

Local 25 S.E.I.U. Welfare Fund

111 East Wacker Drive, 25th Floor, Chicago, IL 60601-4205

September, 2011

FUND NEWS AND NOTES

Greetings,

As summer comes to an end and a new school year begins . . . the Local 25 SEIU Fund Office would like to remind you, once again, why you should coordinate all medical care for you and your family through Union Health Service.

UHS physicians will not only treat you on an outpatient basis, but will admit you to the hospital if you need inpatient care. UHS physicians are available by telephone 24 hours a day, 7 days a week.

DURING BUSINESS HOURS

- Dial 1-312-423-4200
- Dial 1 (English) 2 (Spanish) 3 (Polish) 4 (Serbo-Croatian)
- Dial 0 for the operator who will then transfer you to the proper extension for your health care needs.

AFTER HOURS

Dial 1-312-423-4200. When the answering service responds, provide your name, telephone number, your UHS doctor's name, and an explanation of your health problem. A UHS doctor will call you back to let you know what to do.

IMPORTANT REMINDER ABOUT EMERGENCY ROOM TREATMENT

Emergency room (ER) visits should not be used for non-emergency services. Patients should call the 24-hour on-call physician at UHS prior to ER visits unless it is a life threatening situation.

Your ER benefits are paid at 100% when the patient is directed to the ER by UHS, or the emergency meets the Plan's definition of an emergency (In-Plan). The definition of emergency is outlined in the Definitions section of your Summary Plan Description.

In cases where a patient is not directed by UHS, or the emergency does not meet the Plan's definition of an emergency (Out-of-Plan) the patient will pay a \$500 deductible per visit and will pay 20% of charges thereafter.

Congratulations to the Union Health Service Physicians recently identified by the US News Media Group as top doctors. The full listing includes peer-nominated physicians from across the country. These physicians, in particular, have demonstrated a commitment to their patients, colleagues, hospital and community that goes above and beyond the excellent care provided here every day.

Of the physicians listed across the country thirteen UHS doctors were included as a part of this elite group of physicians. The UHS physicians are: Dr. Edward Abraham, Dr. James Calvin, Dr. Arthur Curtis, Dr. Rada Ivanov, Dr. Andrew Lewicky, Dr. Tom Liao, Dr. Osvaldo Lopez, Dr. Vijay Maker, Dr. Dan Mihailescu, Dr. Ashish Mukherjee, Dr. David Mutchnik, Dr. Michael Young, and Dr. Molly Jacob who was also identified as being in the top 1% in her specialty, pediatrics, nationwide.

Doctors listed in U.S. News Top Doctors are estimated to be in the 10% nationally, with the exception as those notated such as Dr. Molly Jacobs who was ranked in the top 1%.

SUMMARY ANNUAL REPORT FOR LOCAL 25 SEIU WELFARE FUND

This is a summary of the annual report of the Local 25 SEIU Welfare Fund, 111 East Wacker Drive, 25th Floor, Chicago, IL 60601, EIN 36-2857218, Plan No. 501, for period October 1, 2009 through September 30, 2010. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Insurance Information

The plan has contracts with Union Health Services, Inc. (UHS) and BlueCare Dental DMO (BCD) to pay Medical and Dental claims incurred under the terms of the plan. The total premiums paid to UHS for the policy year ended December 31, 2009 was \$37,650,153 and paid to BCD for the policy year ended December 31, 2009 was \$3,022,499.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$58,552,461 as of September 30, 2010, compared to \$69,401,654 as of October 1, 2009. During the plan year the plan experienced a decrease in its net assets of \$10,849,193. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$81,693,598 including employer contributions of \$76,637,536, employee contributions of \$492,857, realized gains of \$23,284 from the sale of assets, earnings from investments of \$3,814,609, rental income of \$534,150, and other income of \$191,162.

Plan expenses were \$92,542,791. These expenses included \$2,115,727 in administrative expenses and \$90,427,064 in benefits paid to participants and beneficiaries.

Your Rights To Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. an accountant's report;
2. financial information and information on payments to service providers;
3. assets held for investment;
4. transactions in excess of 5% of the plan assets; and
5. insurance information, including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write Trustees of Local 25 SEIU Welfare Fund, 111 East Wacker Drive, 25th Floor, Chicago, IL 60601, (312) 233-8800. The charge to cover copying costs will be \$8.75 for the full annual report, or 25 cents per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan, Trustees of Local 25 SEIU Welfare Fund, 111 East Wacker Drive, 25th Floor, Chicago, IL 60601 and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

Important Notice from the Local 25 S.E.I.U. Welfare Fund about Your Prescription Drug Coverage and Medicare

This notice is for all persons eligible for Medicare, even if Medicare is not the person's primary health plan. The information in this notice applies only to participants who are eligible for Medicare, or who become eligible for Medicare during 2012.

