

Puget Sound Electrical Workers Trust Funds

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Administered by
Welfare & Pension Administration Service, Inc.

July 1, 2011

**TO: All Medicare and Non-Medicare Retirees and Eligible Dependents of the
Puget Sound Electrical Workers Health & Welfare Trust**

PARTICIPANT NOTICE ABOUT BENEFIT MODIFICATIONS

*Please be sure that you and your family read this notice carefully.
It should be kept with your benefit booklet or insurance records for future reference.*

This Participant Notice will advise you of certain material modifications that have been made to the Health & Welfare Trust to comply with the new Patient Protection and Affordable Care Act (the "Affordable Care Act") *effective August 1, 2011.*

COVERAGE FOR DEPENDENT CHILDREN TO AGE 26 - EFFECTIVE AUGUST 1, 2011

Attention Parents – Please make sure to provide a copy of this notice to your eligible young adult child(ren). Under the law and applicable regulations, this notice is being transmitted to you for delivery to your children.

The Affordable Care Act allows young adults to be covered by their parents' plan until they reach age 26. The law states that the extension of dependent coverage for children is effective for Plan years beginning on or after September 23, 2010.

Therefore, effective August 1, 2011 the Fund is extending dependent child coverage from the current limiting age of 19 (or age 23 if a full-time student) to the end of the month in which a dependent child turns age 26. Coverage is extended for natural children, stepchildren, foster children, adopted children and children placed for adoption regardless of whether the dependent child is married, a full-time student, resides with the employee or retiree, or is financially dependent on the employee or retiree. Coverage is also extended up to age 26 for unmarried children who depend on the employee or retiree by virtue of a court order or for whom the employee or retiree has legal custody. If your child is eligible for group health coverage through his or her employer or spouse's employer, your child is not eligible to enroll in this Plan. You are required to inform the Plan if your child is eligible for group health coverage through his or her employer or spouse's employer.

Any dependent children added during this period will have all the same benefits and coverage that are available to similarly situated individuals.

NOTIFICATION OF COLLECTION OF DEPENDENT INFORMATION – This applies to dependent children (son, daughter, stepchild, foster child, adopted child, child placed with you for adoption, unmarried child who depends on you by virtue of a court order, or unmarried child for whom you have legal custody) under the age of 26 who:

- previously lost coverage under the Plan because they reached the Plan's limiting age; or
- were previously denied coverage under the Plan because they were over the limiting age; or

- previously lost coverage or were denied coverage because they failed to meet the dependent eligibility requirements (i.e. not a full-time student, were married, did not reside with the employees, did not meet financial support requirements)

This opportunity afforded under the Federal law applies to dependent children and does not create any eligibility for coverage for the husband or wife of the dependent child (the employee/retiree's son-in-law or daughter-in-law) or the children of the dependent child (the employee/retiree's grandchild).

ELIMINATION OF LIFETIME BENEFIT MAXIMUMS AND IMPLEMENTATION OF NEW ANNUAL BENEFIT MAXIMUM – EFFECTIVE AUGUST 1, 2011

For Medicare eligible retirees, effective August 1, 2011, the Plan is eliminating the current \$100,000 lifetime medical benefit maximum. In place of the lifetime maximum, the Plan will be implementing an *annual* medical benefit maximum of \$750,000. Retirees whose medical coverage previously ended by reason of reaching the lifetime limit are again eligible for coverage under the Plan. Individuals have 30 days from the date of this notice to request coverage. Coverage will be effective August 1, 2011. To be covered the individual must complete an enrollment form and return it to the Administration Office with a postmark of no later than July 31, 2011. If you require an enrollment form, please contact the Administration Office at 206-441-4667, option 4 or toll free at 866-314-4239, option 4.

Coverage for Medicare eligible retirees will continue to be a Medicare Supplemental Plan, the Plan will only cover charges that Medicare covers. There are no benefit changes.

For non-Medicare retirees, effective August 1, 2011, the Plan is eliminating the current \$1,000,000 lifetime medical benefit maximum. In place of the lifetime maximum, the Plan will be implementing an *annual* medical benefit maximum of \$1,000,000. Non-Medicare retirees whose medical coverage previously ended by reason of reaching the lifetime limit are again eligible for coverage under the Plan. Individuals have 30 days from the date of this notice to request coverage. Coverage will be effective August 1, 2011. To be covered the individual must complete an enrollment form and return it to the Administration Office with a postmark of no later than July 31, 2011. If you require an enrollment form, please contact the Administration Office at 206-441-4667, option 4 or toll free at 866-314-4239, option 4.

For non-Medicare retirees the Plan's current lifetime maximum benefit limits for the following care are also being changed from lifetime maximums to *annual* benefit maximums August 1, 2011:

- Diabetic Education: \$300 lifetime limit removed, implement \$300 annual limit
- Chemical Dependency: \$15,000 lifetime limit removed, implement \$15,000 annual limit
- Neurodevelopmental Therapy: \$5,000 lifetime limit removed, implement \$5,000 annual limit
- Organ Transplant Donor Expenses: \$25,000 lifetime limit removed, change to \$25,000 per transplant
- Surgical Treatment of Temporomandibular Joint Disorder (TMJ): \$2,000 lifetime limit removed, implement \$2,000 annual limit
- Repeat Bariatric Surgery: \$25,000 lifetime limit removed, implement \$25,000 annual limit
- Smoking Cessation (patches only if purchased through mail order program): \$300 lifetime limit removed, implement \$300 annual limit.

