



MEMORANDUM

To: All YRCW Local Unions with Members in TeamCare

From: Ernie Soehl, Director, National Freight Division

Date: May 9, 2020

RE: **YRCW – Health and Welfare Fund Contribution Delay (TeamCare)**

This update pertains to Central States Health and Welfare Fund (TeamCare). As I indicated previously, the YRCW companies have experienced a decline in volumes and revenues over the past few weeks due to the COVID-19 pandemic. As a result, YRCW has approached the overwhelming majority of benefit funds, which are separate legal entities, and requested extensions of time within which to make the required health, welfare and pension contribution payments for the months of March, April and perhaps additional months. TeamCare has been engaged in substantial discussions with YRCW for the past several weeks in this regard and has continued to provide health coverage during this time frame.

On Friday, May 8, 2020, TeamCare issued a notice stating that YRCW is officially delinquent and advising Local Unions that it is mailing to participants a notice placing the Company in “suspension of benefits status” effective May 10 (this Sunday). This normally would mean that any health claims incurred by members or their families after May 9, 2020 would not be paid by the Fund unless and until YRCW resolves the delinquency (or the member remits self-contributions (COBRA) to maintain coverage).

However, due to YRCW’s unique situation, the Fund Trustees have now agreed to allow TeamCare “Layoff Coverage”, to apply to actively working members during YRCW’s suspension of benefits period for a maximum of 8 weeks. Therefore, eligible claims incurred after May 10 should still be paid for the next 8 weeks even though YRCW is on suspension of benefits status.

We recognize that some employees may have already used a number of weeks of the “layoff coverage.” TNFINC has been working with YRCW and TeamCare to address potential lapses in coverage. In this regard, we can report that today **arrangements have been made so that both active employees and employees laid off after March 1 will have the full 8 weeks of “Layoff Coverage” going forward from May 10 to continue health care coverage. This includes both employees who**

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have been actively working and those who may have already used up some of the “layoff coverage.” In other words, even though YRCW is technically delinquent and has been placed in suspended benefit status, everyone WILL ALL RECEIVE A FRESH 8 WEEKS OF CONTINUED COVERAGE AS OF MAY 10.

The continued coverage will, however, deplete the eight weeks of “layoff coverage” going forward, even for those employees who are not laid off. Please encourage members to visit MyTeamCare.org if there are specific questions about coverage, particularly since the Fund’s determinations will be controlling.

Meanwhile, it is hoped that over the next eight weeks, YRCW’s business and financial situation will improve and that the Company can cure the delinquency and return to normal status. In fact, we have seen volumes improve over the past two weeks and some laid off employees have been recalled to active status.