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Date: _____

To: Newly Eligible or Prospective Retiree

Re: Your Retiree Plan Options

Dear Newly Eligible or Prospective Retiree:

The following information is intended to help you select the retiree coverage best suited to your individual requirements and budget. You are, or will be, eligible to participate in the TBT Retiree Plan (or Plans) checked below, if you qualify under the TBT Retiree Eligibility Rules.

Who may participate in one or more of the four TBT Retiree Plans?

- 1. [] Comprehensive Retiree Plan (CRP): Persons who retired (or are retiring) from active employment under TBT Plan I, I-85, I-A, II, III, III-NEWS, III-A, IV, V, V-A, A or G.
2. [] Basic Retiree Plan (BRP): Persons who retired (or are retiring) from active employment under TBT Plan I, I-85, I-A, II, III, III-NEWS, III-A, V, V-A or G.
3. [] Supplemental Retiree Plan (SRP): Persons who retired (or are retiring) from active employment under a Union contract, which requires employer contributions, on behalf of active employees, for SRP benefits.
4. [] Retirement Security Plan (RSP): Persons who retired (or are retiring) from active employment under a Union contract which requires employer contributions, on behalf of active employees, for RSP benefits and who qualify under the TBT Retiree Eligibility Rules and who meet the RSP contribution requirements. Note: If you qualify for RSP benefits, you may not participate in the CRP or BRP.

RETAIN WITH YOUR BENEFIT PACKAGE FOR
FUTURE REFERENCE

RETIREE ELIGIBILITY RULES

The following Rules apply to all TBT Retiree Plans; the Comprehensive Retiree Plan (CRP), Supplemental Retiree Plan (SRP), Basic Retiree Plan (BRP), and the Retirement Security Plan (RSP). The Plan or Plans for which you qualify are indicated on the previous page. Note: The RSP has additional requirements as specified below (“RSP Only”).

1. **Retirement Date Requirement (RSP Only):** You retire on or after January 1, 2000.

Note: For all Plans, your retirement date is effective as determined by the Western Conference of Teamsters Pension Plan (or another pension plan approved by TBT). Enrollment is not automatic; you must inform the TBT Plan Administration Office in writing when you are ready to retire or if you have decided to delay your enrollment (see item 5 below).

2. **Pension or Social Security Requirement:** You are a pensioner with the Western Conference of Teamsters Pension Plan (or another plan approved by TBT) or a recipient of Social Security disability benefits.
3. **Participation Requirement:** You were covered under TBT Plan I, I-85, I-A, II, III, III-NEWS, III-A, IV, V, V-A, A or G or any other TBT comprehensive benefit Plan for active employees (or a plan for active employees in another Teamster-sponsored fund approved for participation by TBT) for at least 24 out of the 36 months immediately before the date you retire from active employment. For purposes of this eligibility requirement, “coverage” includes active coverage under any predecessor plan that merged into TBT or months during which you self-pay for coverage in your active employee plan.
4. **Other Group Coverage Requirement:** You are not currently covered by or eligible for a group health plan for active employees (except as noted under “Exceptions” below).
5. **Timely Enrollment Requirement:**

You must enroll within 12 months from when you first become eligible for TBT retiree benefits. If you do not enroll within this 12-month period, except as noted under “Exceptions” below, you will not be permitted to enroll at a future date.

Exceptions

COBRA: If you elect COBRA continuation coverage after you lose eligibility as an active employee, you may apply for Retiree Plan enrollment at the end of the COBRA self-pay period, or earlier, if you choose to discontinue COBRA self-payment.

Disability: If you retire due to disability, a gap in coverage beyond the 12-month enrollment period will be waived as long as you apply for coverage in a timely manner after you receive notice of entitlement from Social Security or the Western Conference of Teamsters Pension Plan (or another TBT-approved plan).

