

UFCW Local 1776 and Participating Employers Health and Welfare Fund
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Choice Plan 2010

October 2009

It's Your Fund - Your Money - Your Choice You can earn up to \$2,400 per year

Because you have 5 or more years of service with a contributing employer, are age 30 or older and are currently eligible for medical coverage under the Fund, you should consider the following choices available to you:

The Dual Income Option A

Waive medical coverage for you and all dependents

**Earn
\$2,400
per year**

If you have other **medical** coverage through your spouse or other employer, and you choose to waive medical coverage provided by the Fund for yourself, your spouse, and your eligible dependents, you should most definitely consider this option. You could earn up to \$2,400 in benefit credits per year (\$200 per month) and be provided with supplemental medical (wrap around) coverage provided by the Fund.

The Dual Income Option B

Waive medical, prescription, vision, and dental coverage for your spouse

**Earn
\$1,500
per year**

If your spouse has other **medical** coverage, such as through his/her employer, and you choose to waive YOUR SPOUSE'S **medical, prescription, vision, and dental coverage** provided by the Fund while YOU remain covered by the Fund, you should most definitely consider this option. You could earn up to \$1,500 in benefit credits per year (\$125 per month) and your spouse could be provided with supplemental medical (wrap around) coverage provided by the Fund.

The Dual Income Option C

Waive medical coverage for your spouse

**Earn
\$1,200
per year**

If your spouse has other **medical** coverage, such as through his/her employer, and you choose to waive YOUR SPOUSE'S **medical coverage** provided by the Fund while YOU remain covered by the Fund, you should most definitely consider this option. You could earn up to \$1,200 in benefit credits per year (\$100 per month) and your spouse could be provided with supplemental medical (wrap around) coverage provided by the Fund.

The Keystone Point of Service ("KPOS") Flex Plan

**Earn
\$360
per year**

If you have Personal Choice coverage provided by the Fund you can elect instead KPOS medical coverage. You could earn up to \$360 in benefit credits per year (\$30 per month) and still have comprehensive medical coverage. Additionally, KPOS provides coverage for your eligible dependent children up to age 24, provided your dependent children are full-time college students.

Attend our Open House for the Choice Plan (for more information, see Page 5)

The Dual Income Option – A, B, and C

In addition to earning benefit credits per month, the Dual Income Option coordinates with your spouse's (or your other employer's) medical plan by providing supplemental (wrap around) coverage. The Fund's plan will provide payment for the first \$500 of your eligible out-of-pocket medical expenses incurred as a result of using your other coverage, and then 30% of the next \$25,000 per year, up to an annual maximum of \$6,500. Most other insurance plans have a maximum out-of-pocket limit. Therefore, this supplemental medical (wrap around) coverage limits your exposure to out-of-pocket medical expenses.

For example - Your spouse has Aetna US Healthcare for which that Plan pays 70% of all hospital charges after a \$500 deductible and a required office co-pay of \$10. That Plan also has an out-of-pocket maximum of \$2,500 per person per year. When you use that other coverage and incur a hospital charge of \$500, this charge will be paid as follows:

	<u>Spouse's Plan</u>	<u>Supplemental Medical Wrap Around Coverage Payment</u>
Hospital Charge	\$1800	
Your Deductible	\$500	-> Submit out-of-pocket to wrap around coverage \$500
Aetna's Payment	<u>\$910</u>	
Balance Due (coinsurance)*	\$390	-> Submit out-of-pocket to wrap around coverage <u>\$390</u>
		\$890
	Your out-of-pocket remaining	\$0

*These out-of-pocket charges should be submitted to the Fund Office on a Choice Plan claim form, along with an itemized bill and an Explanation of Benefits ("EOB") statement, and the Fund Office would reimburse you \$890-leaving your out-of-pocket expense at \$0.

The same applies for doctor visit co-pays. You use your other coverage to go to the doctor and you incur a \$10 charge for the visit. Submit a Choice Plan claim form to the Fund Office, along with an itemized bill (that receipt for \$10) and an EOB statement, and receive reimbursement of \$10.

Your other benefits provided by the Fund such as prescription, vision, dental, mental health, childcare, disability, etc. will remain unchanged, unless you elect Option B, whereby your spouse is also waiving prescription, vision, and dental coverage.

