

**NOTICE OF BENEFIT CHANGE AND
SUMMARY OF MATERIAL MODIFICATION**

**Professional Musicians, Local 47, and Employers'
Health & Welfare Fund
Announces**

**Increases in the Participant Co-Premium
and Eligibility Threshold**

Effective October 1, 2008



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Due to spiraling premium costs incurred by the Professional Musicians, Local 47, and Employers' Health & Welfare Trust Fund (the "Fund"), the Fund's Board of Trustees, at their meeting of June 17, 2008, approved several major modifications to the Fund's eligibility and coverage rules. These modifications, which are explained more fully in the body of this Notice, shall commence, with regard to changes in eligibility/qualifying rules, with the eligibility year beginning October 1, 2008, and, for changes in co-premium rules, with the coverage period beginning January 1, 2009.

Briefly, the modifications approved by the Trustees are: (1) effective January 1, 2009, increase the Participant co-premium for those Participants who enroll in the HMO plan sponsored by the Fund; (2) effective January 1, 2009, require that Participants choosing to enroll in the PPO medical plan and/or PPO dental plan shall, as a condition of enrollment and continuing coverage, self-pay the full difference between the HMO premium (paid by the Fund for single coverage) and the then existing PPO premium required for single coverage, and; (3) effective for the work period beginning October 1, 2008, which determines eligibility for the coverage period beginning January 1, 2010, the eligibility threshold will be increased from \$600 to \$900 in employer contributions.

INCREASES IN CO-PREMIUM COSTS TO ELIGIBLE MEMBERS

Under the Fund's present rules governing enrollment in the benefit plans it sponsors, eligible Members are required to pay a portion of the premium as a requirement and condition of enrollment. Eligible Members who do not pay the required premium will not be enrolled and do not become Participants who are covered by the benefit plans sponsored by the Fund. **Thus, benefits will not be paid or extended to any member who fails to remit his/her co-premium payment to the Fund on a timely basis.**

Presently, the co-premium required by the Fund for enrollment and coverage is 6.5% of the premium charged to the Fund by the Insurers which provide the benefits sponsored through the Fund.

However, and for coverage effective January 1, 2009, the Participant co-premium shall be increased as follows:

1) For Enrollment In The Fund's HMO Benefit Plans: the Participant co-premium shall increase from 6.5% of the premium to 15% based upon the benefits in which the Participant enrolls (medical, dental and vision).

2) For Enrollment In The Fund's PPO Benefit Plans: In addition to the 15% co-premium (which is based on the HMO plans), Participants choosing to enroll in the medical and/or dental PPO shall be required, as a condition of enrollment in and continued

coverage under the Fund's PPO benefit plans, to pay 100% of the difference between the HMO premium and the PPO premium, then charged by the Fund's carriers for the respective coverage.

The rules governing dependent co-premiums – i.e., that dependent coverage is optional and dependent upon the Participant's full and timely remittance of the required dependent co-premium – have not been modified at this time.

MODIFICATIONS TO PARTICIPANT QUALIFYING PROVISIONS

Commencing with the January 1, 2010, coverage year, eligibility shall be achieved when a total of at least \$900 of employer contributions have been reported and paid during the preceding qualifying period. This change shall become effective with the commencement of the Fund's next qualifying period, which begins on October 1, 2008, and ends on September 30, 2009.

Qualification and Eligibility Periods are as follows:

Qualifying Period:	Eligibility Period:
Contributions for work Performed OCTOBER1, 2008 through SEPTEMBER 30, 2009	Will qualify you for eligibility JANUARY 1, 2010 through DECEMBER 31, 2010
A minimum of \$900 must be contributed on your behalf by a Participating Employer for work performed October 1, 2008 through September 30, 2009 in order for you to qualify for benefits January 1, 2010 through December 31, 2010	

Thus, effective with the qualifying period that starts on October 1, 2008, and for the coverage year commencing January 1, 2010, the minimum amount of Employer contributions necessary for a musician to qualify will be \$900 (i.e., effective October 1, 2008, a musician will need to have at least \$900 in employer contributions to qualify for enrollment in the benefit plans sponsored by the Fund as of January 1, 2010). If there are insufficient Employer contributions in the current qualifying period, there will be a look-back period of twelve (12) months. If there are any unused contributions in the twelve (12) month look-back period (the previous October 1st through September 30th) a maximum of \$600 will be carried forward to the current period to achieve eligibility. Unused Employer contributions are the excess of the amount needed to qualify up to a maximum of \$600 or the amount in the previous period when a member did not qualify. In no circumstance will contributions be carried forward more than one period.

The decision to make the changes outlined above was not taken lightly. The Trustees have devoted considerable effort and careful consideration in trying to maintain our Health and Welfare Trust Fund in a responsible and prudent position. We will continue this focus as we review our plan design and co-payment structures in the future.

This Notice presents an overview of the Plan's Benefits, Co-Payments, and Eligibility structure and is not intended to be all-inclusive, nor is it to be used as a Summary Plan Description. In the event there is any conflict between this Notice and the official Plan documents, the official documents will govern. The official Plan Documents will be revised to reflect the changes adopted by the Board of Trustees. The Board of Trustees reserves the right, in its sole discretion, to change, modify or eliminate any benefits or requirement for benefits at any time, without advance notice.