



STATIONARY ENGINEERS LOCAL 39 TRUST FUNDS

DATE: NOVEMBER 2023

TO: PARTICIPANTS WITH DOMESTIC PARTNERS ENROLLED IN THE PLAN

FROM: BOARD OF TRUSTEES
Stationary Engineers Local 39 Health and Welfare Plan

RE: **NEW IMPUTED INCOME RATES**
– **Effective December 1, 2023, Due December 10, 2023**

This Participant notice advises you of certain changes that will be made to the Imputed Income rates for the Stationary Engineers Local 39 Health and Welfare Plan. While Domestic Partners and their children are eligible dependents under the Plan, the Internal Revenue Service (IRS) considers the “Plan’s cost” for your Domestic Partner’s health coverage as income imputed to you IF your Domestic Partner does not qualify as a tax dependent. If you currently have a Domestic Partner covered under this plan, this information is VERY IMPORTANT to you and your dependents. Please take the time to read it carefully.

Imputed income amounts are updated annually and calculated using the premiums or premium equivalent amounts in effect as of the current year. The fair market value of the monthly benefit eligibility provided under this Plan to your Domestic Partner or any of your Partner’s children is considered monthly income for you. The amount is calculated for each month during the year that the Domestic Partner and Partner’s children are covered.

On a monthly basis, you must pay the taxes on the imputed income. The Plan will automatically deduct the tax payment on the imputed income from your bank account by the 10th of each month, for the following month’s eligibility, using the direct deposit Automated Clearing House (ACH) method. The tax owed is 7.65% on the value of the coverage. Your monthly tax on the imputed income, effective December 1, 2023 (for January 1, 2024 coverage), will increase up to 6.8%, depending on the medical and dental options you have selected. The attached exhibit outlines the monthly Imputed Income and associated monthly tax amount that must be paid for each option.

Should you have any questions regarding the new Imputed Income Rates, please contact the Administrative Office at 925-208-2280 or toll free at 800-622-0547.

Mailing Address: P.O. Box 1737 ♦ San Ramon, CA 94583
7180 Koll Center Parkway, Suite 200 ♦ Pleasanton, CA 94566
Phone 925·208·2280 ♦ Toll Free 800·622·0547 ♦ Facsimile 925·462·0108
www.Local39benefits.org ♦ staff@Local39benefits.org

Because this Plan is a “grandfathered health plan,” we are required by law to provide this notice to you:

This group health plan believes the Comprehensive Medical Indemnity 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 grandfathered health plan means that your 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 grandfathered 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 Trust Fund Office 7180 Koll Center Parkway, Suite 200, Pleasanton, CA 94566, telephone number (925) 208-2280. 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.

This document has been uploaded and is available on the participant website at: www.local39benefits.org

Stationary Engineers Local 39 Health and Welfare Plan

Imputed Income Rates Effective January 1, 2024

Domestic Partner

Description	2023 Imputed Income (Monthly)	2023 Monthly Tax Amount Owed	2024 Imputed Income (Monthly)	2024 Monthly Tax Amount Owed	Difference
Indemnity Plan + Self - Funded Dental + Self-Funded Vision	\$1,096.49	\$83.88	\$1,139.30	\$87.16	3.9%
Indemnity Plan + Metlife Dental + Self-Funded Vision	\$1,064.26	\$81.42	\$1,106.78	\$84.67	4.0%
Kaiser Plan + Self - Funded Dental	\$896.68	\$68.60	\$923.02	\$70.61	2.9%
Kaiser Plan + Metlife Dental	\$864.45	\$66.13	\$890.50	\$68.12	3.0%
Blue Shield Plan + Self - Funded Dental + Self-Funded Vision	\$1,348.63	\$103.17	\$1,437.79	\$109.99	6.6%
Blue Shield Plan + Metlife Dental + Self-Funded Vision	\$1,316.40	\$100.70	\$1,405.27	\$107.50	6.8%

Domestic Partner + Domestic Partner's Child

Description	2023 Imputed Income (Monthly)	2023 Monthly Tax Amount Owed	2024 Imputed Income (Monthly)	2024 Monthly Tax Amount Owed	Difference
Indemnity Plan + Self - Funded Dental + Self-Funded Vision	\$2,192.98	\$167.76	\$2,278.60	\$174.31	3.9%
Indemnity Plan + Metlife Dental + Self-Funded Vision	\$2,128.52	\$162.83	\$2,213.57	\$169.34	4.0%
Kaiser Plan + Self - Funded Dental	\$1,793.35	\$137.19	\$1,846.05	\$141.22	2.9%
Kaiser Plan + Metlife Dental	\$1,728.89	\$132.26	\$1,781.02	\$136.25	3.0%
Blue Shield Plan + Self - Funded Dental + Self-Funded Vision	\$2,697.26	\$206.34	\$2,875.57	\$219.98	6.6%
Blue Shield Plan + Metlife Dental + Self-Funded Vision	\$2,632.80	\$201.41	\$2,810.54	\$215.01	6.8%

Domestic Partner + Domestic Partner's Children

Description	2023 Imputed Income (Monthly)	2023 Monthly Tax Amount Owed	2024 Imputed Income (Monthly)	2024 Monthly Tax Amount Owed	Difference
Indemnity Plan + Self - Funded Dental + Self-Funded Vision	\$3,289.46	\$251.64	\$3,417.90	\$261.47	3.9%
Indemnity Plan + Metlife Dental + Self-Funded Vision	\$3,192.76	\$244.25	\$3,320.35	\$254.01	4.0%
Kaiser Plan + Self - Funded Dental	\$2,549.15	\$195.01	\$2,623.90	\$200.73	2.9%
Kaiser Plan + Metlife Dental	\$2,452.45	\$187.61	\$2,526.35	\$193.27	3.0%
Blue Shield Plan + Self - Funded Dental + Self-Funded Vision	\$4,045.88	\$309.51	\$4,313.36	\$329.97	6.6%
Blue Shield Plan + Metlife Dental + Self-Funded Vision	\$3,949.18	\$302.11	\$4,215.81	\$322.51	6.8%