



Joint Plumbing Industry Board Plumbers Local Union No. 1 Trust Funds



Welfare Fund • Vacation and Holiday Fund • Trade Education Fund • Additional Security Benefit Fund • 401(k) Savings Plan
George W. Reilly, Co-Chairman - Labor Walter Saraceni, Administrator Vito Giachetti, Co-Chairman - Management

November 2010

Re: Medicare Modernization Information/Prescription Drug Benefits (Part D) To all Eligible Employees and Dependents:

Because of changes made to the Medicare program in 2009, everyone who is eligible for Medicare benefits will be eligible for prescription drug coverage with **Medicare Prescription Drug Benefit (Part D) and Medicare Advantage Plans** (private insurance companies). Enrollment for these new benefits begins on November 15, 2010 and ends on December 31, 2010.

Therefore, beginning November 15, 2010, all participants and qualified dependents of Plumbers Local Union No. 1 Welfare Fund who are either currently enrolled in Medicare or will be eligible to enroll in Medicare on or before December 31, 2010 will be offered the opportunity to:

- Enroll with either the Medicare Prescription Drug Benefit (Part D) plan; or
- Enroll with an equivalent Medicare Advantage Plan (private insurance companies); or
- **Continue to receive prescription drug benefits through the Plumbers Local Union No. 1 Welfare Fund.**

As such, the Centers for Medicare & Medicaid Services (CMS) require that all Medicare eligible participants and qualified beneficiaries be notified of these programs and how they compare to the prescription drug benefit currently provided to them by the Plumbers Local Union No. 1 Welfare Fund. The notice requires the Welfare Fund to inform you that the Fund has determined that the current Prescription Drug Benefit, on average, is at least as good as the Medicare standard prescription drug coverage (called creditable prescription drug coverage).

Accordingly, enclosed please find a copy of the Plumbers Local Union No. 1 Welfare Fund Creditable Coverage notice.

As a reminder, only those who are age 65 and older or younger people with disabilities and people with End Stage Renal Disease (permanent kidney failure requiring dialysis or transplant) are eligible to receive Medicare benefits, including Medicare prescription drug coverage. **If you or any of your qualified dependents are not currently eligible to receive Medicare benefits and will not be Medicare eligible on or before December 31, 2010, please disregard this section of the letter only.**

However, if you or any of your qualified dependents **are** currently eligible to receive Medicare benefits, you will need to make a decision regarding your medical benefits for 2011.

Please note that if you or any of your qualified dependents are currently eligible for Medicare Wrap-Around Retiree Continuation of Coverage with the Fund and do not enroll in a Medicare prescription drug plan for 2011, your coverage with this Plan will continue; you will be automatically enrolled in Plumbers Local Union No. 1 Welfare Fund for 2011 and no action is required at this time.

The Board of Trustees appreciates your cooperation in this process.

Sincerely,
Plumbers Local Union No. 1 Welfare Fund

Board of Trustees

**Important Notice from Plumbers Local Union No. 1 Welfare Fund
About Your Prescription Drug Coverage and Medicare For Active Participants and Dependents Eligible for Medicare
Mechanical Equipment and Service (MES) Helpers**

NOTICE OF CREDITABLE COVERAGE

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Plumbers Local Union No. 1 Welfare Fund and about your options under Medicare's prescription drug coverage available for people with Medicare. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Plumbers Local Union No. 1 Welfare Fund has determined that the prescription drug coverage offered by the Plumbers Local Union No. 1 Welfare Fund is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.
2. Read this notice carefully – it explains the options you have for prescription drug coverage and can help you decide whether you want to enroll in a Medicare prescription drug plan.

WHAT DO YOU NEED TO DO?

- ❖ **First:** Read this entire Notice carefully. It explains the options you have for prescription drug coverage and can help you decide whether you want to enroll in a Medicare prescription drug plan.
- ❖ **Second:** If you are eligible for Medicare, compare your current coverage with Plumbers Local Union No. 1 Welfare Fund to the coverage available to you through the Medicare prescription drug plans available in your area.
- ❖ **Third:** Decide whether you want to enroll in a Medicare prescription drug plan.

KEEP IN MIND:

- ❖ Individuals can enroll in a Medicare prescription drug plan when they are first eligible and also from November 15 to December 31 of each year (the annual enrollment period). However, if you lose your current creditable prescription drug coverage through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.
- ❖ If you do enroll in a Medicare prescription drug plan, you may keep your current coverage with Plumbers Local Union No. 1 Welfare Fund.
- ❖ If you do not enroll in a Medicare prescription drug plan, your coverage with this plan continues.

