

Local 734 Welfare Fund / Pension Fund

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IMPORTANT NOTICE ABOUT CHANGES TO YOUR BENEFIT PLAN

To Eligible Participants in the Local 734 Welfare Fund Active Employee Benefit Plan and the Retiree Comprehensive Plan:

As you know, the cost of medical care has risen rapidly and, as a result, health care plans have seen their benefit costs increase significantly. Unfortunately, this trend is predicted to continue. The Local 734 Welfare Plan is no exception—it has experienced significant benefit cost increases. After reviewing the Plan's benefits and costs, the Trustees concluded that they have no choice but to make some benefit changes at this time. These changes, which are described below, mean that you will pay more out-of-pocket for your medical care. Please note that your Plan still provides higher benefits than many others, and continues to provide you with excellent protection against high-cost claims. The Trustees regret the necessity of these modifications. They will continue to monitor the costs and effectiveness of the Plan's benefit program in a continuing effort to provide current and future participants with a cost-effective and high quality health care program.

The following changes to the Local 734 Welfare Fund Plan of Benefits will become effective **JANUARY 1, 2009**:

ACTIVE EMPLOYEES AND THEIR DEPENDENTS

- The calendar year deductible under the Active Plan will increase as shown below:

Calendar year deductibles:	<u>Current</u>	<u>As of January 1, 2009</u>
Per person	\$250	\$500
Per family	\$750	\$1,000
	(3 or more family members)	(2 or more family members)

- The Plan copayment percentage for covered medical expenses in excess of any applicable deductibles will decrease as follows:

Plan payment percentage:	<u>Current</u>	<u>As of January 1, 2009</u>
UNTIL out-of-pocket limit is met	90%	80%
AFTER out-of-pocket limit is met	100%	100%
Out-of-pocket limit	\$2,000	\$2,000

The copayment percentages shown above do not apply to all expenses. See your Summary Plan Description booklet for exceptions.

Local 754 Welfare Fund / Pension Fund

RETIREES AND THEIR SPOUSES (RETIREE COMPREHENSIVE PLAN)

- The calendar year deductible under the Retiree Comprehensive Plan will increase as shown below:

Calendar year deductibles:	Current	<u>As of January 1, 2009</u>
Per person.....	\$300	\$500

The Plan copayment percentage will remain at 80%. (See your Summary Plan Description booklet for exceptions.)

Contact the Fund Office at 773-594-2810 if you have any questions about your Plan of benefits.

Summary of Material Modifications

EIN: 36-2272414 PN: 501

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