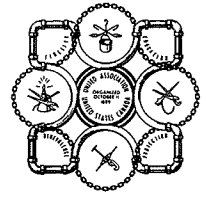




PLUMBERS AND PIPEFITTERS LOCAL 501

NORTHERN ILLINOIS BENEFIT FUNDS



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IMPORTANT NOTICE

June 2011

To All Plan Participants:

The Trustees of the Northern Illinois Benefit Fund have adopted the following Plan improvements that are **effective July 1, 2011**.

AGE LIMIT FOR CHILDREN INCREASED

The Plan's definition of an eligible dependent child is changing as follows effective July 1, 2011:

- Your eligible natural or adopted children and stepchildren can remain covered through age 25 (until their 26th birthday).
- The residence, financial dependence and marital status of a natural, adopted or step child under age 26 will not affect eligibility.
- Eligible natural, adopted, and step children are not required to be students in order to remain covered under the Plan, EXCEPT THAT:

The Plan will exclude a child age 19 or older who is not a student if he is eligible for other group coverage through his employer, or through his spouse's employer. This rule applies whether or not the child must pay for the other coverage, and whether or not he enrolls in the other coverage.

TO ENROLL A CHILD - Children of eligible employees and retirees who lost coverage, or who were never covered, due to their failure to satisfy the Plan's previous definition of a dependent child, and who would meet the new definition as of July 1, 2011, can enroll for coverage using the enclosed enrollment form. Plan coverage for a newly enrolled child will start on the day the child first meets the eligibility requirements but not before July 1, 2011. Return your fully completed enrollment form as soon as possible to avoid claim processing delays.

If the child has not been covered by the Plan in the past, you will be required to submit proof that he meets the Plan's new definition of a dependent.

NEW DEFINITION OF 'DEPENDENT' - Because of the changes described above, the Plan's definition of "dependent" has been restated effective July 1, 2011 to read as follows:

Dependent

1. **Spouse** - Your legal spouse, provided you and your spouse are living together in a bona fide marital relationship.

If you and your spouse cease living together in a bona fide marital relationship for 18 months or more, your spouse's coverage under the Plan will end on the last day of the calendar month coincident with or next following the end of the 18-month separation period. This rule applies regardless of the reason for the separation, except for medically necessary events such as long-term confinement in a nursing home.

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2. Children

- Your child who is less than 19 years old;
- Your child who is 19 years old and less than 26 years old who is not eligible for other group coverage through his employment or through his spouse's employment;
- While not covered as a "dependent," your child who is 19 years old and less than 26 years old and a full-time student will be covered under the Plan even if eligible for other group coverage through his employment or through his spouse's employment. (Because he is not covered as a "dependent," a full-time student covered under this provision will not be eligible for COBRA coverage if he loses coverage as a result of loss of full-time student status, but he may re-qualify as a "dependent" if he is still under age 26 and is not eligible for other group coverage through his employment or through his spouse's employment.) A "full-time student" means a registered student in an accredited secondary school, college, university, technical or trade school who is enrolled for a minimum of the credit hours required to meet the school's criteria for "full-time" status. Proof of full-time student status is required for each school term. (The Plan will consider him to be a full-time student during the summer if he attended school full-time during the preceding spring term and is registered as full-time student for the subsequent fall term.); and
- Your child who is age 26 or older and who is permanently and totally disabled because of mental retardation, mental incapacity or physical disability as certified by a doctor. The child must have become disabled before becoming age 26; must remain disabled and be incapable of self-sustaining employment and be dependent upon you for the major portion of his financial support and maintenance, and specifically not provide more than 50% of his own support during any calendar year. Within 31 days after the child's 26th birthday, you must furnish, at your own expense, initial proof of the child's disability and that he became disabled before he became age 26. Subsequent proof of the child's continued disability may be required by the Trustees, but not more often than once a year. (If the Trustees request proof of the child's disability in the future, you must furnish the proof or the child's coverage will terminate.)