Employer-Paid Health Plan: If you retire from a participating employer and meet all other qualifications for TBT Retiree Plan eligibility, but accept employment from another employer providing an employer-paid health plan, you may postpone Retiree Plan enrollment. **However, you must enroll in the Plan or Plans for which you qualify no later than 60 days after the loss of employer-paid health plan coverage. If you do not enroll within 60 days, you will not be permitted to enroll at a future date.** You may also postpone enrollment if you are covered under

your spouse's employer-paid plan under the same conditions. **Note:** A written request for postponed enrollment and proof of employer-paid coverage are required.

6. Participating Employer Requirement (RSP Only):

You retire from an Employer who is participating in the RSP as of your retirement date. **Note:** If your Employer stops participating in the RSP before you retire, you are ineligible for the RSP regardless of the number of months of contributions made to the Plan on your behalf (although you may be eligible for another TBT retiree plan).

- 7. Application Requirement:** You submit an application for Retiree Plan enrollment and a copy of your Social Security or pension entitlement documentation to TBT. **Note:** If you are Medicare entitled, please submit a copy of your Medicare card.
- 8. Self-Payment Requirement:** You make any post-retirement monthly self-payments required by the Plan on a timely basis. *Not required for all Plans.*
- 9. Minimum Contribution Months Requirement (RSP Only):** You were covered by a Union contract or TBT Subscriber's Agreement which provided for participation in the RSP and monthly contributions were made to TBT as shown in the Chart below.

Initial Date of Employer Contributions To the RSP Plan On Your Behalf	Minimum Number of Monthly Contributions To the Plan Needed To Qualify	Earliest Possible Retirement Date Under the Plan
January 1, 1999 to December 31, 1999	12	January 1, 2000
January 1, 2000 to December 31, 2000	18	July 1, 2001
January 1, 2001 to December 31, 2001	30	July 1, 2003
January 1, 2002 to December 31, 2002	42	July 1, 2005
January 1, 2003 and thereafter	60	January 1, 2008

A month of RSP contributions for purposes of Plan eligibility means the full month's contribution was paid to TBT on your behalf. The current monthly contribution is subject to change based on the number of employees in the RSP and the Plan's experience.

**TEMPORARY SUSPENSION OF
COVERAGE**

Once you enroll in a TBT Retiree Plan, you may temporarily suspend coverage during any period that you are covered under an employer-paid health plan through your own employment or as a dependent through your spouse's employment. **The same requirements and conditions stated under Employer-Paid Health Plan, beginning on the previous page, apply to a temporary suspension of coverage.**

**COVERAGE EFFECTIVE DATE FOR DELAYED ENROLLMENT OR
TEMPORARY SUSPENSION OF COVERAGE**

If there is an approved gap between eligibility as an active employee and enrollment as a retiree or if you temporarily suspend retiree coverage, the effective date of enrollment or reinstatement shall be the first day of the month following receipt of your request for such action and submission of the required self-pay contribution and all required enrollment/election forms.

GENERAL RETIREE PLAN PROVISIONS

The following provisions apply to all TBT Retiree Plans:

1. **Both you and your lawful spouse are eligible to participate.** The only person eligible for dependent coverage is your lawful spouse. *Dependent children are not eligible.*
2. **In the event of your death, your surviving spouse may continue coverage by self-payment.** *(Self-payment is not required under the Supplemental Retiree Plan. Post-retirement self-payments may be required for the Retirement Security Plan.)*
3. **Your surviving spouse may not add a dependent.**
4. **The surviving spouse of an active employee may elect participation** in any or all TBT Retiree Plans which the employee was fully qualified to participate in at the time of the employee's death, had he/she elected to do so. The widow will be required to complete an application for retiree benefits and submit appropriate eligibility documentation.
5. **If your former employer bargains out of TBT and into another group health plan and ceases to contribute to the Fund on behalf of active employees, you will lose your Retiree Plan eligibility.** *However, if your former employer leaves the area or terminates operations altogether, you may continue to participate in the CRP or BRP by self-payment.*
 - **Retirement Security Plan:** If your former employer terminates participation in the Plan after you retire, you and your spouse will remain covered under the Plan.
 - **Supplemental Retiree Plan:** See special Plan provision; page 8, item 3 (at top of page).
6. **Self-payment rates will be evaluated on a regular basis** and adjusted as deemed necessary by the Board of Trustees.
 - **Retirement Security Plan:** The Plan is intended to be fully funded by contributions before retirement. However, participation and Plan experience will determine whether this pre-retirement funding is adequate. After retirement, you may be required to make supplemental self-payments for continued Plan coverage.
 - **Supplemental Retiree Plan:** No self-payment required.