Use your benefit credits per month in one option or divide it among several of the following options:

- Deposit into the Fund's 401(k) Plan
- Deposit into the Paid Time-Off Bank (receive pay for any time you could have worked but did not)
- Increase your current life insurance amount
- Deposit into the Health Care Spending Account (up to a \$500 maximum)
- Deposit into the Extended Eligibility Bank (minimum \$200)

Please refer to the pages entitled "Using your Choice Plan Benefit Credits" for detailed information on each one of these options.

The KPOS Flex Series Plan

Earn up to \$360 per year (\$30 Per Month)

In addition to earning \$30 benefit credits per month, the KPOS Flex Series Plan is a medical plan which provides you with comprehensive medical coverage. You can use either referred (in-network) providers, or you can use any doctor or hospital of your choice at self-referred (out-of-network) providers. However, your out-of-pocket medical costs will be higher if you use self-referred providers. With KPOS medical coverage, your eligible dependent children will be covered up to age 24, provided your dependent children are full-time college students. Below is a summary of the KPOS Flex Series Plan.

KPOS Flex Series Plan - Benefits at a Glance

Plan Feature	Referred (In-Network)	Self-Referred (In and Out-of-Network)
Calendar Year Deductible	None	\$500 per person \$1,500 per family
Calendar Year Co-pay Maximum (not including deductible)	\$1,000 per person \$2,000 per family	None
Lifetime Maximum	None	\$1,000,000
Doctor's Visits		
Primary Care	\$15 co-pay	70% of reasonable and customary amount after deductible
Specialist	\$25 co-pay	70% of reasonable and customary amount after deductible
Routine Gynecological	\$15 co-pay (no referral necessary)	70% no deductible
Routine Mammogram	100%	70% no deductible
Routine Pap Smear		
Well Child Care / Immunizations	\$15 co-pay	70% of reasonable and customary amount after deductible
Hospital (Semi-private room)	100%	70% of reasonable and customary amount after deductible*
Surgery	100%	70% of reasonable and customary amount after deductible*
X-ray	\$25 co-pay	70% of reasonable and customary amount after deductible*
Lab	100%	70% of reasonable and customary amount after deductible*

*Pre-certification required

KPOS Flex Series Plan Benefits at a Glance (continued)

Plan Feature	Referred (In-Network)	Self-Referred (In and Out-of-Network)
Maternity Care	\$15 co-pay first visit only; then 100% (no referral necessary for routine maternity care)	70% of reasonable and customary amount after deductible
Hospital Emergency Room Care	\$100 co-pay	\$100 co-pay
Skilled Nursing Facility (custodial care not covered)	100% up to 120 days/yr	70% of reasonable and customary amount after deductible* (60 days per calendar year)
Mental Health		
Inpatient	100% up to 30 days/year	50% of reasonable and customary amount after deductible* (up to 70 days per calendar year)
Outpatient	\$30 co-pay up to 60 visits per year	70% of reasonable and customary amount after deductible up to 60 visits per year
Substance Abuse		
Inpatient (90 visit lifetime maximum)	100% up to 30 days/year	80% of reasonable and customary amount after deductible*
Outpatient (120 visit lifetime maximum)	\$30 co-pay up to 60 visits per year	80% of reasonable and customary amount after deductible*

***Pre-certification required**

Your other benefits provided by the Fund such as dental, prescription, mental health, childcare, vision, disability, etc. will remain unchanged.

Use your \$30 benefit credits per month in one option or divide it among several of the following options:

- Deposit into the Fund's 401(k) Plan
- Deposit into the Paid Time-Off Bank (receive pay for any time you could have worked but did not)
- Increase your current life insurance amount
- Deposit into the Health Care Spending Account (up to a \$500 maximum)
- Deposit into the Extended Eligibility Bank (minimum \$200)

Please refer to the pages entitled "Using your Choice Plan Credits" for detailed information on each one of these options.

**Why not attend our Open House for the Choice Plan?
(for more information, see Page 5)**

Plan Highlights

Open Enrollment Period

The Open Enrollment period begins NOW. Enrollment forms will be accepted through December 18, 2009 for a January 1, 2010 effective date.

