

Food Employers Labor Relations Association and
United Food and Commercial Workers VEBA Fund

RETIREE ASSISTANCE PROGRAM

Program Description



WHAT IS THE RETIREE ASSISTANCE PROGRAM?

The Retiree Assistance Program, or “RAP,” is a new program under the Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund (“Fund”) that provides a monthly stipend to eligible retirees, dependents and surviving spouses, as described herein. Generally, the stipend is payable until the eligible retiree or dependent becomes Medicare-eligible, at which point the retiree or dependent will have a one-time opportunity to enroll in Medicare Supplemental coverage under the FELRA & UFCW Retiree Health Plan (“Retiree Plan”). For surviving spouses of deceased pre-Medicare retirees, the stipend generally will continue until the spouse becomes Medicare eligible.

HOW IS THE STIPEND PAID?

The *Fund office* will pay you the stipend in the same form of payment as your pension benefit from the FELRA and UFCW Pension Fund is paid, unless you elect a different form of payment. For example, if you are receiving a pension check, you will receive a stipend check. If your pension is paid via electronic transfer to your bank, your stipend will be paid the same way.

AMOUNT OF STIPEND

The stipend is paid in the following monthly amounts:

Giant Retirees: \$350 per month

Safeway Retirees: \$350 per month January 2016 – November 2016
 \$400 per month commencing December 1, 2016

RETIREE ELIGIBILITY

As a retiree, you will become eligible for the monthly stipend on the later of January 1, 2016 or upon your retirement, if you meet the following requirements:

1. You were an active participant in the FELRA & UFCW Active Health and Welfare Plan (“Active Plan”), **Plan I**, and were employed by Giant or Safeway, as of your retirement date. You are considered active if you: were working in covered employment for Giant or Safeway on the day before you retired; retired immediately after collecting Accident & Sickness Benefits from the Active Plan; retired based on a Workers’

Compensation injury; or were on a medical leave of absence and self-paying to maintain your benefits through the *Fund* or through continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“*COBRA*”));

2. You waive your right to *COBRA* continuation coverage under the Active Plan, Plan I;
3. You are not eligible for *Medicare*;
4. The majority of your pension service is Tier I. If you have service as both a Tier I and a Tier II employee, your status for the purpose of determining eligibility for the RAP stipend is based on a majority of service (Tier I and Tier II are terms used to describe your pension service as determined under your *Collective Bargaining Agreement*.);
5. Your former employer continues to be a *Participating Employer* under the *Fund*;
6. If you retired on or after January 1, 1990 but before October 1, 1992, you must have earned at least 10 years of Benefit Service as defined in the FELRA & UFCW Pension Plan. If you retired on or after October 1, 1992, you must have earned at least 20 years of Benefit Service as defined in the FELRA & UFCW Pension Plan or the Mid-Atlantic UFCW and Participating Employers Pension Plan; and
7. If you retire on a Disability Retirement Pension from the FELRA & UFCW Pension Plan or the Mid-Atlantic UFCW and Participating Employers Pension Plan (meaning you have been certified as being totally disabled and unable to work), you may be eligible for the stipend. However, if you lose your disability status under Social Security, the regular eligibility rules apply (meaning you must have 20 years of Benefit Service as defined in the FELRA & UFCW Pension Plan and the Mid-Atlantic UFCW and Participating Employers Pension Plan in order to be eligible for the stipend).

Retirees must meet all of the above qualifications in order to be eligible for the stipend.

To ensure your continued eligibility for the stipend, you must promptly respond to any request for information issued by the *Fund*. Failure to respond to any such requests may result in the suspension or termination of the stipend.

Former participants of Plan I who retire on a Deferred Vested Retirement Pension from the FELRA & UFCW Pension Plan are not eligible for the stipend. Former participants who retire from management may be eligible for the stipend if they have 20 years or more of Benefit Service from the FELRA & UFCW Pension Plan. Contact the *Fund office* for more information if this applies to you. If you are a pension beneficiary under the FELRA & UFCW Pension Plan but you are not an eligible dependent under the Active Plan, Plan I, at the time of the participant’s retirement, you are not eligible for the stipend.

The RAP stipend is not guaranteed. The stipend may be terminated or changed in the future.

Loss of Eligibility

A retiree will cease to be eligible for the stipend upon the earliest of the following:

- Upon death;
- If you become eligible for *Medicare*;
- If your former employer files for bankruptcy under Chapter 11 of the United States Bankruptcy Code;
- If your former employer no longer participates in the RAP; or
- If you again become eligible for Active Plan health and welfare coverage under the *Fund* (because you are rehired by a *Participating Employer*) and you elect to receive coverage under the Active Plan instead of the stipend under the RAP. If you elect to receive Active Plan coverage, you will continue to receive the stipend until your Active Plan health and welfare coverage begins. If your Active Plan coverage does not include coverage for dependent spouses and your spouse meets the requirements for an eligible dependent as described in the “Dependent Eligibility” section below, you may continue to receive the monthly stipend on behalf of your spouse, as long as your spouse remains an eligible dependent. Finally, if your Active Plan coverage does not include medical benefits, you may continue to receive the monthly stipend if you otherwise meet the eligibility requirements.

