



PLUMBERS AND PIPEFITTERS LOCAL 501 NORTHERN ILLINOIS BENEFIT FUNDS

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IMPORTANT NOTICE

September 2003

To All Northern Illinois Benefit Fund Plan Participants:

Please read this notice and keep it with your Summary Plan Description (SPD) binder for future reference.

INITIAL ELIGIBILITY

Under the current initial eligibility rule, a bargaining unit employee becomes eligible on the first day of the benefit (coverage) quarter following the eligibility (work) quarter in which he first accumulates at least 300 credited hours. Starting with credited hours earned on and after January 1, 2004, an employee can become eligible on the first day of the second calendar month after he has 300 credited hours. The new rule will accelerate the initial eligibility process for many employees. For example, if Fred has 150 hours in March and 150 hours in April, he will become eligible on June 1. Coverage would have started July 1 under the old rule.

Once a person earns initial eligibility, he will remain eligible through the end of the benefit quarter in which his initial eligibility date falls. (Benefit quarters end on March 31, June 30, September 30, and December 31.) In the above example, since Fred became eligible on June 1, he will remain eligible through June 30, the end of that benefit quarter. If Fred had become initially eligible on May 1 instead, he would still have remained eligible through June 30. In either case, he will continue to be eligible in July-August-September if he has 500 credited hours in March-April-May.

The 300 hours needed for initial eligibility must be worked within 3 consecutive months.

RECIPROCITY

Effective September 1, 2003, if you work under the jurisdiction of another health and welfare fund that has signed the new United Association reciprocity agreement, and if your employer makes contributions for your hours to this Fund, your hours under this Fund will be credited as follows:

- If the other fund's contribution rate is the same or less than this Fund's, you will be granted one credited hour for each reported hour.
- If the other fund's contribution rate is greater than this Fund's, you will receive one credited hour for each reported hour PLUS additional hours equivalent to the excess contribution. To determine your credited hours, the amount contributed will be divided by this Fund's rate and the result will be credited to you as hours.

Example, if the Fund receives a contribution for 150 hours of work at an hourly contribution rate of \$6, your credited hours will be determined as follows:

$$150 \text{ hours worked @ } \$6 \text{ rate} = \$900 \div \$5.55 \text{ (this Fund's rate)} = 162.16 \text{ credited hours.}$$

WIDOWS OF RETIREES

Surviving spouses of retirees may continue to make self-payments through May 31, 2004 to continue their coverage. This provision is reviewed every year by the Trustees who decide, in their sole discretion, whether or not to extend this privilege for another year.

REMINDER—Your COBRA Coverage Notification Responsibilities

You (the employee) and your covered dependents have the right to be offered an opportunity to make self-payments for continued health care coverage if coverage is lost for certain reasons. This continued coverage is called "COBRA coverage."

In order to protect your COBRA coverage rights:

- You, your spouse, or child, as applicable, must provide written notification to the Fund Office if you get divorced or legally separated or if a child loses dependent status. Notification must be provided within 60 days of the event or within 60 days of the date coverage for the affected person(s) would terminate, whichever date is later. If the Fund Office is not notified within 60 days, the dependent will lose the right to COBRA coverage.
- If your dependents are covered under an 18-month maximum COBRA period and then a second qualifying event occurs, it is the affected dependent's responsibility to notify the Fund Office within 60 days after the second qualifying event occurs. If the Fund Office is not notified within 60 days, the dependent will lose the right to extend COBRA coverage beyond the original 18-month period.
- As a precaution, you should also notify the Fund Office when any type of qualifying event occurs.

In order to protect your family's rights, you should keep the Fund Office informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Fund Office or that the Fund Office sends to you.

Consult your Summary Plan Description booklet for a complete explanation of the rules governing COBRA coverage.

REMINDER—Coverage for Breast Reconstruction

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.

Summary of Material Modifications

EIN: 36-2522076 PN: 501

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