

**IMPORTANT NOTICE OF CHANGES TO THE PLAN OF BENEFITS
FOR PARTICIPANTS WHO RETIRE AFTER JULY 1, 2017**

Regarding Subsidized Retiree Self-Pay Rates
Teamsters Local Union 671 Health Services and Insurance Plan
January 1, 2017 – **AMENDMENT**

As you are probably aware, health care costs continue to increase every year, especially the cost of prescription drugs. The Trustees are constantly monitoring the fiscal condition of the Fund so that the high level of benefits available to you and your family can be provided in the future. Based upon the recommendation of fund professionals, the Trustees have determined that it will be **necessary for some future retirees to pay for a small portion of the costs of their retiree health care.**

- Affects All Active Members who Retire (receive a pension) after July 1, 2017.
- Call the Fund Office to see if you qualify for Retiree Coverage under the Retiree Eligibility Rules, the Eligibility Rules to qualify for the Retiree Plan remain the same.
- If you qualify for the Retiree Coverage, please call the Fund Office to see what your monthly premium will be.
- All hours contributed on your behalf will be counted in determining the numbers of Plan Years of participation.
- **The monthly premiums are subject to change yearly based on actuarial findings regarding Plan costs.**
- Please call the Fund Office with all of your questions.

The monthly rates for retiree coverage are based on Plan Years of participation in the Teamsters Local Union 671 Health Service and Insurance Plan's Gold and Gold Plus Plans based on active employment. "A Plan Year of participation" means a Plan Year (July – June) in which a certain number of hours were contributed on your behalf to the Plan. The rates are based on a percentage of the expected annual cost to the Plan per covered life in the Plan.

- ✓ less than 20 Plan Years of participation: you will pay 40% of the expected annual cost to the Plan.
- ✓ 20 – 24 Plan Years of participation: you will pay 20% of the expected annual cost to the Plan.
- ✓ 25 – 29 Plan Years of participation: you will pay 10% of the expected annual cost to the Plan.
- ✓ 30 or more Plan Years of participation: you do not pay any premium.

- The rate for each individual will be determined based on that individual's Medicare eligibility:
 - if the Retiree is NOT eligible for Medicare, he or she will be required to pay the NOT eligible for Medicare Rate
 - if the Retiree Is eligible for Medicare, he or she will be required to pay the Medicare-eligible rate
 - if the spouse is NOT eligible for Medicare, he or she will be required to pay the NOT-eligible for Medicare Rate.
 - if the spouse Is eligible for Medicare, he or she will be required to pay the Medicare-eligible rate

The Board of Trustees understands the seriousness of these changes and hopes that along with an improving economic outlook that these changes will have the intended positive impact on the financial health of the Fund.

The Eligibility Rules to qualify for the Retiree Plan remain the same.

This Plan change only effects the self-pay rates of the Retiree Plan to Active Members who Retire (receive a pension) after July 1, 2017.

Please feel free to call the Fund Office should you have any questions.

Sincerely,
Board of Trustees