UFCW Local 663 Preparing today for a secure future.

3001 Metro Drive - Suite 500
Bloomington, MN 55425

Online: www.663benefits.com
Phone: (952) 851-5797
Toll Free: (844) 468-5917

MINNEAPOLIS RETAIL MEAT CUTTERS AND FOOD HANDLERS HEALTH AND WELFARE FUND

IMPORTANT NOTICE

Summary of Material Modifications

TO: Participants and Beneficiaries of the Minneapolis Retail Meat Cutters and Food Handlers Health and Welfare Fund

FROM: The Board of Trustees

DATE: February 2019

This is a Summary of Material Modifications (SMM) regarding the Minneapolis Retail Meat Cutters and Food Handlers Health and Welfare Fund (Plan). The Board of Trustees has amended the Plan Document and Summary Plan Description (amended and restated September 1, 2017) as indicated below.

Amendment No. 3: Opt-Out of Coverage Provision

Effective January 1, 2019, the Plan has been amended to clarify the Plan's opt-out of coverage provisions. The revised language provides that if you are in opted-out status, Employer contributions will not be made on your behalf. If you choose to re-enroll in the Plan, you will need to meet the Plan's eligibility requirements before being allowed to resume coverage.

Please update your Summary Plan Description and Plan Document booklet (dated September 1, 2017) to reflect these changes by inserting replacement pages 23, 24, 24A, 33 and 33A into your booklet to replace existing pages.

If you have any questions about these changes to the Plan, please contact the Plan Administrator at (952) 851-5797 or (844) 468-5917.

A modified part-time Employee will become eligible as a part-time Eligible Employee even if an occasional full-time contribution is made on behalf of such Employee.

4.2 EFFECTIVE DATE OF ELIGIBILITY

A. An Employee becomes eligible under the Plan on the first day of the first month following satisfaction of the provisions in Section 4.1.C. or 4.1.D.

B. Coverage for Dependents is provided for full-time Eligible Employees only. Dependents become eligible under the Plan on the first day of the first month following the month the Employee satisfies the provisions in Section 4.1.C. If an Employee acquires a Dependent after his or her effective date, the new Dependent will be covered on the date he or she becomes such a Dependent.

Part-time Eligible Employees may purchase coverage for their Dependent Children only. If a part-time Eligible Employee purchases coverage for a Dependent Child, the Dependent Child will be covered under the Plan on the first day of the first month following receipt of the part-time Eligible Employee's payment for such coverage.

Parents and other relatives are not eligible for Dependent coverage even if they are supported by the Eligible Employee.

C. Opt-Out. An Eligible Employee may choose to "opt out" of coverage under the Plan for the Eligible Employee and his or her Dependents by completing and submitting the form designated by the Trustees to the Plan Administrator if both of the following circumstances are met:

1. The Eligible Employee has satisfied the initial eligibility provisions under the Plan; and

2. The terms of the collective bargaining agreement requiring contributions on behalf of the employee provide an "opt out of coverage" option.

If an Eligible Employee opts out of Plan coverage for himself or herself and his or her Dependents due to enrollment in other health insurance or group health insurance coverage, the Eligible Employee must state in writing that the Plan coverage is being declined due to enrollment in other health coverage at the time the Eligible Employee exercises his or her right to opt out of coverage under the Plan. While you are in opted-out status your employer will not make contributions to the Plan on your behalf even though you continue to work.

Except as provided in Section 4.1.D. below, an Eligible Employee that opts out of Plan coverage for himself or herself and his or her Dependents will not be entitled to re-enroll in the Plan's coverage.

D. Special Enrollment Rights.

If you are declining enrollment for yourself or your Dependents (including your Spouse) because of other health insurance or group health plan coverage, you may be able to enroll yourself and your Dependents in this Plan if you or your

Dependents lose eligibility for that other coverage (or if the employer stops contributing towards your or your Dependents' other coverage). However, you must request enrollment within thirty (30) days after your or your Dependents' other coverage ends (or after the employer stops contributing toward the other coverage). Once you submit your enrollment request, your employer will again begin to make contributions to the Plan on your behalf.

In addition, if you have a new Dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your Dependents. However, you must request enrollment within thirty (30) days after the date of marriage, birth, adoption, or placement for adoption.

To request special enrollment or obtain more information, contact the Fund Office at (844) 468-5917.

Notwithstanding any other provision of the Plan to the contrary, an Eligible Employee or Dependent is entitled to special enrollment rights under the Plan as required by applicable law under the following circumstances:

1. An Employee or Dependent's coverage under a Medicaid Plan or under a state children's health insurance program is terminated as a result of loss of eligibility for such coverage, and the Employee or Dependent requests coverage under the Plan not later than sixty (60) days after the date of termination of such coverage.

