



BENEFITS UPDATE

July 2011

Important Changes to the Plan

Dear Participant:

The Trustees of the Electrical Insurance Trustees Health and Welfare Plan for Construction Workers (the "EIT Plan") have adopted the following changes to the EIT Plan effective as of the work month beginning October 1, 2011:

Changes to the Crediting of Reciprocal Contributions

The Trustees amended the EIT Plan to change the way hours will be credited for health and welfare contributions received from other jurisdictions for some traveling participants for purposes of determining continuing eligibility for coverage under the EIT Plan. Beginning with the October 2011 work month, your contributed hours may be prorated to reflect the difference in contribution rates between the locals. Your contributed hours will be calculated by dividing the other local's contribution rate by the contribution rate under the Local 134 IBEW Principal or Residential Agreement.

This new rule applies to reciprocal contributions received from all IBEW locals except if you work in one of the following IBEW locals: Locals 9, 117, 127, 150, 176, 196, 364, 461, 531, 697 and 701. If you work in one of these locals, you will continue to receive hour-for-hour credit for your contributed hours for purposes of continuing your eligibility for coverage under the EIT Plan.

Additionally, the amendment provides the Trustees with the authority to add and/or remove additional locals to which the exception applies on a temporary or permanent basis. Currently, the Trustees have temporarily expanded the list of above-mentioned locals to include: Locals 649, 702 and 725.

What this means is that if you are a traveling participant and you are working under one of the above-listed locals and you have designated EIT as your Home Fund for health and welfare benefits, you will continue to receive hour-for-hour credit toward continuing your health and welfare eligibility under the EIT Plan.

If you are not working under one of these locals, your contributed hours will be prorated. For example, if you have been traveling in Local 357 and you work 160 contributed hours in October, you will receive 75 contributed hours toward continuing your health and welfare benefits under the EIT Plan. This amount is calculated by dividing Local 357's contribution rate of \$ \$6.50 by Local 134's contribution rate of \$13.83 and multiplying the result by the 160 hours worked in Local 357.

If your hours are prorated and you have insufficient contributed hours to maintain coverage under the EIT Plan, you can self-pay contributions for the number of hours required to continue coverage under the EIT Plan. These self-pay contributions will be required at Local 134's contribution rate (currently at \$13.83 per hour). If you fail to timely make your self-payment, your coverage under the EIT Plan will terminate.

Other Options

In the event the contribution rate of your traveling fund is lower than Local 134's and it is becoming difficult for you to continue your eligibility under the EIT Plan because of these proration rules, there is one other option.

You can request a permanent cessation of transfer of contributions through the ERTS system. By making this request, contributions earned under your traveling fund will no longer be transferred back to the EIT Plan.

While you run out your eligibility under the EIT Plan, you can begin earning hours under your traveling fund and work toward establishing eligibility under the traveling fund's plan. Once you stop transferring contributions back to the EIT Plan, your new fund is obligated to keep your contributions in its plan so you can work towards gaining eligibility under that plan.

If you later decide that you want to return to EIT, you would be able to take the same actions and work toward gaining eligibility under the EIT Plan while you run out your eligibility under the other plan.

If you have any questions, please contact us at 312-782-5442 and ask for the Eligibility or Reciprocity team.

Please note: This Benefits Update is intended to serve as a Summary of Material Modifications for the Electrical Insurance Trustees Health & Welfare Plan for Construction Participants and it is written in non-technical terms. If any conflicts exist between the terms of this Benefits Update and the official Plan documents, the terms of the official Plan documents shall govern and no benefits shall exist under this Benefits Update unless such benefits exist under the terms of the Plan. Receipt of this Benefits Update does not confer any eligibility or entitlement to any benefits under the Plan.