

The Fund Office Report

APRIL 2008

STEAMFITTERS & METAL TRADES

**EXECUTIVE ADMINISTRATOR KEVIN DRISCOLL'S
"PENSION PROTECTION UPDATE"**

The year 2008 brings all of us the most complicated piece of pension legislation in history. The Pension Protection Act and its notice requirements frustrate pension plan staff while confusing and often unnecessarily alarming plan participants. I want to use this opportunity to give each of the Steamfitters and Metal Trades Plan participants what I hope will be useful information prior to the membership quarterly meetings where I will focus the majority of my remarks on this very subject.

The Funding notices that each of you receive are drafted using mandated language while using specified interest rate and mortality assumptions that we have no input to or control over. The interest rate will change each year thereby yielding different funded percentages for the plan never using the actuary's plan rate of interest assumption or the rate of interest that the plan earns on its investments. The bottom line is a government interest rate change can make a plan look healthier than it really is or cause unnecessary concern, making a plan seem on the brink of failure.

To add to the already vast amount of confusion, 2009's notices will take on a new, expanded format. However, from that information in our possession now, those notices will use assumptions that more reflect our plan's actual status and therefore should begin to alleviate participant concerns.

Don't allow idol misinformation to run wild. Ask the questions, however difficult, of the plan professionals and you will receive accurate and specific answers. These are difficult economic times and your Pension Trustees continue to examine all aspects of the plan to ensure their ultimate promises, sound and meaningful retiree security for all plan participants.

STEAMFITTERS

**DENTAL BENEFITS:
ANNUAL MAXIMUM AND ORTHODONTIC COVERAGES INCREASED**

Effective July 1, 2008, the annual maximum for non-orthodontic benefits for all participants and dependents will be increased to \$3,000. Claims incurred prior to July 1st will be capped at the present \$2,000 maximum. Claims incurred from July 1, 2008 to December 31, 2008 will be combined with amounts paid in the first half of the year and capped at \$3,000.

Orthodontic benefits for dependent children will be increased from the present \$2,000 lifetime maximum to \$3,000 lifetime. Current plan provisions will remain the same other than the lifetime maximum increase. If a child is in treatment on July 1st, monthly payments will continue until either the original treatment plan ends or the new maximum is reached. If a child has reached the current \$2,000 maximum, MetLife will restart payments if any months of treatment from the original treatment plan remain after July 1st. Please keep in mind that due to the standard method used to pay orthodontic benefits between evaluation, initial appliance and monthly maintenance (a percentage is allocated to each of these three categories) you may not receive the full lifetime maximum if your child has commenced treatment.

Please call the Fund Office Help Desk at Ext. 244 with any questions or comments. In addition, Customer Service representatives at MetLife are also available at 1-800-942-0854.

METAL TRADES

**MAXIMUM PERIOD OF SUPPLEMENTAL
DISABILITY/WORKERS COMPENSATION BENEFITS CHANGED**

Effective July 1, 2008 this benefit will be paid, and maintenance of health and welfare benefits will continue for the participant and all eligible dependents, for no more than 26 weeks from the onset of the specific accident or illness that resulted in the Supplemental claim. The weekly benefit is \$150, pro-rated for partial weeks (\$30 per day). After the 26th week, no additional benefits are available, although COBRA coverage would be offered for the health coverage that would terminate. Call the Help Desk at Ext. 244 with any questions regarding this change.

**MAJOR IMPROVEMENTS TO DENTAL BENEFITS
COVERAGE FOR ORTHODONTIA ADDED; ANNUAL MAXIMUM INCREASED**

The Welfare Fund Trustees are pleased to announce the addition of orthodontia coverage to the Metal Trades Branch dental benefits. Effective July 1, 2008 orthodontia benefits will be available for dependent children of covered participants. The lifetime maximum per individual dependent child will be \$3,000. In addition, the annual maximum for all covered participants and dependents for non-orthodontic procedures will increase to \$3,000, also effective July 1, 2008. Dental benefits are provided under the *MetLife Preferred Dental Program* (PDP), a nationwide program with over 100,000 dentists and 21 million enrolled members.

In-network orthodontics will be considered at 75% of the PDP fee and out-of-network orthodontics will be processed at 50%. Keep in mind that out-of-network orthodontic benefits are subject to the calendar year deductible of \$100 per individual or \$200 per family.

Orthodontic benefits are considered as follows: 1. An initial evaluation and consultation, which includes x-rays, is paid (the maximum charge, subject to the applicable co-insurance, is \$250) 2. 20% of the dentist's charge, up to the PDP allowed amount, is considered for the initial placement of the appliance payable at the appropriate in or out network percentages. 3. The remaining 80%, allocated for the maintenance treatments, is then considered over the balance of the treatment plan, in most cases, 24 months, at the appropriate in or out network percentages. The monthly maintenance benefits are paid on a quarterly basis until treatment ends or the \$3,000 maximum amount is reached.

Sample of In-Network Orthodontic Treatment

In-Network PDP Charge is \$4,300.

Evaluation/Consultation/X-Rays is \$187.50
(PDP fee of \$250 X 75% co-insurance)

Initial appliance payment is \$645
(20% of the \$4,300 = \$860 X 75% co-insurance)

Repetitive/Maintenance Payments are \$107 a month [rounded]
(80% of the \$4,300 = \$3,440 / 24 Months
X 75% coinsurance) [payable quarterly until
treatment ends or \$3,000 maximum reached]

If a dependent child is under orthodontic treatment on July 1, 2008, the total benefit payable under the MetLife program will be determined based on the lifetime maximum under the MetLife program minus the estimated value of services rendered prior to the July 1, 2008 date. Essentially, MetLife will be pro-rating the benefit based on the original charge and on the remaining months of the original treatment plan.

The increase in the annual maximum to \$3,000 will become effective on July 1st which is mid-year of the calendar year benefits period. Claims incurred prior to July 1st will be capped at the present \$2,000 maximum. Claims incurred between July 1st and December 31st will be combined with amounts paid for claims the first six months of 2008 and capped at \$3,000.

If you have any questions please feel free to contact the Fund Office Help Desk at Ext. 244. In addition, MetLife Customer Service representatives are available to speak with you at 1-800-942-0854.

STEAMFITTERS & METAL TRADES

TIMELY NOTIFICATION OF DIVORCES IMPERITIVE

It is mandatory that you report a divorce to the Fund Office Help Desk (Ext. 244) immediately upon its completion. You will be instructed to submit a full copy of your divorce document. If your divorce document is not yet available from the court or municipal clerk, you will be required to complete a pre-printed affidavit. The Fund Office cannot accept your verbal notification; you must submit your divorce document or complete an affidavit for the divorce to be legally recorded. In order for COBRA coverage to be offered to the non-participant spouse it is essential that you report a divorce to the Fund Office immediately. If a divorce is not reported within 60 days COBRA coverage is not offered.

In addition, you are financially liable for the costs the Welfare Fund incurs due to your non-notification. Almost every month a member neglects to notify the Fund Office about a divorce and gets personally billed for the claim, insurance and other costs the Fund paid due to the member's negligence. The Welfare Fund has recovered tens of thousands of dollars annually from members who forget to promptly report divorces.