

MICHIANA AREA ELECTRICAL WORKERS' FRINGE BENEFIT FUNDS

Michiana Area Electrical Workers' Health and Welfare Fund
Michiana Area Electrical Workers' Pension Fund
Michiana Area Electrical Workers' Money Purchase Plan

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

June 2011

IMPORTANT NOTICE

TO: ALL PARTICIPANTS OF THE MICHIANA AREA ELECTRICAL WORKERS'
HEALTH AND WELFARE FUND

RE: SUMMARY OF MATERIAL MODIFICIATIONS

Dear Participant:

The funding of health care claims continues to plague health care plans and employers throughout the country, including our Fund. As you know, the Michiana Area Electrical Workers' Health and Welfare Fund is self-funded. The Fund pays 100% of the approved and processed claims from the Fund assets. The Fund relies almost exclusively on contributions generated from hours worked to provide benefits to participants and their dependents.

The Fund has experienced increased benefit costs and significant reduction in hours/contributions for some time. Because of these increased costs and reduction in work hours, the Trustees have reviewed optional benefit modifications which may help reduce benefit expenses. The following changes are therefore being implemented:

Increase in the Annual Deductibles

The current deductible is \$300 per person and \$1,000 per family, per calendar year. Effective August 1, 2011 the deductible will increase to \$400 per person and \$1,200 per family, per calendar year. If you have already met the \$300 per person or \$1,000 per family, you will be required to meet the additional deductible after August 1, 2011.

Increase in the Fixed Co-Payment for Doctor Office Visits

The current co-payment for doctor office visits is \$20 per visit. Effective with office visits incurred on or after August 1, 2011 the co-payment will increase to \$30 per visit.

Increase in the Emergency Room Co-Payment

The current Emergency Room co-payment is \$25.00 per visit. Effective August 1, 2011 the co-payment will increase to \$150 per visit. The co-payment is waived if the individual is admitted or is at the emergency room for an accidental injury.

Increase in the Out-Of-Pocket Maximum

The current out-of-pocket maximum is \$500 per person, and \$1,000 per family, per calendar year. Effective August 1, 2011 the out-of-pocket maximum will increase to \$1,000 per person and \$2,000 per family. If as of August 1, 2011 you have already met the out-of-pocket maximum you will be required to meet the new out-of-pocket maximum.

Implementation of a Fixed Co-Payment for Chiropractic Visits

Currently chiropractic visits are paid at 100% up to a maximum of 24 visits per person, per calendar year. Effective August 1, 2011 a \$30 per visit co-payment will be required for all chiropractic visits (the 24 visits per person, per calendar year will continue to apply).

Implementation of a Fixed Co-Payment for Allergy Testing and Therapy Benefits

Currently allergy testing and therapy benefits are paid at 100%. Effective August 1, 2011 a \$30 per visit co-payment will be required for all allergy testing and allergy therapy benefits.

Increase in Self-Payment Rates

The self-payment rates for inactive participants are adjusted annually based upon the increases in the contribution rate. The hourly contribution rate for the Health and Welfare Fund has increased from \$6.05 to \$6.55 effective with the work month of June 2011 (August eligibility).

Therefore, all non-active participant self-payment rates will be adjusted effective with the payment for coverage for the month of August.

Listed below are the rate increases:

If your current monthly rate is	Your new rate is:
\$73.00	\$79.00
110.00	119.00
146.00	158.00
183.00	198.00
220.00	238.00
256.00	277.00
293.00	317.00
366.00	396.00
732.00	792.00

Your new self-payment rate will be reflected on your next monthly self-payment notice. If you have already remitted your self-payment for coverage for the month of August, please include any balance due with your next monthly self-payment.

If your self-payments are being remitted via a monthly deduction from your pension check, your pension check for the month of August 2011 will reflect the adjusted deduction.

If your self-payments are being remitted via a direct debit from your checking or savings account, the adjustment will be made automatically to your deduction.

Reduction of the Death Benefits

The Plan currently provides for a \$10,000 death benefit. Effective August 1, 2011 the benefit will be reduced to \$7,500.

Spousal Coverage

If you are married, the Plan currently provides that your spouse can be covered even if your spouse is employed and your spouse is eligible to be covered under a health plan sponsored by your spouse's employer. Effective January 1, 2012, your spouse will not be eligible for coverage under the Plan if your spouse is employed and eligible for coverage under a health plan sponsored by your spouse's employer. Only spouses who are not employed or who are employed but are not eligible for coverage under a health plan sponsored by the spouse's employer will be eligible for coverage under the Plan.

If you have any questions regarding these changes please do not hesitate to contact the Fund Office.

Sincerely,

Michiana Area Electrical Workers' Health and Welfare Fund
Board of Trustees

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