

◆◆ IMPORTANT NOTICE TO PARTICIPANTS ◆◆

November, 2006

To All Employees and Dependents:

This Notice is to inform you of the following:

- ◆ Routine Physical Exam Benefits Increase.
- ◆ Revised “Successive Periods of Disability” Definition for Accident and Sickness Weekly Benefits.
- ◆ Women’s Health and Cancer Rights Act Annual Notification.
- ◆ HIPAA Privacy Update.
- ◆ Final USERRA Regulations.
- ◆ **Enclosure:** Important Notice of Prescription Drug Creditable Coverage. Please take time to read this Notice carefully as it contains valuable information on your options regarding Medicare Part D.

Routine Physical Exam Benefits Increase

The maximum payable per person per calendar year under your Routine Physical Exam Benefits will increase from \$503 to \$510 effective January 1, 2007, to coincide with the January 1 increase to the Health Dynamics fee.

Revised “Successive Periods of Disability” Definition for Accident and Sickness Weekly Benefits

The definition of “successive periods of disability” was changed as of May 1, 2006, in regard to Accident and Sickness Weekly Benefits. Prior to that date, successive periods of disability, due to the same or related causes, not separated by return to full-time active work were considered as one period of disability unless the subsequent period of disability was due to injury or sickness entirely unrelated to the causes of the previous disability. Return to full-time active work meant working at least 30 days within a 60-day time period.

The change involves how long you must return to work to be eligible for a new period of disability. Now, successive periods of disability are considered as one period of disability unless: (1) the subsequent period of disability is due to injury or sickness

entirely unrelated to the causes of the previous disability; or (2) you have been released by your physician and have returned to work for an Employer for at least 80 hours between periods of disability.

Women's Health and Cancer Rights Act Annual Notification

The Women's Health and Cancer Rights Act of 1998 requires that we notify you annually of the coverage required under this Act. This Notice fulfills that requirement.

The Act amended ERISA by requiring group health plans which provide medical and surgical benefits for a mastectomy to provide the following coverage if you elect breast reconstruction in connection with a mastectomy, in a manner determined in consultation with the attending physician and the patient:

- »» reconstruction of the breast on which the mastectomy has been performed;
- »» surgery and reconstruction of the contralateral breast to produce symmetrical appearance; and
- »» coverage for prostheses and physical complications of all stages of mastectomy, including lymphedemas.

Subject to any applicable deductible and copayment requirements, your Plan provides coverage for the preceding items. Such surgical benefits are payable on the same basis as any other surgical procedure covered by the Plan.

HIPAA Privacy Update

On April 14, 2003, the HIPAA Privacy Regulations went into effect for the Wisconsin Carpenters' Health Fund. In April of 2003 (or when you enrolled, if later), the Plan provided you a Privacy Practices Notice as required by the Privacy Regulations. This Notice provided information regarding the Plan's uses and disclosures of your Protected Health Information (PHI), your rights regarding your PHI, and the Plan's duties to protect the privacy of your PHI.

Even though the Plan previously provided you with the Privacy Practices Notice, it also is obligated by law to notify you every three years that such Notice is available upon request. To request a copy of the Plan's Privacy Practices Notice, please contact the Fund Office at: (715) 835-3174 or 1-800-424-3405.

Final USERRA Regulations

The Trustees have amended the Plan effective January 18, 2006, to comply with the final regulations issued under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) which allow you to elect to use your accumulated hours of eligibility to maintain Plan coverage while you are performing active military service and also revise USERRA notice and payment deadlines to be the same as COBRA deadlines.

Effective January 18, 2006, the language under the heading entitled, "Coverage for Employees and Their Dependents When Employee Enters Military Service," beginning on page 21 of your Summary Plan Description (SPD) booklet is revised as follows. New language is shown in italics throughout.

Coverage for Employees and Their Dependents When Employee Enters Military Service

[The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) provisions will control in the event there are any inconsistencies between the Act and the Plan.]

1. Eligibility Status

- a. You, *or an appropriate officer*, must submit advance notice of military service to the Fund Office (unless such notice is prevented by circumstances of military necessity as determined by the Defense Department, or is otherwise impossible or unreasonable under the circumstances).
- b. If you, *or an appropriate officer*, do not submit such notice, your accumulated hours of eligibility (as described in Rule II.2.), if any, will be used until exhausted to further extend your eligibility *and the eligibility of your dependents*. Your coverage will terminate on the date your accumulated hours of eligibility have been exhausted. If you subsequently submit notice in a reasonable time period, the use of your accumulated hours of eligibility will cease.
- c. For military leaves which are less than 31 days in duration and for which you, *an appropriate officer, or an employer* submit the required notice *and otherwise satisfy the reemployment requirements described as follows*, your and your eligible dependents' coverage will be continued as though you are actively at work for the duration of such leave.
- d. For military leaves which are 31 or more days in duration and for which you, *an appropriate officer, or an employer* submit the required notice, your and your eligible dependents' coverage will cease and your eligibility status will be frozen as of the date you *leave employment for the purposes of performing military service* with the uniformed services of the United States, unless you elect to continue coverage as described in the following subsection 2.
- e. Your eligibility will be reinstated on the date you return to work for a participating employer (*or upon making yourself available for work if no such work is available*) within the applicable time limits stated in the following subsection 3., provided you *otherwise satisfy the reemployment requirements necessary to qualify for reemployment rights under USERRA (e.g., provide evidence of honorable discharge,*

cumulative military service of no longer than five years). If your accumulated hours of eligibility have been exhausted, you will be allowed to make self-payments under Self-Payment Option 1 to be immediately reinstated in the Plan until you earn sufficient accumulated hours of eligibility to sustain Plan coverage.

