



GREATER KANSAS CITY LABORERS FRINGE BENEFIT FUNDS

Managed for the Trustees by:

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TO: ALL PARTICIPANTS OF THE GREATER KANSAS CITY LABORERS WELFARE FUND

RE: WELFARE PLAN BENEFIT CHANGES FOR 2007

Dear Participants and Retirees:

So that we may continue to provide the best benefits possible for all Plan participants, The Board of Trustees has recently adopted the following changes to the Plan of Benefits:

❖ ***Individual Lifetime Maximum Increased to \$900,000—Effective October 1, 2006***

As a benefit under the Comprehensive Major Medical Expense Benefit, the Plan shares in the cost of your medical care once you have paid any applicable deductibles. Effective October 1, 2006, the maximum lifetime amount of benefits payable for anyone covered by the Plan has increased to \$900,000. All covered charges paid by the Plan before October 1, 2006 will count towards this increased lifetime maximum. This new maximum applies for all active employees, retirees and dependents.

EXAMPLE

If you had already used \$250,000 of your lifetime maximum as of October 1, 2006, under the new lifetime maximum of \$900,000 you will have \$650,000 remaining.

❖ ***New First Year Eligibility Maximum – Effective January 1, 2007***

Under the Comprehensive Major Medical Expense Benefit, the Plan will pay a maximum of \$100,000 for covered charges incurred during the first 12 months of a participant's eligibility for benefits under the Plan. This applies to all newly eligible employees and dependents, including newborn children and spouses. The first year eligibility maximum will count towards the lifetime maximum and is subject to the calendar year out-of-pocket provision of the Plan. Please note that 12 months after initial eligibility the annual maximum for each individual will increase to \$400,000 as explained below, even if you have a break in eligibility during that time.

EXAMPLE

If you become eligible July 1st, you and each of your dependents will have \$100,000 in benefits available until the following June 30th. Any benefits used during the period January through June 30th will count toward the \$400,000 **annual** maximum available for plan benefits during the next year. So, if you were to use the full 100,000 before June 30th, you would have \$300,000 available for benefits during the remainder of the calendar year.

❖ ***New Individual Annual Maximum of \$400,000 – Effective January 1, 2007***

Under this new benefit, the Plan will pay up to \$400,000 annually towards the cost of an eligible participant's or dependents medical care. If this maximum dollar amount is paid during any calendar year, the participant may still be eligible for benefits in the following year. This annual maximum will count towards the lifetime maximum and applies to all active employees, retirees and dependents. For new participants becoming eligible to receive benefits on or after January 1, 2007, this individual annual maximum becomes applicable the second year that the participant is covered under the Plan, and continues in each year thereafter.

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EXAMPLE

If you reach your \$400,000 annual maximum on July 1, 2007, you will not be eligible for any benefits under the Plan until January 1, 2008. The \$400,000 annual maximum counts towards your lifetime maximum of \$900,000, which means that if you again had \$400,000 in claims in 2008, you would have \$100,000 of your lifetime maximum left for the remainder of your life.

Effective January 1, 2007, all benefits paid on behalf of eligible participants except those applicable under the Death, Accidental Death and Dismemberment Benefit, and Loss of Time will be included in each of the maximum amounts mentioned above, including those paid for prescription drugs, dental and vision expenses.

❖ ***New Increase in Death Benefits – Effective January 1, 2007***

The death benefits for active employees will increase from \$3000 to \$8000 and the death benefits for dependents will change to \$4000 for spouse and all dependent children. The death benefit for a retiree will increase from \$100 per credit to \$250 per credit, up to a maximum of 10 credits. (maximum benefit \$2500).

Please note that these Plan changes have been adopted to secure the long-term financial stability of the Fund. If you have any questions, please feel free to call the Fund Office at (913) 236-5490.

Sincerely,

BOARD OF TRUSTEES

This announcement highlights certain features of the Greater Kansas City Laborers Welfare Fund. Full details are contained in the documents (Summary Plan Description, Plan Document, etc.) that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.