

NEW YORK CITY DISTRICT COUNCIL OF CARPENTERS

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IMPORTANT NOTICE REGARDING THE TERMINATION OF YOUR HEALTH COVERAGE UNDER THE NEW YORK CITY DISTRICT COUNCIL OF CARPENTERS WELFARE FUND

March 2016

Re: Termination of Coverage under the NYCDCC Welfare Fund

Dear _____ :

As explained in our February 2016 letter and the enclosed Summary of Material Modifications (“SMM”), the Board of Trustees of the New York City District Council of Carpenters Welfare Fund (the “Welfare Fund”) has modified the eligibility requirements for continued coverage under the Welfare Fund after a participant becomes disabled. The enclosed SMM explains the changes and lists all of the eligibility requirements for continued coverage after a participant becomes disabled.

As you were previously advised, you do not satisfy the revised eligibility requirements. As a result, your Welfare Fund coverage and the coverage of your dependents will terminate on the date specified in our February 2016 letter. If you need another copy of this letter, please call the Member Services Department at (212) 366-7399.

We understand the difficulties associated with this change and want to help you obtain new coverage. You should already have received information about our partnership with **Working America Health Care**, a program designed to help connect retired union members to health insurance that fits their needs. We’ve heard very positive feedback from participants who have been in contact with Working America Health Care to learn about coverage alternatives.

If you have not yet been in contact with Working America Health Care, we encourage you to take advantage of their services. They can help you evaluate your options and find the right health plan for you and your dependents. If you or your dependents are Medicare-eligible, they can help you understand your Medicare coverage options. They can also explain how the Health care

Marketplace works, including plan options, tax credit eligibility rules, and other factors you may want to consider in making your decision. Finally, they can help you determine if you qualify for free or low-cost coverage from Medicaid or the Children's Health Insurance Program (CHIP).

For more information about Working America Health Care and to learn about upcoming events like enrollment fairs, please visit www.WorkingAmericaHealthCare.org/NYCCBF or call (202) 637-5304.

If you have questions for the Fund Office, please call the Member Services Department at (212) 366-7399, Monday through Thursday from 8:00 a.m. to 5:30 p.m. and Friday from 8:00 a.m. to 5:00 p.m. In order to be prepared to address your concerns, the Fund Office will not be taking any walk-ins on this issue, so please call Member Services to schedule an advance appointment.

Very truly yours,

The New York City District Council of Carpenters Welfare Fund

Enclosure

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SUMMARY OF MATERIAL MODIFICATIONS

NEW YORK CITY DISTRICT COUNCIL OF CARPENTERS WELFARE FUND

To: Disabled Retired Participants of the New York City District Council of Carpenters Welfare Fund and Their Eligible Dependents

From: Board of Trustees

Re: Eligibility Changes for Welfare Fund Disability Coverage

Date: March 2016

This Summary of Material Modifications (“SMM”) is intended to notify you of important changes to the eligibility requirements for disability coverage under the New York City District Council of Carpenters Welfare Fund (the “Welfare Fund”). Please read this SMM carefully and share it with your family. You should keep it with your Welfare Fund Summary Plan Description (“SPD”) and other SMMs.

Last year, the Fund issued a restated SPD, dated March 1, 2015, to all Active Participants Working in Outside Construction and Shop Employment (the “Active SPD”). The Active SPD described a change to the eligibility requirements for the continuation of Welfare Fund coverage during periods of disability that went into effect for Active Participants on September 1, 2015.¹

This SMM describes how the new requirements will apply to Retirees and their dependents who are currently receiving Retiree disability coverage from the Welfare Fund, effective July 1, 2016. How the requirements apply depends on whether you are in the first 24 months of your disability or you have been disabled for more than 24 months. This SMM sometimes refers to the first 24 months of Welfare Fund disability coverage as “Phase I,” and the period of Welfare Fund coverage after the first 24 months of disability as “Phase II.”

¹ Although the new Active SPD was dated March 2015, its distribution was staggered over the subsequent months due to the volume of the mailing. In order to accommodate the staggered distribution and provide sufficient time for the Active SPD to be reviewed by participants, the new eligibility requirements were applied to new applications for continued coverage during periods of disability that were received on or after September 1, 2015.

Disabled Retirees Currently in Phase I: Continuation Coverage During the First 24 Months of Total Disability (Effective July 1, 2016)

If you are currently covered under the Welfare Fund and you are still within the first 24 months of your disability (Phase I), you will remain covered under the Welfare Fund for the balance of your first 24 months, provided you continue to meet the applicable requirements for Phase I eligibility.

