

Alaska United Food & Commercial Workers Trust Funds

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Administered by
Welfare & Pension Administration Service, Inc.

November 29, 2011

**TO: ALL RETIRED AND SURVIVING PARTICIPANTS
ALASKA UFCW HEALTH AND WELFARE TRUST**

RE: BENEFIT CHANGES EFFECTIVE JANUARY 1, 2012

This Participant Notice advises you of certain material modifications that have been made to the Alaska United Food and Commercial Workers Retiree Health and Welfare Plan effective January 1, 2012.

This information is VERY IMPORTANT to you and your dependents.
Please take the time to read it carefully and keep it with your important paperwork.

In order to preserve the financial viability of the retiree plan, the Trustees took action to separate the Active Plan from the Retiree Plan effective January 1, 2012. As a result, the following changes will be made:

- There will be no crossover of benefit limits between the two plans. Once a retiree enters the Retiree Plan any benefit limits or usage under the Active Plan does not count towards benefit limits under the Retiree Plan.
- Normal coordination of benefits, where, for example, one spouse is covered under the Active Plan and one is covered under the Retiree Plan will continue.
- The Retiree Plan will revert back to 2010 plan benefits and dependent eligibility requirements.

ELIGIBLE DEPENDENTS

Eligible dependents include your:

- Spouse
- Unmarried natural or adopted children under age 19. In addition, children legally placed for adoption, stepchildren, and other children if they are under age 19, not married, depend on you for support, and live with you in a parent-child relationship.

The requirements that a child depend on you for support and live with you do not apply to a child whose coverage is required under a qualified medical child support order issued by a court or state agency of competent jurisdiction. Contact the Administration Office for a copy of plan procedures for determining the status of medical child support orders.

- Unmarried dependent children, until their 23rd birthday, who are attending full time (as defined by the institution being attended) an accredited educational institution of higher learning and are dependent upon you for support. The dependent child must be enrolled for the next quarter/semester to have coverage continued between school quarters/semesters. However, for coverage to be continued during the summer, your dependent must meet all eligibility criteria and must be enrolled in both the spring and fall quarters/semesters.

The educational institution must be a primary or secondary school, college, university, technical or mechanical school, or a normal school or similar institution which maintains regular faculty, has an established curriculum, and has an organized body of students, (it cannot be on-the-job training, job corp, correspondence school, or a missionary outreach program).

CONTINUATION OF COVERAGE THROUGH COBRA – Self-Payment

If you have a dependent child between the ages of 19 and 26, effective January 1, 2012, they will no longer be eligible under the Plan unless they are a full time student between the ages of 19 and 23.

If your child no longer meets the definition of an eligible dependent, they may be eligible to continue medical and prescription drug coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA). Your dependent child may choose continuation coverage for up to 36 months on a self-pay basis because the dependent child is no longer considered an “eligible dependent” under the Plan due to the change of the limiting age requirement.

The Administration Office will mail COBRA election forms to dependents who are no longer eligible due to their age. If your dependent child is between the ages of 19 and 23 and they are a full-time student, they may continue to be eligible as stated above. The Administration Office will require proof of student enrollment at an approved educational facility.

SUMMARY OF MEDICAL BENEFITS

Retirees/Dependents – Not Medicare Eligible

Deductible	\$500 per person \$1,000 per family
Lifetime Maximum Benefit	\$1,000,000 per person
Coinsurance Percentage Reimbursed by the Plan (per person)	<ul style="list-style-type: none"> • 80% for most covered medical expenses • 70% for hospital services at a non-PPO hospital in Anchorage • After you have incurred \$15,000 of the above covered expenses, most covered services are paid at 100% for the remainder of the calendar year • 50% for outpatient psychiatric treatment
Maximum Benefits	<ul style="list-style-type: none"> • Physical Exams – \$500 per calendar year • Preventive Care Screening – \$500 per calendar year • Well Child Care – lifetime maximum of \$1,500 • Dietary/Nutritional Counseling – lifetime maximum of \$500 • Substance Abuse Treatment - \$7,000 in 24 consecutive months / \$14,000 lifetime • Hospice – lifetime outpatient maximum of \$3,000

Retirees/Dependents – Medicare Eligible

Deductible	\$500 per person \$1,000 per family
Lifetime Maximum Benefit	\$1,000,000 per person
Coinsurance Percentage Reimbursed by the Plan (per person)	Benefits are calculated using Medicare-approved amounts instead of the plan's reasonable and customary allowances; the amount payable by Medicare is then subtracted from this calculated amount.
Maximum Benefits	<ul style="list-style-type: none">• Physical Exams – \$500 per calendar year• Preventive Care Screening – \$500 per calendar year• Well Child Care – lifetime maximum of \$1,500• Nutritional Counseling – lifetime maximum of \$500• Substance Abuse Treatment - \$7,000 in 24 consecutive months / \$14,000 lifetime• Hospice – lifetime outpatient maximum of \$3,000

There will be no changes to your current prescription drug benefit.

The optional dental and vision benefits will be the benefits outlined on pages 43 to 51 of the current benefit booklet dated January 2010.

Please keep this important notice with your Plan Document/Summary Plan Description (SPD) for easy reference to all Plan provisions. Should you have any questions, please contact the Administration Office at (800) 331-6158, ext. 0.

Sincerely,

**Administration Office
Alaska UFCW Health and Welfare Trust**

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