2. Continuation of Coverage

- a. *If you fail to provide advance notice of your military service, your coverage will terminate on the date your accumulated hours of eligibility have been exhausted and you will not be eligible to continue coverage under this section unless your failure to provide advance notice is excused. The Trustees will, in their sole discretion, determine if your failure to provide advance notice is excusable under the circumstances and may require that you provide documentation to support the excuse. If the Trustees determine that your failure to provide advance notice is excused, you may elect to continue coverage, in accordance with this subsection 2., retroactive to the date you left employment for the purpose of performing services with the uniformed services of the United States, provided that you elect such coverage and pay all amounts required for the continuation coverage.*
- b. *When the Fund Office has been notified that you are entering the military service, you will be given the option of continuing your same class of coverage under the Plan. Continuation coverage under this subsection 2. is very similar to the continuation coverage described under Self-Payment Option 2, COBRA continuation coverage. The rules for election of and payment for continuation coverage are the same as the COBRA election and payment rules, provided the COBRA rules do not conflict with USERRA. If you do not elect continuation coverage and do not submit payment for all amounts required to continue coverage within the applicable COBRA timeframe, you will lose your right to continue coverage under this section and such right will not be reinstated.*
- c. *You will have the option of using your accumulated hours of eligibility, if available, to continue coverage. If you do not have any accumulated hours of eligibility available or you choose not to use them, you are required to make timely self-payments at the COBRA rate determined by the Trustees from time to time to purchase COBRA continuation coverage. If you elect to use your accumulated hours of eligibility to pay for continuation coverage and you exhaust your accumulated hours of eligibility prior to the end of the maximum coverage period described in paragraph e. below, you may make self-payments to continue coverage through the end of your maximum coverage period.*
- d. *The COBRA continuation coverage rules apply to payment for continuation coverage under this subsection 2. provided that the COBRA payment rules do not conflict with USERRA. You must make all required*

self-payments within the COBRA timeframe described under Self-Payment Option 2 in your SPD to continue coverage under this subsection (b) unless the COBRA payment rules conflict with USERRA.

- e. You and your eligible dependents may continue coverage for a period ending the earlier of:
- : *the date that the Plan no longer provides group health care coverage to any employees;*
 - : *the day after the date you fail to elect continuation coverage as required by the COBRA continuation coverage election rules;*
 - : the first day of the month for which a timely self-payment has not been received and your accumulated hours of eligibility have been exhausted;
 - : 18 months from the first date of absence due to military service *(or 24 months for any military leave that begins on or after December 10, 2004); or*
 - : the day after the date you fail to apply for reemployment with a participating employer within the applicable time period allowed under the following subsection 3. *or otherwise cease to have USERRA reemployment rights.*

The right to freeze eligibility and make self-payments under this provision ceases when you provide notice that you do not intend to return to work for a participating employer after uniformed service.

3. Status Upon Return from Military Service

If you are eligible for benefits when you enter the military service and you *have sufficient accumulated hours of eligibility or make timely self-payments to maintain coverage upon your return to work*, you and your eligible dependents again will be eligible for benefits on the date of your return to work for a participating employer within the following time periods, *provided you satisfy the other reemployment requirements of USERRA:*

- a. For periods of military service of less than 31 days, you must report to the employer not later than the beginning of the first full regularly scheduled work period on the first full calendar day following completion of the period of military service plus eight hours, after a period allowing for safe transportation from place of military service to place of your residence.
- b. For periods of military service of more than 30 days but less than 181 days, you must apply for reemployment not later than 14 days after military service is completed.

- c. For periods of military service of more than 180 days, you must apply for reemployment not later than 90 days after military service is completed.

Such time periods may be extended *up to two years* for injuries or sicknesses, as determined by the Secretary of Veteran Affairs, to have been incurred or aggravated during your service in the uniformed services.

If you exhaust your accumulated hours of eligibility prior to your return from military service and you do not have USERRA reemployment rights, you will be treated as a new employee.

If you exhaust your accumulated hours of eligibility prior to your return from military service *and you satisfy the USERRA reemployment requirements*, you will be eligible for benefits on the date of your return to work within the required time periods, provided you make self-payments required to continue eligibility under Self-Payment Option 1. *If you fail to make self-payments as required upon reinstatement in the Plan, your eligibility for coverage will terminate as of the last date of the period for which a timely payment was received and you then will be treated as a new employee.*

[Please Note: Subsection 4. regarding Class D Tricare Standard-Supplement Coverage will remain unchanged.]

These rules are intended to comply with the requirements of USERRA. The USERRA provisions will control in the event there are any inconsistencies between the Act and the Plan.

The Plan will provide continuation coverage and reinstatement rights to the extent required by USERRA. You also may have continuation coverage rights under COBRA. Although the COBRA and USERRA provisions are similar, COBRA continuation coverage and USERRA continuation coverage are not identical. As long as you remain eligible simultaneously for both COBRA and USERRA continuation coverage, you will receive the more generous benefit rights that apply under these statutes. COBRA and USERRA continuation periods will run concurrently.

Please keep this Notice in your Summary Plan Description (SPD) booklet for future reference. If you have any questions, feel free to call the Fund Office.

Yours very truly,

THE BOARD OF TRUSTEES

Enclosure

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