



**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.**

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”) effective July 1, 2009. 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 from 9 a.m. to 5 p.m. at 320 West 46th Street, 6th Floor, New York, New York, 10036; telephone number (212) 247-5225.

To: Welfare Fund Participants
From: Scott Cool, Director of Fund Administration
Date: May 7, 2009
Re: Changes to the Welfare Fund of Local No. One, I.A.T.S.E.

In light of the ever-increasing cost of providing health insurance, and in an effort to protect the long-term viability of the Welfare Fund and its ability to provide health insurance benefits to our participants, it is periodically necessary to make adjustments to the Welfare Plan. On March 9, 2009, the Board of Trustees adopted a number of changes that will become effective during the next Plan Year, July 1, 2009 through June 30, 2010.

The changes that are being made, and which are summarized below, were selected by the Trustees based on the expectation that they will help reduce Plan expenses by creating incentives to encourage our participants to make better choices as healthcare consumers. In general, these changes encourage participants to utilize In-Network providers and generic prescription drugs. With the exception of Emergency Room copays, In-Network benefits remain unchanged at this time.

Please see the charts below for a summary of these changes by benefit Tier. The effective date of each change is either July 1, 2009 or January 1, 2010 as indicated on the charts.

TIER I PLAN CHANGES

Plan Feature	Current Benefit	New Benefit	Effective Date
Hospital Emergency Room <i>(Note: Copays are waived if patient is admitted to the hospital.)</i>	<u>In-Network</u> \$75 per visit copay, then 70% <u>Out-of-Network</u> \$75 per visit deductible, then 70%; if not an emergency, then 50% after plan deductible	<u>In-Network</u> \$100 per visit copay, then 70% <u>Out-of-Network</u> \$100 per visit deductible, then 70%; if not an emergency, then 50% after plan deductible	July 1, 2009

Prescription Drug - Retail	<u>Retail purchase at a participating pharmacy:</u> \$15 copay for generic drugs \$30 copay for brand-name formulary drugs \$40 copay for brand-name non-formulary drugs	<u>Retail purchase at a participating pharmacy:</u> \$15 copay for generic drugs \$40 copay for brand-name formulary drugs \$50 copay for brand-name non-formulary drugs	July 1, 2009
Prescription Drug – Mail Order (3 mos.)	\$30 copay for generic drugs \$60 copay for brand-name formulary drugs \$80 copay for brand-name non-formulary drugs	\$30 copay for generic drugs \$80 copay for brand-name formulary drugs \$100 copay for brand-name non-formulary drugs	July 1, 2009
Deductible	<u>Out-of-Network</u> \$500 for individuals/ \$1,250 for families	<u>Out-of-Network</u> \$1,000 for individuals/ \$3,000 for families	January 1, 2010

TIER II PLAN CHANGES

Plan Feature	Current Benefit	New Benefit	Effective Date
Hospital Emergency Room <i>(Note: Copays are waived if patient is admitted to the hospital.)</i>	<u>In-Network</u> \$50 per visit copay, then 80% <u>Out-of-Network</u> \$50 per visit deductible, then 80%; if not an emergency, then 60% after plan deductible	<u>In-Network</u> \$75 per visit copay, then 80% <u>Out-of-Network</u> \$75 per visit deductible, then 80%; if not an emergency, then 60% after plan deductible	July 1, 2009
Prescription Drug-Retail	<u>Retail purchase at a participating pharmacy:</u> \$10 copay for generic drugs \$25 copay for brand-name formulary drugs \$35 copay for brand-name non-formulary drugs	<u>Retail purchase at a participating pharmacy:</u> \$10 copay for generic drugs \$35 copay for brand-name formulary drugs \$45 copay for brand-name non-formulary drugs	July 1, 2009
Prescription Drug – Mail Order (3 mos.)	\$20 copay for generic drugs \$50 copay for brand-name formulary drugs \$70 copay for brand-name non-formulary drugs	\$20 copay for generic drugs \$70 copay for brand-name formulary drugs \$90 copay for brand-name non-formulary drugs	July 1, 2009
Deductible	<u>Out-of-Network</u> \$500 for individuals/ \$1,250 for families	<u>Out-of-Network</u> \$750 for individuals/ \$2,000 for families	January 1, 2010