Definition of Child - For purposes of this definition, a "child" means any of the following:

- A natural child of yours (either a child born of a valid marriage of yours, or a child for whom you have been determined to be the legal parent).
 - A child legally adopted by you or placed in your home for adoption.
 - A stepchild of yours (meaning any child of your spouse who was born to your spouse or who was legally adopted by your spouse before your marriage to your spouse).
 - A child who is determined to be an "alternate recipient" under the terms of a court order which the Trustees determine to be a Qualified Medical Child Support Order (QMCSO). The Trustees, in consultation with the Fund legal counsel, have adopted procedures for determining whether a particular court order qualifies as a QMCSO. If you would like a copy of the Plan's QMCSO procedures, please call or write the Fund Office. If you are a responsible party in a court action involving a child, you should request a copy of the Plan's procedures BEFORE the final order is entered.
3. **Special Dependents** - While not covered as a "child," the Plan will also cover your or your spouse's grandchild (excluding a child of your child if your child is still your dependent), sibling, nephew or niece under age 19, provided you have an order of guardianship or custody, and the child lives in a parent-child relationship with you, and is dependent on you for the major portion of his support. In addition, any such child must have lived in your home for at least 180 consecutive days prior to the incurral of the first claim submitted on the child's behalf. Coverage can be continued after age 19 if he is and remains a registered full-time student in an accredited secondary school, college, university, vocational or technical school, and remains dependent upon you for the major portion of his financial support. Proof of full-time student status for each school term must be submitted to the Fund Office before the child will be covered. Coverage will terminate at

the end of the calendar year in which your grandchild, sibling, nephew or niece reaches age 24 or ceases to be a full-time student, whichever occurs first.

Payment of benefits for any child is subject to the terms of the Plan's coordination of benefits provisions.

A child who works for a contributing employer or who is eligible for benefits under this Plan as an employee is not considered a dependent under this Plan. If a child is a full-time active member of the military or armed forces of any country, the child is not considered a dependent under this Plan.

If both you and your spouse are covered under this Plan as employees (or retirees), a child will be considered a dependent of either the husband or the wife, but not as a dependent of both.

If a husband and wife are both covered as employees under this Plan, the Plan will pay benefits on a claim for either spouse only as one employee's claim.

CERTAIN DOLLAR LIMITS INCREASED OR REMOVED

Effective July 1, 2011:

- Lifetime Benefit Limit Removed; Annual Maximum Increased** - The Plan's \$2,000,000 lifetime dollar limit under the Comprehensive Medical Benefit (major medical benefit) is being removed, and the current annual dollar limit of \$500,000 is being increased to \$2,000,000.
- Transplant Maximums Removed** - The specific dollar maximums for transplants will no longer apply.
- Hearing Care Dollar Limit Removed** - The \$1,500-every-5-years maximum benefit for hearing care will not apply to covered hearing exams and tests (but it will continue to apply to hearing aid devices).
- Dental Services for Children** - The annual dollar limits on Dental Benefits will not apply to children age 0-18 years. (The dollar limit for orthodontia will continue to apply to children.)

NEW COBRA SELF-PAY RATES

The Benefit Fund's monthly COBRA rates will decrease as shown below effective June 1, 2011:

	Old Rate:	Eff. 6/1/11:
Former member or spouse (family coverage)*	\$1,225	\$1,123
Former dependent child (single coverage)	\$350	\$321

** All participants pay the same (family) rate—there is no single-only rate.*

The rates above provide medical, dental and vision coverage.

COBRA coverage allows qualifying individuals to make self-payments to continue their coverage when it would otherwise terminate.

RESCISSION OF COVERAGE

The following language is not a change in the Fund's administrative practices. However, the language has been added to comply with the requirement of the Affordable Care Act. Rescission of coverage only applies to a retroactive termination of eligibility. The Fund will continue to rescind coverage in cases of fraud or misrepresentation of material fact, for example when the Fund is not notified of a divorce or a child ceasing to meet the definition of a dependent.

- In the case of a rescission occurring on and after July 1, 2011, the Trustees may rescind coverage, effective on the date they determine appropriate. They may pursue all available legal and equitable means to recover benefits erroneously paid for coverage improperly provided for any participant or beneficiary in the event a covered individual has committed an act or practice that constitutes fraud or made an intentional misrepresentation of material fact.

- In the case of a rescission occurring prior to July 1, 2011, the Trustees may rescind coverage, effective on the date they determine appropriate, and pursue all available legal and equitable means to recover benefits erroneously paid for coverage improperly provided for any participant or beneficiary.

