

UFCW Local 400

2014 Kroger Shop

Steward Seminar

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Benefits Overview

By

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2014 Shop Steward Benefit Overview

- UFCW Unions & Participating Employers Health and Welfare Fund-Kroger specific plans
- New Eligibility Rules effective January 1, 2014
- New Medical Benefit Summaries – effective January 1, 2014
 - Plan RNK-1
 - Plan RNK-2
 - Plan RNK-3
- Q&A

UFCW Unions And Participating Employers H/W Fund

- ▣ UFCW Unions and Participating Employers Health and Welfare Fund
- ▣ Fund has several providers of benefit
 - Associated Administrators is the fund administrator
 - Anthem is the PPO provider
 - Life Insurance, Dental, Optical, and Managed Mental Health providers



UFCW Unions And Participating Employers H/W Fund

- New Eligibility Rules – effective January 1, 2014
 - ACA influenced changes
 - New CBA effective August 29, 2013
 - New terminology introduced
 - “Stable Hour Associate”
 - “Variable Hour Associate”
 - “Initial Measurement Period”
 - “Initial Stability Period”
 - “Ongoing Measurement Period”
 - “Ongoing Stability Period”

UFCW Unions And Participating Employers H/W Fund

- New Terminology
 - “*Stable Hour Associate*” – a new hire that is expected to work at least the minimum number of hours to be eligible for benefits
 - “*Variable Hour Associate*” – a new hire that will work an unknown amount of hours, so eligibility for benefits is unknown as well.

UFCW Unions And Participating Employers H/W Fund

- New Terminology
 - “*Initial Measurement Period*” – the first 52 full pay periods of employment following the date of hire. This applies to Variable Hour Associates.
 - “*Initial Stability Period*” – the 12 month period for which a new participant is eligible for benefits.

UFCW Unions And Participating Employers H/W Fund

- New Terminology
 - “*Ongoing Measurement Period*” – the 52 full pay periods, plus an administrative period, to look back at hours paid to determine eligibility. For 2014 benefits, the Ongoing Measurement Period was the hours paid for the period October 6, 2012 through October 5, 2013.
 - “*Ongoing Stability Period*” – associates that are eligible for benefits based on their hours paid in the Ongoing Measurement Period will remain eligible for these benefits for 12 months. For this past Ongoing Measurement period, the benefits would be effective January 1, 2014.

UFCW Unions And Participating Employers H/W Fund

- What does this new terminology mean to us?
 - Participants with greater than 1 year of service
 - Applies to employees that have worked the full 52 weeks of the Ongoing Measurement Period
 - Total Hours Paid divided by 52 weeks = Average Hours
 - Based on Average Hours, the associate is eligible for the level of coverage for the entire stability period (as long as they are working at Kroger) - Full-Time, PT-1, and PT-2.

UFCW Unions And Participating Employers H/W Fund

- New Eligibility
 - “**Full-Time**” – coverage available for Employee, Spouse, and Dependent Children
 - “**PT-1**” – coverage available for Employee and Dependent Children
 - “**PT-2**” – coverage available for Employee only
 - *Note: Eligible dependents may be enrolled provided an enrollment card is filed, and proof of birth, marriage, or dependency is filed.*

UFCW Unions And Participating Employers H/W Fund

- What eligibility level do I qualify for?
 - Participants with greater than 1 year of service
 - **HIRED BEFORE 10/31/2005**
 - Full-Time = Average of 32 or more hours
 - PT-1 = Average of 30 – 31.99 hours
 - PT-2 = Average of 20 – 29.99 hours
 - **HIRED AFTER 10/31/2005**
 - Full-Time = Average of 40 hours
 - PT-1 = Average of 30 – 39.99 hours
 - PT-2 – hired on or before 8/29/2013
 - Average of 20 – 29.99 hours
 - PT-2 – hired after 8/29/2013
 - Average of 25 – 29.99 hours

UFCW Unions And Participating Employers H/W Fund

- What does this new terminology mean to us?
 - Participants with less than 1 year of service (“new hires”)
 - Kroger designates new hire as “Stable Hour Associate” or “Variable Hour Associate”
 - “*Stable Hour Associate*” – associate is eligible for coverage on the 1st of the month following 60 days of employment.
 - “*Variable Hour Associate*” – associate is eligible for coverage on the 1st of the month following 12 months of employment.

UFCW Unions And Participating Employers H/W Fund

- What eligibility level do I qualify for?
 - Participants with less than 1 year of service (“new hires”)
 - **Stable Hour Associate**
 - Eligible for benefits on the 1st of month following 60 days of employment.
 - Eligible for PT-1 coverage (Employee & Child) until they are part of the next Ongoing Measurement Period.
 - Remember, you must have worked the entire 52 week Ongoing Measurement Period to be included in the analysis.

UFCW Unions And Participating Employers H/W Fund

- What eligibility level do I qualify for?
 - Participants with less than 1 year of service (“new hires”)
 - **Variable Hour Associate**
 - Eligible for benefits on the 1st of month following 12 months of employment.
 - These associates have their own “Initial Measurement Period” looking back at their average hours for their first 52 weeks of employment. They would be eligible for FT, PT-1, or PT-2 based on their average hours.
 - If an associate is eligible for benefits after their Initial Measurement Period, they would keep this level of benefits for a minimum of 12 months (“Initial Stability Period”).
 - The associate would be reviewed again at the next Ongoing Measurement Period.

