



Welfare Fund of Local No. One, I.A.T.S.E.

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SUMMARY OF MATERIAL MODIFICATION

To: All Participants in the Welfare Fund of Local No. One, I.A.T.S.E.
From: Scott Cool, Director of Fund Administration
Date: March 23, 2018
Re: Changes to the Welfare Fund Plan

This document is a Summary of Material Modifications ("SMM") intended to notify you of an important change made to the Welfare Fund of Local No. One, IATSE ("the Plan"). Please read this SMM carefully and keep it with the copy of the 2016 Summary Plan Description ("SPD") that was previously provided to you. If you need another copy of the SPD or if you have any questions regarding this change to the Plan, please contact the Fund Office during normal business hours at 320 West 46th Street, 6th Floor, New York, New York, 10036, (212) 247-5225.

I. Eligibility for Coverage: Covered Earnings Requirements

Participants become eligible for benefits at the beginning of a plan year (July 1) by meeting minimum covered earnings requirements in the prior calendar year. Following are the covered earnings requirements for each tier of benefit for calendar years 2018 through 2023:

Calendar Year	Coverage Period	Tier I	Tier II	Tier III
2018	7/01/19 to 6/30/20	37,500	55,001	80,001
2019	7/01/20 to 6/30/21	37,500	55,001	81,501
2020	7/01/21 to 6/30/22	37,500	55,001	81,501
2021	7/01/22 to 6/30/23	37,500	55,001	83,501
2022	7/01/23 to 6/30/24	37,500	55,001	83,501
2023	7/01/24 to 6/30/25	37,500	55,001	85,501

The covered earnings requirements for 2023 will continue to apply until further changes are implemented by the Trustees.

II. Disability Determinations

Effective April 1, 2018, the Board of Trustees is making the following changes to the Plan to provide for third-party determination of disability, where the provision of Plan benefits is dependent upon such determination:

1. The Special Eligibility Rules relating to disability crediting that appear on page 6 of the 2016 SPD are revised to provide:

(a) Disability Crediting

If you are unable to work due to disability, you may be credited with deemed earnings for each week you are unable to work due to the disability for the purpose of satisfying the Fund's covered earnings requirement. For each week of disability, you will be credited with 1/52nd of the covered earnings attributed to you during the 52-week period immediately preceding the week in which your disability commenced. You are entitled to buy-up to Tier III only if you were in Tier III on the day your disability commenced.

To obtain disability credit, you must provide the Fund Office with proof that you are receiving short-term or long-term disability, workers compensation benefits, or Social Security benefits. If you are on paid sick leave from your employer, but not yet eligible for short-term disability, you may submit a certification form from your treating physician establishing your disability until such time you have exhausted your paid sick leave. If you have exhausted short-term disability, long-term disability, or workers' compensation benefits, but still suffer from the same disability that qualified you for such benefits, you may submit a certification from your treating physician establishing your continued disability preventing you from resuming Covered Employment. Your physician (who must be legally licensed or otherwise authorized to practice medicine) must certify, on a form provided by the Fund that: (a) you continue to suffer from the same disability that qualified you for third-party benefits, (b) the disability continues to prevent you from working in Covered Employment, and (c) the physician is treating you for such disability. The Fund Office, in its discretion, may require you to provide periodic evidence of continued disability. If such third-party benefits are discontinued for any reason and you are unable to provide a physician's certification, you are required to report such fact to the Fund Office immediately and your disability crediting will cease.

You will not receive disability credits for more than one-hundred four (104) weeks of disability in your lifetime, whether for one disability or multiple disabilities, unless you fall within the following exception: If you have received one hundred four (104) weeks of disability credits, but have yet to receive a Social Security Disability Award for which you have applied, and you would have sufficient pension credits to qualify for retiree medical coverage were you to later receive a disability pension from the Pension Fund of Local No. One, IATSE, you will be granted up to an additional one-hundred fifty-six (156) weeks of disability credits, provided you remain disabled (and provide proof of such continued disability as described in the preceding paragraph) and continue to timely pay for coverage on the same basis as retirees receiving Plan benefits. This exception does not apply to apprentices; extended coverage for a disabled apprentice is limited to a maximum of one hundred four (104) weeks of coverage from the start of the disability.

