

SEAFARERS HEALTH AND BENEFITS PLAN

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Margaret R. Bowen
Administrator

June 29, 2012

Dear SHBP Participant:

Health Benefits for Pensioners who Return to Work

On behalf of the Board of Trustees of the Seafarers Health and Benefits Plan (SHBP), I would like to notify you of some additional changes with regard to the **eligibility requirements for health benefits for pensioners who return to work**. As I informed you in a letter dated February 3, 2012, the Trustees implemented some changes in these requirements. The Trustees have recently adopted a few further clarifications with regard to pensioners' eligibility for health benefits.

As previously stated, if you retire with medical benefits from this Plan and your pension benefits are suspended because you returned to work; your pensioner health benefits will also be suspended. In an effort to make it easier for you to qualify for health benefits as an active employee, you will now become eligible after working 125 days within the first 12 months of returning to active employment. However, if you don't work 125 days during the first 12 months after returning to employment, then you must satisfy the regular SHBP eligibility rule for qualifying for health benefits, which requires 125 days of covered employment in the previous calendar year, and one day in the last six months.

If you qualified for pensioner health benefits before retiring, but lost them when you went back to work, the SHBP will immediately reinstate the pensioner health benefits when you retire again. However, the Trustees have made it clear that if you were not eligible for pensioner's health benefits at the time you first began receiving a pension, you will not be able to establish eligibility for those benefits by returning to work and obtaining additional days of covered employment.

Please note, if you did not receive the previous letter, it is posted at www.seafarers.org. You can access this letter and all other SHBP communications under the "Member Benefits" section by clicking on the heading "Seafarers Benefit Plan," then clicking on "Seafarers Health and Benefits Plan."

The changes described in this letter are effective August 1, 2012. If you have any questions about this letter or about any of your benefits, feel free to contact the Plan at (1) (800) 252-4674.

SHBP is a Grandfathered Plan under Affordable Care Act

The Seafarers Health and Benefits Plan would like to remind you that it believes that this Plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grand-fathered health plan means that this Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grand-fathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the plan administrator at the address above. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

Sincerely,

Margaret Bowen
Administrator

