

SAN FRANCISCO ELECTRICAL WORKERS HEALTH & WELFARE PLAN
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To: Retirees Covered Under the SFEW Health and Welfare Plan

From: Plan Office

NOTICE REGARDING INCREASE TO RETIREE MONTHLY COPAYMENTS

Each year the Trustees are presented with a report from the Plan Consultants on adjustments to the retiree co-payments. The following table includes the adjusted monthly rates that will take effect on February 1, 2012. Recognizing that participants, including retirees, must continue to play a role in ensuring the financial health of the Plan, the co-payments were adjusted in direct proportion to the changes in Plan costs that occurred this year. For retirees who have authorized automatic deduction from their pension benefits, the adjusted co-payment will be reflected in the January 2012 payment that is payable February 1, 2012. The January billing statement (for February Coverage) will be adjusted to reflect the change for those who are paying by check.

Early Retirees (Age 55-62)		
Plan	2011 Monthly Payment	New Monthly Payment Effective 2/1/2012
Kaiser	1,520.00	1,540.00
Blue Shield (HMO)	1,515.00	1,668.00
Self Funded Plan (PPO)	2,170.00	2,170.00

Early Retirees (Age 62-64) who will reach Full Retiree Membership status at age 65*		
Plan	2011 Monthly Payment	New Monthly Payment Effective 2/1/2012
Kaiser-Single	608.00	616.00
Kaiser-Family	912.00	924.00
Blue Shield (HMO)-Single	606.00	667.00
Blue Shield (HMO)-Family	909.00	1,001.00
Self Funded Plan (PPO)-Single	868.00	868.00
Self Funded Plan (PPO)-Family	1,302.00	1,302.00

*Full Retiree Status at age 65: Under age 59 at the time hourbank runs out following retirement.

Early Retirees (Age 62-64) who will reach Full Retiree Membership status at age 62**		
Plan	2011 Monthly Payment	New Monthly Payment Effective 2/1/2012
Kaiser	460.00	495.00
Blue Shield (HMO)	460.00	495.00
Self Funded Plan (PPO)	460.00	495.00

**Full Retiree Status at age 62: Age 59 or older at the time hourbank runs out following retirement.

Other Retiree Categories (All Plans)		
Plan	2011 Monthly Payment	New Monthly Payment Effective 2/1/2012
Surviving Spouses and Under Age 65 Disabled Retirees	400.00	430.00
Over Age 65 retirees who attained, or will attain, age 75 on or after 1/1/2007	Single 170.00 Family 340.00	Single 185.00 Family 370.00
Retirees who attained Age 75 before 1/1/2007	0.00	0.00

The Self Funded PPO Plan is a “grandfathered health plan” under the ACA. As permitted by the ACA, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Although being a grandfathered health plan means that the Plan is not required to include certain consumer protections of the ACA that apply to other plans (for example, the requirement for the provision of preventive health services without any cost sharing), the Plan must comply with certain other consumer protections in the ACA (for example the elimination of lifetime limits on benefits and extension of dependent coverage to adult children to age 26). In addition, the Plan provides health coverage benefits far beyond the “basic” level of benefits and has long maintained many consumer protections now required under the ACA (for example, it provides many preventive screening procedures at 100%, bans rescissions of coverage due to a member’s health condition, exclusions for pre-existing conditions for children and adults, and “waiting periods” after a member attains initial coverage based on hours of work). Questions regarding which protections apply and which do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the contract plan administrator, EISB, at (415) 263-3670. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1 (866) 444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.