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**TEAMSTERS
BENEFIT
TRUST**

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PLAN CHANGE NOTICE

Summary of Material Modifications

- ***Name Change – “RSP GOLD”***
- ***Introduction of “RSP SILVER”***
- ***RSP 2010 Rate Increase***
- ***RSP Post-Retirement Self-Payments***

**RETAIN WITH YOUR BENEFIT PACKAGE FOR
FUTURE REFERENCE**

April 29, 2010

To: Active and Retired Participants of Non-TBT Employers in the
Retirement Security Plan (RSP)

As the cost of the Retirement Security Plan ("RSP") has increased, TBT has looked for ways to provide these benefits at a lower cost. Therefore, a second RSP option, "RSP SILVER," has been established which will have a monthly active employee contribution that is lower than the current RSP (now called "RSP GOLD"). As of July 1, bargaining units that do not want to continue to pay for the RSP GOLD can opt into the lower cost RSP SILVER. These are the differences between the two plans:

1. ***RSP GOLD or SILVER:*** Bargaining units can continue to participate in the 'old' RSP – now called RSP GOLD – or transfer to RSP SILVER. RSP GOLD will continue unchanged for the foreseeable future (other than annual contribution rate increases). See the attached comparison of RSP GOLD and RSP SILVER.
2. ***RSP GOLD 2010 CONTRIBUTION RATE:*** The current contribution rate for RSP GOLD for Non-TBT Employer groups is \$329.27 per participant/per month (an equivalent of \$1.90 per hour). **This rate will increase to \$372.60 per month or \$2.15 per hour effective July 1, 2010** and is currently expected to increase by \$43.33 per month or 25¢ per hour every July.
3. ***RSP SILVER CONTRIBUTION RATE:*** **Effective July 1, 2010, RSP SILVER will be offered to Non-TBT Employer Groups at a contribution rate of \$294.61 per month (or an equivalent of \$1.70 per hour).** RSP SILVER will cost 20¢ per hour less than the July 1, 2009 RSP GOLD rate and 45¢ per hour less than the July 1, 2010 RSP GOLD rate. **TBT intends (but does not guarantee) to maintain the \$294.61 RSP SILVER rate**

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Active and Retired Participants of Non-TBT Employers in the Retirement Security Plan (RSP)

Changes Effective 7-1-10 – Name Change – “RSP GOLD,” Introduction of “RSP SILVER,” RSP 2010 Rate Increase and RSP Post Retirement Self-payments

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for a period of five years and as of July 1, 2015, the rate is expected to increase by \$17.33/month (or 10¢ per hour).

4. **WHY THE DIFFERENCE?** How can TBT expect to keep the costs of RSP SILVER so much less than RSP GOLD – What’s the difference? It will take much longer to qualify for RSP SILVER and after retirement you will be expected to pay 20% of the Plan cost through a monthly co-contribution. **The only current differences between RSP GOLD and RSP SILVER are the number of months before retirement needed to qualify and the post-retirement retiree co-contribution. The benefits paid by RSP GOLD and RSP SILVER are identical.**
5. **ELIGIBILITY FOR RSP GOLD vs. RSP SILVER:** RSP GOLD will continue to require a minimum of 60 months (5 years) of monthly contributions before retirement to qualify for benefits. **RSP SILVER requires a minimum of 180 months (15 years) of monthly contributions before retirement to qualify for benefits.**
6. **POST-RETIREMENT SELF-PAYMENT POLICY:** RSP GOLD retirees do not currently pay anything toward the monthly Plan cost after retirement. RSP SILVER retirees will pay 20% of the monthly premium cost (see attached spreadsheet with monthly premiums). While the dollar amount of the monthly retiree co-contribution will increase with each annual rate adjustment (October of each year), the RSP SILVER retiree’s (and spouse’s) co-contribution will always equal 20% of the Trust’s cost to provide the benefit. **FOR EXAMPLE – 20% OF RSP SILVER MONTHLY PREMIUM COST AS OF JULY 1, 2010:**

| | Cost | 20% Co-contribution |
|---|-------|---------------------|
| Retiree: <u>Medicare eligible</u> in <i>Kaiser's Senior Advantage</i> plan. | \$420 | \$ 84.00 |
| Spouse: Age 55, <u>non-Medicare</u> in <i>Kaiser's non-Medicare</i> plan. | \$716 | \$143.20 |
| Total self-pay rate: | | \$227.20 |

These are examples. To determine what your 20% co-contribution would be as of July 2010, see the attached spreadsheet.

