

**ELECTRICAL WORKERS LOCAL NO. 86 BENEFITS FUND OFFICE**

2300 East River Road / Rochester, New York 14623 / Telephone: (585) 463-3290 / Fax: (585) 436-1649

Date: November 12, 2006

**INSURANCE BILLING:**

- 1) Whenever a member works, credits are accumulated to subsidize their Health & Welfare costs. Eligibility and self-payment amounts are calculated each month. An active member becomes initially eligible on the first day of the second month after a three consecutive month period during which the member has been credited with 350 hours. If credits are insufficient, a member must self pay the shortfall. If coverage is terminated, a member will become eligible on the first day of the second calendar month following any consecutive three month period they are credited with 350 hours.

The billing program performs four (4) different "look backs" to determine if a member has accumulated enough work credit hours. If any one of the "look backs" exceeds the hours needed, no self payment is required and a bill is not generated. If there are not enough hours for all four "look backs", however, the member must pay the smallest of the four shortages at the current contribution rate. The maximum monthly charge is for 117 hours or 350 hours for a three month period.

Because the contractor contributions are not due until the 15<sup>th</sup> of the next month after worked, there is inherently a delay between when the hours are reported and when coverage begins. On the other hand, coverage continues for three months after the work credits are used up. Below is an example showing the months included in the November 1<sup>st</sup> billing cycle. In this example, payment must be received by November 25<sup>th</sup> or coverage ends on November 30<sup>th</sup>. In the next month's billing cycle, the oldest month is dropped and the next most recent reported month is picked up; that is, October 2003 is dropped and October 2004 is picked up to determine eligibility and to perform the four "look backs".

<u>"Look Back" Period</u>	<u>Hours Needed</u>	<u>NOV Mths Included</u>	<u>DEC Mths Included</u>
Last 3 Months	350	Jul'04 to Sep'04	Aug'04 to Oct'04
Last 6 Months	700	Apr'04 to Sep'04	May'04 to Oct'04
Last 9 Months	1,050	Jan'04 to Sep'04	Feb'04 to Oct'04
Last 12 Months	1,400	Oct'03 to Sep'04	Nov'04 to Oct'04