

# MICHIANA AREA ELECTRICAL WORKERS' FRINGE BENEFIT FUNDS

Michiana Area Electrical Workers' Health and Welfare Fund  
Michiana Area Electrical Workers' Pension Fund  
Michiana Area Electrical Workers' Money Purchase Plan

Managed for the Trustees by:  
TIC INTERNATIONAL CORPORATION

May, 2017

TO: ALL PARTICIPANTS IN THE MICHIANA AREA ELECTRICAL WORKERS'  
HEALTH AND WELFARE FUND

RE: MICHIANA AREA ELECTRICAL WORKERS **PLAN 4**

Dear Participant:

As you may know, the Health and Welfare Fund currently subsidizes the self-payment rates for the retired, disabled and widowed participants of the Fund.

In an effort to plan for the future, the Trustees of the Fund have established a new Trust Fund entitled **Plan 4**. The purpose of Plan 4 is to help participants in the Michiana Area Electrical Workers Health and Welfare Fund pay for their health care coverage after they retire. All benefits will be paid directly to the Health and Welfare Fund.

Effective with contributions remitted for the work month of June 2017 employers will be required to remit fifty cents (\$0.50) per hour that the participant works. These contributions will be utilized to help cover the cost of subsidizing the current retiree and disabled participant self-payments as well as subsidize the cost of coverage for future retirees.

Plan 4 is effective on June 1, 2017, and the first Plan 4 benefits are projected to be payable starting January 1, 2019. The terms of this Plan also provide benefits to qualifying participants who retired prior to January 1, 2019.

Plan 4 benefits will be paid in the form of an offset toward the cost of retiree health care coverage through the Michiana Area Electrical Workers Health and Welfare Plan. The participant must be eligible for retiree health care coverage from that Plan to receive benefits from this Plan.

The benefit is based on the participant's Service Credits which are granted based on the participant's employer's contributions to Plan 4 due to work in Covered Employment

Service Credits are granted based on the following schedule:

Hours of Service in a Calendar Year	Service Credit
Less than 300 Hours (0-299)	No Credit
300 Hours to 599 Hours	One-fourth (0.25) Service Credit
600 Hours to 899 Hours	One-half (0.50) Service Credit
900 Hours to 1,199 Hours	Three-fourths (0.75) Service Credit

Benefits are payable starting with the month in which the participant reaches **age 62**, or the month in which the participant retires, whichever is later. (Benefits can begin before age 62 for Participants who retire early due to a Total and Permanent Disability.) If the participant retires early, they must wait until age 62 to receive Plan 4 benefits. The only exception is for retirements due to Total and Permanent Disability.

For benefit purposes, retired Participants are categorized into Groups 1, 2 and 3, with eligible retirees in Groups 1 and 2 being **grandfathered** into Plan 4. **Grandfathering** means that the maximum subsidy of 35 credits will automatically apply to these groups.

Group 1	Retirees who reached age 61 before June 1, 2001, including retirees whose disability retirements began before 6/1/01. Grandfathering* rules apply.
Group 2	Retirees who reached age 61 on/after June 1, 2001 but before January 1, 2013, including retirees whose disability retirements began during that time period. Grandfathering* rules apply.
Group 3	Retirees who reach(ed) age 61 on or after January 1, 2013, including retirees whose disability retirements began on/after that date.

The monthly benefit rates in effect as of January 1, 2019 are projected to be what is listed in the following table:

BENEFIT TABLE IN EFFECT AS OF JANUARY 1, 2019			
Who		Monthly Benefit Amount	
		Pre-Medicare (ages 62-64)	Medicare (Due to Age or Disability)
Group 1	Retirees who reached age 61 before June 1, 2001	n/a	\$12
Group 2	Retirees who reached age 61 on/after June 1, 2001 but before January 1, 2013	\$30	\$8
Group 3	Retirees who reach(ed) age 61 on or after January 1, 2013	\$30	\$8

***In summary, Plan 4 will be utilized in the future to offset retire health care cost. Retirees that retired before January 1, 2013 will be “grandfathered” and will receive the maximum subsidy of thirty-five (35) credits. The current self-payment rates will not be affected by this new Plan 4 until the projected date of January 1, 2019.***

If you have any questions regarding the above, please do not hesitate to contact the Fund Office at the address at 877-244-9473.

Sincerely,

Michiana Areal Electrical Workers Plan 4  
Board of Trustees