

**MICHIGAN BAC HEALTH CARE FUND
SUMMARY OF ELIGIBILITY CHANGES
ACTIVE WORKING PARTICIPANTS
EFFECTIVE NOVEMBER 1, 2020**

Effective with the work month of August 2020 (November eligibility) the eligibility for the Michigan BAC Health Care Fund is changing.

Monthly Eligibility

Effective with the work month of August 2020 (eligibility for November 2020) the Fund will change to monthly eligibility. The hours required for eligibility will be one hundred thirty (130) per month.

There will be two (2) bookkeeping months for continuing eligibility therefore August 2020 hours will provide eligibility for November.

Hour Bank

Any hours remitted in excess of the one hundred thirty (130) monthly hour requirement will be added to an hour bank to help maintain eligibility if the participant does not work at least 130 hours in a given month.

Maximum Hour Bank

The maximum hour bank that can be earned is five hundred and twenty (520) hours or four (4) months of eligibility

Monthly Continuing Eligibility

If the participant does not have sufficient hours remitted by the employer, the required hours will automatically be pulled from the participant's hour bank. If the bank is not sufficient, a short hour billing notice allowing the participant to pay for his coverage will be created.

Short Hour Self-Payments

Short Hour self-payments will be permitted for ONE MONTH ONLY by remitting a self-payment equal to the current hourly contribution rate multiplied by the number of hours needed to meet the required monthly eligibility hours/contribution ($\$7.51 \times 130 = \976.30). Participants are permitted to make up to twelve (12) short hour payments whether full or partial. The actual short hour payment will be reduced by 20% therefore the full short hour payment will be seven hundred eighty-one (\$781.00). To again be permitted to remit short hour payments, the participant will first have to re-instate coverage by working one hundred thirty (130) hours in one month.

Initial Eligibility

The new initial eligibility requirement will be three hundred ninety (390) hours within the immediately preceding six (6) or less consecutive months and will provide three (3) months of

eligibility. For initial eligibility there is no bookkeeping month. Reciprocity hours can be used to establish initial eligibility. Any hours in excess of the three hundred ninety (390) do go into the hour bank for initial eligibility. If the participant is in-eligible for twelve (12) or more consecutive months, they must re-satisfy the initial eligibility provision. If they are in-eligible for less than twelve (12) months they will just need to meet the 130 hour rule.

Active Participant Self-Payments

The self-payment rate for participants that do not have any contributions or hour bank is equal to the current hourly rate for Health Care multiplied by one hundred thirty (130) hours and rate reduced by twenty percent (20%). Example: ($\$7.51 \times 130 \text{ hours} \times 80\%$) rounded to the nearest dollar. Participants are limited to twelve (12) Active Participant self-payments.

The Local Union will continue to validate on a monthly basis that participants are unemployed but available for work within the jurisdiction of the Fund.

Transition

The Fund Office will calculate the number of months of projected or accumulated eligibility each individual has and determine what the hour bank should be. If participants have accumulated eligibility of four (4) months they will be given an hour bank of five hundred twenty (520) hours ($130 \times 4 = 520$). If the participants have accumulated eligibility of three (3) months they will be credited with an hour bank of three hundred ninety (390) hours ($130 \times 3 = 390$). Any partial months that have been earned will be prorated and the appropriate number of hours applied to the hour bank.