Warehouse Employees Union Local No. 730
Health and Welfare Trust Fund

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MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 HEALTH AND WELFARE TRUST FUND MAY 13, 2016 WASHINGTON, DISTRICT OF COLUMBIA

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
R. Brooks – Chairman	L. Johnson
F. Myers	J. Paradis
T. Richardson	F. Stegman
R. Essex – Alternate	

Also present were:

H. Burton – Morgan, Lewis & Bockius, LLP
A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
B. Pounds – Giant Food Landover, Distribution
J. Timm – Segal Company

I. CALL TO ORDER

A quorum being present, the meeting was called to order.

II. CONSULTANT REPORT

The Trustees welcomed Mr. Josh Timm of the Segal Company to the meeting.

Mr. Timm distributed a Memorandum titled, "Warehouse Employees Union Local No. 730 Health and Welfare Trust Fund 2016 Benefit Change Estimates." Mr. Timm said the Board of Trustees established a subcommittee (Trustee Brooks and Trustee Paradis) to work with Segal to review the financial status and benefits of the Fund and to develop options to improve the sustainability of the Fund. He said the exhibit in the Memorandum had been reviewed by the subcommittee and that it was recommended by the subcommittee that the Trustees adopt the proposed plan design changes as outlined in the exhibit. Mr. Timm reviewed the plan design changes, 1) removal of all retiree benefits, 2) increase the individual annual deductible to $800.00, 3) increase the individual out-of-pocket maximum to $6,850, combined for total medical and prescription expenses, 4) increase the $1.00 prescription co-pay to a co-pay structure, $15 for all generic prescriptions, $40 for preferred prescriptions, and $75 for non-preferred prescriptions at retail and 90-day mail order prescriptions would be at a double co-pay. Mr. Timm noted that plan design changes would cause the Fund to lose grandfathered status under the Affordable Care Act (ACA) and that the Fund would have to adopt certain market reforms to comply with the ACA requirements.

Mr. Timm said the ACA requires that participants are notified of any plan design changes 60 days in advance of the effective date of the changes. He said he would provide draft notices to the Administrative Manager and Fund Counsel for review.

On MOTION made and seconded, the Trustees voted approval, with the exception of Trustee Essex, of the following resolution:

> **RESOLVED that the plan design changes outlined in Segal's Memorandum are approved effective August 1, 2016.**

XIII. ADJOURNMENT

There being no further business to come before the Trustees, the meeting was adjourned.

Respectfully submitted,

Jason Paradis
Secretary