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the Local 25 S.E.I.U. Welfare Fund and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are three important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The Local 25 S.E.I.U. Welfare Fund (the Fund) has determined that the prescription drug coverage offered by the Fund is, on average for all plan participants, NOT expected to pay out as much as standard Medicare prescription drug coverage pays. Therefore, your coverage is considered Non-Creditable Coverage. This is important because, most likely, you will get more help with your drug costs if you join a Medicare drug plan, than if you only have prescription drug coverage from the Local 25 S.E.I.U. Welfare Fund. This also is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible. (Detailed information, formulary list, etc. for the Local 25 SEIU Welfare Fund Prescription Drug coverage is available on the UHS website www.unionhealth.org – click on 'Pharmacy', then click on 'Union Pharmacy Service for Local 25'.)
3. You can keep your current coverage from the Local 25 S.E.I.U. Welfare Fund. However, because your coverage is non-creditable, you have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join a drug plan. When you make your decision, you should compare your current coverage, including what drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Read this notice carefully—it explains your options.

When Can You Join a Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th through December 7th.

However, if you decide to drop your current coverage with the Local 25 S.E.I.U. Welfare Fund, since it is employer/union sponsored group coverage, you will be eligible for a two (2)-month Special Enrollment Period (SEP) to join a Medicare drug plan; however you also may pay a higher premium (a penalty) because you did not have creditable coverage under the Local 25 S.E.I.U. Welfare Fund.

When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

Since the coverage under the Local 25 S.E.I.U. Welfare Fund is not creditable, depending on how long you go without creditable prescription drug coverage, you may pay a penalty to join a Medicare drug plan. Starting with the end of the last month that you were first eligible to join a Medicare drug plan but didn't join, if you go 63 continuous days or longer without prescription drug coverage that's creditable, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

What Happens to Your Current Coverage if You Decide to Join a Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Local 25 S.E.I.U. Welfare Fund prescription drug coverage will terminate—you cannot have prescription drug coverage through both the Local 25 S.E.I.U. Welfare Fund and a Medicare Part D drug plan. You will still be eligible to receive all of your other health benefits from the Local 25 S.E.I.U. Welfare Fund, but you will receive your prescription drug coverage through the Medicare drug plan in which you enroll. **You must notify the Fund Office if you do decide to join a Medicare Part D drug plan.** Your self-payment for this Plan's coverage will not change if you drop your drug coverage.

*If you do decide to join a Medicare drug plan and drop your current Local 25 S.E.I.U. Welfare Fund prescription drug coverage, you and your dependents will be able to get this prescription drug coverage back if you later drop your Medicare Part D drug plan coverage. Contact the Fund Office **before** you terminate your Medicare Part D drug plan coverage.*

For More Information about this Notice or Your Current Prescription Drug Coverage . . .

Contact the Fund Office at (312) 233-8888 for further information. NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan and if this coverage through the Local 25 S.E.I.U. Welfare Fund changes. You also may request a copy of this notice at any time.

For More Information about Your Options under Medicare Prescription Drug Coverage . . .

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

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

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Date:	October 2011
Name of Plan:	Local 25 S.E.I.U. Welfare Fund
Name of Contact:	Ms. Patricia Parker, Member Services Department
Address:	111 East Wacker Drive, Suite 2502
Phone Number:	(312) 233-8888

MEMBER ASSISTANCE PROGRAM

This summer you should have received a mailing from the Member Assistance Program (MAP) which is administered by Employee Resource Systems, Inc. (ERS). The many services offered by this program are designed to improve your overall health and wellness. Following are some of the services offered (free to you!):

- Marital and family counseling
- Job-related stress management
- In person counseling
- Adolescent and parenting support
- Alcohol or drug abuse counseling
- Child & elder care resources
- Budgeting & financial counseling
- Legal consultation and referral service
- Identity theft recovery

Access to all of these services is available 24 hours a day, 7 days a week. Just call 800-292-2780 to get started or log on to www.ers-eap.com. Username: SEIU25 Password: SEIU25.

ANNUAL NOTICES AS REQUIRED BY U.S. FEDERAL REGULATION

WOMEN'S HEALTH AND CANCER RIGHTS ACT - Coverage for Breast Reconstruction

The Benefit Plan provides coverage for the following medical and surgical services provided to a covered person in connection with a mastectomy:

1. Reconstruction of the breast on which the mastectomy was performed;
2. Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
3. Prostheses and treatment of physical complications of all stages of mastectomy.

Benefits will be subject to annual deductibles, co-payment provisions and other Plan provisions and limitations in a manner consistent with the provisions and limitations applicable to other Plan benefits.

PRIVACY POLICY

Regulations issued by the U.S. Department of Health and Human Services require us to advise you not less than once every three years that you are entitled to a copy of the Welfare Fund's Privacy Policy. You may obtain a copy by calling the Fund Office at 312-233-8888. The Privacy Policy may also be found on pages 68-74 of the Summary Plan Description booklet (effective January, 2007).

SECTION 111, MEDICARE, MEDICAID AND SCHIP EXTENSION ACT OF 2007 (MMSEA)

Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA), a federal law that became effective January 1, 2009, requires that self-funded/self-administered plans like the Local 25 SEIU Welfare Fund report specific information about Medicare beneficiaries who have other group coverage. This reporting is to assist Centers for Medicare & Medicaid Services (CMS) and this plan to promptly coordinate payment of benefits so that your claims are paid promptly and correctly.

This means that if you are eligible in the SEIU Local 25 Welfare Fund, this Plan will pay benefits first and Medicare will pay second.

The Fund Office continues to collect Social Security Number and Date of Birth information on all eligible members to fulfill our reporting requirements under this law.