

ARIZONA SHEET METAL TRUST FUNDS

HEALTH AND WELFARE

ADMINISTRATIVE OFFICE

PENSION

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Important Notice from the Arizona Sheet Metal Trade Trust Fund About Prescription Drug Coverage for People with Medicare

This notice is for people with Medicare. It is sent to all participants. If you are eligible for Medicare, or will be soon, 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 Arizona Sheet Metal Trade Trust Fund and the prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare's prescription drug coverage and can help you decide whether or not you want to enroll in that Medicare prescription drug coverage. At the end of this notice is information on where you can get help to make a decision about Medicare's prescription drug coverage.

- **If you and/or your family members are not now eligible for Medicare, and will not be eligible during the next 12 months, you may disregard this Notice.**
- **If, however, you and/or your family members are now eligible for Medicare or may become eligible for Medicare in the next 12 months, you should read this Notice very carefully.**

This announcement is required by law whether the group health plan's coverage is primary or secondary to Medicare.

1. In 2006, Medicare prescription drug coverage became available to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. **Arizona Sheet Metal Trade Trust Fund has determined that the prescription drug coverage offered under the Arizona Sheet Metal Trade Trust Fund is "creditable".** "Creditable" means that the value of this Plan's prescription drug benefit is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.

Because the plan option noted above is, on average, at least as good as the standard Medicare prescription drug coverage, **you can elect or keep prescription drug coverage under the Arizona Sheet Metal Trade Trust Fund and you will not pay extra if you later decide to enroll in Medicare prescription drug coverage.** You may enroll in Medicare prescription drug coverage at a later time, and because you maintain creditable coverage, you will not have a late enrollment fee.

REMEMBER TO KEEP THIS NOTICE

If you enroll in one of the plans approved by Medicare which offer prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.

Medicare-eligible people can enroll in a Medicare prescription drug plan at one of the following 3 times:

- when they first become eligible for Medicare; or
- during Medicare's annual election period (from November 15th through December 31st); or
- for beneficiaries leaving employer/union coverage, you may be eligible for a Special Enrollment Period in which to sign up for a Medicare prescription drug plan.

When you make your decision to enroll in a Medicare prescription drug plan, you should also compare your current prescription drug coverage, (including which drugs are covered) with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

NOTE: You will receive this notice annually and at other times in the future such as if the creditable/non-creditable status of the prescription drug coverage through the Arizona Sheet Metal Trade Trust Fund plan changes. You may also request a copy of a Notice at any time.

WHAT HAPPENS IF YOU DO NOT ENROLL IN A MEDICARE DRUG PLAN?

If you do not enroll in a Medicare prescription drug plan when you are first eligible to do so and you elect or continue prescription drug coverage under the Arizona Sheet Metal Trade Trust Fund plan, and at a later date you decide to elect Medicare prescription drug coverage, you may pay a higher premium (a penalty) for that Medicare prescription drug coverage for as long as you have that Medicare coverage. This late enrollment penalty is described below:

If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your premium will go up at least 1% per month for every month after May 15, 2006 that you did not have either Medicare drug coverage or coverage under a creditable drug plan. You will have to pay this higher premium as long as you have Medicare prescription drug coverage.

For example, if 19 months pass where you do not have creditable prescription drug coverage, when you decide to join Medicare's drug coverage your monthly premium will always be at least 19% higher than what many other people pay.

WHAT ARE MY CHOICES?

You can choose any **one** of the following options:

Your Choices:	What you can do:	What this option means to you:
Option 1	You can select or keep your current prescription drug coverage with Arizona Sheet Metal Trades Trust Fund, and you do not have to enroll in a Medicare prescription drug plan.	<p>You will continue to be able to use your prescription drug benefits through the Arizona Sheet Metal Trades Trust Fund.</p> <ul style="list-style-type: none"> • You may, in the future, enroll in a Medicare prescription drug plan during Medicare’s annual enrollment period (during November 15-December 31 of each year). • As long as you are enrolled in creditable drug coverage you will not have to pay a higher premium (a late enrollment fee) to Medicare when you do choose, at a later date, to sign up for a Medicare prescription drug plan.
Option 2	<p>You can select or keep your current medical and prescription drug coverage with the Arizona Sheet Metal Trades Trust Fund and also enroll in a Medicare prescription drug plan.</p> <p>If you enroll in a Medicare prescription drug plan you will need to pay the Medicare Part D premium out of your own pocket.</p>	<p>Having dual prescription drug coverage under this Plan and Medicare means that this Plan will coordinate its drug payments with Medicare, as follows:</p> <ul style="list-style-type: none"> • for Medicare eligible Retirees and their Medicare eligible Dependents, Medicare Part D coverage pays primary and this group health plan pays secondary. • for Medicare eligible Active Employees and their Medicare eligible Dependents, this group health plan pays primary and Medicare Part D coverage pays secondary. <p>Note that you may not drop just the prescription drug coverage under this Arizona Sheet Metal Trades Trust Fund. That is because prescription drug coverage is part of the entire medical plan</p> <p>Note that each Medicare prescription drug plan (PDP) may differ. Compare coverage, such as:</p> <ul style="list-style-type: none"> • PDPs may have different premium amounts • PDPs cover different brand name drugs at different costs to you; • PDPs may have different prescription drug deductibles and different drug copayments; • PDPs may have different networks for retail pharmacies and mail order services.

FOR MORE INFORMATION ABOUT YOUR OPTIONS UNDER MEDICARE'S PRESCRIPTION DRUG COVERAGE

More detailed information about Medicare plans that offer prescription drug coverage is available in the "Medicare & You" handbook. A person enrolled in Medicare (a "beneficiary") will get a copy of this handbook in the mail each year from Medicare. A Medicare beneficiary may also be contacted directly by Medicare-approved prescription drug plans.

For more information about Medicare prescription drug plans:

- 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.

¿Cómo puede conseguir más información?

Puede leer el manual de "Medicare y Usted 2006." Visitar www.medicare.gov por el Internet o llamar GRATIS al 1-800-MEDICARE (1-800-633-4227). Los usuarios de TTY deben llamar al 1-877-486-2048. Para más información sobre la ayuda adicional con los costos de medicinas y como solicitar la ayuda, llame al SSA al 1-800-772-1213, o visite www.socialsecurity.gov por el Internet.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available 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).

For more information about this notice or your current prescription drug coverage contact:

Contact: Southwest Service Administrators, Inc.
Address: 2400 W. Dunlap Avenue, Suite 250, Phoenix AZ 85021
Phone Number: (602) 249-3582
Toll Free: (800) 474-3485

As in all cases, the Arizona Sheet Metal Trades Trust reserves the right to modify benefits at any time, in accordance with applicable law. This document, dated August 1, 2006, is intended to serve as your Medicare Notice of Creditable Coverage, as required by law.