



Airconditioning and Refrigeration Industry Joint Trust Funds

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April 2015

To: All Participants and their Covered Dependents

From: The Board of Trustees

RE: Implementation of Spousal Surcharge

IMPORTANT NOTICE

Summary of Material Modifications

This notice serves as a Summary of Material Modifications (“SMM”), which describes changes made to your benefits provided by the Airconditioning and Refrigeration Health and Welfare Plan (“Plan”). To deal with the steadily increasing costs of health care while also complying with provisions of the Affordable Care Act, the Board of Trustees is always looking for ways to deliver your health care in a more efficient manner. This includes focusing on quality healthcare and reducing costs to avoid benefit reductions. As described below, the spousal surcharge will reduce the financial burden on the Plan for spouses who have access to other coverage available but choose to decline such coverage.

Effective **September 1, 2015** the Plan will implement a spousal surcharge for coverage of a dependent spouse who has access to his/her own employer-provided coverage but opts to decline that coverage and receive primary coverage with the Plan. You and your spouse will be responsible for payment of the spousal surcharge. In administering the spousal surcharge, the Plan places reporting requirements on each of its participants regarding their spouse’s access to employer-provided medical coverage. The Board of Trustees strongly encourages you to comply with these reporting requirements. If you fail to follow the reporting requirements or any requests for information, the Plan may terminate your Spouse’s coverage under the Plan. Please refer to the enclosed materials for a complete copy of the Plan’s provisions regarding the Spousal Surcharge.

*Please note, if your spouse decides to opt-in to his/her employer sponsored coverage, please do so **prior to September 1, 2015** in order to avoid paying the surcharge.*

The Board of Trustees is committed to ensuring that your healthcare dollars are spent wisely and strives to improve the quality of healthcare that those dollars can buy. Please take the time to review all the additional material included in this mailer closely.

If you have any questions about the information provided in this mailer, please contact the Trust Office at 714-917-6100.