

# PLUMBERS and PIPEFITTERS

LOCAL UNION NO. 422

WELFARE FUND

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## Important Health and Welfare Fund Changes

August 2008

Dear Participant:

The Health and Welfare Fund provides comprehensive coverage to meet a variety of your healthcare needs. Even though benefits are meeting varying needs, we periodically review the Plan to see if individual coverages or the way an expense is covered can be improved. For these reasons, we are pleased to announce several improvements to the Plan's coverage, as described in this letter. Please read the remainder of this letter for details.

### Clarifying Definition of Dependent for all Participants

In general, the Plan's definition of a Dependent includes your spouse and children, as specified in your Summary Plan Description. Relating to your spouse, he or she must be your legal spouse, living in your household. If you and your spouse divorce or legally separate, your spouse is no longer considered a Dependent under the Plan. To limit any confusion, the definition of Dependent is being clarified to include a definition of legally separated. Legally separated means that you and your spouse are not living in the same household and have each established a separate household. The Trustees will make the determination of separate households based on facts provided to them, which may include a court order.

If you and your spouse divorce or get a legal separation, your spouse is no longer an eligible Dependent; however, he or she may be eligible to continue coverage by electing and paying for COBRA Continuation Coverage.

### Continuation of Coverage During Disability for all Active Employees

In the event you become disabled and are unable to work, the Fund gives you the opportunity to continue coverage by making self-payments. The self-payment contribution is equal to 200 hours times the hourly rate in effect for contributing employers.

Effective January 1, 2008, the Plan will allow you to continue eligibility by first using your Reserve Accumulation Account. Once your Account is depleted, you may then continue coverage by making self-payment contributions for up to 10 consecutive benefit quarters. However, after you make self-payment contributions for the first eight consecutive benefit quarters, you may elect to:

- Make self-payment contributions for an additional two consecutive benefit quarters; or
- Elect and make self-payments for COBRA Continuation Coverage at the COBRA self-payment level, which is based on the actual cost of Plan coverage.

If you elect to make self-payment contributions for the final two consecutive benefit quarters, and are then eligible for COBRA Continuation Coverage, those final two self-payment benefit quarters will count toward your maximum COBRA Continuation Coverage period, which means that the last two self-payment benefit quarters would run concurrently with your COBRA Continuation Coverage.

## **Increasing Calendar Year Maximum for Class C Participants**

The maximum the Plan pays each calendar year is **increasing to \$20,000** from \$15,000 per person. The calendar year maximum applies to all medical benefits that the Plan pays from January 1 to December 31 each year for a Class C individual while covered under the Plan. Class C participants are eligible retired employees and dependents of eligible retired Employees who are eligible for Medicare. This change is effective, retroactive to, January 1, 2007.

## **Improved Dental Examination Benefits**

The Plan's dental benefits include coverage for oral prophylaxis, which is cleaning and scaling of teeth. Effective January 1, 2008, the Plan increased the maximum number of times in a calendar year that oral prophylaxis may be covered from two to three times.

## **Improved Outpatient Mental or Nervous Disorder Treatment**

Effective January 1, 2008, the Plan will pay 100%, up to \$250, for a "risk-education" program course of treatment when recommended by the Member Assistance Program (MAP) provider. Other outpatient treatments already covered by the Plan (at 80%), include:

- Hospital charges for outpatient facilities;
- Attending physician fees;
- Diagnostic x-ray or lab charges; and
- Prescription drugs.

## **A Final Note**

Please keep this letter with your *Summary Plan Description*. If you have questions about these changes or your benefits in general, please call the Fund Office.

Sincerely,



Chairman  
Board of Trustees  
Plumbers and Pipefitters Local Union No. 422  
Health and Welfare Fund

*This announcement contains only highlights of certain features of the Plan and serves as a Summary of Material Modifications. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at anytime.*