Effective July 1, 2016, in order to continue coverage after 24 months, you must meet **both** of the following requirements:

1. You must have at least 15 Vesting Credits² in the New York City District Council of Carpenters Pension Fund (the “Pension Fund”) as of the date of your disability; **and**
2. You must have been awarded a Phase II Disability Pension by the Pension Fund.³

Note: Under the new eligibility rules that apply to Active Employees,⁴ a participant must have at least 20 Vesting Credits in the Pension Fund as of the date of disability to continue coverage beyond 24 months. The Welfare Fund is “grandfathering” current Disabled Retirees as of July 1, 2016 who do not have 20 Vesting Credits but who do have at least 15 Vesting Credits in the Pension Fund, and allowing those current Disabled Retirees with at least 15 Vesting Credits to maintain their Welfare Fund coverage beyond Phase I.

If you do not satisfy **both** of the above conditions, you will not be eligible to continue your Retiree Welfare Fund disability coverage for Phase II. Your Phase I coverage will automatically continue for up to three months following the end of the 24-month period, and then it will terminate.

The following examples show how these rules apply.

Example 1

- You had 12 Vesting Credits in the Pension Fund when you became disabled on September 1, 2014.
- You will still be in Phase I on July 1, 2016.
- Your coverage will continue for the full 24-month Phase I period (through August 31, 2016).

² Vesting Credits earned in the Pension Fund count toward Retiree eligibility in the Welfare Fund only when your employer is contributing to the Welfare Fund on your behalf for work performed as an Outside/Shop Active Employee.

³ The eligibility requirements for a Disability Pension, including receipt of a Social Security Disability Award and annual proof of continuing disability, are outlined in the Pension Fund SPD.

⁴ The Active SPD defines an Active Employee as an individual who works for an employer that has an agreement with the Union that requires contributions to the Welfare Fund and who has met the Fund’s eligibility requirements for Active Plan participation.

- Since you have fewer than 15 Vesting Credits, you will not be eligible for Phase II continuation coverage.
- Your Phase I continuation coverage will continue for up to three months after the 24-month period ends (from September through November 2016).
- Your coverage under the Welfare Fund will terminate on December 1, 2016 (the first day of the 28th month following your disability).

Example 2

- You had 17 Vesting Credits in the Pension Fund when you became disabled on September 1, 2014.
- You will still be in Phase I on July 1, 2016.
- You have been awarded a Phase II Disability Pension by the Pension Fund.
- Your coverage will continue for the full 24-month Phase I period (through August 31, 2016).
- Since you have more than 15 Vesting Credits and you have been awarded a Phase II Disability Pension, you will be eligible for Phase II continuation coverage.
- Your Phase II coverage will continue for as long as you satisfy the Phase II eligibility requirements. *Your coverage is not affected by the changes explained in this SMM.*

Disabled Retirees Currently in Phase II: Continuation Coverage Beyond 24 Months of Total Disability (Effective July 1, 2016)

Effective July 1, 2016, in order to be covered under the Welfare Fund as a Disabled Retiree beyond 24 months, you must have at least 15 Vesting Credits in the Pension Fund as of the date of your disability *and* you must have been awarded a Phase II Disability Pension by the Pension Fund. If you do not satisfy both of these conditions, you will not be eligible to continue your Retiree Welfare Fund coverage, and your coverage will terminate on July 1, 2016. *There is no three-month extension of coverage following the end of Phase II continuation coverage.*

The following examples show how these rules apply.

Example 3

- You had 12 Vesting Credits in the Pension Fund when you became disabled on March 1, 2013.
- You have been disabled for more than 24 months.
- You have been awarded a Phase II Disability Pension by the Pension Fund.
- Your coverage under the Welfare Fund will terminate effective July 1, 2016 because you have fewer than 15 Vesting Credits.

Example 4

- You had 18 Vesting Credits in the Pension Fund when you became disabled on December 1, 2011.
- You have been disabled for more than 24 months.
- You have **not** been awarded a Phase II Disability Pension by the Pension Fund.
- Your coverage under the Welfare Fund will terminate effective July 1, 2016 because you have not been awarded a Phase II Disability Pension by the Pension Fund.

Example 5

- You had 18 Vesting Credits in the Pension Fund when you became disabled on January 1, 2010.
- You have been disabled for more than 24 months.
- You have been awarded a Phase II Disability Pension by the Pension Fund.
- Your coverage under the Welfare Fund will continue unaffected. ***Your coverage is not affected by the changes explained in this SMM.***

Questions?

If you have questions for the Fund Office, you can schedule an appointment by calling the Member Services Department at (212) 366-7399, Monday through Thursday from 8:00 a.m. to 5:30 p.m. and Friday from 8:00 a.m. to 5:00 p.m.

<p>The Board of Trustees reserves the right to terminate, suspend, reduce or otherwise modify benefits at any time.</p>