Open House

The Fund Office will be holding an "Open House" from December 8, 2009 through December 10, 2009, whereby you can stop into the Fund Office from 8:00 a.m. to 6:00 p.m. on the specified dates to receive individual education on the Choice Plan and assistance in selecting benefit credits that suit your needs. You may also call the Fund Office at 1-800-458-8618, ext. 119, to schedule an appointment to meet with a Fund representative at a time that may better suit your schedule.

Enrollment materials must be received by December 18, 2009 for a January 1, 2010 effective date.

How to Enroll

You can enroll by mail or by visiting the Fund Office. In either case, the following information is required:

If you are electing the Dual Income Option (A, B, or C), you must complete and return the Choice Benefits enrollment form, proof of other coverage form, and enclose a copy the other medical identification card.

If you are electing the KPOS Flex Series Plan, you must complete and return the Choice Benefits enrollment form. In order to complete this form, you will need to select a primary care physician from the KPOS provider directory for each eligible dependent. To obtain this directory, please contact the Fund Office by phone at 1-800-458-8618 or e-mail us at fund@ufcw1776benefitfunds.org before returning your enrollment form.

Return the completed forms to:

UFCW Local 1776 and Participating Employers
Health and Welfare Fund
3031B Walton Road
Plymouth Meeting, PA 19462

For your convenience, a return envelope is enclosed.

Choose Your Benefits Carefully

It's important that you understand your options because you need to make choices about the benefits you want. In addition, the elections you make during annual enrollment stay in effect the entire year unless you have a Qualified Life Event.

The following qualify as Life Events:

- change in legal marital status (including marriage, divorce, annulment, legal separation, or death of spouse);
- change in number of dependents (including birth, adoption or placement for adoption, or death of a spouse or dependent);
- change in dependent's eligibility status because of age or change in student status;
- change in employment status, work site, or work schedule of an employee, spouse or dependent that results in a gain or loss of eligibility for health coverage (including switch between full-time and part-time);
- entitlement to Medicare or Medicaid (applies to the person entitled to Medicare or Medicaid); and
- change to comply with a state domestic relations order pertaining to medical coverage of a participant's child.

You must notify the Fund Office in writing of your request for a change in coverage within 30 days of the Life Event, and you must provide proof of the event.

Who is Eligible?

You and your covered dependents are eligible to participate in the Choice Benefits Program if you:

- are employed by a contributing employer that provides for participation in the Choice Benefits Program
- Are a participant of the UFCW Local 1776 and Participating Employers Health and Welfare Fund and are at least 30 years of age with 5 or more years of service; and

Plan Highlights (continued)

- are eligible for medical coverage in accordance your collective bargaining agreement.

Earning Benefit Credits

Remember, if you choose to change your medical plan, you receive benefit credits. The Dual Income Option A will give you the most benefit credits.

<u>Medical Plan Option</u>	<u>Annual Benefit Credit</u>
Dual Income Option A	\$2,400
Dual Income Option B	\$1,500
Dual Income Option C	\$1,200
KPOS Flex Series Plan	\$360
Personal Choice	None

You will earn benefit credits on a monthly basis. If you become ineligible to participate in the Health and Welfare Fund benefit program at any time during the year, you will stop earning benefit credits. You will be entitled to benefit credits you earn up to the date you become ineligible.

If You Do Not Return an Enrollment Form

- Your current medical plan of benefits will remain unchanged.
- For other than the Retirement and Savings 401(k) Plan, you will not have another opportunity to change your option until January 1, 2011 (unless you have a qualified Life Event).

Using your Choice Plan Benefit Credits

Whether you choose one of the Dual Income Option Plans or the KPOS Flex Series Plan, the following choices are available to you to deposit your benefit credits.

Paid Time-Off Bank

You may deposit your benefit credits into a Paid Time-Off "Bank." You may then use the credits to receive pay for any time you could have worked but did not (you simply file a claim with the Fund office). Any credits remaining in the paid time-off bank at the end of the year will be cashed out and sent to you automatically.

This benefit will be considered taxable income (any amount you receive during the calendar year will be subject to withholding and reported on your W-2 earnings at the end of the year).

