

ANNOUNCEMENT

October 2006

To: All Plan Participants

The Trustees of the Plan are pleased to advise that, as a result of an increase in hours, an increase in the hourly contribution rate and the benefit changes that were adopted to help defray escalating health care costs, the Fund has recouped some of the losses it experienced over the past several years. Recognizing that the challenges confronting the Plan will continue going forward, members of the IBEW Local 6 Inside Wire Unit voted to allocate \$0.45 per hour from their June 1, 2006 wage/fringe benefit package increase to help preserve the overall financial stability of the Plan. Since June 2000, the hourly contribution rate (after deducting the \$0.13 long-term disability hourly rate) has increased by over 106%, from \$4.70 to \$9.70.

Retiree Copayments

Each year the Trustees are presented with a report from the Plan Consultants on revisions to early retiree co-payments. These co-payments are automatically adjusted each year in direct proportion to the changes in Plan costs. Noting that all participants should play a role in helping to manage costs, the Trustees also review regular and disabled retiree co-payments on an annual basis. The following represents the new monthly co-payments that will take effect January 1, 2007.

Early Retirees (Age 55-62)		
Plan	Current Monthly Payment	New Monthly Payment
Kaiser	933.00	1,096.00
PacifiCare	1,139.00	1,167.00
Indemnity Plan	1,193.00	1,379.00

Early Retirees (Age 62-64) who will reach Full Retiree Membership status at age 65*		
Plan	Current Monthly Payment	New Monthly Payment
Kaiser-Single	373.00	438.00
Kaiser-Family	560.00	658.00
PacifiCare-Single	455.00	467.00
PacifiCare-Family	683.00	700.00
Indemnity Plan-Single	477.00	552.00
Indemnity Plan-Family	716.00	828.00

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

Regular Retirees (Age 62-64) [Full Status Membership at age 62**]		
Plan	Current Monthly Payment	New Monthly Payment
Kaiser	200.00	250.00
PacifiCare	200.00	250.00
Indemnity Plan	200.00	250.00

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

Disabled Retirees (under age 65)/Surviving Spouses (All Plans)		
Age	Current Monthly Payment	New Monthly Payment
Under Age 65	150.00	200.00
Age 65 –74 and retirees who will attain age 75 on or after 1/1/2007	50.00	75.00
Current Age 75 and Over	0.00	0.00

IMPORTANT NOTE: Retirees who age in to the 75 and older category will continue to pay the age 65-74 co-payment. Only retirees who are age 75 or older as of December 31, 2006 will not be required to make monthly co-payments to the Plan.

For retirees who have authorized automatic deduction from their pension benefits, the adjusted co-payment will be reflected in your December 2006 payment for January 2007 coverage. The December billing statement will be adjusted to reflect the change for those who are paying by check.

Plan Changes

At a time when the Trustees were faced with declining reserves, the Board of Trustees adopted certain benefit changes, effective January 1, 2005, in an effort to control escalating health care costs. Two of those changes were to be reviewed in one year, and reverted back to the original plan design after two years. As a result, we are pleased to advise you of the following changes effective January 1, 2007.

Indemnity Plan Benefits	Increase benefits for the first \$5,000 incurred in hospital benefits from 80% to 100%.
	Decrease the out-of-pocket maximum from \$1,500 to \$1,000 per person per year. Benefits will, therefore, become payable at 100% once the individual incurs \$5,000 in eligible expenses during the calendar year.
Active Eligibility Rules- all Plans	Decrease the number of hours needed to qualify for a month of coverage from 125 to 120 hours.

Regular Direct Payments

In accordance with the Plan which establishes the monthly direct self payment as a function of the hourly contribution, times the number of hours that are needed to obtain a month of coverage under the Plan, **the monthly direct payment will decrease from \$1,212.50 (125 hrs X \$9.70) to \$1,164.00 (120 hrs X \$9.70) per month effective January 1, 2007 (November hours).**

For comparison purposes, the following represents the current COBRA rates for the period August 1, 2006 through July 31, 2007.

Plan	2006/2007 COBRA Rate
Indemnity Plan-Medical Only	\$1,093.72
Indemnity Plan- Medical/Dental Vision	\$1,245.03
Kaiser Plan- Medical Only	\$ 747.04
Kaiser plus Dental & Vision	\$ 898.84
PacifiCare- Medical Only	\$1,001.22
PacifiCare plus Dental & Vision	\$1,153.03

Note: Regular Direct Payments are available only in the event the Participant is available for immediate employment under the jurisdiction of the Plan (registered on IBEW Local 6's out of work list). Participants who have Kaiser or PacifiCare may alternatively choose to make the lower COBRA payments. However, they should keep in mind that COBRA eligibility is not counted when determining eligibility for Retiree or Early Retiree membership status. Notices regarding Direct Payments and COBRA Extension are sent to Plan Participants when there are insufficient hours to qualify for coverage under the Plan. Any Participant who is concerned about the number of months of hour-bank eligibility they have available may contact the Plan Office for information.

Any questions concerning the above changes may be directed to the Plan Office at (415) 263-3670.