

Arizona Sheet Metal Trade Trust Fund  
 c/o Southwest Service Administrators, Inc.  
 2400 W. Dunlap Avenue, Suite 250  
 Phoenix, Arizona 85021

www.southwestservicetpa.com

June 6, 2008

TO: Arizona Sheet Metal Trades Retirees participating in the Health & Welfare Trust  
 FROM: Board of Trustees  
 SUBJECT: Increase in monthly contribution to Health & Welfare Fund  
 DATE: Effective July 1, 2008

Undoubtedly, it comes as no surprise that the healthcare industry has seen double-digit increases in medical costs over the course of the past few years. As Trustees, our main objective is to provide you and your dependents with some level of protection against the expense of a catastrophic illness or injury.

The cost to continue to provide you with this protection requires a modest increase in your monthly self-payment. You will be pleased to know that despite the increasing medical and prescription drug costs, through aggressive management of your health plan by the Board of Trustees, and with your conscientious use of PPO Providers and generic prescription medications, the Board of Trustees has been able to hold this increase to only 2.4%, far below the national trend.

Effective July 1, 2008, the following rates will apply to all participants that *retired prior to February 1, 2002*:

Early Retirees ..... \$373.00 Per/Mo  
 A Retiree on Medicare and a Spouse not on Medicare..... \$186.00 Per/Mo  
 Retiree not on Medicare and a Spouse on Medicare ..... \$186.00 Per/Mo  
 Retiree and Spouse on Medicare..... \$123.00 Per/Mo

The rates for participants that retired after February 1, 2002 are as follows:

**RETIREE AND SPOUSE UNDER AGE 65**

At the Time You Retired, Years to Attain Age 65					
Years of Service	10	8	6	4	2
10 -15	\$885	\$877	\$867	\$858	\$839
16 – 20	\$792	\$765	\$746	\$727	\$700
21 – 25	\$653	\$635	\$606	\$578	\$560
26 – 29	\$513	\$484	\$466	\$438	\$420
30+	\$373	\$373	\$373	\$373	\$373

**ONE RETIREE/SPOUSE OVER AGE 65 –ONE UNDER AGE 65**

<b>At the Time You Retired, Years to Attain Age 65</b>					
<b>Years of Service</b>	<b>10</b>	<b>8</b>	<b>6</b>	<b>4</b>	<b>2</b>
10 -15	\$782	\$775	\$766	\$757	\$741
16 – 20	\$700	\$676	\$659	\$642	\$618
21 – 25	\$577	\$561	\$535	\$511	\$494
26 – 29	\$453	\$428	\$411	\$387	\$371
30+	\$330	\$330	\$330	\$330	\$330

**BOTH RETIREE AND SPOUSE ON MEDICARE      \$242**

We appreciate your continued diligence in the use of PPO Providers and when possible, the use of generic prescription medications. In our combined effort, we will be able to keep this Plan available for many years to come.

If you have any questions, please contact the Administration Office at (602) 249-3582.

Sincerely,

Board of Trustees