

DISTRICT COUNCIL IRONWORKERS FUNDS OF NORTHERN NEW JERSEY

12 Edison Place
Springfield, NEW JERSEY 07081-1310

(973) 376-7230

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Peter A. Sclafani
Executive Director

November 1, 2005

Important Notice from the District Council Ironworkers Welfare Fund Your Prescription Drug Coverage and Medicare

NOTICE OF CREDITABLE COVERAGE

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the District Council Ironworkers Welfare Fund and the new prescription drug coverage available January 1, 2006 for participants with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage options.

1. Starting January 1, 2006, new Medicare prescription drug coverage will be available to everyone with Medicare.
2. District Council Ironworkers Welfare Fund has determined that the prescription drug coverage offered by the Welfare Fund is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.
3. Read this notice carefully – it explains the options you have under Medicare prescription drug coverage, and can help you decide whether or not you want to enroll.

You may have heard about Medicare's new prescription drug coverage, and wondered how it would affect you. District Council Ironworkers Welfare Fund has determined that your prescription drug coverage with District Council Ironworkers Welfare Fund is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.

Starting January 1, 2006, prescription drug coverage will be available to participants with Medicare through Medicare prescription drug plans. All Medicare prescription drug plans will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare coverage.

Participants with Medicare can enroll in a Medicare prescription drug plan from November 15, 2005 through May 15, 2006. However, because you have existing prescription drug coverage that, on average, is as good as Medicare coverage, you can choose to join a Medicare prescription drug plan later. Each year after that, you will have the opportunity to enroll in a Medicare prescription drug plan between November 15th through December 31st beginning November 15, 2006.

The prescription drug coverage provided by the District Council Ironworkers Welfare Fund is briefly summarized below:

For Active Participants:

- Short term use (retail) prescriptions can be acquired from a local pharmacy. Participants are required to pay the full, discounted price with their prescription plan discount card. Participants must then mail their pharmacy receipt along with a completed prescription claim form to the Fund Office for reimbursement. Participants will be reimbursed less the 10% co-payment, a minimum of \$5.00 and a maximum of \$50.00. For brand name prescriptions that have a generic equivalent, the participant is responsible for the price difference of the brand name and generic.
- Long term use (Mail Order) prescriptions can be acquired through our mail order plan. Participants are required to mail their prescriptions to the mail order plan where the participant will be responsible for the 10% co-payment, a minimum of \$5.00 and a maximum of \$50.00. For brand name prescriptions that have a generic equivalent, the participant is responsible for the price difference of the brand name and generic.
- If you enroll in a Medicare prescription drug plan as an active participant covered by the District Council Ironworkers Welfare Fund, the Medicare prescription drug plan will be secondary to the benefits provided under the District Council Ironworkers Welfare Fund.

Medicare Eligible Retirees / Participants

- Short term use (retail) prescriptions can be acquired from a local pharmacy. Participants are required to pay the full, discounted price with their prescription plan discount card. Participants must then mail their pharmacy receipt along with a completed prescription claim form to the Fund Office for reimbursement. Participants will be reimbursed less the 10% co-payment, a minimum of \$5.00 and a maximum of \$50.00. For brand name prescriptions that have a generic equivalent, the participant is responsible for the price difference of the brand name and generic.
- Long term use (Mail Order) prescriptions can be acquired through our mail order plan. Participants are required to mail their prescriptions to the mail order plan where the participants are required to meet an annual \$250.00 deductible. After the deductible has been met, the participant will be responsible for a 10% co-payment, a minimum of \$5.00 and a maximum of \$50.00. For brand name prescriptions that have a generic equivalent, the participant is responsible for the price difference of the brand name and generic.
- **If you, as a retiree, decide to enroll in a Medicare prescription drug plan and drop your District Council Ironworkers Welfare Fund prescription drug coverage, be aware that you will not be able to get this coverage back later. You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Please verify that the plan you choose is an approved Medicare prescription plan.**

Your current coverage pays for other health expenses, in addition to prescription drugs, and you will still be eligible to receive all of your current health benefits **except** prescription drug benefits if you choose to enroll in a Medicare prescription drug plan.

You should also know that if you drop or lose your coverage with District Council Ironworkers Welfare Fund and don't enroll in Medicare prescription drug coverage (within 63 days) after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later. If after May 15, 2006, you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage; your monthly premium will go up at least 1% per month for every month after May 15, 2006 that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most other participants pay who did not delay enrollment for a similar plan. You'll have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until next November to enroll.

**For more information about this notice or
your current prescription drug coverage.....**

Contact our office for further information at 973-376-7230. NOTE: You may receive this notice at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage changes. You also may request a copy of this notice.

**For more information about your options under
Medicare prescription drug coverage.....**

More detailed information about Medicare plans that offer prescription drug coverage will be available in October 2005 in the "Medicare & You 2006" handbook. You will only get a copy of the handbook in the mail from Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from these places:

- Visit www.Medicare.gov for personalized help,
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number)
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For participants with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available in the "Medicare & You 2006" handbook and from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare which offer prescription drug coverage after May 15, 2006, you may need to give a copy of this notice when you join to show that you are not required to pay a higher premium amount.

Date: November 1, 2005

Name of Entity/Sender: District Council Ironworkers Welfare Fund

Address: 12 Edison Place, Springfield, N.J. 07081

Phone Number: 973-376-7230