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August 25, 2010

## PLAN CHANGE NOTICE

Summary of Material Modifications Concerning:

### (1) ELIGIBILITY OF CHILDREN UNDER AGE 26 & (2) LIFETIME MAXIMUM

Retain With Your Benefit Package for Future Reference

TO ALL TEAMSTERS BENEFIT TRUST ACTIVE PLAN PARTICIPANTS & DEPENDENTS  
(Except International Plan Participants and Dependents):

As of October 1, 2010, the new health care law – the “Patient Protection and Affordable Care Act” – applies to the Teamsters Benefit Trust (TBT). Because TBT’s Plans are “grandfathered,” the new law means immediate changes to TBT’s benefit plans for active employees in two areas: (1) the rules for coverage of children, and (2) the elimination of the plan lifetime maximum and the introduction of a plan annual maximum. This notice describes these changes.

#### **(1) CHANGES IN THE COVERAGE OF CHILDREN:**

**CURRENT RULE FOR COVERAGE OF CHILDREN:** The Plan covers your unmarried children who depend primarily on you for financial support and live with you more than six (6) months out of each year to age 19 *and* until age 26 if they are enrolled in school full-time.

On October 1, 2010, TBT’s rules for coverage of children will change as follows: \*

**NEW RULE:** Children are covered until age 26 *and it no longer matters* whether they are married, primarily dependent on you for financial support, living with you more than six months out of each year, or enrolled in school. Coverage ends as of the end of the month in which they reach their 26<sup>th</sup> birthday. **Exception:** If your child is employed and eligible for coverage in his or her employer’s group plan, he or she is ineligible for TBT coverage as your child.

If your child is under age 26 but is not currently covered by TBT because his/her coverage ended, or because he or she was denied coverage (or was not eligible for coverage) because the availability of dependent coverage of children ended before attainment of age 26, your child is now eligible to enroll in your TBT plan. **Your dependent may now enroll effective October 1, 2010 by filling out and returning a “Special Open Enrollment” form within thirty (30) days**

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\* The Plan also covers children age 19 and over who “cannot earn a living due to mental or physical disability that existed prior to reaching age 19” subject to proof of eligibility. That provision has not changed.

**from the date of this notice.** To request a copy of the Special Enrollment Form or for more information contact TBT at (800) 533-0119 and ask for Dana at ext. 254.

Reminder: Who qualifies as your Child covered by the Plan and when do Children lose their eligibility? The Plan covers your “biological” children, your stepchildren, children you have legally adopted, children for whom you and/or your spouse are the legally appointed guardian, and the children of your legally qualified domestic partner. Children lose their coverage when you (the Plan participant) are no longer eligible; as of their 26<sup>th</sup> birthday; when they become eligible for group health coverage through their own employment; or upon entering active duty military service.

## **(2) ELIMINATION OF THE PLAN’S LIFETIME MAXIMUM AND INTRODUCTION OF THE ANNUAL MAXIMUM:**

**CURRENT PLAN MAXIMUM:** For Indemnity Medical Plan claims there is a *lifetime maximum* of \$2 million per beneficiary.

**NEW RULE:** On October 1 the Indemnity Medical Plan’s lifetime maximum will be eliminated and will be replaced by a \$2 million *annual maximum* per beneficiary. This means that instead of limiting what the Indemnity Medical Plan will pay for total claims paid *in your lifetime* to \$2 million, the Plan will pay up to a limit of \$2 million of your covered claims incurred *per calendar year*. Therefore, each year Indemnity Medical Plan participants can incur up to \$2 million in covered claims before hitting a medical benefits cap. Note: HMOs like Kaiser and PacifiCare have no lifetime or annual maximum. If your coverage or the coverage of any of your eligible dependents ended by reason of reaching your plan’s lifetime limit, you (or, if applicable, your dependents) are eligible to re-enroll in the plan **by filling out and returning a “Special Open Enrollment” form within thirty (30) days from the date of this notice. Coverage will be effective October 1, 2010.** To request a copy of the Special Enrollment Form or for more information contact TBT at (800) 533-0119 and ask for Dana.

**Please Note:** You and all of your dependents must be enrolled in the same medical option (Indemnity Medical Plan, Kaiser or PacifiCare).

### **TBT IS A “GRANDFATHERED HEALTH PLAN”**

The TBT believes that all its benefit plans for active employees are “grandfathered health plans” under the Patient Protection and Affordable Care Act (the “Affordable Care Act”). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Plan Administrator at the address listed on this notice. You may

also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform). This website has a table summarizing which protections do and do not apply to grandfathered health plans.

Sincerely,

Nora Johnson  
Fund Manager  
On behalf of the Board of Trustees  
NJ/mr

**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.