



October 17, 2008

To: All Participants in Carpenters Health and Welfare Trust Fund for California
From: Board of Trustees
RE: Important Information about Medicare Prescription Drug Program (Part D)

If you and your eligible dependents are not eligible for Medicare and will not be eligible during the next year, you may disregard this Notice. If, however, you and/or any family members are now eligible for Medicare or will become eligible for Medicare in the next year, you should read the Notice.

Attached is your "Notice of Creditable Coverage," which all Trust Funds that provide prescription drug coverage for individuals who are Medicare eligible are required to provide annually. Because it is not possible for our Plan to always know when a participant or his/her dependents has or will soon become eligible for Medicare, we are sending the Notice to all plan participants.

Your current prescription drug coverage provided through the Carpenters Health and Welfare Trust Fund provides prescription drug coverage that is at least as good as the standard Medicare prescription drug program. **This means that your current prescription coverage is creditable and you do NOT need to enroll in Part D of Medicare.**

IMPORTANT NOTICE TO RETIREES:

Retirees in the Indemnity Plan

You have the option to keep your current prescription drug coverage with the Fund and enroll in ONE of the Medicare prescription drug plans. However, under the rules of this Fund, if you do enroll in an individual Medicare Part D plan, **you will be charged an additional premium for your medical and prescription coverage under the Carpenters Plan.** In addition you must pay the Part D premium out of your own pocket.

Medicare HMO Enrollees

If you are in Health Net (applicable to eligible Retirees only) or Kaiser Senior Advantage, you are already enrolled in their Medicare drug plans and you do not need to read the attached notice. Under Medicare rules, you are not allowed to enroll in more than one Medicare drug plan. If you enroll in an individual Medicare Prescription Drug Plan on your own, you will be ***disenrolled from Kaiser Senior Advantage or Health Net.*** If this happens the Trust Fund will transfer you to the Retiree Indemnity Medical Plan.

Remember, if you are a Retiree or dependent of a Retiree, once you are Medicare eligible you must enroll for both Medicare Part A and Part B in order to receive the maximum hospital and medical benefits under this Plan.

If you enroll in any individual prescription drug plan, your cost for medical benefits under the Fund will increase.

If you would like to discuss your options for prescription drugs, call the Fund Office at (510) 633-0333 or toll free at (888) 547-2054.



*This document is intended to serve as your
Notice of Creditable Prescription Drug Coverage, as required by law.*

October 17, 2008

To: All Participants of the Carpenters Health and Welfare Trust Fund for California
From: Board of Trustees
Re: Important Notice About Your Prescription Drug Coverage and Medicare

This Notice is for people with Medicare. If you or any of your eligible family members are now eligible for Medicare or will become eligible for Medicare in the next year, please read this notice carefully and keep it where you can find it.

This notice has information about your current prescription drug coverage with Carpenters Health and Welfare Trust Fund for California and Medicare prescription drug coverage. It also explains the options you have under Medicare's prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans offer more coverage for a higher monthly premium.
2. The prescription drug coverage offered by the Indemnity self-funded plan, Kaiser and Health Net (applicable to eligible Retirees only) are "creditable". Creditable means that the value of this Plan's prescription drug benefits is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.

Because your existing prescription drug coverage is, on average, at least as good as standard Medicare prescription drug coverage, you can keep your prescription drug coverage under Carpenters Health and Welfare Trust Fund for California and you do not need to enroll in a Medicare prescription drug program.

You will not have to pay any extra premium if you later decide to enroll in Medicare coverage.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15th through December 31st. Beneficiaries leaving employer/union coverage may also be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

YOUR CHOICES:

1. **You can keep your current prescription drug coverage with Carpenters Health and Welfare Trust Fund for California and you do not have to enroll in a Medicare prescription drug plan.**

- You may in the future enroll in a Medicare prescription drug plan during Medicare's annual enrollment period (November 15 to December 31 of each year). You will not be charged any penalty if you decide in the future to purchase a Medicare prescription drug plan.

2. **You can keep your current prescription drug coverage with Carpenters Health and Welfare Trust Fund for California and enroll in ONE Medicare prescription drug plan.**

- If you enroll in a Medicare prescription drug plan you will be charged an additional premium for your Retiree medical and prescription coverage under the Carpenters Indemnity Plan. ***This additional surcharge, currently \$38 per person per month, will increase to \$39 effective January 1, 2009.*** In addition, you will need to pay the part D premium out of your own pocket.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. If you are retired, and have dual coverage this plan will pay benefits after your individual Part D plan has paid primary benefits.

WHAT WILL HAPPEN IF YOU LOSE OR DROP COVERAGE WITH THE CARPENTERS PLAN AND YOU DO NOT ENROLL IN A MEDICARE DRUG PLAN?

You should also know that if you drop or lose your coverage with Carpenters Health and Welfare Trust Fund for California and do not enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. For example, if nineteen months pass without you having creditable prescription drug coverage, your monthly premium for Medicare drug coverage will always be at least 19% higher than what most other people pay. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the next November to enroll.

More information about your options under Medicare prescription drug coverage

More detailed information about Medicare plans that offer prescription drug coverage will be available in the “**Medicare & You**” handbook. All persons enrolled in Medicare (a “beneficiary”) will receive a copy of the handbook in the mail each year from Medicare. Medicare beneficiaries may also be contacted directly by Medicare approved prescription drug plans. For more information about Medicare prescription drug plans:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for the telephone number) for personalized assistance.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you enroll in one of the new Medicare approved prescription drug plans, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.

For more information about this notice or your current prescription drug coverage:

Please call the Fund Office toll free at (888) 547-2054 and talk to the Benefit Services Department, or write to the Fund Office at 265 Hegenberger Road, Suite 100, Oakland, California 94621 for further information.

NOTE: You will receive this notice annually and at other times in the future (such as before the next period you can enroll in Medicare prescription drug coverage and if the coverage provided by the Carpenters Plan changes). You also may request a copy of this Notice at any time.

As in all cases, Carpenters Health and Welfare Trust Fund for California reserves the right to modify benefits at any time, in accordance with applicable law.