REQUIRED NOTICES

Notice Regarding Grandfathered Status

The Trustees of the Northern Illinois Benefit Fund have determined that its benefit plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (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 your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement to cover preventive health services without any cost sharing. However, grandfathered health plans 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 Fund Office at 1295 Butterfield Road, Aurora, IL 60502-8879, telephone: 630-978-4600, email: benefit-funds@ualocal501.org. 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.

Notice Regarding Removal of Lifetime Limit

The lifetime limit on the dollar value of benefits under the Northern Illinois Benefit Fund no longer applies. Individuals whose coverage ended by reason of reaching a lifetime limit under the Plan are eligible to enroll in the Plan. Individuals have 30 days from the date of this notice to request enrollment. For more information contact the Fund Office. Contact information is shown at the top of page 1 of this notice.

Notice About the Early Retiree Reinsurance Program

You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a plan sponsor of an employment-based health 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 the employment-based plan. By law, the program expires on January 1, 2014.

Under the Early Retiree Reinsurance Program, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants’ premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs. If the plan sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimbursements for this purpose. A plan sponsor may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

If you have received this notice by email, you are responsible for providing a copy of this notice to your family members who are participants in this plan.

SPECIAL ENROLLMENT FORM FOR CHILD OF A PARTICIPANT

➔ All information requested on this form must be provided.

➔ You must sign where indicated on the REVERSE side.

I. INFORMATION ABOUT PARTICIPANT (Employee/Retiree)

1. Full name _____ 2. SSN/Indiv. ID# _____

3. Address _____

II. INFORMATION ABOUT CHILD

1. Full name of child _____ 2. Child's SSN# _____

3. Child's sex: M F 4. Child's date of birth including year _____

5. Child's relationship to you _____ (natural, adopted, etc.)

6. Child's address if different than yours _____

ANSWER QUESTIONS 7 - 10 IF CHILD IS AGE 19 OR OLDER

7. Is child a full-time student? If so, please submit proof of registration and grades from most recent quarter or semester.

8. Is child employed? yes no If "yes," give name, address and TELEPHONE NUMBER of employer _____

9. Is child eligible for health care coverage through his or her employment? yes no

10. Child's marital status: Single/Divorced Married

III. INFORMATION ABOUT CHILD'S SPOUSE (skip if child is unmarried)

1. Full name of child's spouse _____

2. Child's spouse's SSN _____

3. Date of child's marriage to spouse _____

4. Is child's spouse employed? yes no If "yes," give name, address and TELEPHONE NUMBER of employer _____

5. Is child eligible for health care coverage through his or her spouse's employment? yes no

(OVER)

IV. SIGNATURES

I affirm that the information provided above is true and correct to the best of my ability, and I authorize my employer to re-lease information concerning the availability of other group coverage to the Northern Illinois Benefit Fund.

READ BEFORE SIGNING

A child age 19 or older who is eligible for coverage through his or her employment or through his or her (the child's) spouse's employment is NOT ELIGIBLE for coverage under Fund unless he is a full-time student.

IT IS YOUR (PARTICIPANT'S AND ADULT CHILD'S) RESPONSIBILITY to inform the Fund as soon as possible if other group health coverage becomes available to the adult child through his or his spouse's employment.

THE FUND'S RIGHT TO PROTECT ITSELF FROM FRAUD: The Fund has the right to verify any information you provide on this form. A person who withholds or falsifies information about other available coverage from the Fund is committing fraud, and the Fund has the right to take legal action against him or her and to cancel coverage retro-actively.

➔ _____	_____
Employee's (or Retiree's) Signature	Date
➔ _____	_____
Child's Signature (if child is age 19 or older)	Date
➔ _____	_____
Child's Spouse's Signature (if child is age 19 or older and married)	Date

IV. SUBMIT TO FUND OFFICE WITH DOCUMENTATION.

After you have completed and signed this form, mail it to the Fund Office at the address shown at the top of the form. If this child has never been covered under the Fund, you must include a certified copy of the child's birth certificate. If the child was not born of your current marriage, you must submit copies of all pertinent court orders (divorce decrees, custody awards, paternity orders, etc.). Unless the Fund requests the information, you do NOT have to submit these documents if the child was previously covered under the Fund but lost coverage when he reached the age limit.

