



Midwest Operating Engineers Fringe Benefit Funds

WELFARE FUND - PENSION TRUST FUND - VACATION SAVINGS PLAN

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Notice of Prescription Drug Creditable Coverage Midwest Operating Engineers Welfare Fund

Important Information about Your Benefits and Medicare Prescription Drug Coverage

This Notice has information about:

- Medicare Prescription Drug Coverage (Medicare Part D) that is available to everyone with Medicare.
- How the Midwest Operating Engineers Welfare Fund's existing prescription drug benefits for all active and retired Plan participants and their dependents are, on average, at least as good as standard Medicare Prescription Drug Coverage.
- What your choices are and what happens to your coverage under the Welfare Fund if you elect Medicare Prescription Drug Coverage.
- Where to find more information to help you make decisions about your prescription drug coverage.

The Welfare Fund provides prescription drug coverage for all participants. You do **not** need to enroll for Medicare Prescription Drug Coverage since you have creditable coverage available under the Welfare Fund.

This Notice explains the options you have under Medicare Prescription Drug Coverage and can help you decide if you want to enroll. Please read this Notice carefully and keep it in a safe place for future reference.

Medicare Prescription Drug Coverage

Medicare Prescription Drug Coverage is available to anyone entitled to Medicare (including individuals eligible for Medicare due to being age 65 or older or due to disability or end-stage renal disease). Most people will have to pay a monthly premium for Medicare Prescription Drug Coverage. For people with limited resources, extra help paying for Medicare Prescription Drug Coverage is available. Medicare Prescription Drug Coverage is insurance provided by private companies approved by Medicare. Medicare Prescription Drug Coverage is available through Medicare Advantage (like an HMO or PPO) and Medicare Prescription Drug Plans. All Medicare plans will provide at least a standard level of coverage as set by Medicare. Some Medicare plans might offer better coverage for a higher monthly premium.

Eligible individuals who are entitled to Medicare Part A or enrolled in Part B can enroll for Medicare Prescription Drug Coverage when they first become eligible for Medicare and each year from October 15th through December 7th. If a Medicare eligible individual loses or drops prescription drug coverage under the Welfare Fund, the individual may be eligible for a two-month Special Enrollment Period to sign up for Medicare Prescription Drug Coverage. Detailed information about Special Enrollment Periods is available in the *Medicare & You* booklet sent to Medicare eligible individuals each fall.

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Existing Coverage as Good as Standard Medicare Prescription Drug Coverage

The Midwest Operating Engineers Welfare Fund has determined that existing Welfare Fund prescription drug benefits are, on average, "creditable coverage," which means coverage under the Welfare Fund is expected to pay as much (or more in some cases) in claims for all eligible participants as standard Medicare Prescription Drug Coverage.

Because your current prescription drug benefits under the Welfare Fund are, on average, as good as Medicare standard coverage, you can choose to stay covered under the Welfare Fund and join a Medicare plan later and not be subject to the higher premium penalty.

Keep this Notice. If you enroll for Medicare Prescription Drug Coverage, you will need a copy of this Notice when you enroll. This Notice verifies that you have creditable coverage and that you are not required to pay the higher premium penalty.

Your Choices and the Consequences

If you are eligible for Medicare, you can compare your current coverage, including covered medications, with the coverage and cost of the Medicare plans in your area. Remember that for most people there is a monthly premium for Medicare Prescription Drug Coverage.

If you **do not** enroll for Medicare Prescription Drug Coverage, you will continue to receive benefits under the Welfare Fund (as long as you are otherwise eligible to continue Welfare Fund coverage). Remember that the Welfare Fund also provides medical and other benefits, in addition to prescription drug benefits. You will continue to receive all current benefits for which you are eligible.

Active Participants and Their Dependents

If you are an active participant or the dependent of an active participant, who is eligible for Medicare, and enroll for Medicare Prescription Drug Coverage, your Welfare Fund benefits **will not be affected**. You will continue to be eligible to receive the Welfare Fund's current prescription drug benefits.

Medicare-Eligible Retirees and/or their Medicare-Eligible Dependents

If you are a Medicare-eligible retiree or Medicare-eligible dependent of a retiree and enroll for Medicare Prescription Drug Coverage, you will no longer receive prescription drug benefits under the Welfare Fund. You will continue to be eligible to receive medical benefits under the Welfare Fund. However, your monthly premium for coverage under the Welfare Fund **will not be reduced**.

If you (or your dependent) enroll for Medicare Prescription Drug Coverage, lose Welfare Fund prescription drug benefits, and later decide to drop Medicare Prescription Drug Coverage, you will be given the opportunity to re-enroll for the Welfare Fund's prescription drug benefits. Contact the Fund Office for more information.

Note to Medicare-Eligible Individuals: If you drop or lose your coverage under the Welfare Fund and do not enroll for Medicare Prescription Drug Coverage after your current coverage ends, you may pay more for Medicare Prescription Drug Coverage later. If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare Prescription Drug Coverage, your monthly premium for Medicare Prescription Drug Coverage will increase. The increase is at least 1% per month for every month after you are eligible for but did not have Medicare coverage. For example, if you go 19 months without coverage, your monthly premium will always be at least 19% higher than what most other people pay. You will have to pay this higher premium penalty as long as you have Medicare Prescription Drug Coverage. In addition, you may have to wait until the next open enrollment period (October 15th through December 7th each year) to enroll.

For More Information about Medicare Prescription Drug Coverage

Detailed information about prescription drug coverage through Medicare plans is available in the *Medicare & You* booklet that Medicare publishes each Fall and sends to Medicare beneficiaries. Additionally, the Medicare Prescription Drug Plans may contact you directly. Additional information about Medicare Prescription Drug Coverage is available by:

- Visiting www.medicare.gov for personalized help.
- Calling your State Health Insurance Assistance Program (the telephone number is included in the *Medicare & You* booklet).
- Calling 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited resources, extra help paying for Medicare Prescription Drug Coverage is available. Additional information is available from the Social Security Administration by:

- Visiting www.socialsecurity.gov.
- Calling 1-800-772-1213. TTY users should call 1-800-325-0778.

For More Information about this Notice or the Welfare Fund

If you have any questions about this Notice or would like more information about your benefits under the Welfare Fund, please call the Fund Office.

In the future, the Welfare Fund will periodically send you an updated copy of this Notice for your records. You also may request a copy of this Notice at any time by contacting the Fund Office.

Date: September 2014

Entity/Sender: Midwest Operating Engineers Welfare Fund

Contact: Fund Office

Address: 6150 Joliet Road, Countryside, IL 60525-3994

Telephone Number: 708-482-7300

Benefits under the Midwest Operating Engineers Welfare Fund are not vested or guaranteed. Full details of the Plan are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or discontinue all or part of the Plan at any time.