CALENDAR YEAR BENEFIT MAXIMUMS REMOVED EFFECTIVE AUGUST 1, 2011
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For non-Medicare retirees the following calendar year maximums are also being removed August 1, 2011. These benefits will be subject to the new *annual* medical benefit maximum stated above (i.e., \$1,000,000 effective August 1, 2011). All other Plan limitations and exclusions currently listed in the Summary Plan Description and subsequent notices will remain unchanged.

For all non-Medicare Plan participants, effective August 1, 2011 calendar year limits will be removed as follows:

- \$200 combined Physical Exam/Lab/X-ray/Immunizations (visit frequency limits remain)
- \$600 Naturopath (\$50 per visit limit remains)
- 60 visit limit - Occupational, physical and speech therapy (\$60 per visit limit remains)

For dependent children under the age of 12, the \$2,500 calendar year maximum for dental benefits is removed effective August 1, 2011. The dental calendar year maximum of \$2,500 will remain for all eligible participants age 12 and above.

Orthodontia benefits – the current lifetime maximum amount payable for orthodontic benefits is \$2,500 for each eligible child to age 23. Effective August 1, 2011 this age limit will change to age 26.

CANCER SCREENING BENEFITS

As a reminder, the Health and Welfare Trust covers cancer screening benefits according to guidelines published by the American Cancer Society. These guidelines are as follows:

Breast Cancer

- Annual mammogram for women age 40 and over

Colorectal Cancer

Beginning at age 50:

- annual fecal occult blood test (FOBT)
- flexible sigmoidoscopy every 5 years
- double-contrast barium enema every 5 years
- colonoscopy every 10 years

Cervical Cancer

- Women age 21 and over, annual regular Pap test or every 2 years with liquid-based Pap test

Endometrial (Uterine) Cancer

- Women age 35 and over at high risk for hereditary nonpolyposis colon cancer (HNPCC), annual screening with endometrial biopsy

Prostate Cancer

- Men age 50 and over, annual prostate-specific antigen (PSA) blood test and digital rectal exam (DRE). Men at high risk, annual screenings can start as early as age 40.

NOTICE ABOUT THE EARLY RETIREE REINSURANCE PROGRAM

The Trust has been certified for participation in the Early Retiree Reinsurance Program (“ERRP”). ERRP is a Federal program that was established under the Affordable Care Act. Under ERRP, the Federal government reimburses a plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in employment-based plans. By law, ERRP expires on January 1, 2014.

The Board of Trustees, as the Plan sponsor, has chosen to use any reimbursements it receives from ERRP to offset increases in the Plan’s self-funded health benefit costs. This may benefit you if future increases to your contributions, co-payments, deductibles or co-insurance are delayed or avoided. This may be advantageous to you for so long as the reimbursements under ERRP are available and the Board of Trustees chooses to use the reimbursements for this purpose.

MANDATORY REPORTING OF SOCIAL SECURITY NUMBERS

Federal law, Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA), requires that effective January 1, 2009 all individuals (members and Dependents) who are covered by a health plan must report all social security numbers to their health plan. The Plan is then required to report all social security numbers to Medicare. You may view this requirement at: www.cms.hhs.gov/MandatoryInsRep.

NOTICE OF GRANDFATHERED STATUS

This Plan is a “grandfathered health plan” under the Affordable Care Act. As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted.

Being a grandfathered health plan means that this Plan does not include certain consumer protections of the Affordable Care Act that may apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, this Plan must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Administration Office toll free at 1-866-314-4239, option 1. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

TRUST WEB SITE

The **Puget Sound Electrical Workers Health & Welfare Trust** has established a web site to provide you with immediate access to your plan information. The site located at www.psewtrusts.com includes the following Trust Fund related material:

- Forms – Claim Forms, Legal Documents, and Notices
- Plan Booklets
- Links to Preferred Provider Organizations, and other useful sites
- Local Unions and International Contact Information

This site will also provide a link to “My Personal Benefit” information, which may be viewed through a secure location requiring the entry of a personal identification number (PIN) and your social security number. A PIN will be assigned and mailed to you upon your written request. To request a PIN, please complete a PIN REQUEST FORM which can be printed from the website.

Please note that a PIN will be assigned. For security purposes you *may not* choose your own PIN. “My Personal Benefits” information includes the following data:

- Personal Information – Name, address, gender, birth date, marital status, etc.
- Hours/Contributions – A statement showing recent employers reporting hours and contributions to the Trust on your behalf.

www.psewtrusts.com

Please keep this important notice with your Plan Document/Summary Plan Description (SPD) for easy reference to all Plan provisions. Should you have any questions, please contact the Administration Office toll free at 1-866-314-4239, option 1.

Sincerely,

Board of Trustees
Puget Sound Electrical Workers Health & Welfare Trust