If the child is a full-time student over age 19 you must submit proof of registration for the upcoming quarter or semester, and grades from the most recent quarter or semester.

**ADULT CHILD COVERAGE
 EXAMPLES AND SUMMARY**

Child is age 19-25 in all examples, and is your natural, adopted or step child.

<i>Child's Circumstances</i>	<i>Coverage Status Under the Northern Illinois Benefit Fund</i>
Full-Time Students, Single or Married	
Single, unemployed	Covered
Single, working for employer that provides health care coverage	Covered
Single, working for employer that does <i>not</i> provide health care coverage	Covered
Married, wife works for employer that provides health care coverage	Covered
Married, wife works for employer that does <i>not</i> provide health care coverage	Covered
Non- or Part-Time Students, Single	
Not working	Covered
Working for employer that provides health care coverage and child is enrolled in that plan	Not covered
Working for employer that provides health care coverage and child is <i>not</i> enrolled in that plan	Not covered
Working for employer that does <i>not</i> provide health care coverage	Covered
Working but cannot elect employer's plan until next open enrollment period	Not covered
Non- or Part-Time Students, Married	
Neither spouse has other available coverage through their employer	Covered
Covered by spouse's group plan	Not covered
Spouse's employer offers coverage, but child is <i>not</i> enrolled	Not covered
Spouse's employer offers coverage, but that coverage cannot be elected until next open enrollment period	Not covered

ADULT CHILD FAQs

Q1. Are all my children eligible for continued coverage until age 26?

Your natural or adopted children and stepchildren are eligible for coverage as your dependent children if they have not had their 26th birthday. This INCLUDES any child who is a full-time student, but EXCLUDES any child age 19-25 who is: a) NOT a full-time student; and b) who IS eligible for other group coverage as an employee or spouse (but not as a child under a parent's plan). No dependent can be covered if you, the employee or retiree, are not eligible for coverage.

Q2. When does the Plan change take effect?

The change is effective July 1, 2011 for the Northern Illinois Benefit Fund (NIBF).

Q3. When can I add my 19-25 year-old child?

If your child is currently ineligible, you can add him effective July 1, 2011.

Q4. Can I add a child who was never covered under the Northern Illinois Benefit Fund (NIBF) before?

Yes, if he otherwise meets the eligibility criteria. Prior coverage is not a requirement.

Q5. What is the process for adding my adult child?

You should complete and submit an enrollment form (the "Special Enrollment Form for Child of a Participant") to the Fund Office as soon as possible, but it is recommended that you do so before July 1.

Q6. I have more than one 19-25 year-old child to add. Do I need to complete a separate enrollment form for each of them?

Yes. You can photocopy the enrollment form sent to you, or request additional forms from the Fund Office.

Q7. My child is currently covered but will turn 19 later this year. Do I need to submit an enrollment form for him at this time?

No. The Fund Office may, however, request additional information from you when the child reaches age 19.

Q8. What if I do not submit an enrollment form before July 1?

The enrollment form itself is not a strict requirement for coverage—it is a tool to help both you and the Fund avoid claim delays and problems. If the Fund Office does not have sufficient information on file to verify the child's eligibility, and your adult child incurs a claim, the Fund Office will not be able to verify benefits, pay the child's claims, or add the child to your prescription drug card in a timely manner. The Fund Office will do all it can to see that your child's claims are paid, but only after they have verified the child's eligibility for coverage.

Q9. My 19-25 year-old child is a full-time student. Do I need to continue providing proof of his student status to the Fund Office?

Yes. If you do not submit proof of student status to the Fund Office, you will have to provide information about the child (and if the child is married, his spouse's) employment and the availability of other coverage.

Q10. Can my adult child who is a full-time student be added to my Fund coverage even if he is working and has other coverage available?

Yes.

Q11. What happens if my adult child under age 26 quits school for a year?

He can remain covered the entire time, but only if he is not eligible to enroll in his employer's (or his spouse's employer's) health plan while he is not a full-time student. You are required to inform the Fund Office when he loses full-time student status and when he returns to school.

Q12. My 19-25 year-old child used to be covered under the NIBF as my dependent, but he lost that coverage when he graduated from college. Can I add him to my coverage now?

Yes, as long as he has no other group coverage available through his or his spouse's employment. You should complete an enrollment form and submit it to Fund Office.

