



WELFARE FUND

INTERNATIONAL UNION OF OPERATING ENGINEERS

Local Unions 138, 138A, 138B & 138C
P.O. Box 206 Farmingdale, New York 11735-0206
Phone (631) 694-2140 Fax (631) 694-7831

05/10/2011

**RE: NOTICE OF SPECIAL ENROLLMENT RIGHTS FOR CHILDREN
UNDER AGE 26 UNDER THE LOCAL 138, 138A, 138B & 138C, I.U.O.E.
WELFARE FUND**

Dear Participant:

Under the Fund's current rules, a covered member's Dependent Child is eligible for coverage based on the following:

A. ELIGIBLE CLASSES OF DEPENDENTS

Eligible dependents are your unmarried children age 19 and under who are primarily dependent upon you for support and maintenance (23 and under if a full time student). At any time you may be required to prove that a child qualifies or continues to qualify as a dependent as defined by this Plan.

The phrase "primarily dependent upon" shall mean dependent upon the covered participant for support and maintenance as defined by the Internal Revenue Code and the covered participant must declare the child as an income tax deduction. The Plan Administrator may require documentation proving dependency, including birth certificates, tax records or initiation of legal proceeding severing parental rights.

The term "child" shall mean:

- your natural child,
- your adopted child,
- a child placed with a covered participant in anticipation of adoption,
- a step-child who lives in your household and is not eligible for coverage by paternal parent/parents,

- your foster child,
- a child for which you have been appointed legal guardian, and
- your child who is designated as an alternate payee under a Qualified Medical Child Support Order.

The phrase “child placed with a covered participant in anticipation of adoption” refers to a child whom the participant intends to adopt, whether or not the adoption has become final, who has not attained the age of 18 as of the date of such placement for adoption. The term “placed” means the assumption and retention by such participant of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have been commenced. For information about Qualified Medical Child Support Orders, please see Section XVI.

Coverage for a dependent child will normally cease at the end of the month in which he or she attains age 19. However, your dependent child’s coverage may continue up to the end of the month in which he or she no longer qualifies as a full-time student or, if earlier, attains age 23, if the child is a full-time student at an accredited school and remains your eligible dependent (as described above).

You must provide proof of your eligible dependent child’s full-time enrollment in an accredited school if you wish to continue his or her coverage. A letter from the school will provide proof of enrollment. The proof of enrollment must show the number of credits taken and the date of your dependent’s enrollment.

If your covered dependent child is totally disabled, coverage may be continued beyond age 19. To be considered totally disabled, your dependent child must be:

- incapable of self-sustaining employment by reason of mental retardation or physical handicap,
- primarily dependent upon you for support and maintenance,
- unmarried,
- covered under the Plan when reaching age 19, and
- not eligible for coverage elsewhere.

The Fund Administrator may require, at reasonable intervals during the two years following the dependent's 19th birthday, subsequent proof of the child's total disability and dependency. After the initial two-year period, the Fund Administrator may require subsequent proof not more than once each year. The Fund Administrator reserves the right to have a disabled dependent examined by a physician of the Fund Administrator's choice, at the Fund's expense, to determine the existence of a total disability.

Effective July 1, 2011, the Fund will extend Dependent Coverage to a members' eligible children up to the end of the month in which the child reaches age 26, whether married or unmarried, and regardless of student status, employment status, financial dependency on the member, or any other factor other than the relationship between the child and the member. This change is being made in accordance with the requirements under the Patient Protection and Affordable Care Act of 2010 (the "Affordable Care Act").

Therefore, if you have a child who is under age 26 and will not turn age 26 up to and including June 30, 2011, including a child currently receiving continuation coverage under COBRA, the child may be eligible for special enrollment in the Fund effective July 1, 2011. Specifically, this special enrollment opportunity applies to the following:

- Children whose coverage under the Fund already ended, or who were denied coverage because their eligibility for Dependent coverage under the Fund ended due to the rules in effect for Dependent coverage prior to July 1, 2011 and before attainment of age 26; and
- Children who elected continuation coverage under COBRA when they lost coverage under the Fund. These children will have the opportunity to enroll other than as a COBRA beneficiary.

Consequently, if your child's coverage ended, or he or she was denied coverage because eligibility for dependent coverage ended under the former provisions of the Plan, and if your child will not reach age 26 by July 1, 2011, he or she is eligible to re-enroll in the Fund for coverage effective as of July 1, 2011.

If you or your child have already paid COBRA premiums for a period in which he or she is now eligible to be covered under the Fund (i.e., from July 1, 2011 going forward) due to this new rule, the Fund will reimburse the premium(s).

How to Enroll

This special enrollment period is only open for sixty (60) days from the date of this letter. If you or your child submits the enclosed enrollment forms and a copy of your child's birth certificate within 60 days, his or her enrollment will be effective July 1, 2011. However, children are not eligible for this special enrollment period and coverage under the Fund if they are eligible for medical and prescription coverage under their employer-sponsored health plan. You and

your child will be asked to complete and sign the enclosed affidavit certifying that he or she is not eligible for coverage under his or her employer-sponsored health plan. If your enrollment documents are received and deemed complete by this Fund Office within 60 days from the date of this letter, coverage will be effective July 1, 2011.

Coverage for the Dependent child will be provided until the end of the month your child becomes 26.

To request enrollment or to obtain more information about this special enrollment opportunity, please contact the Fund Office at (631) 694-2480.

Enc.