You may not find this particular topic to be either interesting or informative, but I hope that you will indulge me for the next few paragraphs ... because it is with mixed emotions that I have decided to leave EIT in early June, and I would like to take this opportunity to say “goodbye” to all of you and to tell you how much these past 35 years and so many of you have meant to me.

Many of you might remember that in the spring of 1974, this country was experiencing a recession much like the one we are in today; money was tight and jobs were scarce, and I was graduating from high school. Because my dad, a union carpenter, had spent most of my high school years either on strike or laid off, college was no longer an option. I needed a job. Fortunately, my mom knew someone who knew someone who needed a file clerk. I came for an interview but nearly blew it when I told, then Claim Manager, Georgia Cobetto that I didn't type well. Thankfully, she took a chance on me, and thus began my EIT career as a \$100-a-week file clerk.

As you can probably imagine, over the course of 35 years I've had some experience with every aspect of Fund Office operation, especially claims processing. Today I talk to participants whose birth claims I processed for their parents. I enjoyed claims, but disability was my passion. In 1984 my mentor and dear friend Jayne Cosman retired from EIT. Jayne was our disability guru and she entrusted me with “her men” — a trust that I still take very

seriously. If you became ill or were disabled due to a non-work related disability between 1984 and 1999, you were one of “my men or women,” and I want you to know that you will always hold a special place in my heart. Your disability path wasn't always easy, but we got through it together, and I hope that I made it a little less complicated for you.

Over the years I've gotten to know many of you and I've come to think of you as friends. Thoughts of you will always bring back a laugh or a tear or a fond memory. I wish I could name you all individually — but you know who you are, and I bid you a fond farewell.

As many of you already know, my husband Patrick, a Local #9 lineman (who coincidentally was introduced to me by a 134 man) is retired from the City of Chicago's Office of Emergency Management and Communication. We have purchased an RV, and Pat's retirement has given us the freedom to be able to travel around the country — something that we've dreamed about for years. We're also hoping to relocate to the tiny town of Genoa, Illinois — so if you're ever at the crossroads of Routes 72 and 23, look us up.

This path that I am now taking — this path away from EIT and Local 134 — will be uncharted territory. But know that I will always carry you with me, as you are woven into the fabric that has become my life. I owe you so much more than just the means to earn a living, and I will miss you more than words can say. Thank you for indulging me. Goodbye and Godspeed.

Sherry Frankenbach — EIT 6/3/1974 – 6/5/2009

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