

SOUTHERN CALIFORNIA PIPE TRADES HEALTH AND WELFARE FUND ACTIVE PLAN

SUPPLEMENT #20

To: All Participants
From: Board of Trustees
Date: February 2009
Re: Increase in Lifetime Maximum Benefit
Effect of Interruptions in Coverage

PLEASE KEEP THIS NOTICE WITH YOUR SUMMARY PLAN DESCRIPTION BOOK

Effective April 1, 2009, the Lifetime Maximum Benefit (LMB) paid by the Fund will be increased as indicated in bold below.

For any Member or eligible Dependent, who has been covered under the Active Plan:

1. For 1 - 12 months, the Fund will pay no more than \$100,000 in total benefits.
2. For 13 - 24 months the Fund will pay no more than \$250,000.
3. For 25 - 60 months the Fund will pay no more than \$500,000.
4. **For 61 - 120 months the Fund will pay no more than \$1,000,000.**
5. **For 121 months or more the Fund will pay no more than \$2,000,000.**

The new LMB tiers will be in effect April 1, 2009 for all claims incurred since January 1, 2009.

As before, if your coverage is interrupted for fewer than 25 consecutive months your Lifetime Maximum Benefit will not change. However, effective in 2009, if you lose eligibility for more than 24 consecutive months then, when your coverage is reestablished, instead of being considered a new participant (with a \$100,000 LMB), your LMB will revert to the next lower LMB in effect before the interruption. For example, if your LMB is \$500,000 before a 25-month coverage interruption then, when your coverage is reestablished, your LMB will revert to \$250,000, and 12 additional months of coverage will be required to restore your LMB to \$500,000.

Any benefits paid by the Fund during your lifetime will count against your LMB. In other words, your LMB does not reset to zero when your LMB tier changes up or down. For example, if the fund has paid \$25,000 in benefits, and your LMB falls to \$100,000 after a consecutive 25-month interruption in coverage, your remaining LMB is \$75,000.