



PLUMBERS AND PIPEFITTERS LOCAL 501

NORTHERN ILLINOIS BENEFIT FUNDS

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IMPORTANT NOTICE

October 2000

To All Plan Participants in the Northern Illinois Benefit Fund:

The Board of Trustees is pleased to announce several improvements to your Plan of Benefits which are described in this notice. Also included is a clarification concerning eligibility for Retiree Benefits. After you read the notice, please keep it in the pocket of your 3-ring Summary Plan Description (SPD) notebook for future reference.

NEW PRESCRIPTION DRUG CARD PROGRAM EFFECTIVE JANUARY 1, 2001

A Prescription Drug Card Program will be added to your Plan effective January 1, 2001. This new program will help reduce your out-of-pocket costs for the prescription drugs you and your family take on a short-term basis. The Prescription Drug Program will be administered by Caremark, the same company that administers the Plan's Mail Order Program. Note that the Mail Order Program will not change—you should still obtain your long-term prescription drugs from the Caremark mail order pharmacy.

IN DECEMBER THE FUND OFFICE WILL MAIL ALL ELIGIBLE EMPLOYEES A PACKET OF MATERIALS CONTAINING:

- CAREMARK I.D. CARDS FOR YOU AND YOUR SPOUSE
- INFORMATION ABOUT HOW TO FIND A PARTICIPATING PHARMACY (all major pharmacy chains participate)
- BROCHURES WITH ADDITIONAL INFORMATION ABOUT THE CAREMARK PROGRAM

HOW TO USE THE CAREMARK PRESCRIPTION DRUG CARD PROGRAM

- You and your covered family members may begin using the I.D. card January 1, 2001 to purchase covered prescription drugs at participating pharmacies.
- You will be required to pay **10% of the contracted price** to the participating pharmacy. (Contracted prices are usually lower than the pharmacy's regular retail prices.). The Plan will pay the rest.

- For each purchase you make, you will be able to get up to a 30-day quantity, or the quantity prescribed by the doctor, whichever is less.
- There are no claims to file.
- You can use your I.D. card to get the amount of medication prescribed by your doctor plus 2 refills. **After you purchase the initial supply plus 2 refills of a maintenance drug, you must use the Mail Order Program for all additional refills.** If a doctor prescribes a drug that must be taken on a long-term basis, ask the doctor for two prescriptions—one for a 30-day supply that you can have filled immediately at a local participating pharmacy under the Drug Card Program, and one for up to a 90-day supply (with refills) that you can obtain through the Mail Order Program.
- Your 10% co-pay amounts **do not** apply any Plan deductibles or out-of-pocket limits.

IF YOU USE A NON-PARTICIPATING PHARMACY—If you purchase a covered prescription drug at a pharmacy that is NOT in the Caremark network, you will need to file a claim with the Fund Office for partial reimbursement under the Comprehensive Benefit.

- **The amount you paid the non-participating pharmacy will be reduced by 50% and the remaining balance will be paid at 80% (provided your \$100 calendar year deductible has been satisfied).**
- Neither the 50% reduction nor your 20% co-pay will apply to any Plan deductibles or out-of-pocket limits.
- *The 50% reduction will not apply if you live more than 15 miles from a participating pharmacy—be sure to note this information on your claim.*

EXCLUSIONS AND LIMITATIONS—You cannot use the Prescription Drug Card Program for: (1) any products, drugs or medications which can be obtained without a doctor's written prescription; (2) experimental or investigative drugs or medications; (3) drugs or medications which are used for or in connection with any type of treatment or condition for which benefits are excluded under the Plan, even though such drugs or medications are obtained with a doctor's prescription; or (4) drugs or medications that are excluded from coverage under any other provision or rule of this Plan, including but not limited to the provisions of "What the Plan Does Not Cover" starting on page 78 of your SPD.

NO SELF-PAYMENTS REQUIRED AFTER AGE 62 FOR QUALIFYING SURVIVING SPOUSES OF RETIREES

Effective January 1, 2001, a surviving spouse of an eligible retiree (retired bargaining unit employee, or retired Class A or Class B non-bargaining unit employee) will not have to make self-payments to continue her Retiree Benefits coverage **IF**:

- She has been continuously eligible for active and/or retiree benefits for 10 consecutive years; and
- She is age 62 or older.

If the retiree dies before his surviving spouse is age 62, she will have to make self-payments until the month following the month during which she becomes age 62—provided the 10-year coverage requirement has been met.

This provision also applies to any surviving spouse of an employee who was receiving a disability pension from the Northern Illinois Pension Fund when he died.

OUTPATIENT VISITS FOR MENTAL OR NERVOUS DISORDERS

The \$50 maximum allowable expense for a person's 11th through 25th outpatient (office) visits for treatment of a mental or nervous disorder will no longer apply. Instead, the Plan will allow up to the reasonable and customary charge for all visits. This change is effective for covered expenses incurred on or after September 1, 2000.

EFFECTIVE DATE OF BENEFITS

Effective September 1, 2000, the effective date of benefits will not be delayed for an employee or dependent who is totally disabled or confined in a hospital on the date his benefits would otherwise start. Coverage for all employees (and their dependents) will be the first day of the benefit quarter following the first eligibility quarter during which the employee accumulates at least 300 credited hours.

CLARIFICATION—RETIREE ELIGIBILITY

As explained on page 43 of your Welfare Fund Summary Plan Description, a **Normal retiree** (age 62 and older) who meets all the eligibility requirements does not have to make self-payments for Retiree Benefits for himself and his spouse* if he had been continuously eligible under the active employee benefits of this Plan for the 10-year period immediately preceding his retirement. Active employee eligibility due to employer contributions, Regular self-payments or disability hours will count toward this 10-year period. Similarly, when an eligible **Early retiree** becomes age 62 he will no longer be required to make self-payments for Retiree Benefits for himself and his spouse* if he had 10 years of continuous coverage under the Plan as an eligible active employee (due to employer contributions, Regular Self-Payments or disability hours) or as an eligible retiree (due to self-payments made before age 62).

Note that any period of eligibility due to **COBRA self-payments will NOT be counted** toward meeting the 10-year requirement for either Normal or Early retirees.

* *You must, however, make self-payments if you want Retiree Benefits coverage for any dependent children.*

SUMMARY OF MATERIAL MODIFICATIONS

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