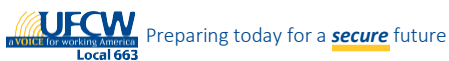


Minneapolis Retail Meat Cutters & Food Handlers Health and Welfare Fund



3001 Metro Drive - Suite 500
Bloomington, MN 55425

Online: www.663benefits.com
Phone: (952) 851-5797
Toll Free: (844) 468-5917

April 25, 2024

Dear Contributing Employer:

The Board of Trustees of the Minneapolis Retail Meat Cutters and Food Handlers Health and Welfare Fund ("Fund") continually monitors the financial health of the Fund, and the benefits available from the Fund. Following much discussion and in-depth analysis, the Trustees have taken action to implement a modernization of the Plan's eligibility rules and contribution structure as set forth in the enclosed.

The Board of Trustees adopted the enclosed *Motion on Modernization of the MRMC Health and Welfare Fund* at the special Trust meeting held on April 8, 2024.

Several of the items addressed in the motion will be the subject of bargaining between each participating employer and the Union upon expiration of the parties' current collective bargaining agreements ("CBAs") with the understanding that the Fund trustees have the right to accept or reject the CBAs as bargained. Other changes will be implemented by the trustees as soon as administratively feasible, with the goal of making them effective on or about January 1, 2025.

Specifically, the changes that are subject to bargaining between each employer and the Union are:

1. Making employer contributions on either a monthly or weekly basis;
2. Eliminating contribution tunnels prior to eligibility with a corresponding increase in the employer contribution rate ("Load Factor") to account for the fact that tunnel contributions will no longer be made;
3. Employers will choose to make contributions based on either a tiered rate structure or a composite rate, and;
4. Shortening the waiting periods for part-time eligibility for coverage with the employer and employee contributions starting correspondingly sooner. If the waiting period is shortened, the Load Factor will be reduced to reflect the accelerated contribution start date.

The changes that are not subject to bargaining and which the Trustees will be implementing as soon as administratively feasible include:

1. Changing from retroactive to prospective health care coverage;
2. Eliminating the existing grace weeks structure (as a result of moving from retroactive to prospective coverage structure) and funding individual health reimbursement accounts for those participants who had unused grace weeks as of the date of the change, with the funding being based on the value of the unused grace weeks, and;
3. Adopting an annual open enrollment program that will be conducted by the Fund administrator with the first open enrollment period to be scheduled during the fall of 2024 for health coverage commencing January 1, 2025. Participants with coverage who do not want to make changes to their coverage will not have to enroll. However, eligible employees who previously did not enroll or participants wishing to make changes to their coverage will have the opportunity to participate in open enrollment.

The modernization changes that are the subject of bargaining will become effective based on each employer's bargaining schedule but no earlier than January 1, 2025, and will be negotiated terms to your CBA, either during renewal or through a reopener allowed under the CBA.

You are invited to attend an informational meeting for all contributing employers to be held:

Thursday, May 9, 2024
9:00 AM – 11:00 AM
Jerry's Enterprise – 5101 Vernon Avenue South, Edina

If you are unable to attend in person, please contact the Fund Office at (952) 814-7014 or jintveld@wilson-mcshane.com and a dial-in phone number can be provided.

Additional information will continue to be provided as we near the implementation date of these Fund changes.

Sincerely,

Board of Trustees
Minneapolis Retail Meat Cutters and Food Handlers Health and Welfare Fund

Enclosure(s): 1