

JOINT BENEFIT TRUST

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DATE: April 2011

TO: All Active Employees and their Dependents, including COBRA beneficiaries, in
the Joint Benefit Trust's 1400 Hour Plan

FROM: Board of Trustees

IMPORTANT NOTICE ABOUT BENEFIT MODIFICATIONS

This is a Notice concerning certain material modifications that have been made to Joint Benefit Trust's 1400 Hour Plan to comply with the new health care reform law effective May 1, 2011. Please take the time to read it carefully -- *Attention Parents* - Please make sure to provide a copy of this notice to any children entitled to this special enrollment right. Under the law and applicable regulations, this notice is being transmitted to you for delivery to your children.

PLAN CHANGES EFFECTIVE MAY 1, 2011

- COVERAGE FOR DEPENDENT CHILDREN TO AGE 26
- PLAN *LIFETIME* MAXIMUM ELIMINATED AND REPLACED WITH *ANNUAL* MAXIMUM
- ELIMINATION OF CERTAIN DOLLAR BENEFIT CAPS

COVERAGE OF CHILDREN TO AGE 26

The "Affordable Care Act," the short-hand name for the health care reform law signed by President Obama on March 23, 2010, allows for young adults to be covered by their parent's plan until they reach age 26. This law is effective for the JBT 1400 Hour Plan as of the Plan Year starting May 1, 2011.

Current Plan Definition of "Dependent": The Plan defines children as "dependent on you for financial support, unmarried" and "under age 19" or between age 19 and 24 if "full time students."

New Plan Definition of "Dependent" effective May 1, 2011: Your children are eligible **up to age 26** regardless of marital status, financial dependency or enrollment in school: these restrictions no longer apply to coverage of your child under age 26. **HOWEVER**, children age 19 or older who are covered under their own employer's health plan or under their spouse's health plan are ineligible for JBT coverage.

ONE-TIME SPECIAL ENROLLMENT

Children whose coverage ended, or who were denied coverage (or were not eligible for coverage) before May 1, 2011 because their JBT coverage ended before attainment of age 26 are eligible to enroll in the 1400 Hour Plan. IF YOU FAIL TO ENROLL A CHILD WHO IS NOT CURRENTLY COVERED DURING THIS SPECIAL OPEN ENROLLMENT DURING MAY 2011, YOU WILL HAVE TO WAIT UNTIL THE PLAN'S NEXT OPEN ENROLLMENT. For more information on the appropriate enrollment forms, contact the Trust Fund Office at 1-800-528-4357.

If you have a child (son, daughter, stepchild, or adopted child or child placed with you for adoption) who is under age 26 (including a child that is currently on COBRA continuation coverage) that child may be eligible to enroll in the Plan with coverage effective on May 1, 2011. This special enrollment opportunity applies to:

- children whose coverage under the Plan already ended because they reached the limiting age, were not full-time students or had graduated from college;
- children who were previously denied coverage under the Plan for being over the limiting age, not being a full-time student, being married, not residing with the employee or not meeting the financial support requirements of the Plan; and
- children who are currently on COBRA continuation coverage because they previously lost eligibility under the Plan.

This Special Enrollment opportunity **does not apply** to adult children who are covered in an employer-sponsored health plan through their own employment or their spouse's employment.

If your child is under age 26 and married, he or she may be eligible for JBT coverage but his or her spouse or child is NOT eligible.

The Plan will continue to provide coverage for disabled adult children who are 26 and older in accordance with the eligibility rules set out in the Summary Plan Description including the Eligible Employee's unmarried dependent children who are incapable of self-sustaining employment by reason of a **mental or physical handicap** provided that the Eligible Employee continues Dependent coverage and such incapacity commenced prior to the date the disabled child's coverage would otherwise terminate, and provided that the child is dependent upon the Eligible Employee for support and maintenance.

ELIMINATION OF LIFETIME MAXIMUM AND ADOPTION OF ANNUAL MAXIMUM

As of April 30, 2011 the 1400 Hour Plan's *Lifetime* Maximum of \$1 million will end and as of the Plan Year starting May 1, 2011 the Plan will adopt a new *Annual* maximum of \$1.25 million. This means that instead of limiting what the Indemnity Medical Plan will pay for total claims paid *in your lifetime* to \$1 million, the Plan will pay up to the Plan maximum of your covered claims *per calendar year*. The *Annual Maximum* will go up each year effective May 1 of each year:

<u>Year</u>	<u>Amount of the Annual Maximum</u>
May 1, 2011 – April 30, 2012	\$1 million
May 1, 2012 – April 30, 2013	\$1.25 million
May 1, 2013 – April 30, 2014	\$2 million

Note: HMOs like Kaiser and HealthNet have no lifetime or annual maximum

If your coverage or the coverage of any of your eligible dependents ended by reason of reaching the Plan's lifetime limit, you (or, if applicable, your dependents) are eligible to re-enroll in the plan **by filling out and returning a "Special Open Enrollment" form within thirty (30) days from the date of this notice.** Coverage will be effective May 1, 2010. TO REQUEST A COPY OF THE SPECIAL ENROLLMENT FORM OR FOR MORE INFORMATION CONTACT THE FUND AT 1-800-528-4357.

ELIMINATION OF CERTAIN PLAN LIMITATIONS

Effective May 1, 2011 the following Plan limits will be eliminated as follows:

CURRENT BENEFIT	BENEFIT EFFECTIVE MAY 1, 2011
Treatment of Chemical and Alcohol Dependency is limited to \$6,000 per course of treatment (adults) and no more than 2 courses of treatment per lifetime. The benefit is \$7,500 lifetime for dependents under age 18. All treatment must be authorized by TARP.	The dollar cap related to Chemical and Alcohol Dependency will be eliminated; the number of courses of treatments remains the same. All treatment must be authorized by TARP.
Dental Benefits are capped at \$1,500 a year.	Dental Benefits for children under age 19 are no longer subject to an annual limit.
Coverage of Mammograms is limited to \$100 for an annual screening for women age 40 and older.	Coverage of medically necessary Mammograms will no longer be limited to only once per year.

“GRANDFATHERED” PLAN

Because the 1400 Hour Plan is a “grandfathered health plan,” we are required by law to provide this notice to you:

The Joint Benefit Trust believes the 1400 Hour and Non-1400 Hour Plans are both 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 preventive 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 Trust Fund Office at 1-800-528-4357. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

Please keep this important notice with your Plan Document/Summary Plan Description for easy reference to all Plan provisions. Should you have any questions, please contact the Fund Office.

Receipt of this notice does not constitute a determination of your eligibility. If you wish to verify eligibility, or if you have any questions regarding the Plan changes, please contact the Administrative Office.

In accordance with ERISA reporting requirements this document serves as your Summary of Material Modifications to the Plan and we are advising you of these Plan changes within 60 days of the adoption of those changes.