



SOUTHERN CALIFORNIA IBEW-NECA ADMINISTRATIVE CORPORATION

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MEMORANDUM

Date: April 1, 2021
From: Southern California IBEW-NECA Administrative Corporation – “Fund Office”
To: Plan Participants
Re: **SOUTHERN CALIFORNIA IBEW-NECA HEALTH TRUST FUND**
Amendment No. 8

The recently adopted Amendment No. 8 generated numerous inquiries. The purpose of this Memo is to assist with understanding the Amendment. First, the Inside Wireman’s Agreement benefits do not change. The additional \$0.25 allocation is being utilized to offset future increases in benefit premiums.

All contributions received by the Southern California IBEW-NECA Health Trust Fund (“Plan”) must be utilized for the purchase of benefits and the reasonable operating expenses of the Plan, pursuant to the Agreement and Declaration of Trust establishing the Plan.

Amendment No. 8 explains at paragraph (1), the need for the Plan to set aside (reserve) contributions in order to have sufficient assets for the significant increase in health care costs resulting from the COVID-19 pandemic and enable the Plan to continue to provide health benefits at the current level and ensure that it will not be necessary to reduce benefits. And, at paragraph (2) of Amendment No. 8, it acknowledges the increased allocation of \$0.25 from the Inside Wireman’s Collective Bargaining Agreement to the “Base Health” rate for this purpose.

Pursuant to Article 4.4 - I.O. Health Reciprocal Agreement and Proration Under Certain Collective Bargaining Agreements (page 15 of the *Summary Plan Description*), hours are prorated when certain CBAs (i.e. Residential, Sound, Material Handler, and Maintenance) require Base Health contributions at a lower rate than the standard rate established by the Inside Wireman’s Agreement. An example of proration, utilizing the Sound & Comm Agreement, is shown below.

January 2021							
Inside Wireman’s Agreement		Prorati on %	Hours Required	Sound & Comm Agreement		Proration %	Hours Required
Base Health	\$10.44	100%	100	Base Health	\$ 8.31	79.597%	126
Retiree Health	\$ 1.25			Retiree Health	\$.00		
HRA	\$.45			HRA	\$.25		
SUB	\$.65			SUB	\$.00		
TOTAL	\$12.79			TOTAL	\$ 8.56		

Amendment No. 8 continues the proration level at the rates shown above through December 31, 2021 and utilizes the new \$0.25 contributions to offset future increased health premium rates. The \$1.25 Retiree Health Plan contribution rate continues to be utilized for the purchase of Retiree benefits under the Collective Bargaining Agreements that offer this benefit.