Maximum Out of Pocket Expenses	<u>Out-of-Network</u> \$7,500 per individual \$15,000 per family	<u>Out-of-Network</u> \$10,000 per individual \$20,000 per family	January 1, 2010
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TIER III PLAN CHANGES

Plan Feature	Current Benefit	New Benefit	Effective Date
Hospital Emergency Room <i>(Note: Copays are waived if patient is admitted to the hospital.)</i>	<u>In-Network</u> \$25 per visit copay, then 100% <u>Out-of-Network</u> \$25 per visit deductible, then 100%; if not an emergency, then 80% after plan deductible	<u>In-Network</u> \$50 per visit copay, then 100% <u>Out-of-Network</u> \$50 per visit deductible, then 100%; if not an emergency, then 75% after plan deductible	July 1, 2009
Inpatient Hospital	<u>Out-of-Network</u> 80% after plan deductible	<u>Out-of-Network</u> 75% after plan deductible	July 1, 2009
Office Visits	<u>Out-of-Network</u> 80% after plan deductible	<u>Out-of-Network</u> 75% after plan deductible	July 1, 2009
Overall Plan Co-Insurance	<u>Out-of-Network</u> 80%, after plan deductible where applicable	<u>Out-of-Network</u> 75%, after plan deductible where applicable	July 1, 2009
Prescription Drug-Retail	<u>Retail purchase at a participating pharmacy:</u> \$5 copay for generic drugs \$20 copay for brand-name formulary drugs \$30 copay for brand-name non-formulary drugs	<u>Retail purchase at a participating pharmacy:</u> \$5 copay for generic drugs \$25 copay for brand-name formulary drugs \$35 copay for brand-name non-formulary drugs	July 1, 2009
Prescription Drug – Mail Order (3 mos.)	\$10 copay for generic drugs \$40 copay for brand-name formulary drugs \$60 copay for brand-name non-formulary drugs	\$10 copay for generic drugs \$50 copay for brand-name formulary drugs \$70 copay for brand-name non-formulary drugs	July 1, 2009
Deductible	<u>Out-of-Network</u> \$400 for individuals/ \$1,000 for families	<u>Out-of-Network</u> \$500 for individuals/ \$1,500 for families	January 1, 2010
Maximum Out-of-Pocket Expenses	<u>Out-of-Network</u> \$1,200 per individual	<u>Out-of-Network</u> \$2,000 per individual	January 1, 2010

RETIREE MEDICARE-ELIGIBLE PLAN CHANGES

Plan Feature	Current Benefit	New Benefit	Effective Date
Prescription Drug-Retail	<u>Retail purchase at a participating pharmacy:</u> \$5 copay for generic drugs \$20 copay for brand-name formulary drugs \$30 copay for brand-name non-formulary drugs	<u>Retail purchase at a participating pharmacy:</u> \$5 copay for generic drugs \$25 copay for brand-name formulary drugs \$35 copay for brand-name non-formulary drugs	July 1, 2009
Prescription Drug – Mail Order (3 mos.)	\$10 copay for generic drugs \$40 copay for brand-name formulary drugs \$60 copay for brand-name non-formulary drugs	\$10 copay for generic drugs \$50 copay for brand-name formulary drugs \$70 copay for brand-name non-formulary drugs	July 1, 2009
Deductible	\$400 for individuals/ \$1,000 for families	\$500 for individuals/ \$1,500 for families	January 1, 2010
Maximum Out of Pocket Expenses	\$1,200 per individual	\$2,000 per individual	January 1, 2010

Once completed, Riders that acknowledge these Welfare Plan changes will be mailed to your home to be included with your other Summary Plan Documents. If you have any additional questions regarding your CIGNA HealthCare benefits, please contact the Fund Office at (212)247-5225.

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.