



Welfare Fund of Local No. One, I.A.T.S.E.

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SUMMARY OF MATERIAL MODIFICATIONS TO THE WELFARE FUND OF LOCAL NO. ONE, I.A.T.S.E.

To: All Participants in the Welfare Fund of Local No. One, I.A.T.S.E.

From: Scott Cool, Director of Fund Administration

Date: April 10, 2009

Re: Changes to the Welfare Fund of Local No. One, I.A.T.S.E.

This document is a Summary of Material Modifications ("SMM") intended to notify you of important changes made to the Welfare Fund of Local No. One, I.A.T.S.E. ("the Plan"). You should take the time to read this SMM carefully and keep it with the copy of the Summary Plan Description ("SPD") that was previously provided to you. If you need another copy of the SPD or if you have any questions regarding these changes to the Plan, please contact the Fund Office during normal business hours at 320 West 46th Street, 6th Floor, New York, New York, 10036, telephone number (212) 247-5225.

The Board of Trustees of the Plan has adopted the following changes:

1. Effective November 10, 2008, the following language will replace the language addressing Crediting for Disability appearing in the Section entitled "Special Crediting Rules of the Fund" on page 16 of the SPD:

Crediting for Disability: Eligible employees who are unable to work due to disability and who are receiving Workers Compensation Benefits, State Disability Benefits, Long Term Disability Benefits, or Social Security Benefits or who have spent twenty-one (21) or more consecutive days as an inpatient in a hospital or other facility for which the Fund provided coverage, will for the purposes of eligibility be deemed to have earned up to 1/52nd of the covered earnings for the applicable Tier (taking into consideration and including any employer compensation for the week) for each week they receive such benefits or remain admitted on an inpatient basis to such facility. If you have exhausted available Workers Compensation, State Disability, and Long Term Disability benefits, but continue to be unable to work due to disability, you will continue to qualify for earnings credit only if you provide continued proof of your disability. The Board of Trustees reserves the right to require that you be examined by a doctor of the Board of Trustees' own choosing, at the Plan's expense, and at reasonable times and intervals. If you fail to have an examination, or the doctor determines that you are not unable to work due to disability, disability earnings crediting will cease.

The applicable Tier is the Tier you would be eligible for based upon your covered earnings in the fifty-two (52) weeks prior to the date of your disability. This earnings credit will be considered when determining whether you are entitled to coverage in the Plan in the next year, as if you had actually worked and earned the deemed earnings provided in this section. You are entitled to buy up to a higher Tier only if you were in that higher Tier on the day your disability commenced. When a period of disability overlaps two calendar years and the employee has no need to count any portion of such period of disability in order to satisfy the eligibility requirement in the first year, the period of disability in that first year may be applied to the second year if, due to the disability, the employee remains unable to work. You will be required to submit proof of your disability to the Fund Manager on the forms and in the manner as the Fund Manager may require.

In no event, however, shall any employee during his/her lifetime receive the earnings credit described in the preceding paragraph, whether for one disability or multiple disabilities, in excess of one hundred four (104) weeks, unless you meet the requirements of the following exception: If following exhaustion of one hundred four (104) weeks of earnings credit, you have not yet received a Social Security Disability Award, and you would have sufficient pension credits to qualify for retiree medical coverage were you to later receive a disability pension from the Pension Fund of Local No. One I.A.T.S.E., you will be granted up to an additional one-hundred fifty-six (156) weeks of earnings credit, *provided* you remain totally and permanently disabled (and submit proof of such disability to the Fund Manager on the forms and in the manner as may be required) and provided you continue to timely pay for coverage on the same basis as retirees that are covered under the Welfare Fund.

Employees who receive credit towards the covered earnings requirement under this section and who are generally required to self-pay for coverage may be eligible to have such payments waived. You must submit

a written request to the Fund Office on the forms and in the manner as the Fund Manager may require for such a waiver. The Fund Manager will notify you if a waiver is granted. This waiver applies to any month in which you qualify for at least one week of earnings credit, provided that you have submitted proof of disability to the Fund Office and you submitted a written request to the Fund Office to waive self-payments. Please note that if you are eligible to buy up from your Tier and elect to do so, you will be required to pay the applicable buy-up premium. If you elect to buy-up you must continue to pay premiums and remain in buy-up status for the remainder of the Plan Year, otherwise you will lose **all** coverage under the Plan.

2. Effective November 10, 2008, the following language will replace the Section entitled "Return to Employment Following Retirement" on pages 21-22 of the SPD:

Return to Employment Following Retirement

Should you choose to return to work after you have retired, the following special rules will apply to your eligibility for welfare benefits. If you are receiving retiree medical coverage, are Medicare eligible, and you return to work and earn more than the applicable minimum covered earnings for Tier I, II or III coverage, your retiree medical coverage will be terminated on the following June 30th, and you will receive the applicable Tier of active coverage for that Plan year.

If in a subsequent year you either re-retire or earn less than the minimum covered earnings for Tier I coverage, your active Tier I, II or III coverage will terminate on the following June 30th, and you will receive retiree medical coverage.

3. Effective April 1, 2009, the following new paragraph is added to the end of the Section entitled "Special Enrollment Options for Active employees and Their Dependents" on pages 11-12 of the SPD:

Additional Special Enrollment Rights: If you are an active employee and otherwise eligible for coverage under the Plan, and either (i) your or your dependent's coverage under Medicaid or the Children's Health Insurance Program ("CHIP") is terminated as a result of loss of eligibility for such coverage, or (ii) you or your dependent becomes eligible for a state subsidy for enrollment in the Plan under Medicaid or CHIP, you may be able to enroll yourself and/or your dependent(s) in the Plan if you request coverage under the Plan within sixty (60) days after such termination or eligibility. If enrollment is permitted, coverage under the Plan will be effective beginning on the first day of the first calendar month following the month in which a completed request for enrollment is received by the Fund Office. You are required to pay any additional premium required by the Plan.

4. Effective April 1, 2009, the following new paragraph is added after the first paragraph of the Section entitled "Special Enrollment Options for Dependent(s) of Covered Retirees" on page 21 of the SPD:

Additional Special Enrollment Rights: If you are a retiree already enrolled in the Plan, and either (i) your dependent's coverage under Medicaid or the Children's Health Insurance Program ("CHIP") is terminated as a result of loss of eligibility for such coverage, or (ii) your dependent becomes eligible for a state subsidy for enrollment in the Plan under Medicaid or CHIP, you may be able to enroll your dependent(s) in the Plan if you request coverage under the Plan within sixty (60) days after such termination or eligibility. If enrollment is permitted, coverage under the Plan will be effective beginning on the first day of the first calendar month following the month in which a completed request for enrollment is received by the Fund Office. You are required to pay any additional premium required by the Plan.

This SMM is intended to provide you with an easy-to-understand description of certain changes to the Plan. 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 SMM 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 or its duly authorized designee, reserves the right, in its sole and absolute discretion, to amend, modify or terminate the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason, in accordance with the applicable amendment procedures established under the Plan and the Agreement and Declaration of Trust establishing the Plan (the "Trust Agreement"). The Trust Agreement is available at the Fund Office and may be inspected by you free of charge during normal business hours.

No individual other than the Board of Trustees (or its duly authorized designee) has any authority to interpret the plan documents, make any promises to you about benefits under the Plan, or to change any provision of the Plan. Only the Board of Trustees (or its duly authorized designee) has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Plan and decide all matters arising under the Plan.