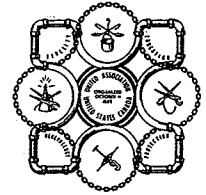


PLUMBERS AND PIPEFITTERS LOCAL 501

NORTHERN ILLINOIS BENEFIT FUNDS



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NOTICE TO ALL ACTIVE PARTICIPANTS

January 2011

To All Active Northern Illinois Benefit Fund (Health and Welfare) Participants:

Please read this notice carefully and keep it with your Summary Plan Description booklet.

NEW RULES GOVERNING SELF-PAYMENTS

Because of the economic downturn in 2008, the Trustees established a \$300 quarterly self-pay rate that was heavily subsidized by the Fund for active participants who are available for work and on Local 501's out-of-work list. The Trustees understand that members continue to face economic challenges, and modified the self-payment rules to provide a balance between the needs of unemployed or underemployed participants and the Fund's need to remain financially stable.

- Beginning with coverage on and after April 1, 2011 (April, May and June 2011 benefit quarter) **the highly subsidized self-payment amount will increase from \$300 per quarter to \$325 per quarter** for active participants who are available for work and on Local 501's out-of-work list.
- **If you are currently making highly subsidized self-payments, or if you begin making highly subsidized self-payments in the future, you will be required to submit your tax return, including copies of W2s, to the Fund Office.** This rule applies to 2010 tax returns, as well as to tax returns of any future year during which you make highly subsidized self-payments to continue your coverage.

In order to remain on a sound financial footing, the Fund must ensure that the highly subsidized self-pay program is not being abused. Employees who are working for non-contributing employers, or employees who operate a non-contributing business, are not entitled to make highly subsidized self-payments for continued coverage. Employees who choose not to share their tax returns and W2 forms for 2010 and subsequent years, and employees whose tax return and W2 forms show that they are working for non-contributing employers or are operating a non-contributing business in the Plumbing and Pipefitting industry, will no longer be entitled to make self-payments for Fund coverage for themselves or for their dependents.

- **If you are ALREADY making self-payments at the subsidized rate, the following rule will apply to you:**

You can continue to make the highly subsidized self-payments for continued coverage through March 31, 2012 (the January, February, March 2012 benefit quarter), even if

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you had previously met the limit on the allowable number of benefit quarters for which self-payments could be made.

- ***If you START making self-payments to continue your eligibility between January 1, 2011 and December 31, 2011, the following rule will apply to you:***

You will be entitled to make self-payments to continue your coverage at the highly subsidized self-pay rate of \$325 per quarter for up to a total of 4 benefit quarters.

- ***If you START making self-payments to continue your coverage on and after January 1, 2012, the following rule will apply to you:***

You will ***not*** be eligible for the highly subsidized self-pay rate. You will be entitled to make a total of 8 consecutive quarterly self-payments to continue your coverage. Your required quarterly self-pay amount will be the full amount in effect at that time (currently \$1,200, but subject to change).

Please contact the Fund Office with any questions about your eligibility, your self-pay amounts, or about these changes.

CHANGE IN LIFE AND AD&D INSURANCE COMPANY

Beginning January 1, 2011, life and AD&D insurance for employees and retirees will be provided through MetLife, P.O. Box 6100, Scranton, PA 18505-6100, 1-800-638-6420. There is no change to the amount of the life and AD&D benefits.

If you (or your dependents) need to file a claim for life or AD&D benefits, contact the Fund Office for help.

Annual Notice About Breast Reconstruction Benefits

A federal law requires that benefit plans issue written notification to all plan participants and beneficiaries regarding the plan benefits available to a person who is receiving benefits in connection with a mastectomy.

This Plan will provide coverage for the following medical and surgical services provided to a covered person in connection with a mastectomy:

- Reconstruction of the breast on which the mastectomy has been performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- Prostheses and physical complications relating to all stages of the mastectomy, including lymphedemas.

Plan benefits payable for these services and supplies are subject to all applicable deductibles, co-payment percentages and maximum benefit limitations.