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## PSEW HEALTHCARE PLAN UPDATE FOR MEMBERS February 2024

This is an update from your PSEW Healthcare Trustees on the status of the Healthcare Plan and upcoming Plan changes.

**Plan Financials.** First and foremost, your Healthcare Trustees want to **thank all members** in the construction units for allocating some of your February 2024 raise to the Healthcare hourly rate.

Since the last Update, the Healthcare Trust Fund has experienced higher claims costs and less contribution income. The most recent financial report shows that the **Unallocated Reserve Fund** has dropped over the last two years from \$28 million to around \$8 million dollars as of **November 2023**. The Unallocated Reserve Fund is used to make up the deficit when monthly contributions do not cover monthly expenses. The Reserve Fund is also used to cover other future financial emergencies.

There are several reasons for the **decline in the Unallocated Reserve Account**. Those reasons are: 1) **Inflation** that caused the cost of healthcare to increase 18.5% in the last three years, plus predictions of an additional 7% increase in 2024; 2) **Large medical claims costs** over the last two years have added several million dollars in unexpected costs reducing the reserve account. The Trust carries Stop Loss insurance that will help reimburse some of the large claims but not all; 3) **Hours worked** for all construction units since 2021 are down **19% or 1.5 million fewer hours** worked. This is a huge loss of income to the Trust for the last two years. These reasons are why the Trustees must take action now.

**Dollar Bank Change Effective April 1, 2024.** The Healthcare Trust Office recently mailed out the notices to Plan members of the dollar bank changes taking effect April 1, 2024. The **maximum dollar bank** that anyone can now accumulate going forward will be **five months**. This is a **one-month reduction** that will only affect those who have the full six months in their dollar bank as of April 1, 2024. Also, the monthly charge off rate for Plan 1 Journeyman will increase to \$1200 a month and for Plan 2 will increase to \$900 a month starting April 1, 2024 to help cover increased healthcare costs.

The Trustees do not take these steps lightly but are required to take action to sustain the overall viability of the Trust Fund.

**Member Portal.** Don't forget to set up your new online account to check up on all of your Trust accounts. Go to the PSEW website at [www.psewtrusts.com](http://www.psewtrusts.com) and click on the "Member Login" button. You will receive instructions to set up your account.

Check the PSEW Website for details of all Plan changes. [www.psewtrusts.com](http://www.psewtrusts.com)

In Solidarity,

Your Healthcare Trustees  
Sean Bagsby, Janet Lewis, Gillian Burlingham