

May 11, 2009

Dear Participant:

You recently received a self-payment notice from the Health Fund Office that included information on the new COBRA premium subsidy provided under the American Recovery and Reinvestment Act of 2009 (ARRA). Some of you may have applied to continue your coverage under COBRA at the subsidized rate and may continue to do so. Others of you may not have qualified because you are not fully terminated, but are not working enough hours to maintain eligibility. Trustees realize the difficulty in maintaining your Health Fund eligibility when unemployment is high and have adopted special rules on a temporary basis to provide a reduced self-payment and benefit option (Reduced Plan Option).

This option previously was available only to those who worked less than 120 hours in a Work Quarter. It now will be available at a significantly reduced rate to Class C Participants who have experienced a reduction in work hours or termination of employment and have lost eligibility for the Coverage Quarter beginning May 1, 2009. To qualify: your loss of eligibility must be the result of becoming unemployed in Covered Work or having your hours reduced so you are unable to remain eligible with employer contributions; you must be and remain a member in good standing of a local union affiliated with the North Central States Regional Council of Carpenters in the Fund's jurisdiction; and you must be available to return to Covered Employment.

The Reduced Plan Option includes Class C **Comprehensive Major Medical Benefits only**, but at increased deductible and copayments. **There are no Dental Benefits, Vision Benefits, Accident and Sickness Weekly Benefits, Death Benefits, or Accidental Death & Dismemberment (AD&D) Benefits under this option.**

Your out-of-pocket expenses under the Reduced Plan Option are increased as follows:

Deductible amount per calendar year: \$1,000 per individual; \$3,000 per family

Copayment after satisfaction
of the deductible:

75% of preferred provider (PPO) charges and
70% of reasonable charges incurred at a non-
PPO provider (copayment is reduced by 5%
when services that are required to be
precertified, are not precertified)

Out-of-pocket maximum
per calendar year:

\$5,000 per individual; \$15,000 per family,
including deductible

Over →→

To assist you in maintaining health benefit coverage during the current economic downturn, the current quarterly self-payment amount for the Reduced Plan Option has been reduced from \$1,821 (\$607 per month) to \$585 (\$195 per month).

This option may be elected as of the first day of the Coverage Quarter beginning May 1, 2009 will be available for three Coverage Quarters (May – July 2009, August – October 2009, and November 2009 – January 2010). If you continue to satisfy the requirements stated previously, your coverage under the Reduced Plan Option will remain in effect as long as you make the necessary self-payments. Once this program ends (January 31, 2010), you will be responsible for the full self-payment amount of \$1,821 per quarter. Keep in mind that self-payments, when completely unemployed in the Fund's jurisdiction, are limited to six (6) consecutive Coverage Quarters.

If you work enough hours in a Work Quarter that your self-payment for a Coverage Quarter falls below \$585, you will switch back to full Class C benefits at the applicable self-payment amount. *For example, you work 315 hours in June, July, and August 2009. Your self-payment for November, December, 2009, and January 2010 would be \$543.75 per quarter or \$181.25 per month for full Class C benefits.*

If you have already sent in your self-payment for the quarter beginning May 1, 2009, but you satisfy the requirements and wish to change to the Reduced Plan Option, or if you previously elected not to continue coverage for the quarter beginning May 1, 2009 and now wish to do so under the Reduced Plan Option, you must complete the enclosed form and return it to the Fund Office with your self-payment.