Q13. Do the new rules apply to my 19-25 year-old grandchild who lives with me?

No. Only natural, adopted and step children are covered by the new law. The Plan will continue to cover your grandchild, niece, nephew or sibling if you have legal guardianship or custody of the child, under the rules previously in effect. For example, a grandchild dependent will not be covered after age 19 unless he is a full-time student. The extension until age 26 does not apply to him. Please see the Summary of Material Modifications dated June 2011 for details.

Q14. My adult child is not a full-time student. He did not take the insurance offered by his employer because the premiums are too high and the coverage is not very comprehensive. Can I add him to my NIBF coverage?

No. The Fund will NOT cover any child age 19 or over who is not a student and who is eligible for health care coverage of any kind through his employer or through his spouse's employer.

Q15. Does it make a difference if my adult child's job is only part-time?

No. A 19-25 year-old child with other available coverage through a part-time job is not eligible under the NIBF (unless the child is also a full-time student). The Fund can make no distinction, because the Affordable Care Act (the law that extended the age limit to 26 and allows plans to exclude a child with other available coverage) makes no distinction, between other coverage due to full-time or part-time work.

Q16. My 19-25 year-old child is married and covered under the group plan provided by his wife. Can he become covered under the NIBF?

No, because he has other coverage through his wife.

Q17. What if my married adult child drops his wife's coverage? Will the NIBF cover him then?

No, because the other coverage is still available even though he is not enrolled in that coverage. He could become eligible for coverage under the NIBF in the future if the other coverage becomes unavailable, for example, because if his wife changes jobs.

Q18. My 19-25 year-old child did not enroll in his employer's health plan and will not be offered another chance to enroll until November (for coverage beginning January 1, 2012). Will the NIBF cover him until then?

No. The other coverage was available to him even though he did not elect it.

Q19. I am divorced from my adult child's mother, and he is covered under his mother's group plan. Can he also be covered under the NIBF?

Yes. An adult child's other coverage will not disqualify him from NIBF coverage if it is not through his own or his wife's employment. The NIBF will coordinate benefits with the mother's plan.

Q20. Will my 19-25 year-old child be allowed to terminate his individual (non-group) coverage in order to receive coverage as my dependent under the NIBF?

Yes, as long as the adult child otherwise meets the eligibility criteria.

Q21. Does medical coverage through Medicaid or All Kids disqualify an adult child from coverage under the Fund?

No, because it is not through his own or his wife's employment.

Q22. Will my adult child be allowed to terminate the coverage he has through his employer in order to receive coverage as my dependent under the NIBF?

No, because the other coverage remains available to him.

Q23. Can my 19-25 year-old child who is unemployed and not in school be covered under the NIBF?

Yes.

Q24. Will my adult child who previously reached the limiting age for coverage under the NIBF and elected COBRA be eligible for "free" coverage as my child on July 1?

Yes, as long as the adult child meets the eligibility criteria.

Q25. When my child reaches the limiting age of 26 under the NIBF, what coverage options will be available?

When an adult child reaches the limiting age of 26 under the NIBF, he will be able to elect COBRA coverage for up to 36 months, subject to the Fund's COBRA rules in your Summary Plan Description booklet. (See Question 26 below for a possible exception.)

Q26. What if my 19-25 year-old child no longer qualifies for coverage?

If, at any time, the adult child becomes ineligible for coverage (for example, because he becomes eligible for coverage through his own employer), he will be offered the option of continuing coverage by making COBRA payments. This does not apply if a child who was a full-time student ceases to be a full-time student and is eligible for coverage through his employment or through his spouse's employment. *It is your and/or your child's responsibility to notify the Fund Office within 60 days after the child no longer qualifies for NIBF coverage.*

Q27. My 19-25 year-old child has coverage through his employer. If he is laid off and loses that coverage, can he be added to my NIBF coverage?

Yes, as long as he otherwise meets the eligibility criteria. You should submit proof that the prior coverage ended to the Fund Office.

Q28. Can my child go in and out of the NIBF during the ages of 19-26?

Yes. His coverage at any given time is based on his current student and employment status. If those factors change, his NIBF status can change also. Continuous coverage is not required.

Q29. Are my adult child's spouse and/or his child(ren) eligible for coverage?

No. Dependents of an adult child are NOT eligible for coverage.