INFORMATION ABOUT THE MEDICARE PRESCRIPTION DRUG PROGRAM

Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

You should compare your current coverage with Plumbers Local Union No. 1 Welfare Fund to the Medicare prescription drug plans available where you live.

IMPORTANT REMINDER

To be eligible for Retiree Continuation of Coverage Benefits from the Plumbers Local Union No. 1 Welfare Fund, you must satisfy both the applicable Service and Age requirements set forth under the rules of the Plan, **and you must elect Retiree Continuation of Coverage at the time of your retirement.**

Failure to elect Retiree coverage at the time of your retirement will result in forfeiture of all rights to Retiree coverage.

For more information about eligibility rules for Retiree Continuation of Coverage, please visit our web site at www.ualocal1funds.org or contact the Fund Office at (718) 835-2700.

As you compare coverage, keep the following in mind:

- You would pay a premium to the Medicare prescription drug plan that you choose. The amount would depend on the type of coverage that you choose. For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available from Medicare.
- Each Medicare prescription drug plan will cover different brand name drugs at different costs to you. The drugs prescribed for you may not be covered under every plan, so you need to choose carefully. For instance, one plan might cover your current brand name medication and another might not.
- Each Medicare prescription drug plan may have a different deductible, co-payments, and other costs that you will be responsible for paying. For people with limited income and resources, extra help paying these costs is available from Medicare.
- Each Medicare prescription drug plan will have a different network of retail and mail order pharmacies.

YOUR CURRENT COVERAGE WITH PLUMBERS LOCAL UNION NO. 1 WELFARE FUND

There is no monthly premium or annual deductible for prescription drug benefits under the Plumbers Local Union No. 1 Welfare Fund. However, a Member and/or Dependent is responsible for co-payments as follows:

Prescription Drug Category	Pharmacy (31-day supply)	Mail-Order (90-day supply)
Your Copay Per Prescription Drug is	20% co-pay per prescription drug up to a \$100 maximum co-payment.	20% co-pay per prescription drug up to a \$200 maximum co-payment.

YOUR CHOICES

If you are eligible for Medicare, you can choose any one of the following options:

- 1. You can keep your current medical and prescription drug coverage with Plumbers Local Union No. 1 Welfare Fund and you do not have to enroll in a Medicare prescription drug plan.**
 - » You may in the future enroll in a Medicare prescription drug plan during Medicare's annual enrollment period (November 15 to December 31 of each year). If you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.
- 2. You can keep your current medical and prescription drug coverage with Plumbers Local Union No. 1 Welfare Fund and enroll in a Medicare prescription drug plan.**
 - » If you do this, Plumbers Local Union No. 1 Welfare Fund will pay primary to Medicare.

3. You can drop your current medical and prescription drug coverage with Plumbers Local Union No. 1 Welfare Fund and enroll in a Medicare prescription drug plan.

- » If you do this, you can only re-enroll during the Fund's next open enrollment period in October or as permitted by the Fund's HIPAA special enrollment rules.
- » Be aware that if you drop coverage, you will lose medical and prescription drug coverage for yourself as well as for your spouse and other dependents.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your coverage with Plumbers Local Union No. 1 Welfare Fund and don't enroll in a Medicare prescription plan within 63 continuous days after your current coverage ends, you may pay more (a penalty in the form of a higher premium) to enroll in a Medicare prescription drug plan later.

If you go 63 continuous days or longer without prescription drug coverage (coverage that's at least as good as Medicare's prescription drug coverage), your monthly premium may go up by at least 1% per month of the Medicare base beneficiary premium for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the next annual enrollment period November 15th to December 31st of each year to enroll.

For more information about this notice or your current prescription drug coverage, contact our office for further information at (718) 835-2700.

NOTE: You will receive this notice each year. You will also get it before the next period you can join a Medicare drug plan and if this coverage changes. You may also request a copy of this notice at any time.

For more information about your options under Medicare's prescription drug coverage...

More detailed information about Medicare plans that offer prescription drug coverage is available in the "Medicare & You" handbook. You will receive a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans.

For more information about Medicare prescription drug coverage:

- » Visit: www.medicare.gov
- » Call your State Health Insurance Assistance Program (see the "Medicare & You" handbook for their telephone number) for personalized help.
- » Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this creditable coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date: 11/15/2010
Name of Entity/Sender: Plumbers Local Union No. 1 Welfare Fund
Contact--Position/Office: Enrollment/Eligibility
Address: 158-29 George Meany Boulevard, Howard Beach, NY 11414
Phone Number: (718) 835-2700

As in all cases, Plumbers Local Union No. 1 Welfare Fund reserves the right to modify benefits at any time, in accordance with applicable law.

This document is intended to serve as your Notice of Creditable Coverage as required by law.