FIVE RIVER CARPENTERS HEALTH & WELFARE FUND
C/O EASTERN IOWA FRINGE BENEFIT FUNDS, INC
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April 20, 2012

To: All Participants of the Five River Carpenters Health and Welfare Fund

From: The Trustees of the Five River Carpenters Health and Welfare Fund

Re: **Summary of Material Modification**
Additional **Plan Change Effective July 1, 2012**

Regarding Retirees Benefits and Cost

The Trustees of the Five River Carpenters Health and Welfare Fund met and discussed the premiums for the retirees who still have account balances in their DB and HRA accounts upon retirement. Current retirees will no longer be charged the combination of the HRA and the DB premiums, but instead will be charged the COBRA rate based on their choice of benefit coverage.

Please see the attached current COBRA rates/choices and the retirement election coverage form.

If you choose to continue under the Medical Plan you can elect to have your premium deducted from your HRA account balance until it falls below the required premium amount.

The requirements for the Retiree Self Pay Program to continue until age 65 or Medicare eligibility still remain the same. Please see the attached information regarding this.

Please remember to let the Fund Office know the date you retire, as you need to make an election as to what benefits you will want to cover in retirement.

If you have any questions, please contact the Fund Office.

Extended Self-Payment Program (Retiree Program)

General Eligibility Requirements

Each normal or early Retired Employee may continue coverage for himself or herself and his or her Dependents through this Plan under the Retiree Program provided he or she meets all of the following requirements:

1. He or she is at least 55 years old; and
2. He or she has been eligible in the Plan at least ten uninterrupted years immediately prior to his or her request for coverage under this (Retiree) Program; and
3. He or she is receiving benefits from a Carpenter's Pension Plan or from Social Security; and
4. He or she has ceased working in the Carpentry industry.

After the member is no longer eligible under this plan, the spouse may continue coverage for a period of five (5) years or until she is eligible for Medicare or whichever occurs first.

If the Employee is eligible to participate in this (Retiree) Program, they must exercise the option when first eligible to do so. If they do not exercise their option to participate in the (Retiree) Program immediately upon retirement, they will not be allowed to begin participation at a later date.

Whether or not the Retired Employee elects to participate in this Retiree Program, as long as the Retired Member has an HRA account, the HRA account can be used to pay any eligible medical (under the IRS guidelines) expenses for the retiree and or his Dependents including being reimbursed for other medical coverage.

The self-payment amounts required for eligibility in the Retiree Program are the COBRA rates. Self-payments must be **received** at the Third-Party Administrator's Office by the **28th of the month before the coverage month** for which payment is due. All Notices are sent to the last known address on file at the Third-Party Administrator's Office. It is the responsibility of the Participant to see that any address changes are reported immediately.

The Trustees annually review the Retiree Program for purposes of termination, extension or modification. All persons electing to use such program should govern themselves accordingly.

> **NOTE: Once a Retiree reaches age 65, or is entitled to Medicare benefits, the Plan will stop providing coverage regardless of the retirees HRA account balance and whether or not the retiree chooses to purchase Medicare Part B coverage.**
>
> **The retiree's spouse may continue coverage under the retiree's HRA account until the HRA account falls below the required premium, or the spouse turns 65, whichever occurs first.**

If a Participant engages in any work for remuneration of any kind in the Carpentry industry, their eligibility shall cease at the end of the month the Participant commenced such work and the HRA account will become zero.

Election to become a Retiree under the Five River Carpenters Health and Welfare Fund

I, _____ _____ _____, hereby elect as of _____ ___, ____ to become a retiree under the Five River Carpenters Health and Welfare Plan, I understand in doing so and by making the following election that the choice of this option can NOT be reversed.

Please initial either Option 1 or Option 2; you can only elect one option.

Option 1 is for you to remain in the Health and Welfare Plan such that you will maintain coverage for the benefits you select on the COBRA election form along with the Health Reimbursement Arrangement (HRA) account. You will have your monthly benefit premium paid from the HRA account when due, and if this account is not sufficient to pay the monthly benefit premium, then you will have the opportunity to be a self pay member, as in accordance with the plan document. By electing this option you are requesting the administrator to transfer any Dollar Bank (DB) account assets to your HRA account effective as of the end of the quarter in which you retire. Remember if you elect this option you can NOT reverse your decision at a later date _____, or

Option 2 is for you to elect NOT to remain eligible for benefits under the Five River Carpenters Health and Welfare Plan with the exception of using the Health Reimbursement Arrangement (HRA) account to reimburse you and or your dependents for eligible medical expenses as allowed by the IRS rules and regulations. By electing this option you are requesting the administrator to transfer any Dollar Bank (DB) account assets to your HRA account effective as of the end of the quarter in which you retire. **Remember if you elect this option you can NOT reverse your decision at a later date and you will not have the opportunity to have medical coverage under this plan to carry you to Medicare eligibility (currently age 65).**

_____

Signed_____

Dated _____ _____, ____

Received by _____

FIVE RIVER CARPENTERS HEALTH & WELFARE FUND

2013 COBRA RATES:

Effective January 1, 2013

SINGLE	
MEDICAL ONLY	$464.83
MEDICAL & DENTAL	$479.05
MEDICAL & VISION	$468.77
MEDICAL, DENTAL & VISION	$482.98
EMPLOYEE & 1 DEPENDENT	
MEDICAL ONLY	$948.25
MEDICAL & DENTAL	$978.05
MEDICAL & VISION	$956.44
MEDICAL, DENTAL & VISION	$985.44
EMPLOYEE & FAMILY	
MEDICAL ONLY	$1380.57
MEDICAL & DENTAL	$1422.50
MEDICAL & VISION	$1392.19
MEDICAL, DENTAL & VISION	$1434.40