

SOUTHWESTERN TEAMSTERS SECURITY FUND

Administrator:
Southwest Service Administrators, Inc.
2400 W. Dunlap Ave., Suite 250
Phoenix, Arizona 85021

Phone (602) 249-3582
Toll free (800) 474-3485
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January 30, 2006

TO: All Eligible Retired Employees and Dependents
Southwestern Teamsters Security Fund

Last month you received a notification regarding medical coverage under the Southwestern Teamsters Retired Employees' Fund. The intent of the notification was to make you aware of the high cost to provide medical and prescription benefits and the resulting rapid and overwhelming increases in cost, which have nearly exhausted the available Retiree Plan reserves and have made it necessary for the Trustees to make changes to the Retired Employee Plan of Benefits. Many of you have authorized your self-payment to be automatically deducted from your pension check or bank account. In order to up-date the records, please fill out the appropriate form and return it to the Fund Office. ***It is imperative that the form is returned no later than February 15, 2006 or you may find yourself with no medical coverage.*** If you currently do not have the automatic deduction from your bank account and would like to take advantage of that service, you may do so by filling out the Direct Payment Form. A self-addressed envelope is enclosed for your convenience.

Since your new pension or bank account deduction authorization will not be received in time to implement it prior to February 1, 2006, or if you have already submitted a check for the previous self-payment amount, **you will be responsible for remitting any remaining premium for the month in order to reinstate your coverage.**

The Trustees' main objective when considering such changes is to provide you and your dependents with some level of protection against the expense of a catastrophic illness or injury. To achieve this objective, the Board of Trustees has had to make difficult decisions in order to keep the Fund financially solvent. The Trustees' are always sensitive to your concerns and they do not make these changes without considering every viable option.

Southwestern Teamsters
Retired Employee Benefit Plan
January 31, 2006
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As you may remember, the prior notification addressed changes to the Plan's monthly **Self-Payment** rates as listed below. ***These rates will be effective February 1, 2006.***

Retired Employee without Medicare retired from a Non-Contributing Employer:

Retired Employee with no spouse or dependents \$400
Retired Employee with spouse who has Medicare/other coverage \$410
Retired Employee with spouse with no other coverage available \$600
Retired Employee with spouse who has other coverage available
but does not elect the other coverage \$800

Retired Employee with Medicare who retired from a Non-Contributing Employer..... \$410

Retired Employee without Medicare who retired from a Contributing Employer..... \$150

Retired Employee with Medicare who retired from a Contributing Employer..... \$100

Retired Employee with Medicare who retires from a Contributing Employer after February 1, 2006: \$380

If you are unsure of what your new self-payment rate will be or if you have any other questions, please contact the Fund Office at telephone number (602) 347-5156.

Sincerely,

Board of Trustees

**ARIZONA LABORERS, TEAMSTERS AND CEMENT MASONS
LOCAL No. 395 PENSION TRUST FUNDS**

PENSION TRUST FUND
(Defined Benefit)

ADMINISTRATIVE OFFICE

ANNUITY TRUST FUND
(Defined Contribution)

2400 W. Dunlap Ave., Suite 250
Phoenix, AZ 85021
(602) 249-3582

**AUTHORIZATION TO TRANSFER PENSION BENEFITS
FOR PAYMENT OF HEALTH COVERAGE**

NAME: _____

SOCIAL SECURITY NUMBER: _____

ADDRESS: _____

(City)

(State)

(Zip Code)

I authorize the Arizona Laborers, Teamsters and Cement Masons Local No. 395 Pension Trust Funds (the "Pension Plan") to automatically transfer to the Health and Welfare Retiree Plan, (the "Health Plan") the amount required to pay my (and my spouse's, if applicable) monthly health coverage Premium under the Health Plan.

(Name of Spouse)

(Spouse's Social Security #)

I understand that if my monthly health coverage premium under the Health Plan currently, or in the future, exceeds the amount of my monthly pension benefit under the Pension Plan, I will no longer be eligible for this automatic transfer option and this authorization will terminate.

I understand that I may revoke this election at any time. I can cancel this election by sending a written cancellation request to the Pension Plan Office. I understand that the request must be received by the Pension Plan Office by the 10th of the month for the change to be effective the first day of the following month.

I wish to have my health and welfare deduction start on the first day of _____.
(Month) (Year)

(Signature)

(Date)



Southwestern Teamsters Security Fund

We are pleased to offer you a new service—the Direct Payment Plan. Now you can have your payment made automatically from your checking or savings account. And, you won't have to change your present banking relationship to take advantage of this service.

The Direct Payment Plan will help you in several ways:

- It saves time – fewer checks to write.
- Helps meet your commitment in a convenient and timely manner – even if you're on vacation or out of town.
- No lost or misplaced statements, your payment is always on time—it helps maintain good credit.
- It saves postage.
- It's easy to sign up for, easy to cancel.
- No late charges.

Here's how the Direct Payment Plan works:

You authorize regularly scheduled payments to be made from your checking or savings account. Then, just sit back and relax. Your payments will be made automatically on the specified day. And proof of payment will appear on your statement. The authority you give to charge your account will remain in effect until you notify us in writing to terminate the authorization. If the amount of your payment changes, we will notify you at least 10 days before payment date. The Direct Payment Plan is dependable, flexible, convenient and easy. To take advantage of this service, complete the attached authorization form and return it to us.

AUTHORIZATION FOR DIRECT PAYMENT

I authorize the financial institution named below to initiate entries to my checking/savings account. This authority will remain in effect until I notify you in writing to cancel it in such time as to afford the financial institution a reasonable opportunity to act on it. I can stop payment of any entry by notifying my financial institution 3 days before my account is charged.

Southwestern Teamsters Security Fund

_____ (NAME OF FINANCIAL INSTITUTION)		_____ (BRANCH)
_____ (CITY)	_____ (STATE)	_____ (ZIP CODE)
_____ (SIGNATURE)		_____ (DATE)
_____ (NAME — PLEASE PRINT)		
_____ (ADDRESS — PLEASE PRINT)		

Account No. _____ Checking _____ or Savings _____

Financial Institution Routing Number _____
(between these symbols 12 12 on the bottom left of your check)

Staple Voided Check Here