



AUTOMOBILE MECHANICS' LOCAL 701 UNION AND INDUSTRY WELFARE FUND

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Notice of Prescription Drug Creditable Coverage Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund

Important Information About Your Prescription Drug Coverage And Medicare Prescription Drug Coverage

This Notice has information about:

- Medicare Prescription Drug Coverage (Medicare Part D) that became available in 2006 to everyone with Medicare.
- How the Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund's prescription drug benefits are, on average for all active and retired Plan participants, at least as good as standard Medicare Prescription Drug Coverage.
- What your choices are and what happens to your coverage under the Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund Plan if you join a Medicare drug plan.
- Where to find more information to help you make decisions about your prescription drug coverage.

The Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund will continue to provide prescription drug coverage for all eligible active and retired participants. If you are eligible for Medicare, you do **not** need to join a Medicare prescription drug plan since you have creditable coverage available through the Fund.

Please read this Notice carefully and keep it filed in a safe place where you can find it for future reference. This Notice explains the options you have under Medicare's Prescription Drug Coverage and can help you decide whether or not to join a Medicare drug plan if you are eligible.

Medicare Prescription Drug Coverage

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 better coverage for a higher monthly premium.

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 lose creditable prescription drug coverage, through no fault of your own, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan. In addition, if you lose or decide to leave employer/union sponsored coverage, you will be eligible to join a Medicare drug plan at that time using an Employer Group Special Enrollment Period.

Keep this Creditable Coverage Notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and whether or not you are required to pay a higher premium (a penalty).

Existing Coverage Is As Good As Standard Medicare Prescription Drug Coverage

The Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund has determined that your existing Plan prescription drug benefits are, on average, "Creditable Coverage," which means the Fund's coverage is expected to pay as much in claims for all eligible participants (or more in some cases) as standard Medicare Prescription Drug Coverage.

Because your current prescription drug benefits with the Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund are as good, on average, as Medicare standard coverage, you can stay covered under the health benefit plan and join a Medicare drug plan later, and not pay a higher premium (a penalty).

Your Choices And The Consequences

If you are eligible for Medicare and considering joining a Medicare drug plan, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and cost of the Medicare prescription drug plans in your area.

If you are eligible and **do not join** a Medicare drug plan, you will continue to receive prescription drug benefits under the Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund, as long as you are otherwise eligible to continue Plan coverage. Remember that the health benefit plan also covers medical benefits, in addition to prescription drug benefits. You will continue to be eligible to receive all current benefits.

If you are eligible and **join** a Medicare drug plan, your coverage under the Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund will be coordinated with your Medicare Prescription Drug Coverage. Remember that for most people, there is a monthly premium for Medicare Prescription Drug Coverage.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you are entitled to Medicare and drop or lose your coverage with the Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund and do not join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later. If you go 63 continuous days or longer without creditable prescription drug coverage your monthly premium for Medicare Prescription Drug Coverage may be higher. The increase may be at least 1% of the Medicare base beneficiary premium for every month that you were eligible but did not have coverage. For example, if you go 19 months without creditable coverage, your monthly premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare Prescription Drug Coverage. In addition, you may have to wait until the following October to join.

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 and You" handbook. You'll get a copy of the handbook every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage, you can:

- Visit www.medicare.gov.
- Call your State Health Insurance Assistance Program (the telephone number will be on the inside back cover of the "Medicare & You" handbook) 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. To get more information about this extra help, you can:

- Visit Social Security on the web at www.socialsecurity.gov.
- Call 1-800-772-1213 (TTY 1-800-325-0778).

For More Information About This Notice Or The Plan's Prescription Drug Benefits

If you have any questions about this Notice or would like more information about your prescription drug benefits under the Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund Plan, please call the Fund Office at 708-482-0110.

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 Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund changes. You also may request a copy at any time.

Date: October 2013

Plan: Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund

Contact: Fund Office

Address: 500 West Plainfield Road, Countryside, Illinois 60525

Telephone Number: 708-482-0110

Benefits under the Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund are not vested or guaranteed. Full details of the Automobile Mechanics' Local No. 701 Union & Industry Welfare Fund 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 discontinue all or part of the Plan at any time.