Retirement 401(k) Plan

The Retirement 401(k) Plan offers you an excellent way to save for a secure retirement. Your Retirement 401(k) Plan gives you the opportunity to supplement your Social Security, pension and personal savings.

Your Investments

You can deposit all or part of your benefit credits into an account set up in your name. These credits are subject to FICA, state and Philadelphia tax (if applicable). Federal tax is deferred until you receive your money from the plan. You choose how to invest your money among several funds where it grows tax-free until your retirement. Your account balance may be invested in one option or divided among several options.

Additional Advantages of Your Retirement 401(k) Plan

- You may make additional contributions to the Retirement 401(k) Plan through convenient payroll deductions.
- You may rollover amounts from an IRA or another employer's 401(k) plan into this plan.

Attend our Open House for the Choice Plan
(for more information, see Page 5)

Using Your Choice Plan Benefit Credits (cont.)

Beneficiary Designation

When you enroll in the Retirement 401(k) plan, you will be asked to name a beneficiary. You may name anyone as your beneficiary. However, if you are married, your full account will be paid to your spouse, unless your spouse consents in writing to another beneficiary being named.

When Benefits Are Paid

Your balance from this plan may be distributed for any of the following qualifying events:

- You leave employment;
- You become totally and permanently disabled;
- You retire; or
- Upon your death.

Distribution of your account balance before you reach age 59 1/2 may be subject to a 10% penalty tax.

Health Care Spending Account

With any benefit plan, there are some items not covered such as plan deductibles and co-payments. By depositing all or a portion of your benefit credits into your Health Care

Spending Account, you can set aside money to pay for health care-medical, prescription drug, dental and vision care (expenses that are not reimbursed by any plan). When you submit a receipt for eligible expenses, you're paid tax-free from your account.

How the Health Care Spending Account Works

You decide how much of your benefit credits you want to contribute based on your estimated expenses for the coming year. You may contribute up to a maximum of \$500 each year. When you have an eligible expense, pay for it as you normally would. Then, submit the receipt, EOB statement, and a claim form to be reimbursed from your account.

Use It or Lose It

It's important that you estimate your expenses carefully before contributing your benefit credits to this account, because any balance remaining in this account at the end of the year will be forfeited.

Eligible Health Care Expenses

Only certain health care expenses are eligible for reimbursement. Eligible expenses include:

- Medical or dental plan deductibles;
- Coinsurance amounts and co-payments;
- Expenses that are not covered, or are partially covered under your medical or dental plan; and
- Expenses beyond maximum medical and/or dental benefit limits, and/or above usual, customary and reasonable (UCR) charges or plan allowance.

Health Care Expenses Not Eligible for Reimbursement

You cannot use your health care spending account to reimburse:

- Expenses reimbursed by any other medical/dental plan;
- Over-the-counter medications;
- Health club, spa or exercise class fees;
- Cosmetic surgery (unless performed to correct a congenital deformity, or deformity resulting from injury or disease);
- Contributions or premiums for health care coverage for you, your spouse and/or your children;
- Expenses not eligible for deduction from the IRS.

**Attend our Open House for the Choice Plan
(for more information, see Page 5)**

Using Your Choice Plan Benefit Credits (cont.)

Increase Your Current Life Insurance Amount

The Fund provides Basic Life Insurance. The amount of your current insurance is \$3,000. You can elect to increase the amount of your current coverage by \$5,000 or \$10,000 depending on the amount of benefit credits you allocate to this option. The amount of credits needed depends on your age and the amount of coverage elected as follows:

Age	Benefit Credits Needed to Buy:	
	\$5,000	\$10,000
30-44	\$12	\$24
45-54	\$24	\$48
55-64	\$36	\$72
65 & older	\$48	\$96

Note: These amounts are the annual cost to increase your coverage.

Your Beneficiary

Your beneficiary will be the same as for your Basic Life Insurance.

Extended Eligibility Bank

You may choose to have all or a portion (minimum \$200) of your benefit credits "banked" for future use. In the event of a temporary layoff, termination of your employment, or retirement, you can extend your coverage under the Fund's plan by using the amount in your bank to buy coverage for an additional period of time.

DON'T HESITATE – ENROLL TODAY!
Attend our Open House for the Choice Plan
(for more information, see Page 5)