DEPENDENT ELIGIBILITY

If you meet the eligibility requirements in the “Retiree Eligibility” section above, except that you are eligible for *Medicare*, and you have at least one dependent who meets the eligibility requirements described below, you are eligible to receive the monthly stipend on your dependent’s behalf.

Eligible dependents are your spouse and children, if they were your eligible dependents under the Active Plan at the time you retired.

Note: Only one monthly stipend is payable per household. Therefore, even if you have more than one eligible dependent, you only will be eligible for one monthly stipend. The only exception to the one stipend per household rule is that if two eligible retirees are married to each other, they each will be entitled to receive a stipend.

Loss of Dependent Eligibility

Your dependents cease to be eligible dependents when:

1. You no longer meet the eligibility requirements in the “Retiree Eligibility” section above (other than the requirement that you not be eligible for *Medicare*);
2. The dependent becomes eligible for *Medicare*;
3. The dependent becomes eligible for coverage under the Active Plan as an employee of a *Participating Employer*;
4. The dependent is a spouse and is divorced or legally separated from you. If you and your spouse are physically separated, but not legally separated, your spouse may remain an eligible dependent until the earlier of 3 years from the date of physical separation or the date of divorce or legal separation. In the case of a spouse who is physically separated from the retiree and remains eligible (because it has been less than three years from the date of physical separation from the retiree), the stipend will be paid directly to the spouse at the spouse’s address. The spouse must provide the address to the Fund Office in writing.
5. If the dependent is a biological child, adopted child, or child placed with you for adoption, on the date the child turns age 26;
6. If the dependent is a stepchild or a child over whom you have legal custody, upon the earliest of the following (unless the dependent meets the student eligibility or disabled dependent eligibility requirements below):
 - a) the end of the calendar year in which the child has his or her 19th birthday;
 - b) the end of the month in which the child begins regular full time employment;
 - c) the end of the calendar year in which the child ceases to be dependent on you for support; or
 - d) the end of the month in which the child is married; or

7. In the case of a child placed with you for adoption, when you no longer have a legal obligation to support the child.

Student Eligibility

If an otherwise eligible dependent child otherwise would lose eligibility due to age, he or she will continue to be an eligible dependent if he or she is enrolled as a full time student in an accredited school; is unmarried; and is financially dependent on you for support. You must complete a student certification form and return it to the *Fund office* before the child's 20th birthday and annually thereafter in order for eligibility to continue. Students will continue to be eligible dependents only through the calendar year in which they turn age 23.

Student eligibility will terminate on the earliest of the last day of the calendar month in which he/she marries, ceases to be financially dependent on you for support, ceases to be a full time student, or the end of the calendar year in which he/she turns age 23.

If you do not complete a student certification form or the child is not enrolled in school at the time he/she ceases to be an eligible dependent due to his/her age, you will not be eligible to receive a stipend on the child's behalf. However, you may submit a subsequent student certification form to restore eligibility for the stipend. Contact the *Fund office* for details concerning student coverage.

Important: In order to receive a stipend on behalf of a dependent stepchild or child over whom you have legal custody who is over age 19, he/she must have been an eligible dependent BEFORE he/she turned age 19.

If a dependent child who is an eligible dependent under this "Student Eligibility" section ceases to be a full-time student at an accredited school because of a medically necessary leave of absence resulting from a serious injury or illness, the dependent child will remain an eligible dependent during his or her leave of absence until the earlier of:

1. the one-year anniversary of the date on which the dependent child's leave of absence began, or
2. the date on which the dependent child would otherwise cease to be an eligible dependent in accordance with this "Student Eligibility" section.

To be eligible for this extended eligibility, you must provide the *Fund* with written certification from the dependent child's treating physician that his or her leave of absence from school is medically necessary and is as a result of a serious illness or injury. The

extended eligibility will not be provided until the date such certification is received by the *Fund*, but will be retroactive to the date on which his/her leave of absence began.

Eligibility for Disabled Dependents

Any unmarried child who is age 19 or over and is incapable of self support because of a physical or mental disability which began before age 19 will continue to be an eligible dependent. The child must be dependent upon you for support. You must complete a disability certificate annually and return it to the *Fund office*.

Proof of Eligibility for Dependents

You must submit evidence acceptable to the *Fund office* to certify the eligibility status of your dependent.

SURVIVING SPOUSES

Upon a pre-*Medicare* retiree’s death, the monthly stipend will end. However, if the retiree is survived by a spouse who was an eligible dependent, as described in the “Dependent Eligibility” section above, at the time of the retiree’s death, the spouse is eligible for the monthly \$200 stipend, which will continue until the first day of the month on or after the date the spouse becomes eligible for *Medicare*. The spouse is then eligible for conversion benefits at full cost to the spouse.

