



PLUMBERS AND PIPEFITTERS LOCAL 501 NORTHERN ILLINOIS BENEFIT FUNDS

1295 Butterfield Rd., Aurora, IL 60504-8879 • Ph (630) 978-4600 • Fax (630) 978-4616 • email: benefitfunds@ualocal501.org

CLARIFICATION OF RETIREE ELIGIBILITY AND SELF-PAYMENT RULES

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To All Benefit Fund Participants:

This letter is intended to *clarify* some of the rules governing who is and who is not required to make self-payments for Retiree Benefits. The rules described below do not change or replace the rules on pages 43-44 in your Benefit Fund Summary Plan Description—they merely restate certain provisions in an effort to help you understand them.

Please especially note No. 3 on page 2.

ELIGIBILITY CLASSIFICATIONS FOR RETIREE BENEFITS

1. Normal Retirees are retired employees who are at least age 62 and who are receiving Normal Retirement pension benefits from the Northern Illinois Pension Fund.

Also, if a retired Class B non-bargaining unit employee is not eligible for a pension from the Northern Illinois Pension Plan, he will be eligible for Retiree Benefits if he is age 65 or older and receiving a Social Security pension due to his age.

2. Early Retirees are retired employees who are receiving Early Retirement pension benefits from the Northern Illinois Pension Fund.

No matter which classification applies to you, you must be completely retired from all work in covered employment in order to qualify for Retiree Benefits.

RULES GOVERNING WHEN SELF-PAYMENTS ARE REQUIRED FOR RETIREE BENEFITS

Eligible Early and Normal retirees must make self-payments for Retiree Benefits except as follows:

1. If you are a Normal retiree, you do not have to make self-payments for Retiree Benefits for you and your spouse if you have been continuously covered under the active employee Plan for the full 10-year period immediately preceding your retirement.

2. If you are an Early retiree, you must make self-payments for Retiree Benefits coverage until you become age 62. At that time you will no longer have to make self-payments for you and your spouse if you have had 10 years of continuous coverage under the Plan as an eligible active employee and/or as an eligible retiree. Otherwise, you must continue to make self-payments after you reach age 62.
3. If you retired under a fund that merged into this Fund before January 1, 1998, then you MUST make self-payments for Retiree Benefits. If you retired on or after January 1, 1998, you are subject to the rules on pages 43-44 of your Benefit Fund Summary Plan Description which may allow you to receive Retiree Benefits without having to make the self-payments.
4. Periods of eligibility due to COBRA self-payments do not count toward the 10-year requirement.
5. Contributions made for a Class B non-bargaining unit employee under the terms of a Participation Agreement will count towards this 10-year requirement.
6. Even if you meet the 10-year requirement and are not required to make self-payments for yourself and your spouse, you must, however, make self-payments if you want to cover any dependent children.

Sincerely,
Board of Trustees of the Northern Illinois Benefit Fund