

SEAFARERS HEALTH AND BENEFITS PLAN

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Margaret R. Bowen
Administrator

June 25, 2018

<p>IMPORTANT INFORMATION ABOUT ELIGIBILITY FOR HEALTH BENEFITS FOR GREAT LAKES PARTICIPANTS</p>
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Dear Plan Participant:

Effective September 1, 2018, the Seafarers Health and Benefits Plan (“SHBP” or “Plan”) will no longer have special eligibility periods for Great Lakes participants. The Plan recently reviewed the eligibility status of Great Lakes’ participants during the past two years, and according to those records these participants would still be eligible for benefits under one of the other eligibility rules if the special Great Lakes eligibility periods were omitted.

The Plan changed its eligibility rule in 2014 to comply with the requirements of the Affordable Care Act. At that time, the Plan created two eligibility periods per year, January 1 through June 30, and July 1 through December 31. In order to remain eligible for benefits once initial eligibility is established, a participant must have at least 60 days of covered employment in the eligibility period immediately preceding a medical claim.

Several months after the new rule went into effect, the Plan became concerned that some Great Lakes participants might lose eligibility during half of the year, because many vessels on the Lakes were laid up during the winter. The Plan then established two different eligibility periods just for Great Lakes participants: March 1 through August 31, and September 1 through the last day of February the following year.

In 2015 the Plan modified the eligibility rule again, to create an alternative method for participants to maintain eligibility. Under this rule, if a participant does not satisfy one of the rules described above, that person can still maintain eligibility if he or she has a total of 125 days of covered employment distributed between the two eligibility periods immediately preceding the date of a medical claim.

Since the special Great Lakes eligibility periods are no longer necessary, the Plan is eliminating them from its Regulations. Effective September 1, 2018 **if you have previously established eligibility for benefits, in order to remain eligible through December 31, 2018 you must either have 60 days of employment in the period from January 1 through June 30, 2018; OR you must have 125 days of covered employment divided between the eligibility periods of July 1, 2017 through December 31, 2017 and January 1, 2018 through June 30, 2018.**

The Plan expects that this change will not have an adverse effect on anyone. **However, if you believe you will lose eligibility as a result of this change, please contact the Plan at 1-800-252-4674.**

Sincerely,

Margaret R. Bowen
Administrator