



**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: Welfare Fund Participants

From: Scott Cool, Director of Fund Administration

Date: December 16, 2011

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 an important change made to the Welfare Fund of Local No. One, IATSE ("the Plan"). Please 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 this change to the Plan, please contact the Fund Office during normal business hours at 320 West 46th Street, 6th Floor, New York, New York, 10036, (212) 247-5225 or visit our website at www.fundoneiatse.com.

The Board of Trustees has determined to amend the Plan to permit retired participants to enroll eligible family members acquired on or after July 1, 2010.

IMPORTANT NOTE: If you are a retiree enrolled in the Plan that acquired a family member during the period July 1, 2010 through the date of this Notice, and you wish to add that family member to your coverage, you will have sixty (60) days from the date of this Notice to request enrollment. If your enrollment request is not received by the Fund Office within those sixty (60) days, you will permanently lose the ability to add that family member to your coverage. Coverage will be effective on the first day of the first calendar month following the date a completed request for enrollment is received by the Fund Office.

The new Plan language (replacing the Retiree Special Enrollment Options section appearing on page 16 of the 2011 SPD) will read as follows:

D. SPECIAL ENROLLMENT OPTIONS

If you are a retiree already enrolled in the Plan, you may be able to enroll an eligible family member you did not enroll when you retired if you declined Fund benefits for such family member because he/she was covered by another health plan and such family member later becomes ineligible for that other coverage as described in this paragraph. This option is available only where your eligible family member became ineligible under the other health plan due to legal separation, divorce, death, termination of employment, or reduction in hours. This option is not available if your eligible family member became ineligible under the other plan due to a failure to pay premiums on a timely basis or termination of coverage for cause. You must request enrollment in the Plan within sixty (60) days of coverage ending under the other plan, and submit documentation verifying the loss of other coverage. If enrollment is permitted, Fund benefits will begin on the first day of the first calendar month following the date your completed enrollment form is received by the Fund Office. You are required to pay any applicable self-pay premium.

If you are a retiree already enrolled in the Plan, and either: (a) your family member'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 (b) your family member becomes eligible for a state subsidy for enrollment in the Plan under Medicaid or CHIP, you may be able to enroll your eligible family member in the Plan if you request enrollment in the Plan within sixty (60) days after such termination or eligibility. If enrollment is permitted, Plan benefits will begin 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 applicable self-pay premium.

If you are a retiree already enrolled in the Plan, and you acquire a new family member as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll that new eligible family member in the Plan. You must request enrollment in the Plan within sixty (60) days after the marriage, birth, adoption, or placement for adoption, submit valid documentation verifying the new family member(s), and pay any self-pay premium required by the Plan. If enrollment is permitted, in the case of marriage, Plan benefits will begin on the first day of the first calendar month following the date a completed request for enrollment is received by the Fund Office, and in the case of birth, adoption, or placement for adoption, Plan benefits will begin on the date of such birth, adoption, or placement for adoption.

The Welfare Fund of Local No. One, IATSE believes that this Plan is a "grandfathered health plan" 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 the Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement to establish certain external appeals processes. 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 Director of Fund Administration at (212) 247-5225. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at (866) 444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

This SMM is intended to provide you with an easy-to-understand description of certain changes and/or clarifications 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.