



June 20, 2011

TO: All Active Plan A, B, Flat Rate and R Participants and their Dependents, including COBRA Beneficiaries

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

RE: BENEFIT IMPROVEMENTS

- **Adult Child Coverage**
- **Removal of Lifetime Limit and
Re-Enrollment for Individuals who have Exceeded the Lifetime Maximum**
- **Annual Limit Changes**
- **Early Retiree Reinsurance Program**

Attention Parents – this notice is being transmitted to you on behalf of your children

Effective September 1, 2011, the Board of Trustees has approved modifications to the Plan Rules and Regulations for the Carpenters Health and Welfare Trust Fund for California which are explained in summary form below. In the event of a dispute between this summary notice and the Rules and Regulations of the Plan, the Rules and Regulations will prevail.

In accordance with the Affordable Care Act (or "Health Care Reform"), the Plan is extending coverage for certain dependent children up to age 26, removing the overall lifetime dollar and specified annual maximums and adding an overall annual dollar maximum.

- 1) **Adult Child Coverage:** Coverage for Participants' adult natural, adopted or stepchildren age 19 up to the child's 26th birthday is offered starting September 1, 2011. Coverage will be provided to **adult children who do not have access to group health coverage through their own, their spouse's, or their domestic partner's employer.** *No action is required if you do not have an adult child to enroll, or if you choose not to enroll an adult child. If you elect to enroll an adult child, the child does not have to be unmarried, or be a full-time student, or even reside with the Participant in order to qualify for this extended coverage.*

Adult children whose coverage previously ended before their 26th birthday, or who were denied coverage (or were not eligible for coverage) because the availability of dependent coverage ended before the attainment of age 26, may be eligible to enroll in the Plan during a Special Enrollment period*. This includes a child that is currently on COBRA continuation coverage. The Special Enrollment period **ends July 31, 2011** for a September 1, 2011 coverage effective date. Any qualified children enrolled during this Special Enrollment opportunity will have all the same benefits that are available to similarly situated individuals, but in some cases will not have identical coverage as other dependent children. As stated above, adult children with access to employer sponsored health coverage through their own, their spouse's or domestic partner's employer are not eligible to enroll. Also, certain mandated benefits required for minor children may not be available for adult children.

Enclosed you will find the necessary form for enrollment. Complete the Enrollment Form and send in the required documentation of proof (see the back of the Enrollment Form for details). You must list all adult children to be enrolled in the "Adult Child Information" section. The Adult Child Special Enrollment Form must be returned to our office **before July 31, 2011**. If the enrollment form is not received by July 31, 2011 but it is later determined that the adult child may be eligible to enroll at a later date, eligibility will be granted prospectively only, and will not be retroactive to September 1, 2011.

Note: *Coverage up to age 26 is only available if the adult child is the Participant's natural child, legally adopted child or stepchild and the Participant is eligible for coverage and maintains eligibility. An adult child may not establish independent eligibility except as provided by COBRA. Legal guardianship children and children of domestic partners are not included in the age 26 extension. A child may not be enrolled in the Plan unless the Participant is also enrolled. If you, as the Participant, are eligible for coverage but not currently enrolled in the Plan, you also have the opportunity to enroll for coverage and must do so in order for your dependent child to be able to enroll, however, again if the Special Window is missed, Adult Child coverage will be granted beginning the 1st of the month following enrollment and not retroactively.

Since the Plan qualifies as a **Grandfathered Plan** under Health Care Reform, adult children are not eligible to enroll if they have access to health coverage through their employer or through their spouse's or domestic partner's employer. In addition, any children of the dependent child (the Participant's grandchild) will not be covered.

The Plan will continue to provide coverage for disabled children of any age in accordance with the eligibility rules set out in the Plan Rules and Regulations. These rules extend coverage when the Participant's unmarried Dependent children are incapable of self-sustaining employment by reason of a **mental or physical handicap** and such incapacity commenced prior to the date the Dependent child's coverage would otherwise have terminated, and provided that the child is dependent upon the Eligible Participant for support and maintenance.

