

OUTSTATE MICHIGAN TROWEL TRADES FRINGE BENEFIT FUNDS

Michigan Trowel Trades Health and Welfare Fund
Outstate Michigan Trowel Trades Pension Fund
Michigan O.P.C.M.I.A. Apprenticeship Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

November 2014

IMPORTANT NOTICE

TO: ALL ELIGIBLE PARTICIPANTS IN THE MICHIGAN TROWEL TRADES HEALTH AND WELFARE FUND

RE: SUMMARY OF MATERIAL MODIFICATIONS
Reinstatement of Coverage Option for Early Retirees

Dear Participant:

The Board of Trustees is excited to announce that the Fund will be reinstating early retiree coverage effective January 1, 2015 in a new format. The Board reviewed several options with its professional advisors and, as described in detail below, found affordable, insured coverage to offer to early retirees.

The Fund's early retiree coverage will be available to any eligible retiree under the terms of the Plan. More specifically, any individual (1) who retired; (2) who is not eligible for benefits from Medicare; and (3) was covered under the Plan during five of the last ten years prior to retirement, will be eligible to elect to receive early retiree coverage from the Fund.

An eligible individual must elect to receive early retiree coverage from the Fund effective January 1 during an "open enrollment" period that begins today and ends December 4, 2014. Future open enrollment periods will begin on November 1 and end November 30 of the year preceding the coverage effective date. So, for example, an eligible individual who wants early retiree coverage from the Fund effective January 1, 2015 must elect so during the "open enrollment" period. The election must be made annually. If you do not enroll for coverage by the end of the "open enrollment" period, you generally cannot elect to receive early retiree coverage from the Fund until the next "open enrollment" period for coverage the following year. An eligible individual will also be able to elect coverage upon the loss of coverage under the Plan for active participants.

Coverage will continue until the earliest of the following:

- The individual fails to make the required monthly payment;
- The individual dies;
- The individual becomes entitled to benefits under Medicare; or
- The Board of Trustees discontinues coverage.¹

The Fund's early retiree coverage will be provided through a group insurance contract with Blue Care Network (BCN). BCN is a Health Maintenance Organization (HMO) in Michigan that contracts with doctors, hospitals and health care professionals across the State. An eligible individual who elects to receive early retiree coverage from the Fund must have a BCN-contracted primary care physician to access benefits.

¹ The right to change or eliminate any and all aspects of benefits provided for retirees and their dependents is a right specifically reserved to the Board of Trustees, since coverage for retirees and their dependents, like all of the benefits from the Fund, is not an accrued or vested benefit.

In summary, the primary benefits that will be provided to eligible individuals who elect to receive early retiree coverage from the Fund are as follows (an SBC is also enclosed):

- Deductible - \$2,000 per member, \$4,000 per family
- Hospital in-patient charges - 30% co-payment after deductible
- Annual co-insurance maximum - \$1,000 per person and \$2,000 per family
- Prescription Drug co-payments
 - Tier 1A Preferred Generics: \$6 copay
 - Tier 1B Generics: \$40 copay
 - Tier 2 Preferred Brand: \$60 copay
 - Tier 3 Non-Preferred Brand: \$80 copay
 - Tier 4 Preferred Specialty: 20% coinsurance (max \$200 copay)
 - Tier 5 Non-Preferred Specialty: 20% coinsurance (max \$300 copay)
- Office visit co-payment - \$30
- Specialist office visit co-payment - \$45
- Urgent care co-payment - \$50
- Emergency room co-payment - \$150
- MRI, MRA, CAT and PET scans - \$150 copayment or 50% of the approved amounts
- Diabetic supplies - 30% co-insurance

The 2015 monthly cost to purchase this coverage is as follows:

- Single Contract - \$504.60
- Double or 2 Person Contract - \$1,211.03
- Family - \$1,362.41

Any suit arising out of this coverage must be filed within two years after the cause of action arose in a Michigan court of competent jurisdiction. Exhaustion of the internal BCN-administered steps of the applicable grievance procedure is required prior to bringing suit, but shall not extend the two year.

For more detailed information regarding these and other benefits or if you have questions regarding this benefit change, please contact the Fund Office at 6525 Centurion Dr., Lansing, MI 48917-9275 or call at (877) 876-9357 or (517) 321-7502.

Atención a los hablantes de español. Este y otros anuncios de la Oficina de Fondos sobre sus derechos y sus beneficios están disponibles en español. Si quiere recibir futuros anuncios en español, escriba o llame a la oficina del Comité de los fideicomisarios, fondos de pensiones, salud y bienestar de Michigan Trowel Trades Health and Welfare Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275, número de teléfono gratuito (877) 876-9357 (517) 321-7502.

Sincerely,

Michigan Trowel Trades Health and Welfare Fund
Board of Trustees
encl.