



## Central Laborers' Welfare Fund

P.O. Box 1267 • Jacksonville, Illinois 62651 • Phone 217/243-8521 • Fax 217/245-1293  
<http://www.central-laborers.com>

Dear Central Laborers' Pension Fund Retiree:

The Central Laborers' Welfare Fund has been notified that you have made the decision to participate in the "Rule of 480" program effective May 1, 2008 – December 31, 2008, offered by the Central Laborers' Pension Fund. As you know, the "Rule of 480" allows retirees to return to work with a Contributing Employer in Non-Covered Employment or Covered Employment and work up to 480 hours in the remainder of the 2008 calendar year before their monthly Pension benefit will be subject to suspension under the Central Laborers' Pension Fund Plan's Suspension of Benefits Rules. In addition, in the calendar month in which the 480-hour limit is attained, retirees will not be subject to the Central Laborers' Pension Plan's Suspension of Benefits Rules unless they work 40 or more hours in that month.

Of course, you most likely have questions regarding how the Pension Fund's "Rule of 480" will affect your coverage under the Central Laborers' Welfare Fund Plan of Benefits. To help minimize any questions related to your eligibility for benefits, we would like to provide you with the following information:

- Eligibility under the Central Laborers' Welfare Fund Active Benefit Plan is offered only to Participants who are not receiving a Pension from Central Laborers' Pension Fund or a similar craft. This means that, unless you agree to suspend your pension and return to work, you may not reinstate as an eligible Participant in the Central Laborers' Welfare Fund Active Plan of Benefits.
- If you are currently enrolled in the Central Laborers' Welfare Fund Retiree Benefit Plan, you will be allowed to continue coverage under that Plan and can expect the following benefits from the Welfare contributions made on your behalf for the hours worked under the Pension Fund's "Rule of 480":
  1. First, hourly contributions will accumulate toward increasing your Central Laborers' Welfare Fund Retiree Subsidy. The current rules under the Central Laborers' Welfare Fund's "Calculating Your Retiree Pre-Funded Subsidy Allowance" will apply. These rules limit the total Retiree Subsidy Credits to 30 in your lifetime and will accumulate based on the following established policy relating to the Retiree Subsidy Credits Earned:

If You Work:	Retiree Subsidy Credits You Earn Are:
Less than 500 contribution hours	0.0
500 – 599 contribution hours	0.5
600 – 699 contribution hours	0.6
700 – 799 contribution hours	0.7
800 – 899 contribution hours	0.8
900 – 999 contribution hours	0.9
1,000 or more contribution hours	1.0

The current monthly subsidy accumulator is \$23.42 per credit earned. The more credits you have earned, the greater the reduction in your quarterly premium. Central Laborers' Welfare Fund will automatically calculate your premium reduction quarterly, which will be reflected on the premium notice mailed to you.

2. Second, all contributions received by Central Laborers' Welfare Fund for hours you work under the Pension Fund's "Rule of 480" will be used to reduce your quarterly premium. For example, if your current Central Laborers' Welfare Fund Retiree Benefit premium is \$3,075.00 per quarter and you are able to work a total of 480 hours during the two months May and June of 2008, your premium would be reduced by \$2,256.00 for that quarter, making your cost for Retiree Benefits \$819.00.
  3. Third, if, between the reduction in your premium from your Retiree Subsidy Credits and the contributions received by Central Laborers' Welfare Fund for the hours you work, your premium for a given quarter is equal to \$0.00, all contributions received and not used to offset that quarter's premium will roll to the next quarter, reducing the premium in months when you may not be working any hours.
- If you are not currently enrolled in the Central Laborers' Welfare Fund Retiree Benefit Plan and qualify for eligibility under the following rules, you will be allowed to enroll and take advantage of the premium reductions from your Central Laborers' Welfare Fund Retiree Subsidy and from contributions received on your behalf by Central Laborers' Welfare Fund. To be eligible for the Central Laborers' Welfare Fund Retiree Benefit Plan:

***Effective May 1, 2008, if you did not enroll in the Central Laborers' Welfare Fund Retiree Benefit Plan at the time your Active Eligibility terminated, you may choose to enroll in that Plan if:***

- 1. You meet the definition of a Retiree (see Page 83 of Welfare SPD);***
- 2. You were eligible for at least 5 consecutive years under the Central Laborers' Welfare Fund immediately before the effective date of your pension;***
- 3. You are not eligible for Medicare;***
- 4. You are a member of a Local Union participating in the Central Laborers' Welfare Fund;***
- 5. You work a total of 500 hours within a six (6) consecutive month period for which employer contributions are paid to the Central Laborers' Welfare Fund;***
- 6. You make the proper and timely self-payments to the Welfare Fund for your coverage; and***
- 7. You provide an Open Enrollment Application for Retiree benefits and make the required self-payment on or before the deadline date printed on your self-payment notice.***

***If you do work the 500 hours within a six (6) consecutive month period, your eligibility under the Central Laborers' Welfare Fund Retiree Benefit Plan would begin on the first day of the quarter following receipt of the 500<sup>th</sup> hour contribution from your employer.***

The Central Laborers' Welfare Fund's representatives are available to discuss your eligibility and the Welfare Fund benefits available due to the Pension Fund's "Rule of 480". You are encouraged to call with any questions you may have. Representatives can be reached at 1-800-252-6571.

Sincerely,

Central Laborers' Welfare Fund