- 2) **Removal of Lifetime Limit:** The Active Plans will no longer include overall lifetime benefit limits effective September 1, 2011. Plan lifetime maximum of \$2,000,000 will be eliminated.

Re-Enrollment for Individuals who have exceeded the Lifetime Maximum Benefit: Individuals whose coverage previously ended because they reached a lifetime limit under the Plan are eligible to re-enroll for benefit coverage under the Plan starting September 1, 2011. Please contact the Fund Office at benefitservices@carpenterfunds.com, call (510) 633-0333 or toll free (888) 547-2054 for an Enrollment Form.

- 3) **Annual Limit Changes:** Beginning September 1, 2011, a calendar year annual overall maximum of \$2,000,000 will be **added** to Active Indemnity Plans for all Medical and Prescription Drug benefits paid for each Eligible Individual.

On September 1, 2011, Active Plans will **remove** the following calendar year maximums and will no longer have specific benefit limits:

- Chemical Dependency inpatient and outpatient treatment calendar year maximum of \$25,000 and lifetime maximum of \$35,000.
- Pediatric Dental \$2,500 (or \$2,000 for Non-PPO dentists) calendar year maximum for children under age 19.
- Prescription Drug benefit limit of \$75,000 per Eligible Individual per calendar year.
- Routine Physical Examination maximum payment limit of \$250 for the Participant and Spouse.
- Diabetes Instruction Program lifetime limit of \$500 per Eligible Individual.
- Hospice Care maximum Plan payment of \$5,000 per Eligible Individual.
- Low Vision Benefit maximum benefit of \$500 per person for children under age 19.

- 4) **Notice to Plan Participants about the Early Retiree Reinsurance Program:** You are a Plan Participant, or are being offered the opportunity to enroll as a Plan Participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a Plan Sponsor of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires on January 1, 2014.

Under the Early Retiree Reinsurance Program, your Plan Sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in Plan Participants' premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs. If the Plan Sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a Plan Participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this Plan Sponsor chooses to use the reimbursements for this purpose. A Plan Sponsor may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

Grandfathered Health Plan: The Board of Trustees of the Carpenters Health and Welfare Trust Fund for California believes this 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 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 accordance with ERISA reporting requirements this document serves as your Summary of Material Modifications to the Plan.

**CARPENTERS HEALTH AND WELFARE TRUST FUND FOR CALIFORNIA**

PO Box 2280, Oakland, California, 94621

Telephone (510) 633-0333 or (888) 547-2054

Fax (510) 633-0215 - Email benefitservices@carpenterfunds.com

www.carpenterfunds.com

ADULT CHILD SPECIAL ENROLLMENT FORM

Special Enrollment Deadline: For a currently ineligible child to enroll, you **MUST** provide **ALL** requested data below, sign and date this form and return it to the Fund Office. **Forms must be received no later than July 31, 2011. Special Enrollment will be closed on July 31, 2011**, and if you wish to add your adult child at a later date, he or she will be included as one of your dependents the first day of the month following the date the application is received.

SECTION I: PARTICIPANT INFORMATION

Name (Last)	(First)	(MI)	Social Security No.	UBC#
Address		City	State	Zip Code
Email Address			Phone Number	

SECTION II: ADULT CHILD INFORMATION (Attach an additional sheet, if necessary)

<i>Dependent 1</i> - Name (Last, First, MI):		Birthdate:	
Social Security Number:	Relationship to Participant:	Sex:	<input type="checkbox"/> M <input type="checkbox"/> F
Address, if different from above:			
Is Dependent offered other employer sponsored coverage through his/her own employer, domestic partner's employer or, if your dependent is married, through his/her spouse's employer?			<input type="checkbox"/> No <input type="checkbox"/> Yes
Is Dependent enrolled in coverage through his/her employer, spouse's, or domestic partner's employer?			<input type="checkbox"/> No <input type="checkbox"/> Yes
Is Dependent Medicare Eligible?*			<input type="checkbox"/> No <input type="checkbox"/> Yes