7. **GRANDFATHERED ELIGIBILITY:** Any active employee who is at least age 45 and has a minimum of 36 months of contributions into the ‘old’ RSP will be “grandfathered” under the ‘old’ RSP 60-month eligibility rules if their bargaining unit changes from RSP GOLD to RSP SILVER. **This “grandfathered” provision only applies to eligibility – a grandfathered retiree (and spouse) will still pay the RSP SILVER 20% share of the monthly premium cost upon retirement.**
8. **CHANGES FROM GOLD TO SILVER:** Current RSP retirees who retired from a bargaining unit that subsequently switches from RSP GOLD to RSP SILVER will have to pay the 20% monthly share of the cost of the Plan. This includes anyone who was “grandfathered” under the ‘old’ RSP 60-month eligibility rules. See #7 above.

9. ELIGIBILITY RULES: RSP GOLD contributions will hereafter be credited toward RSP SILVER eligibility. Because the RSP SILVER contribution rate is so much lower than the RSP GOLD rate, RSP SILVER contributions will not be credited toward RSP GOLD eligibility. Like RSP GOLD, eligibility for RSP SILVER will require,

- Coverage for at least 24 out of the last 36 months before retirement in a bargaining unit that (1) participates in the RSP *and* (2) participates in a TBT active plan (or another active plan approved by TBT); and
- Retirement from an Employer who is participating in the RSP as of your retirement date; and
- Either 60 months (RSP GOLD) or 180 months (RSP SILVER) of contributions (at the plan contribution rate) on your behalf before retirement (as described in #5 above).

10. WHEN DO GOLD RETIREES BECOME SILVER?

- Current RSP retirees will remain in RSP GOLD so long as the bargaining unit from which they retired remains in RSP GOLD.
- All current and future RSP GOLD retirees will transfer to RSP SILVER if the bargaining unit from which they retired changes from RSP GOLD to RSP SILVER.
- All current RSP GOLD retirees will transfer to RSP SILVER if the bargaining unit from which they retired gets out of RSP altogether. These “orphaned” retirees will be required to pay the 20% share of the monthly cost of RSP SILVER.

IMPORTANT NOTE: The benefits offered by TBT and described in this notice, including contribution rates and retiree co-contributions, are not vested and may be changed by the Board of Trustees.

If you have any questions, please phone the TBT Plan Administration Office at one of the above numbers and ask for the Retiree Unit.

Sincerely,

Nora Johnson
Fund Manager
On behalf of the Board of Trustees

NJ/mr

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PLEASE NOTE

This Notice is intended to amend all TBT documents, notices and correspondence, including (but not limited to) Guide To Your Benefits and Summary of Coverage.

This document is a Summary of Material Modifications (“SMM”) intended to notify you of important changes made to your plan of benefits. You should take the time to read this SMM carefully (and share it with your family) and keep it with your copy of the *Guide To Your Benefits*. While every effort has been made to make this description as complete and as accurate as possible, this SMM, of course, cannot contain a full restatement of the terms and provisions of the Plan. If any conflict should arise between this summary and the Plan, or if any point is not discussed in this SMM or is only partially discussed, the terms of the Plan will govern in all cases. The Board of Trustees reserves the right, in its sole and absolute discretion, to amend, modify, terminate or interpret and decide all matters under the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason.

Si usted gustaria una copia en espanol, por favor de contactar la oficina de administracion de Teamsters Benefit Trust.