



AUTOMOBILE MECHANICS' LOCAL 701 UNION AND INDUSTRY WELFARE FUND

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Important Information Regarding Your Welfare Plan Coverage

March 2010

Dear Participant:

As the Board of Trustees of the Automobile Mechanics' Local No. 701 Union and Industry Welfare Fund ("Plan"), we are dedicated to ensuring that you fully understand your coverage under the Plan. This announces some important Plan changes that you should know.

EXTENDED LEAVE OF ABSENCE UNDER FMLA—EFFECTIVE FEBRUARY 28, 2008

Your health benefits will generally continue during a period of unpaid leave under the Family and Medical Leave Act of 1993 (FMLA) for:

- Up to 12 work weeks during any 12-month period if your spouse, son, daughter, or parent is on active duty in the U.S. armed services in support of a military operation; or
- Up to 26 weeks during any 12-month period if your spouse, son, daughter, parent, or next of kin is undergoing medical treatment, recuperation, or therapy for a serious illness or injury incurred in the line of duty while in U.S. military service, and while they are an outpatient or on the temporary retired list of the U.S. armed forces.

EXPANDED COVERAGE FOR DEPENDENT CHILDREN—EFFECTIVE JANUARY 1, 2010

In compliance with recent federal legislation called "Michelle's Law," you may extend benefit coverage for up to one year for a dependent child who would otherwise lose health coverage due to a medical leave of absence from a post-secondary educational institution.

In order to qualify for this extended coverage, **all** of the following must apply:

- Your dependent child's medical leave of absence must begin on or after January 1, 2010;
- The leave must result from a serious illness or injury and must be medically necessary, as certified in writing by the physician treating your dependent child;
- On the day before the medical leave of absence begins, your dependent child is entitled to coverage under the provisions of the Plan applicable to students at post-secondary educational institutions; and
- The leave would otherwise result in your dependent child's loss of full-time student status for Plan coverage purposes.

A "**post-secondary educational institution**" is:

- An accredited or state licensed institution that (i) provides a program of education beyond secondary education and that awards a bachelor's degree, or (ii) provides not less than a two-year program that provides full credit toward earning a degree; or
- An accredited or state licensed school that provides a program of education beyond secondary education and that provides not less than a one-year program of training that prepares students for gainful employment.

If your dependent child's medical leave of absence meets **all** of the criteria listed above, you may continue his or her coverage for up to one year from the beginning of the leave. However, the extended coverage will end before the one-year period if the dependent child reaches age 23. At that time, you or your child can choose to continue his or her coverage by electing COBRA Continuation Coverage and making the necessary self-payments.

REVISED DEFINITION OF A DEPENDENT—EFFECTIVE JANUARY 1, 2010

The Fund's Plan of benefits is provided to you, your spouse, and your dependent children on a tax excludable basis. Some of the terms for defining who is a dependent child for the purposes of providing such tax excludable coverage have been updated in the Internal Revenue Code. Those updated terms include:

- Your dependent child must be younger than you unless he or she is handicapped and incapable of self-sustaining employment.
- If you divorce or separate from the parent of a dependent child, the child must be considered to be a "qualifying child" or "qualifying relative," as defined by Internal Revenue Code, of either you or the child's other parent. If your child meets the Plan's definition of a dependent child as shown in your Summary Plan Description, he or she is generally considered to be your "qualifying child" under the federal tax code.

ADDITIONAL SPECIAL ENROLLMENT RIGHTS

- *If you decline enrollment*

If you decline enrollment for yourself or your dependents (including your spouse) in this Plan because you or your dependents have other health coverage(s), you must provide a written statement to the Plan Administrator indicating that coverage is being declined due to other health coverage(s). If you fail to provide the required written statement, the Plan is not required to provide special enrollment to you or your dependents.

If you or your dependents later lose eligibility for that other coverage (or the employer stops contributing towards your or your dependents' other coverage), you may be able to enroll yourself and your dependents in this Plan. You must request enrollment within 30 days after your or your dependents' other coverage ends (or after the employer stops contributing toward the other coverage).

- *If you acquire a new dependent*

If you acquire a new dependent because of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependent(s). However, you must request enrollment with 30 days after the marriage, birth, adoption, or placement for adoption.

- *If you are enrolled in or lose eligibility for Medicaid or a State Children's Health Insurance Program*

Medicaid and your State Children's Health Insurance Program (SCHIP) offer free or low-cost health coverage to children and families. If you and/or your dependents either: (1) become eligible under Medicaid or SCHIP; or (2) lose coverage under Medicaid or SCHIP because you or they are no longer eligible, you must request special enrollment within 60 days of the date you and/or your dependents either become eligible or lose your eligibility.

In Closing

We recommend that you keep this letter with your important papers, such as your Summary Plan Description (SPD), so that you can refer to it when needed.

If you have questions about these Plan changes, feel free to contact the Fund Office at **708-482-0110**.

Sincerely,
The Board of Trustees

This announcement provides only highlights of recent changes to the Automobile Mechanics' Local No. 701 Union and Industry Welfare Fund. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.