PLAN BENEFITS

Plan benefits are described in separate material included with this letter. A Summary of Coverage and Comparison of Medical Benefits is included for each Plan for which you are eligible.

CLAIMS – COORDINATION BETWEEN TBT PLANS

If you and your covered spouse are covered under more than one TBT Retiree Plan, benefits will be coordinated between these Plans in the following order: 1) Comprehensive Retiree Plan (CRP) or Retirement Security Plan (RSP), 2) Supplemental Retiree Plan (SRP), and (3) Basic Retiree Plan (BRP). In other words, a claim will be processed first under the CRP or RSP and any remaining balance will be processed under the SRP and or the BRP. **Note:** If you qualify for RSP benefits, you may not participate in the CRP or BRP.

COMPREHENSIVE RETIREE PLAN (CRP) PROVISIONS
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The following provisions apply specifically to the CRP (in addition to the General Retiree Plan Provisions on page 4).

Monthly Self-Pay Rates (Per Covered Person):

TABLE 1	NON-MEDICARE ELIGIBLE (Per Individual - Eligible Retiree Or Spouse)			
	Rates Effective 3-1-04		Rates Through February 2004	
Age	<i>HMO</i> Participants	<i>Indemnity</i> Participants	<i>HMO</i> Participants	<i>Indemnity</i> Participants
Under 55	\$411	\$541	\$354	\$466
55 - 58	396	523	341	451
59 - 61	379	496	327	428
62 - 64	365	478	315	412
65+	-	481¹	-	414 ¹
65 + Health Net	379¹	-	327 ¹	-
65+ Kaiser	630¹	-	543 ¹	-

¹ Medicare age retiree or spouse who has not provided proof of coverage (*copy of Medicare ID card*) under Medicare Parts A and B or chooses not to enroll in Medicare.

TABLE 2	MEDICARE ELIGIBLE (Per Individual - Eligible Retiree Or Spouse)			
	Rates Effective 3-1-04		Rates Through February 2004	
Medical Option	<i>Not</i> Enrolled In A Medicare HMO (Risk) Plan	<i>Enrolled</i> In A Medicare HMO (Risk) Plan	<i>Not</i> Enrolled In A Medicare HMO (Risk) Plan	<i>Enrolled</i> In A Medicare HMO (Risk) Plan
Indemnity Plan (<i>Benefits described in the CRP Guide and Summary of Coverage</i>)	\$238	N/A	\$205	N/A
Kaiser – Non Senior Advantage (<i>\$5 copay</i>) ¹				
Under Age 65 Disabled	259		223	
Age 65 with Part A only	397		342	
Age 65 with Medicare Unknown or B Only	630		543	
Medicare Out-of-Area Plan (A & B Assigned)	261		211	
Kaiser Senior Advantage (<i>no medical copay -- \$7 Rx copay</i>) ²		\$300		\$196
Health Net (<i>\$5 copay</i>)	118		124	
Health Net Seniority Plus (<i>\$5 medical copay -- \$6 generic & \$12 brand name Rx copay</i>) ²		281		279

¹ All Medicare eligible Kaiser participants must enroll in Senior Advantage.

² Medicare HMO (Risk) Plan participants receive prescription drug coverage from the HMO at the copayments shown. *All other TBT retirees receive prescription coverage through TBT (Prescription Solutions).*

Employer Subsidy:

In the following examples, any *subsidy* toward CRP coverage to which you may be entitled must be *subtracted* from your monthly self-payment. *This may result in a "zero" self-pay requirement (for you only or for you and your spouse, depending on the applicable Agreement).* See Employer Contributions below.

Please note...

