



GREATER KANSAS CITY LABORERS FRINGE BENEFIT FUNDS

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION
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November 2008

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

RE: Notice of Prescription Drug Creditable Coverage

Important Information About Your Benefits and Medicare Prescription Drug Coverage

This Notice has information about:

- Medicare Prescription Drug Coverage (Medicare Part D) that became available to everyone with Medicare starting January 1, 2006.
- How the Greater Kansas City Laborers Welfare Fund existing prescription drug benefits are, on average for all active and retired Plan participants and their dependents, more generous than standard Medicare Prescription Drug Coverage.
- What your choices are and what happens to your coverage under the Greater Kansas City Laborers Welfare Fund if you elect Medicare Prescription Drug Coverage.
- Where to find more information to help you make decisions about your prescription drug coverage.

The Greater Kansas City Laborers Welfare Fund provides prescription drug coverage for all participants. You do **not** need to enroll for Medicare Prescription Drug Coverage since you have coverage available under the Greater Kansas City Laborers Welfare Fund.

This Notice explains the options you have under Medicare Prescription Drug Coverage and can help you decide if you want to enroll. Please read this Notice carefully and keep it in a safe place for future reference.

New Medicare Prescription Drug Coverage

Medicare Prescription Drug Coverage is available to anyone with Medicare. Most people must pay a monthly premium for Medicare Prescription Drug Coverage. For people with limited income and assets, extra help paying for Medicare Prescription Drug Coverage is available. Medicare Prescription Drug Coverage is insurance provided by private companies that have been approved by Medicare. Medicare Prescription Drug Coverage is available through Medicare Advantage Plans (like an HMO or PPO) and Medicare Prescription Drug Plans.

All Medicare plans provide at least a standard level of coverage as set by Medicare. Some Medicare plans offer better coverage for a higher monthly premium.

If you are entitled to Medicare Part A or enrolled in Medicare Part B, you can enroll for Medicare Prescription Drug Coverage when you first become eligible for Medicare and each year from November 15th through December 31st. If you lose or drop prescription drug coverage under the Greater Kansas City Laborers Welfare Fund, you may be eligible for a two month Special Enrollment Period to sign up for Medicare Prescription Drug Coverage. You can find out more detailed information about Special Enrollment Periods in the "Medicare & You" booklet sent to Medicare eligible individuals each fall.

Existing Coverage as Good as Standard Medicare Prescription Drug Coverage

The Greater Kansas City Laborers Welfare Fund has determined that the Fund's existing prescription drug benefits are, on average, "creditable coverage," which means coverage under the Greater Kansas City Laborers Welfare Fund is expected to pay as much (or more in some cases) in claims for all participants as standard Medicare Prescription Drug Coverage. Because your current prescription drug benefits under the Greater Kansas City Laborers Welfare Fund, on average, are more generous than Medicare standard coverage, you can choose to stay covered under the Welfare Fund and join a Medicare plan later and not be subject to higher premiums.

Keep this Notice. If you enroll for Medicare Prescription Drug Coverage, you will need a copy of this Notice when you enroll. This Notice verifies that you have creditable coverage and that you are not required to pay higher premiums.

Your Choices and the Consequences

If you are eligible for Medicare, you may want to compare your current coverage, including which medications are covered, with the coverage and cost of the Medicare plans in your area. Remember that for most people there is a monthly premium for Medicare Prescription Drug Coverage. If you **do not** enroll for Medicare Prescription Drug Coverage, you will continue to receive benefits under the Greater Kansas City Laborers Welfare Fund (as long as you are otherwise eligible to continue Plan coverage). Remember that the Welfare Fund also provides medical and other benefits, in addition to prescription drug benefits. You will continue to be eligible to receive all current benefits for which you are eligible.

Active Participants and Their Dependents

If you are an active participant or the dependent of an active participant and are eligible and enroll for Medicare Prescription Drug Coverage, you will continue to be eligible for Fund benefits. However, your benefits will be coordinated with Medicare, in accordance with the Fund's and Medicare's coordination provisions.

Medicare-Eligible Retirees and/or Their Medicare-Eligible Dependents

If you are a Medicare-eligible retiree or Medicare-eligible dependent of a retiree and enroll for Medicare Prescription Drug Coverage, you will not receive prescription drug benefits under the Greater Kansas City Laborers Welfare Fund as of the date Medicare notifies the Fund that you have enrolled for Medicare Prescription Drug Coverage. You will continue to be eligible to receive medical benefits under the Welfare Fund. However, your monthly premium for coverage under the Welfare Fund will not be reduced. If you or your dependent enroll for Medicare Prescription Drug Coverage, lose Welfare Fund prescription drug benefits, and later decide to drop Medicare Prescription Drug Coverage, you will be only be allowed to re-enroll for the Fund's prescription drug benefits between November 15 and December 31, with prescription drug coverage effective under the Fund as of the following January 1. That means it is possible that there will be a period when you do not have prescription drug benefits. If you drop *all* coverage under the Fund, enroll for Medicare Prescription Drug Coverage, and later drop Medicare coverage, retiree coverage under the Greater Kansas City Laborers Welfare Fund cannot be reinstated because once retiree coverage ends, it may not be reinstated unless you return to work and satisfy the Plan's eligibility requirements.

Note to Medicare-Eligible Individuals: If you drop or lose your coverage under the Greater Kansas City Laborers Welfare Fund and do not enroll for Medicare Prescription Drug Coverage after your current coverage ends, you may pay more for Medicare Prescription Drug Coverage at a later date. If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare Prescription Drug Coverage, your monthly premium for Medicare Prescription Drug Coverage will increase. The increase will be at least 1% per month for every month after you are eligible for but did not have Medicare coverage. For example, if you go 19 months without coverage, your monthly premium will always be at least 19% higher than what most other people pay. You will have to pay this higher premium as long as you have Medicare Prescription Drug Coverage. In addition, you may have to wait until the next open enrollment period (November 15 through December 31 each year) to enroll.

For More Information About Medicare Prescription Drug Coverage

If you are eligible for Medicare, you will receive a *Medicare & You* handbook in the mail from Medicare. More detailed information about Medicare Prescription Drug Coverage will be included in this handbook.

To get more information:

- Visit www.medicare.gov for personalized help.
- Call your State Health Insurance Assistance Program (the telephone number will be included in the *Medicare & You* handbook).
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- For people with limited resources, extra help paying for a Medicare Prescription Drug Coverage is available.

Additional information is available from the Social Security Administration. To get more information about this extra help:

- Visit www.socialsecurity.gov.
- Call 1-800-772-1213 (TTY users should call 1-800-325-0778).

For More Information About this Notice or the Greater Kansas City Laborers Welfare Fund

If you have any questions about this Notice or would like more information about your benefits under the Greater Kansas City Laborers Welfare Fund, please call the Fund Office. In the future, the Welfare Fund will periodically send you an updated copy of this Notice for your records. You also may request a copy of this Notice at any time by contacting the Fund Office:

6405 Metcalf Avenue, Suite 200
Overland Park, KS 66202
(913) 236-5490 or (800) 542-4482

Benefits under the Greater Kansas City Laborers Welfare Fund are not vested or guaranteed. Full details of the Plan are contained in the documents 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 discontinue all or part of the Plan at any time.