



July 23, 2012

TO: All Non-Medicare Retired Participants and their Dependents, including COBRA Beneficiaries

**FROM: BOARD OF TRUSTEES
Carpenters Health and Welfare Trust Fund for California**

RE: Annual Notice, "Waiver of Annual Limits" under the Patient Protection and Affordable Care Act (PPACA), or "Health Care Reform"

The Carpenters Health and Welfare Trust Fund for California Non-Medicare Indemnity Plan (the "Plan") has a \$250,000 calendar year overall maximum for all Medical benefits and a \$75,000 per calendar year maximum for outpatient Prescription Drug benefits paid for each Eligible Individual. Routine physical exams for the participant and spouse are limited to \$250 per 12 month period. The Patient Protection and Affordable Care Act (PPACA) will prohibit annual limits beginning in 2014, but allows restricted annual limits on the dollar value of "essential" covered health benefits until January 1, 2014.

This Plan applied for and received a temporary "waiver" from the Department of Health and Human Services (HHS) to keep the current annual limits in place. The Plan requested the waiver because the part of the law that phases out annual limits would result in a significant decrease in access to benefits and a significant increase in premiums. In order to protect coverage for Retired Participants, the law allows HHS to grant **temporary waivers** provided that the Plan complies with other provisions of the law. One provision of the law states the Plan must send out a "Notification of the Waiver Approval" to Retired Participants annually. A copy of that notice is included with this mailing.

Grandfathered Health Plan: The Board of Trustees of the Carpenters Health and Welfare Trust Fund for California believes the Medical Plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act ("the Affordable Care Act"). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventative health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example the elimination of lifetime limits on benefits. Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Plan administrator or the Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This Web site has a table summarizing which protections do and do not apply to grandfathered health plans.

Please keep this notice with your benefit booklet. If you have any questions, please contact Benefit Services at the Fund Office at (510) 633-0333 or toll free at (888) 547-2054. You may also send an e-mail to benefitservices@carpenterfunds.com. Forms and information can be found on our website at www.carpenterfunds.com.

The Trustees work diligently to protect your Plan and access to your Plan and only the Board of Trustees maintains the right to change or discontinue the types and amounts of benefits under this Plan. This notice is intended as a summary only, and actual Plan documents will be used to interpret the Plan. Only the full Board of Trustees is authorized to interpret the Plan. The Board has discretion to decide all questions about the Plan, including questions about your eligibility for benefits and the amount of any benefits payable to you. No individual Trustee, Employer or Union Representative has authority to interpret this Plan on behalf of the Board or to act as an agent of the Board. In the event of a dispute between this summary notice and the Rules and Regulations of the Plan, the Rules and Regulations will prevail.

The Affordable Care Act prohibits health plans from applying dollar limits below a specific amount on coverage for certain benefits. This year, if a medical plan applies a dollar limit on the coverage it provides for certain benefits in a year, that limit must be at least \$1,250,000.

Your health insurance coverage, offered by the Carpenters Health and Welfare Trust Fund for California, does not meet the minimum standards required by the Affordable Care Act described above. Instead, your medical plan coverage has annual limits of:

\$250,000/year on covered Medical benefits,
\$75,000/year on covered outpatient Prescription Drug benefits, and
\$250 on the participant/spouse Routine Physical Exam benefit.

This means that your health coverage might not pay for all the health care expenses you incur.

Your health plan has requested that the U.S. Department of Health and Human Services waive the requirement to provide coverage for certain key benefit of at least \$1,250,000 million this year. Your health plan has stated that meeting this minimum dollar limit this year would result in a significant increase in your premiums or a significant decrease in your access to benefits. Based on this representation, the U.S. Department of Health and Human Services has waived the requirement for your plan until August 31, 2014.

If you are concerned about your plan's lower dollar limits on key benefits, you and your family may have other options for health care coverage. For more information, go to: www.HealthCare.gov.

If you have any questions or concerns about this notice, please contact:

The Carpenter Funds Administrative Office
Benefit Services Department
(510) 633-0333 or toll free at (888) 547-2054
benefitservices@carpenterfunds.com

Additionally, you can contact:

California Department of Managed Health Care
California Help Center
980 9th St, Suite #500, Sacramento, CA 95814
(888) 466-2219

<http://www.healthhelp.ca.gov>, helpline@dmhc.ca.gov