OVERPAYMENT

If the *Fund* pays a stipend in error, such as where the *Fund* pays you a monthly stipend when you are *Medicare* eligible and you do not have any non- *Medicare* eligible dependents, the *Fund* shall be entitled to recover such amounts. The *Fund* may recover these stipend amounts by offsetting any future stipends otherwise payable by the *Fund* to you or your dependents. The *Fund* also may recover any overpaid stipends by pursuing legal action against you. By accepting stipend payments under the terms of the RAP, you agree to waive any applicable statute of limitations defense available to you regarding the enforcement of any of the *Fund's* rights to reimbursement.

The *Fund* shall have a constructive trust, lien and/or an equitable lien by agreement in favor of the *Fund* on any overpaid stipend amounts received by you, your representative (including an attorney) or your surviving spouse that is due to the *Fund*, and any such amount shall be deemed to be held in trust by you, your representative or your surviving spouse for the benefit of the *Fund* until paid to the *Fund*. By accepting stipend payments from the *Fund*, you consent and agree that a constructive trust, lien, and/or equitable lien by agreement in favor of the *Fund* exists with regard to any overpayment of stipend amounts, and in accordance with that constructive trust, lien, and/or equitable lien by agreement, you agree to cooperate with the *Fund* in reimbursing it for all of its costs and expenses related to the collection of those overpaid stipend amounts.

In the event you fail to reimburse the *Fund* and the *Fund* is required to pursue legal action against you to obtain repayment of the stipend amounts paid by the *Fund*, you shall pay all costs and expenses, including attorneys' fees and costs, incurred by the *Fund* in connection with the collection of any amounts owed the *Fund* or the enforcement of any of the *Fund's* rights to reimbursement. You shall also be required to pay interest at the rate determined by the *Trustees* from time to time from the date you become obligated to repay the *Fund* through the date that the *Fund* is paid the full amount owed.

REQUESTING A STIPEND AND REVIEW PROCEDURES

If you do not receive a stipend payment from the *Fund* and you believe you are eligible to receive one, contact the *Fund office* at:

Local 27 Participants:

FELRA & UFCW VEBA Fund
911 Ridgebrook Road
Sparks, MD 21152-9451
(800) 638-2972

Local 400 Participants:

FELRA & UFCW VEBA Fund
8400 Corporate Drive, Suite 430
Landover, MD 20785-2361
(800) 638-2972

Review of a Denied Request for a Stipend

If the *Fund* denies your request for a stipend, you may, within 60 days from receipt of the denial, request a review of the denial by writing to the Board of *Trustees*. The Board of *Trustees* or a committee of the Board of *Trustees* generally will hear your appeal at their next scheduled quarterly meeting following receipt of your appeal, unless your appeal was received by the Fund within 30 days of the date of the meeting. In that case, your appeal generally will be reviewed at the second quarterly meeting following receipt of the appeal. However, if the Board of *Trustees* determines, in its sole discretion, that special circumstances require an extension of the time for review, your appeal will be reviewed at a later date. The Trustees will send you a written notice of their decision (whether approved or denied).

The Board of *Trustees* has the power and sole discretion to interpret, apply, construe and amend the terms of the Retiree Assistance Program and make all factual determinations regarding the construction, interpretation and application of the Retiree Assistance Program. The decision of the Board of *Trustees* is final and binding.

DEFINITIONS

ADMINISTRATIVE MANAGER. The company responsible for receiving *Participating Employer* contributions, keeping eligibility records, paying stipends, and providing information to you about the *Fund*. The company is Associated Administrators, LLC, and is referred to as "the *Fund office*" throughout this booklet.

COBRA. Consolidated Omnibus Budget Reconciliation Act of 1985.

COLLECTIVE BARGAINING AGREEMENT. The agreement or agreements between a *Participating Employer* and the United Food and Commercial Workers Unions, Local 27 or Local 400, which require contributions to the *Fund*.

FUND. The Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund.

FUND OFFICE. The "*Administrative Manager*" of the *Fund* (as defined above) is also referred to as the "*Fund office*." Associated Administrators, LLC is the Administrative Manager for the *Fund*, and acts as the "*Fund office*."

MEDICARE. Benefits under Title XVIII of the Social Security Act of 1965, as amended from time to time.

PARTICIPATING EMPLOYER. An employer who is a party to a *Collective Bargaining Agreement* with the United Food and Commercial Workers Unions, Local 27 or Local 400, which requires contributions to the RAP.

TRUSTEES. Members of the Board of Trustees of the *Fund*.

TELEPHONE NUMBERS

Translation services are available when you call Participant Services if English is not your primary language.

Si ingles no es su lenguaje principal, servicios de traducción son disponibles cuando usted llame al Servicios Participantes al (800) 638-2972.

Fund Office

Participant Services/Eligibility.....	(800) 638-2972
Sparks Local Line	(410) 683-6500
Landover Local Line.....	(301) 459-3020

ADDRESSES

Local 27 Participants–Write:

FELRA & UFCW VEBA Fund
911 Ridgebrook Road
Sparks, MD 21152-9451

Local 400 Participants–Write:

FELRA & UFCW VEBA Fund
8400 Corporate Drive, Suite 430
Landover, MD 20785-2361

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