

THE NATIONAL PENSION FUND
401h \$31 MONTHLY MEDICARE
BENEFIT INFORMATION

Dear Retiree:

This notice provides information on the National Pension Fund's program that pays part of the cost of Medicare insurance coverage obtained either from your Local Union Health & Welfare Fund or the National Health Fund (SMW+). Enrollment under the Pension Fund's 401h Monthly Medicare Benefit program was effective January 1, 1999 and revised in 2002.

First, you should understand that Retiree health benefits are *not* protected pension benefits. They can be discontinued at any time. The Pension Fund does not provide health insurance. The Pension Fund's only responsibility at this time is the payment of up to \$31 per month, per participant and/or spouse. The amount of the monthly subsidy provided will be the lesser of \$31 or the total monthly premium charged for your Medicare insurance coverage.

What Types of Benefits are Covered?

The Pension Fund will pay a monthly benefit on behalf of each eligible Retiree, and/or spouse if applicable, towards the cost of Medicare insurance coverage obtained either through your Local Union Health & Welfare Fund or the National Health Fund (SMW+). *This benefit can only be made payable to your insurance provider.*

Who is eligible to Participate?

To be eligible for the \$31 per person 401h Monthly Medicare Benefit from the National Pension Fund you must meet and continue to meet *all* of the requirements below:

- You *must* be receiving a pension from the National Pension Fund;
- The Retiree *must* be a continuous dues paying member *the later of* his or her effective date of pension or January 1, 2002. If the 401h Monthly Medicare Benefit recipient is a Beneficiary, the Retiree must have been a dues paying member at the time of his or her death;
- The Retiree *must* have worked in Covered Employment for at least 3500 hours in the 5 calendar years that immediately precede his Effective Date of Pension in a job classification under a Collective Bargaining Agreement or other agreement that provides that the Contribution Rate on behalf of his or her job classification is at least \$1.10 per hour for Construction Work, or at least \$.55 per hour for Non-Construction Work.

- Effective January 1, 2003, if the NPF has been negotiated (or voted) out of a contract, or the contribution rate is decreased below required minimums, all retirees (and their beneficiaries) from that unit will lose coverage.
- A Beneficiary will lose entitlement to this benefit if he/she remarries.
- A Beneficiary will only be entitled to this benefit if the Participant was a Pensioner of this Plan.
- Your Local Union Health & Welfare Fund must complete a Provider's Certificate with the Fund that the coverage qualifies as a Medicare insurance policy as that term is defined in 42 U.S.C. § 1395 SS (g), and that all moneys paid to the provider will be used for "medical expenses", within the meaning of the Treasury Regulation § 1.401-14(b)(4)(ii).

How do you select a Medicare Supplemental Provider?

You should choose your Medicare supplemental provider based on your personal needs.

Be advised that the Sheet Metal Workers' National Health Fund does provide Medicare supplemental type benefits, which *have been* approved for payment of the \$31 subsidy by the National Pension Fund. For enrollment information you may call the National Health Fund on their toll free number, 1-800-831-4914.

If you choose a provider other than the National Health Fund that provider will have to complete a written certification and file it with the National Pension Fund. Upon receipt of your completed Request for Subsidy Payment Form the National Pension Fund will send your chosen provider the necessary Certification Form.

Questions?

Please contact the Pension Benefits Department at 1-800-231-4622.