



NATIONAL HEALTH AND WELFARE FUND

66 Grand Avenue 1212 W. Robinhood Dr.
Englewood, NJ 07631 Stockton, CA 95207
Telephone: 201.569.8801 209-952-6533
Facsimile: 201.569.1085 209-952-7325
www.ufcwnationalfund.org

The UFCW National Health and Welfare Fund (“Fund”) is a joint labor-management employee benefit Trust Fund. It is often referred to as a “Taft-Harley Fund” because it is regulated by the Labor Management Relations (“Taft-Hartley”) Act of 1947, as well as by the Employee Retirement Income Security Act (“ERISA”) and the Internal Revenue Code (“Code”). The Fund is established and maintained through collective bargaining agreements (CBA) between one or more labor unions and more than one employer. As a matter of federal law, the Fund must be structured as a Trust that is a separate legal entity, distinct from its sponsoring union(s) and contributing employers pursuant to its Agreement of Trust.

The Fund is governed by a joint board of trustees on which labor and management are equally represented. The labor trustees are appointed by the UFCW International Union and the management trustees are elected by a vote of the contributing employers. In performing their Fund related duties, the trustees have a fiduciary responsibility solely to the Fund and its participants and beneficiaries, and not to the contributing employers or sponsoring union(s).

The Fund is financed by employer contributions fixed by Collective Bargaining or other written agreements and investment of its pooled reserves. The Fund is mostly self-funded – that is benefits are paid by the Fund from its pooled assets, rather than by an insurance company. The Fund does carry “stop loss” insurance to spread the risk of catastrophic claims.

The Fund is self-administered: that is, it employs an in-house staff to perform all of the administrative functions such as collecting contributions, contracting with insurers or other organizations that maintain provider networks or group purchasing networks, determining eligibility, processing and paying benefit claims, handling appeals, record-keeping and reporting and disclosure. All of the Fund’s administrative costs are paid from the Fund’s pool of assets.

The Fund has endeavored to develop innovative means for cost containment including negotiating contracts with providers such as prescription benefit managers and preferred provider organizations, promoting preventive care and wellness, engaging in disease management and forming group purchasing coalitions to maximize bargaining power. The Fund currently provides benefits to participants and beneficiaries in 18 states from its offices in Englewood, NJ and Stockton, CA.