- Examples are based on rates effective March 1, 2004.
- Retiree and spouse must elect the same medical option (Indemnity Plan, Kaiser or Health Net) and for the RSP only, the same dental option (Delta Dental, Pacific Union Dental or *Bright Now!* Dental).

Self-Pay Rate Calculation Examples:

1. Kaiser Medical Option:

Retiree: Medicare eligible in Kaiser's *Senior Advantage* plan. TABLE 2.

Spouse: Age 55, non-Medicare eligible (in Kaiser's non-Medicare plan). TABLE 1.

Retiree's rate	\$300
Spouse's rate	<u>+396</u>
Total self-pay rate	\$696

2. Health Net Medical Option:

Retiree: Medicare eligible in Health Net's *Seniority Plus* plan. TABLE 2.

Spouse: Medicare eligible in Health Net's *Seniority Plus* plan. TABLE 2.

Retiree's rate	\$281
Spouse's rate	<u>+281</u>
Total self-pay rate	\$562

3. Indemnity Plan Medical Option:

Retiree: Medicare eligible. TABLE 2.

Spouse: Age 63 non-Medicare eligible. TABLE 1.

Retiree's rate	\$238
Spouse's rate	<u>+478</u>
Total self-pay rate	\$716

4. Indemnity Plan Medical Option:

Retiree: Age 56 non-Medicare eligible. TABLE 1.

Spouse: Age 52 non-Medicare eligible. TABLE 1.

Retiree's rate	\$523
Spouse's rate	<u>+541</u>
Total self-pay rate	\$1,064

Employer Contributions:

1. **Your former employer may be obligated to make contributions for CRP coverage.** Such contributions may be in the form of; (a) an obligation under a Union contract to make contributions on behalf of active employees which results in a *subsidy* or reduction of retiree self-pay rates (*in an amount determined by the Plan*), or (b) an agreement (*contractual or otherwise*) to make partial or full contributions to the Plan on behalf of its retirees and (*in some instances*) their spouses. **Note:**

Subsidies (and the approved rate reduction) generally apply to the retiree's self-payment only and spousal self-pay rates are generally not reduced by employer subsidy; however, some Agreements do provide for subsidy of spousal self-payment. Check with your former employer or refer to the Collective Bargaining Agreement for details.

2. **If you are eligible for any form of employer contribution, your monthly statement will reflect the reduction in your self-payment obligation.** *You will be required to pay the full amount if your former employer stops contributing or is no longer contractually obligated to contribute for retiree coverage.*

Other CRP Provisions:

1. **If you are married and wish to cover your spouse, you must enroll your spouse at the time you enroll in the CRP** (and pay the required monthly contribution for both you and your spouse). If, however, when you first enroll for retiree coverage, your spouse is covered under an employer-sponsored group medical plan, you may add your spouse as a dependent in the CRP when his/her employer-paid medical coverage ends. *Proof of your spouse's loss of coverage will be required.*
2. **A spouse not initially covered** under the CRP, due to employer-sponsored group medical coverage, must be added to the CRP within 60 days of the date that the spouse's group medical coverage ends.
3. **If you marry after your retirement,** you may add your spouse at that time by submitting a completed TBT Retiree Enrollment Form, a copy of your marriage certificate and the required dependent contribution within 60 days of the date of marriage.
4. **You have a choice of medical plans.** You may enroll in a plan under which you go to the physician or hospital of your choice (Indemnity Plan), or you may enroll in one of the available Health Maintenance Organization (HMO) plans. Check with the TBT Plan Administration Office for the HMOs currently available.

BASIC RETIREE PLAN (BRP) PROVISIONS

The following provisions apply specifically to the BRP (in addition to the General Retiree Plan Provisions on page 4).

1. **There is a composite self-payment rate.** The rate below is the same for a single retiree or for a retiree and spouse.
2. **The monthly self-payment contribution is \$62.50.** You will receive a monthly statement.
3. **Medical coverage is limited to the Indemnity Plan.** There is no HMO option.

SUPPLEMENTAL RETIREE PLAN (SRP) PROVISIONS

The following provisions apply specifically to the SRP (in addition to the General Retiree Plan Provisions on page 4).

