

## DISTRICT COUNCIL NO. 3 PAINTERS AND ALLIED TRADES WELFARE FUND

### Summary of Material Modifications

The Trustees are committed to providing comprehensive health benefits for you and your dependents. This Summary of Material Modifications (SMM) explains various changes to the District Council No. 3 Painters and Allied Trades Welfare Plan. Please review this SMM in its entirety and keep it with your Summary Plan Description for future reference.

Effective January 1, 2026, the Plan's Eligibility rules will change in the following ways:

#### Reduction in Hours Needed for Continued Coverage

The Plan is reducing the monthly hours required to maintain eligibility. After an Active Employee first becomes covered, coverage will continue if the employee is credited with at least 120 hours of Covered Employment each month. This is a reduction from the previous requirement of 130 hours.

#### Hour Bank Account Modifications

The Plan modified the Plan's hour bank accounts in two ways. First, when an Active Employee first becomes covered under the Plan, the number of hours deposited into the employee's Hour Bank account to be used to maintain coverage in future months will increase from 65 hours to 360 hours.

Second, the maximum number of hours that may be accumulated in an Hour Bank account (the "Hour Bank cap") will be reduced from 720 hours to 480 hours. As a result, when an Active Employee is credited with more than 120 hours of Covered Employment in a work month, the additional hours will be added to the employee's Hour Bank account. However, the employee's Hour Bank account can never exceed the 480 "Hour Bank cap".

#### Reestablishment of Plan Eligibility

The Plan has also updated the rules for individuals who lose coverage and wish to reestablish eligibility as Active Employees:

- **Covered Employees with COBRA Continuation Coverage:** Covered Employees who have elected COBRA may reestablish eligibility by being credited with at least 120 hours of Covered Employment in a single month while covered by COBRA. This requirement was previously 130 hours.
- **Covered Employees without COBRA Continuation Coverage:** Covered Employees who do not elect COBRA may now reestablish eligibility by being credited with at least 120 hours of Covered Employment in a single month, provided they have worked a minimum of 600 hours of Covered Employment during the preceding twelve (12) months.

In either case, the Covered Employee will not accumulate any excess hours in their Hour Bank account, and coverage will be established for the next corresponding coverage period. Finally, if these rules are not met, eligibility may be reestablished by meeting the Plan's initial eligibility requirements

Should you have any questions, please contact the Fund Office at (816) 756-3313 or toll free at (866) 756-3313.

Sincerely,

BOARD OF TRUSTEES  
October 2025

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#### **Lower Deductible With Routine Annual Physical**

Effective January 1, 2026, Participants and Spouses who complete a routine annual physical in the previous calendar year will receive a reduction of their Calendar Year Deductible. The reduced deductible is not contingent on a routine annual physical for dependent children.

A Participant with individual coverage who completes a routine annual physical in the previous year will receive a Calendar Year Deductible reduction of \$500.

For Participants with family coverage that includes a Spouse, if both the Participant and the Spouse complete a routine annual physical in the previous year, the Calendar Year Deductible for the family will be reduced by \$1,000 (a children's physical is not required). No reduction will be given unless both the Participant and Spouse each complete a routine annual physical.

For Participants with family coverage and no Spouse, only the Participant is required to complete a routine annual physical and will receive a \$1,000 reduction in their Calendar Year Deductible for the family (a children's physical is not required).

**Reduced Deductible Qualifying Period:** Effective January 1, 2025, the Participant, Spouse and Physician must certify completion that year of a routine annual physical on a form provided by the Fund (enclosed with this notice and also available on the Fund's website) and return the form to the Fund no later December 15.

**Reduced Deductible Benefit:** Effective January 1, 2026, the reduced Deductible will be applied when the routine annual physical was completed and reported to the Fund by December 15 of the prior year.

#### **Out-of-Pocket Maximum Tied to Affordable Care Act**

Effective January 1, 2025, the individual annual Out-of-Pocket Maximum for this Plan is the annual limit according to the Affordable Care Act, split between Medical Benefits and Prescription Benefits. The family Out-of-Pocket Limit for Medical Benefits is twice the individual amount for Medical Benefits. The family Out-of-Pocket Limit for Prescription Drug Benefits is twice the individual amount for Prescription Drug Benefits. For example, in 2025, the individual annual Out-of-Pocket Maximum according to the Affordable Care Act is \$9,200. The Plan's 2025 individual Medical Benefit Out-of-Pocket Maximum is \$4,600. The family Medical Benefit Out-of-Pocket Maximum is \$9,200. The Plan's 2025 individual Prescription Drug Out-of-Pocket Maximum is \$4,600, and the family Prescription Drug Out-of-Pocket Maximum is \$9,200.

## **Sword Health Virtual Therapy**

Effective January 1, 2025, the Plan will cover 100% of the Sword Health Virtual Therapy Benefit for certain Covered Persons who meet the eligibility criteria. The Plan's Deductible does not apply to this Benefit. This is an In-Network Benefit through Sword Health only. The Sword Health Online Therapy Benefit is not available to Covered Persons in the Plan's MAPD program.

There are two treatment programs available through the Sword Health Virtual Therapy Benefit: Virtual Physical Therapy and Sword Bloom Virtual Pelvic Therapy.

### **Virtual Physical Therapy Benefit:**

Sword Health Virtual Physical Therapy provides digital physical therapy for a qualified musculoskeletal diagnosis for certain Covered Persons who qualify. A licensed Doctor of Physical Therapy provides education, coaching, and other wellness services through the Sword Health platform.

To access the virtual physical therapy benefit, a Covered Person must be suffering from pain in his or her neck, lower back, shoulder, knee, hip, ankle, wrist, or elbow, or has undergone surgery in these areas. In order to be eligible to participate in this benefit, a Covered Person must meet the following criteria:

- a. is 18 years of age or over,
- b. is able to perform 20 minutes of light to moderate physical activity,
- c. does not have recent onset fever, chills, or visible inflammation in the affected area,
- d. does not have signs of progressive neurological issues in the area of pain,
- e. does not have an active cancer or is receiving treatment for cancer, and
- f. pain is not related to significant trauma to that area.

### **Sword Bloom Virtual Pelvic Therapy Benefit:**

Sword Bloom is a digital solution designed to help certain female Covered Persons address their pelvic health needs. It combines the use of the Bloom intravaginal pressure sensor, the Sword mobile app and a licensed pelvic health specialist ("PHS") to enable patients to engage in therapeutic exercises. Covered Persons must be 18 years of age or older to utilize Sword Bloom.

If qualified for either benefit, the Covered Person will receive required monitoring equipment free in the mail and will access their therapy sessions through a smart phone, computer or tablet. Additional information will be mailed to you directly from Sword Health to provide additional details about this program.

Should you have any questions, please contact the Fund Office at (816) 756-3313 or toll free at (866) 756-3313.

Sincerely,

BOARD OF TRUSTEES  
November 2024