2. An Employee or Dependent becomes eligible for a state premium assistance subsidy from a Medicaid Plan or through a state children's health insurance program with respect to coverage under the Plan and the Employee or Dependent requests coverage under the Plan not later than sixty (60) days after the date the Employee or Dependent is determined to be eligible for the assistance.

CAUTION – in order to be able to re-enroll or enroll a Dependent in the Plan after having opted-out, you must be eligible for coverage. If, during the time you were in opt-out status, you lost eligibility because your Employer had stopped making contributions on your behalf, you will be required to again meet the Plan's rules for eligibility before being allowed to resume coverage. For part-time Employees who have not had a break in service and full-time Employees, this means earning at least eight (8) weeks of contributions in twelve (12) consecutive weeks of employment. A part-time Employee who goes six (6) consecutive months with no Employer contributions will suffer a break in service. When that happens, the part-time Employee must re-qualify as a new Eligible Employee by working twelve (12) months during which at least one Employer contribution is made. These rules are further stated in Section 4.6.

4.3 CONTINUATION OF ELIGIBILITY THROUGH EMPLOYMENT

An Employee's continued eligibility is determined weekly. Once an Employee has established eligibility, it will continue so long as required Employer contributions to the Plan are made on the Employee's behalf for each subsequent week.

The amount of the Employer contribution is based on the number of hours worked per week, the Employee classification and the weekly rate specified by the collective bargaining agreement in effect at the time the contributions are earned. The collective bargaining agreement requires Employer contributions to be paid when an Employee meets the criteria for a specified employment classification (full-time Employee or modified part-time Employee) and works a specified amount of required hours. Generally, the amount of the Employer contribution determine whether the Employee is covered under as a full-time Eligible Employee or a part-time Eligible Employee.

If, in any week, an Employer does not make either the modified part-time or full-time contribution, as applicable, on an Employee's behalf because the Employee has not worked the required number of hours, the Employee may pay that weekly contribution himself to continue coverage, but only if actively working or scheduled to work.

I. For a Qualified Beneficiary who was entitled to the additional eleven (11) months continuation coverage based on a disability extension, eligibility for continuing the disability extension will terminate when there has been a final determination that the disability no longer exists.

Continuation coverage also may be terminated for any reason the Plan could terminate coverage of a Participant or Dependent not receiving continuation coverage (such as fraud).

4.6. REINSTATEMENT OF COVERAGE

4.6.1. Full-Time Eligible Employees

If a full-time Eligible Employee's coverage terminates, the Employee may be reinstated on the first of the month following the date when eight (8) weeks of Employer full-time contributions have been paid to the Fund on the Employee's behalf during a consecutive twelve (12) week period.

4.6.2. Part-Time Eligible Employees

If a part-time Eligible Employee loses eligibility, but does not incur a break in service (as defined below), he may regain eligibility by completing twelve (12) consecutive weeks of employment during which at least eight (8) weeks of part-time contributions are made to the Plan.

A break in service is the longer of: (A) a period of six (6) consecutive months during which no Employer contributions are made on an Employee's behalf; or (B) the length of an approved leave of absence. If an Employee loses eligibility after having incurred a break in service, he may regain eligibility by once again satisfying the requirements for initial eligibility. Part-time eligibility credit for months preceding a break in service is forfeited and does not count for purposes of obtaining eligibility.

These rules apply when an Employee who has opted-out of Plan coverage seeks to opt-in (and again become and Eligible Employee) under the Special Enrollment Rights stated in Section 4.2.D.

4.7. TERMINATION OF EMPLOYMENT

In the event an Eligible Employee's employment is terminated, the Employee's eligibility will continue under the Plan for the number of grace weeks the Employee has accrued (as provided below).

Each Eligible Employee who has qualified for health care benefits, for either full-time or modified part-time coverage, will accumulate a total of eight (8) grace period weeks. The Fund Office will use one (1) grace week whenever a current weekly contribution is not received for the coverage in effect. When all of the grace weeks have been used and there are no current contributions, the Employee's full-time or modified part-time coverage, whichever applies, will be terminated. However, the Employee still has, the option of continuing coverage.

It is each Employee's responsibility to keep track of any grace weeks used. An Employee may make contributions on his or her behalf in lieu of using any grace weeks OR may buy back any

grace weeks used. However, such option must be exercised within sixty (60) days of the date the Eligible Employee is notified of either the Employee's termination of coverage or the Employee's reduction to modified part-time Employee status. Employees who are currently working or