<i>Dependent 2</i> - Name (Last, First, MI):		Birthdate:	
Social Security Number:	Relationship to Participant:	Sex:	<input type="checkbox"/> M <input type="checkbox"/> F
Address, if different from above:			
Is Dependent offered other employer sponsored coverage through his/her own employer, domestic partner's employer or, if your dependent is married, through his/her spouse's employer?			<input type="checkbox"/> No <input type="checkbox"/> Yes
Is Dependent enrolled in coverage through his/her employer, spouse's, or domestic partner's employer?			<input type="checkbox"/> No <input type="checkbox"/> Yes
Is Dependent Medicare Eligible?*			<input type="checkbox"/> No <input type="checkbox"/> Yes

<i>Dependent 3</i> - Name (Last, First, MI):		Birthdate:	
Social Security Number:	Relationship to Participant:	Sex:	<input type="checkbox"/> M <input type="checkbox"/> F
Address, if different from above:			
Is Dependent offered other employer sponsored coverage through his/her own employer, domestic partner's employer or, if your dependent is married, through his/her spouse's employer?			<input type="checkbox"/> No <input type="checkbox"/> Yes
Is Dependent enrolled in coverage through his/her employer, spouse's, or domestic partner's employer?			<input type="checkbox"/> No <input type="checkbox"/> Yes
Is Dependent Medicare Eligible?*			<input type="checkbox"/> No <input type="checkbox"/> Yes

***If your dependent is enrolled in Medicare you MUST submit a photocopy of your dependent's Medicare card.**

SECTION III: PARTICIPANT'S SIGNATURE

Kaiser Permanente Arbitration Agreement: I understand that (except for Small Claims Court cases, claims subject to a Medicare appeals procedure, and, if my group must comply with ERISA, certain benefit-related disputes) any disputes between myself, my heirs or other associated parties on the one hand and health plan, its health care providers, or other associated parties on the other hand, for alleged violation of any duty arising out of or related to membership in health plan, including any claim for medical or hospital malpractice, for premises liability, or relating to the coverage for, or delivery of, services or items, irrespective of legal theory, must be decided by binding arbitration under California law and not by lawsuit or resort to court process, except as applicable law provides for judicial review of arbitration. I understand that the full arbitration provision is contained in the Evidence of Coverage.

I hereby certify under penalty of perjury under the laws of the State of California, that the information given in this form is true, correct, and complete to the best of my knowledge.

Plan Participant's Signature	Date
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Carefully complete this enrollment form with the required information as neatly and clearly as possible. This information is an important part of your official record with the Trust Fund Office. Review the information below for an explanation of documentation required to add your dependents.

WHEN ADDING DEPENDENT CHILDREN

The Fund has the right to request proof of relationship in the form of a birth certificate to verify the information given and to determine the eligibility of a dependent for enrollment.

Eligible dependent children are:

Participant's children under age 26, provided the child is not offered coverage through their own employer or through the employer of their spouse or domestic partner. This includes legally adopted children and stepchildren. Children for whom the Participant has been appointed legal guardian and children of domestic partners are not included in the extension of coverage to age 26. **[CERTIFICATION REQUIRED WHEN ENROLLING A DEPENDENT CHILD FOR THE FIRST TIME: Birth Certificate, Adoption papers, Legal Guardianship papers]**

Participant's children over 19 but under age 23, who are employed by an employer who offers coverage but the child is financially dependent upon the Participant and they are attending an educational or training institution as a full-time student. **[CERTIFICATION REQUIRED: Proof of full-time attendance at an accredited institution]**

Participant's unmarried children of any age who are unable to earn a living because of mental or physical handicap, provided the child was both handicapped and eligible under the Fund upon attaining the limiting age, and is primarily dependent upon the Participant for support. Evidence of the child's dependence and incapacity must be filed with the Fund Office. **[CERTIFICATION REQUIRED: Physician Statement]**

Be certain you have completed the reverse side of this form, including all correct dates of birth and Social Security Numbers. Once complete, sign and date this form and return it to the Trust Fund Office at:

**CARPENTER FUNDS ADMINISTRATIVE OFFICE OF NORTHERN CALIFORNIA, INC.
P.O. Box 2280, Oakland, California 94621-0180**

GRANDFATHERED HEALTH PLAN

The Board of Trustees of the Carpenters Health and Welfare Trust Fund for California believes this 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.