1. **There is no self-payment required.** Benefits are funded by employer contributions on behalf of active employees.

2. **Medical coverage is limited to the Indemnity Plan.** There is no HMO option.
3. **If your former employer bargains out of TBT and into another group health plan and ceases to contribute to the Fund on behalf of active employees, you will lose your Retiree Plan eligibility,** as stated under General Retiree Plan Provisions (page 4, item 5). This provision also applies to the SRP. *However, if your former employer leaves the area or terminates operations altogether, the Fund allows you to enroll in the Comprehensive Retiree Plan (CRP).* You must enroll and pay for the CRP within 30 days of the last date covered under the terminated plan. There may be no gap in coverage; therefore, retroactive payment will be required.

RETIREMENT SECURITY PLAN (RSP) PROVISIONS

The following provisions apply specifically to the RSP (in addition to the General Retiree Plan Provisions on page 4).

1. **The Plan is funded by contributions made on behalf of active employees.** Because the Plan is paid for while you are working, you must meet *all* the Plan eligibility rules to enroll. If you have not met all the eligibility rules when you retire, you won't be entitled to a refund of any monies paid to the Plan on your behalf.
2. **If you fail to meet the RSP eligibility requirements, you may be eligible to participate in another TBT Retiree Plan.** However, in no event will you be entitled to the return of any contributions or wage deferrals that were made on your behalf to the RSP.
3. **If your employer terminates participation in the Plan before you retire, you will not be eligible for the RSP, regardless of the number of months of contributions made to the Plan on your behalf.** You may be eligible to participate in another TBT Retiree Plan.
4. **If your former employer terminates participation in the Plan after you retire, you and your spouse will remain covered under the Plan, as long as you make any applicable post-retirement self-payments.**
5. **If you enroll in the RSP, you cannot participate in TBT's Comprehensive Retiree Plan or Basic Retiree Plan.**

FORMS AND CONTRIBUTIONS

Your application for retiree benefits cannot be processed until the TBT Plan Administration Office receives all required forms and any required self-payment.

Required Forms:

- "TBT Application for Retiree Benefits" Form B1.
- Pension entitlement documentation.
- "TBT Retiree Enrollment Form" Form G3.
- "TBT Retiree Plan Election Form" Form B2.
- "TBT Retiree Medical Option Form" Form B3 (*applicable to the CRP and RSP only*).
- "TBT Retiree Dental Option Form" Form B4 (*applicable to the RSP only*).
- HMO application (*if electing HMO coverage under the CRP or RSP*).

Forms will be sent to you with this letter or with other correspondence from the TBT Plan Administration Office.

Required Contributions:

- Self-pay contribution (*currently required for the CRP and BRP only*).
- Self-pay contributions *must* accompany required forms.

Send Forms and Contributions To:

Teamsters Benefit Trust - P.O. Box 5820, Fremont, CA 94537-5820

NOTE: Do not send HMO applications directly to the HMO!

LIFE INSURANCE CONVERSION

You may convert your life insurance to an individual policy within 31 days after your TBT coverage ends. (**Note:** COBRA coverage does not include life insurance. Therefore, if you are going to convert your life insurance, you must apply when your employer-paid coverage ends. Do not wait until the end of the COBRA extension period.) *For your convenience, a conversion policy application form is enclosed with this letter.* Send it to the address listed on the bottom of the form (not to the TBT Plan Administration Office). No medical exam is needed to begin an individual policy if you apply for and pay the required premium within the 31-day conversion period.

The individual policy will not be the same as your group coverage through TBT. Your premium will be based on your age, risk factors and the insurance company's rates.

If you die during the conversion period, your benefits will be payable to the beneficiary listed on your TBT Retiree Enrollment Form.

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If you have any questions, please phone the TBT Plan Administration Office at (510) 796-4676 or (800) 533-0119 and ask for John Holloman (ext. 210) or Debbie Hernandez (ext. 219).

Enjoy your retirement!

Sincerely,

Martin R. Lowy
Fund Manager

MRL/mr