

**CENTRAL PENNSYLVANIA TEAMSTERS  
HEALTH & WELFARE FUND  
PLAN 13**

**Summary of Material Modification  
March 2015**

**Increased Contribution to Your HRA  
Please read carefully.**

This notice includes information, **applicable only to UPS employees who receive benefits through Plan 13**, about the plan benefit available to reimburse you for "medically necessary" out-of-pocket expenses not otherwise covered by the Fund. The reimbursement will occur through a "health reimbursement account," as that term is defined in Section 105 and 106 of the Internal Revenue Code and the applicable regulations. The terms of this benefit are set forth below:

1. The Fund shall credit each Participant on whose behalf UPS makes contributions to support the benefit pursuant to a collective bargaining agreement. From January through September 2014, the Fund will credit you with \$25.00 per month for each month in which an Employer Contribution is made on your behalf; and from October through December 2014, the Fund will credit your account with \$40.00 for every month in which such an Employer Contribution is made. The maximum reimbursement benefit for 2014 is \$345 (9 months x \$25 plus 3 months x \$40).

2. Each eligible Participant shall be permitted to submit claims for unreimbursed medical expenses described in subparagraph 3, below, incurred by himself, his Spouse or his Eligible Dependent while he was a Participant in this Plan (including COBRA coverage, provided that the Participant elects COBRA coverage for himself and his eligible Dependents). Reimbursement is not permitted for expenses incurred before or after the Employee was a Participant in this Plan.

**Note:** If a Participant leaves employment with UPS, he will only be eligible to receive reimbursement for claims that are incurred while he was a Fund Participant on account of his active employment or because he elected COBRA coverage (provided that the request for reimbursement is timely made and includes all required documentation).

3. The only medical expenses for which reimbursement may be made are medical expenses that would generally qualify for the medical and dental expenses deduction on the Participant's federal income taxes, regardless as to whether or not the Participant actually takes that deduction. Of course, you may not deduct expenses for which you are reimbursed by the Fund. These expenses are described in IRC Section 213(d) and include, for example, patient copayments for physician, hospital, physical therapy or prescription medicines, items or services. NOTE: Non-prescription medicines (other than insulin) are not considered qualified medical expenses for HRA purposes. A medicine or drug will be a qualified medical expense for HRA purposes only if the medicine or drug: (1) requires a prescription; (2) is available without a prescription (an over-the-counter medicine or drug) and you get a prescription for it; or (3) is insulin. *If you receive payment on any items under your or your spouse's insurance, you will only be reimbursed for any balances for which the patient is responsible.*

4. In order to receive reimbursement under this subsection, the Participant must submit supporting documentation for each item or service for which reimbursement is sought. The Fund will provide a "reimbursement expense" form to which this documentation must be attached. Examples of this documentation include, but are not limited to the following but note that the documentation must demonstrate that the Participant (or patient) actually paid the amount for which reimbursement is being sought:

- For office visits, inpatient or outpatient facility copays — a health plan's Explanation of Benefits (EOB) statement or an itemized receipt or bill from the provider that includes the patient's name, a description of the service, the original date of service and the patient's portion of the charge.
- For prescription drugs — A pharmacy statement or receipt from the pharmacy including the patient's name, the Rx number, the name of the drug, the date the prescription was filled, and the amount.
- For over-the-counter medicines — A written or electronic OTC prescription along with an itemized cash register receipt that includes the merchant name, name of the OTC medicine or drug, purchase date, and amount, OR a printed pharmacy statement or receipt from a pharmacy that includes the patient's name, the Rx number, the date the prescription was filled, and the amount.
- For over-the-counter health care-related products — An itemized cash register receipt with the merchant name, name of the item/product, date, and amount. These include items like crutches, supplies such as bandages, and diagnostic devices such as blood sugar test kits.

5. Reimbursement shall be made to Participants once annually. Participants must submit all applications for reimbursement no later than June 30 of the year following the Plan Year in which the claim or expense was incurred.

6. The Fund shall provide reimbursements by September 30 of the year following the Plan Year in which the claim or expense was incurred. The maximum reimbursement amount that a Participant can receive is equal to his or her account balance at the time the reimbursement request is processed.

7. Any monies that are not expended in one plan year will be rolled over to the next plan year and will continue to be available to the individual for reimbursement of qualified medical expenses, provided that the expenses relate to the claim year immediately preceding the year in which the reimbursement form is submitted and you were covered under the Plan.

8. At no time will any Participant or any other person be eligible to receive cash payment from the Fund under this HRA without documentation of qualified medical expenses.