UFCW Unions And Participating Employers H/W Fund

Continued from previous slide

- **Variable Hour Associate**
 - If the new Ongoing Measurement Period analysis says that an associate should have a higher level of coverage than originally called for in their Initial Measurement Period, the associate would receive the higher level.
 - If the new Ongoing Measurement Period analysis says that an associate should have a lower level of coverage than originally called for in their Initial Measurement Period, the associate would remain on the original level for the duration of their Initial Stability Period of 12 months, and then drop to the lower level.

UFCW Unions And Participating Employers H/W Fund

- New Medical/Rx Plans – effective January 1, 2014
 - “RNK-1” – formerly known as K-2
 - \$500 deductible, 80% in-network /50% out of network coinsurance
 - “RNK-2” – formerly known as K-20
 - \$750 deductible, 70% in-network/50% out of network coinsurance
 - “RNK-3” – new plan
 - \$1,000 deductible, 70% in-network/50% out of network coinsurance
 - **All plans:**
 - *Include \$30 or \$40 office visit copayments*
 - *Use Anthem PPO – limit chances of balance billing*
 - *Prescription Drug Coverage included*

UFCW Unions And Participating Employers H/W Fund

- New Medical Plans – effective January 1, 2014
 - All associates that were on K-2 and hired on or before 8/29/13, paid an average of 20 hours or more in the preceding 12 months: may choose RNK-1, RNK-2, or RNK-3.
 - All associates that were on K-20 and hired on or before 8/29/13, paid an average of 20 hours or more in the preceding 12 months: may choose RNK-2 or RNK-3. Becomes eligible for RNK-1 after 5 years participation in RNK-2.
 - New hires – hired after 8/29/13 – and paid an average of 25 hours or more in the preceding 12 months: eligible for RNK-3. Becomes eligible for RNK-2 after 5 years on RNK-3.

UFCW Unions And Participating Employers H/W Fund

- Other Benefits– effective January 1, 2014
 - Dental
 - Vision
 - Life Insurance
 - Disability Insurance
- FT associates – eligible the same time as Medical/Rx
- PT associates – eligible after 24 months of employment, as long as still eligible for Medical/Rx

UFCW Unions And Participating Employers H/W Fund

- Weekly Employee Contributions for Coverage

	2014			2015			2016		
	RNK1	RNK2	RNK3	RNK1	RNK2	RNK3	RNK1	RNK2	RNK3
Ee Only	\$15	\$10	\$5	\$15	\$10	\$5	\$15	\$10	\$5
Ee + Ch	\$20	\$15	\$10	\$20	\$15	\$10	\$20	\$15	\$10
+ Spouse*	\$23.08	\$23.08	\$23.08	\$28.85	\$28.85	\$28.85	\$28.85	\$28.85	\$28.85
+ Spouse**	\$34.62	\$34.62	\$34.62	\$34.62	\$34.62	\$34.62	\$34.62	\$34.62	\$34.62

*Spouses enrolled on or before 8/29/13

**Spouses enrolled after 8/29/13

UFCW Unions And Participating Employers H/W Fund

- Special Notes for Dependent Coverage
 - Effective January 1, 2014, if a spouse is eligible for coverage under this plan, and have coverage available to them through another employer, they **MUST** enroll in the other employer's plan in order to enroll in this plan.
- Effective January 1, 2014, the Fund will utilize “non-duplication” Coordination of Benefits rules when it comes to paying as secondary coverage.
 - *Example: Claim = \$100. Primary plan pays 70% = \$70 payment. If primary, this plan pays 80% for that claim, or \$80, so the secondary coverage would only be \$10 (\$80 minus \$70).*

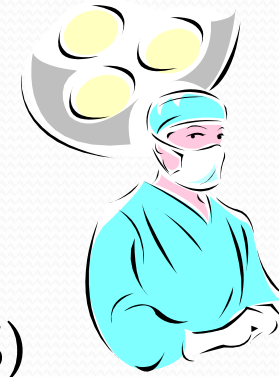
UFCW Unions And Participating Employers H/W Fund

- Benefit Summary
 - Life and Accidental Death & Dismemberment Insurance
 - FT = \$25,000 for RNK-1
 - FT = \$7,500 for RNK-2 and RNK-3
 - PT = \$10,000 for RNK-1
 - PT = 5,000 for RNK-2 and RNK-3

UFCW Unions And Participating Employers H/W Fund

- Benefit Summary
 - Accident & Sickness Benefit
 - Based on length of employment, and full time and part time status (see SPD)
 - Eligibility for other benefits extended while receiving A&S benefits.
 - If accident is work-related, file with both the WC carrier and the Fund office to avoid late filing of claim form.
 - Forms available on the web, as well as from the Fund office

UFCW Unions And Participating Employers H/W Fund



- Benefit Summary
 - Dental through Group Dental Service (GDS)
 - Vision through Group Vision Service (GVS)
 - Retiree Health Benefits
 - 20 year minimum service requirement
 - Eligible **spouses** who were covered while participant was active are eligible for medical only.
 - Medicare-age retirees – no changes to current plans.
 - Pre-Medicare retirees will be provided assistance to enroll in healthcare exchanges.

2014 LOCAL 400 Shop Steward Meeting - Questions and Answers