2. The provision regarding extension of coverage in case of total disability appearing as the last paragraph on page 11 of the 2016 SPD is eliminated.

III. Retiree Coverage – Newly-Acquired Family Member

Effective October 1, 2017, the provision on page 17 of the 2016 SPD regarding the special enrollment of newly-acquired family members is revised to provide:

2. NEWLY-ACQUIRED FAMILY MEMBER

If you are a retiree already enrolled in the Plan, and you acquire a new family member as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll that new eligible family member in the Plan. You must request enrollment in the Plan within sixty (60) days after the marriage, birth, adoption, or placement for adoption, submit valid documentation verifying the new family member(s), and pay any self-pay premium required by the Plan. If enrollment is permitted, in the case of marriage, Plan benefits will begin on the first day of the first calendar month following the date a completed request for enrollment is received by the Fund Office, and in the case of birth, adoption, or placement for adoption, Plan benefits will begin on the date of such birth, adoption, or placement for adoption. Should you fail to enroll such family member within sixty (60) days after marriage, birth, adoption or placement for adoption, you may be able to enroll that new eligible family member in the Plan during the next Open Enrollment Period after that 60-day window has closed, but benefits will be paid on behalf of that family member only from the first day of the calendar month following the date a completed request for enrollment is received by the Fund Office during such Open Enrollment Period.

IV. Pharmacy Benefits – Utilization Management Programs

The Trustees have added the following pharmacy utilization management programs:

- **Step Therapy:** Effective March 1, 2018, the list of drugs managed under Express Scripts' step therapy program has been expanded. Step therapy is a type of prior authorization which requires that a participant first try a less expensive drug that has been proven effective for most people with a particular condition before the participant can "step" up to a more expensive drug. Participants who are already taking drugs being added to the step therapy program will be grandfathered so that this change will only apply to new prescriptions.
- **Opioid Management:** Effective March 1, 2018, Express Scripts will implement a new program to help manage concerns regarding opioid prescriptions and the possibility of causing addictions. This opioid management program will limit the amount of pills in the initial fill of short-acting opioid prescriptions, encourage safe starts of long-acting opioids by making sure those drugs are necessary for the participant's disease or condition, provide for real-time alerts regarding safety or utilization concerns, and ensure that doses across all opioid prescriptions are safe and medically necessary.
- **Preventative Statin Prescriptions:** The U.S. Preventive Services Task Force has recommended the use of statins for the primary prevention of cardiovascular disease (CVD), and as a result, low to moderate dose statins are considered preventive medications if:
 - you have 1 or more CVD factors (dyslipidemia, diabetes, hypertension, or smoking), and
 - your calculated 10-year CVD event has a risk of 10% or greater.

Under these circumstances, a prescription for a low to moderate dose statin will be considered a preventive medication under the Affordable Care Act (ACA), and effective July 1, 2018, will not require a copay.

For more information, please contact the Director of Fund Administration at 212-247-5225.

This SMM is intended to provide you with an easy-to-understand description of certain changes and/or clarifications to the Plan. While every effort has been made to make this description as complete and as accurate as possible, this SMM, of course, cannot contain a full restatement of the terms and provisions of the Plan. If any conflict should arise between this SMM and the Plan, or if any point is not discussed in this SMM or is only partially discussed, the terms of the Plan will govern in all cases.

The Board of Trustees or its duly authorized designee, reserves the right, in its sole and absolute discretion, to amend, modify or terminate the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason, in accordance with the applicable amendment procedures established under the Plan and the Agreement and Declaration of Trust establishing the Plan (the "Trust Agreement"). The Trust Agreement is available at the Fund Office and may be inspected by you free of charge during normal business hours.

No individual other than the Board of Trustees (or its duly authorized designee) has any authority to interpret the Plan documents, make any promises to you about benefits under the Plan, or to change any provision of the Plan. Only the Board of Trustees (or its duly authorized designee) has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Plan and decide all matters arising under the Plan.