

IBEW LOCAL NO. 9 FRINGE BENEFIT FUNDS

IBEW Local No. 9 and Line Clearance Contractors Health & Welfare Fund
IBEW Local No. 9 and Line Clearance Contractors 401(k) Retirement Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

May 2011

IMPORTANT NOTICE

TO: ALL PARTICIPANTS OF THE IBEW LOCAL NO. 9 AND LINE CLEARANCE CONTRACTORS
HEALTH & WELFARE FUND

RE: PLAN MODIFICATIONS EFFECTIVE JULY 1, 2011

Dear Participant:

As the Board of Trustees of the IBEW Local Union No. 9 and Line Clearance Contractors Health and Welfare Fund, we are pleased to announce the following enhancements being made to the Plan, effective July 1, 2011. To comply with the Patient Protection and Affordable Care Act (often referred to as “ACA” or “health care reform”), certain provisions of the IBEW Local Union No. 9 and Line Clearance Contractors Health and Welfare Fund are changing now—and may be changing in the years ahead. We will notify you immediately of any future changes made to the health benefits the Fund provides to you and your family.

BEGINNING JULY 1, 2011

■ The Plan will cover children to age 26

The Plan will cover your children until the last day of the month in which they turn age 26, regardless of whether they are students, live with you, are married or unmarried, disabled, or are receiving continuation coverage under COBRA. This applies to your natural children, and those you have legally adopted or were placed with you for adoption, stepchildren, and foster children. The Plan will continue to cover children under a Qualified Medical Child Support Order (QMCSO).

There is no age limit on coverage for an unmarried disabled child who sustains a disability before the day the child reaches age 26, as long as the child is chiefly dependent upon you for financial support, the Fund receives proof of the child’s incapacity within 60 days of the date eligibility would otherwise end, and the child meets the other requirements for such dependents that are outlined in the SPD.

Important Note:

If your adult children are eligible to enroll in another health plan sponsored by either their employer or their spouse’s employer, they are not eligible for coverage under this Plan until 2014.

■ There will be an “Annual Maximum” instead of a “Lifetime Maximum”

The \$1,000,000 per person lifetime maximum is being eliminated. However, the Plan is adopting a \$1,000,000 per person annual maximum—which means the Plan will cover up to \$1,000,000 in claims cost each year for you and your eligible dependents.

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If you or your dependent(s) lost coverage because of reaching the Plan's current \$1,000,000 lifetime maximum, you will be given the opportunity to re-enroll yourself and/or your dependent(s) in the Plan during the Special Enrollment period. Refer to the explanation below for information on Special Enrollment.

Note: The medical Plan's annual maximum will increase to \$1.25 million for the Plan year beginning July 1, 2012 and to \$2 million for the Plan year beginning July 1, 2013.

■ **There will be enhanced coverage for wellness care**

The Plan is eliminating the annual maximums on the following essential wellness benefits:

- The \$500 annual maximum on *well childcare* for children through age 18.
- The \$500 annual maximum on *adult physical exams*. The Plan will cover one exam per year.
- The \$2,000 annual maximum on *physical therapy* and the \$2,000 annual maximum on *occupational therapy* are being eliminated and replaced with a combined *physical and occupational therapy* maximum of 36 visits per year.

■ **There will be enhanced coverage for hearing care**

The Plan will cover one hearing exam per person per year with no annual maximum. The \$3,000 every three years maximum on hearing aids will remain.

■ **Children will have more dental coverage**

The \$1,200 per person annual maximum will no longer apply for children from birth through age 18. The dollar limit will only apply for adults age 19 and over. Please note, the \$1,200 lifetime maximum on Orthodontia will remain unchanged.

SPECIAL ENROLLMENT

The Fund will be conducting a Special Enrollment period June 1, 2011 through June 30, 2011. If you enroll yourself or any of your dependents during Special Enrollment, your coverage will be effective July 1, 2011. **If you do not enroll yourself or your dependents during the Special Enrollment period, but enroll them at a later date, their eligibility for benefits will begin on the date the enrollment form is received by the Fund Office.**

You will receive an enrollment notice from the Fund in the mail soon. This special enrollment opportunity will apply to:

- You or your dependents who lost coverage due to reaching the lifetime maximum benefit; and
- Because coverage is now being extended to age 26, to children who were not previously eligible to be covered under the Plan because generally, eligibility for dependent coverage previously ended before a child reached age 23.

You can enroll your child in the Plan during the Special Enrollment period if your child does not have coverage through another employer-sponsored health. You will be required to provide a copy of the child's birth certificate.

If your child's eligibility ended when he or she reached age 19 (in accordance with the Plan's current eligibility rules for dependent children) or your child is about to turn age 26, you should notify the Fund Office.

THE PLAN'S "GRANDFATHERED" STATUS

The Trustees believe this plan is a "grandfathered health plan" under the ACA. As permitted by the ACA, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. It is important for you to understand that while the Plan is undergoing changes in order to comply with the ACA, being considered a "grandfathered health plan" under the ACA means that the Plan:

1. Is not required to include certain consumer protections of the ACA that apply to other plans – *for example, provide preventive health services without any cost sharing.*

2. Must comply with certain other consumer protections in the ACA – *for example, the elimination of lifetime limits on benefits.*

Important Note:

The Plan may not rescind your coverage unless you are provided with 30 days advance written notice. Coverage may not be terminated retroactively except for fraud (such as failure to notify the Plan of your divorce), intentional material misrepresentation, or non-payment of premiums or contributions.

For further information on grandfathered health plans, you can contact the Employee Benefits Security Administration (EBSA), U.S. Department of Labor at **1-800-444-3272**, or at: **www.dol.gov/ebsa/healthreform**, or call the Fund Office toll free at **877-423-9155**.

A FINAL NOTE

If you have questions or concerns about the upcoming benefit changes, health care reform in general, or what grandfathered health plan status means and what may cause a plan to lose its grandfathered status, call the Fund Office toll free at **877-423-9155**.

Sincerely,

Board of Trustees
IBEW Local No. 9 and Line Clearance Contractors
Health and Welfare Fund

This Summary of Material Modification (SMM) highlights certain features of the Local Union No. 9 I.B.E.W. and Line Clearance Contractors Health and Welfare Benefit Fund. Full details are contained in the documents (Summary Plan Description, Plan Document, etc.) that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.