

MEMORANDUM

TO: Participants of the Joint Welfare Fund of Local 164
FROM: Board of Trustees
RE: SUMMARY OF MATERIAL MODIFICATION TO THE JOINT WELFARE FUND OF LOCAL 164, IBEW EIN: 22-1537766

Benefits Changes Effective 1/01/2011

The following is a modification to the provisions of Summary Plan Description. Keep it with your copy of the Summary Plan Description for easy reference.

As you know, the Joint Welfare Fund has experienced a significant decrease in contributions, continued high unemployment in our areas, and substantial increases in the costs of health care services. Therefore, in addition to the changes made to the co-payments that went into effect on October 1, 2010, the Joint Welfare Fund must also make the changes listed below to the benefit plan. The changes that are being made will have an impact on all of the participants; however, we hope that these measures will be sufficient to continue benefits to all of the participants until there is full employment again.

Eligibility

The new healthcare reform law contains a provision requiring group health plans that provide dependent coverage for children to continue to make coverage available for an adult child until the child turns 26 years of age. The Joint Welfare Fund will be making this requirement effective January 1, 2011. This requirement only applies to an adult child who is not eligible to enroll in another employer-sponsored health plan.

Medical

Lifetime dollar limit of a million dollars has now been removed. Therefore all approved benefit claims will be covered past the previous limit.

The out-of-network deductible will be increased to **\$500** per family member. The out-of pocket maximum will be **\$2,500** per family member.

Out-of-Network Providers' charges will be reimbursed at 70% Coverage of Usual, Customary and Reasonable after the deductible has been satisfied.

Prescription (Rx) Co-Pays:

Generic: \$15 per 30 day script - \$30 per 90 day script
Brand Name: \$25 per 30 day script - \$50 per 90 day script

- The 90 day supply prescriptions will continue to be available for approved drugs.
- There is no longer 100% coverage after the prescription maximum has been met.
- Prescriptions for Plan B participants, who have reached the maximum, will be paid at **80%** of charges.
The participant co-pay will be **20%** after the maximum has been met.

Dental for Plan B

The dental maximum per family member will be:

- Member **\$3,000** per year
- Spouse **\$3,000** per year
- Each Child **\$1,000** per year

Plan A does not change, the maximum remains at *\$1,000.00* per person per benefit year.

The Orthodontic benefit is being discontinued effective January 1st however children under age 19 will be able to use the \$1,000 dental allowance for Orthodontic procedures. If you are currently in treatment for Orthodontic care you will be grandfathered for the \$3,000 benefit. If the maximum benefit is paid out you will not be able to use your dependent's allowance of \$1,000 to pay for any unpaid balances after the \$3,000 benefit has been paid.

Retiree Benefits

Retirees not enrolled in Medicare Part A & B that are eligible for Welfare Fund benefits the premium will now be:

- Single Coverage **\$250** per month, deducted from the Pension Benefit.
- Family coverage **\$500** per month, deducted from the Pension Benefit.
If you do not receive a monthly Pension Benefit, you must self pay the premium.

Retirees under age 59 that do not have Welfare banked hours will pay the self pay rate in effect, in addition to the monthly premium.

Retirees enrolled in Medicare Part A & B that are eligible for Welfare Fund benefits the premium will now be:

- Single Coverage **\$100** per month, deducted from the Pension Benefit.
- Family coverage **\$200** per month, deducted from the Pension Benefit.
If you do not receive a monthly Pension Benefit, you must self pay the premium.
- Retirees on Medicare will **no longer** receive the \$30 monthly subsidy.

If a Retiree is eligible for Medicare Part A & B and the spouse is not, the monthly welfare premium will be a combination of the single rates listed above. The same will hold true if the retiree is ineligible for Medicare but the spouse is enrolled in Medicare Part A & B.

If you have any questions regarding your health and welfare benefits, or any of the information in this letter, please contact Claims Department at **877-228-4202** or contact the Fund Office at **201-225-1641**.