

Contractors, Laborers, Teamsters and Engineers

Benefit Update

Health Care Reform and What It Means to You

In the spring of 2010, President Obama signed into law the Patient Protection and Affordable Care Act, commonly referred to as the Affordable Care Act or simply health care reform.

The various components of health care reform will roll out over the next four years and beyond, with most changes taking place by 2014. Several have already begun. These changes will significantly impact the way Americans access and pay for healthcare coverage, although it's still too early to tell exactly how multiemployer plans such as the CLT&E Health and Welfare Plan will be affected.

Health plans are required to make fewer changes if they qualify as "grandfathered." Generally a plan is allowed to retain grandfathered status as long as it does not raise premiums or reduce benefits by a specified amount. As the letter you received in early December stated, the CLT&E Trustees have elected to retain grandfather status for the CLT&E Plan in 2011. This means your benefits will remain largely unchanged, although several important enhancements that will take effect starting January 1, 2011 are outlined in this newsletter.

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**Visit www.cltebenefits.com
Today!**

If you haven't checked out the CLT&E website yet, what are you waiting for? This new website provides 24-hour access to benefit information, personalized account activity, and up-to-date news (sorry, but the site is accessible only by members).

If you can't remember your password, don't worry. Just call the CLT&E Office at 402.491.3751.

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Medical Benefit Changes Effective January 1, 2011

The following changes to the CLT&E Health and Welfare Plan are effective January 1, 2011. While most of these changes are as a result of health care reform, the last one is due to the 2008 Mental Health and Addiction Equity Act.

- Dependent coverage now extends to adult children up to their 26th birthday – even if they are not full-time students, no longer live with you, are not dependents on your tax return or are married – provided they are not offered health care coverage through another employer (other than a parent’s employer).
- The **lifetime** dollar limit on health benefits is eliminated. Individuals whose coverage ended due to reaching the lifetime limit are now eligible to reenroll. Note, the plan’s **annual** limit of \$2 million remains in place, with no change.
- The plan will not cancel coverage retroactively, except in the case of failure to pay premiums, fraud or intentional misrepresentation of fact.
- The annual and lifetime limits that previously applied to Mental Health and Substance Abuse are eliminated.

Your Summary Plan Description (SPD) is an important document that describes your Contractors, Laborers, Teamsters and Engineers (CLT&E) Health and Welfare Plan. This section of this newsletter is a summary of material modification, which describes an amendment to that SPD you previously received. Keep this newsletter with your copy of the SPD and prior summaries. This summary is being furnished to you in accordance with Sections 102 and 104 of the Employee Retirement Income Security Act of 1974 (“ERISA”). Unless otherwise specified, the changes described in this newsletter replace the corresponding section in the Summary Plan Description. Changes described in this newsletter are effective January 1, 2011.

What’s Next

Implementation of the Affordable Care Act is just getting underway – and so too are efforts to change or repeal various provisions of the law. It’s too early to tell where these efforts will go and how they might affect your future health care coverage. In the meanwhile, rest assured that the CLT&E Board of Trustees continues to monitor the situation with the help of expert consultants, and will do its best to relay any significant changes to you and your fellow members.

For now, the Trustees are proud to offer one of the most comprehensive and cost effective benefit programs anywhere.

We wish you a healthy and prosperous 2011!



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Health and Welfare Plan Highlights		
	If you use network doctors & facilities, you pay...	If you do not use network doctors & facilities, you pay...
Annual deductible		
Member only	\$200	\$500
Family	\$400	\$1,000
Out-of-pocket maximum		
Member only	\$1,000	\$4,000
Family	\$2,000	\$8,000
Doctor's Office Visit		
Primary care	10%*	40%*
Surgery in doctor's office	No charge*	No charge*
Preventive care	No charge up to \$500	No charge up to \$500
Chiropractic		
	10%	40%
	(up to \$50/visit, up to 30 visits/year, maximum 1 visit/day)	
Hospital Care (inpatient and outpatient)		
	10%*	40%*
Emergency Room (if true emergency)		
	10%*	40%*
Mental Health and Substance Abuse		
Inpatient	10%*	40%*
Outpatient	10%*	40%*
Prescription Drugs		
At a Pharmacy (90-day supply)	Greater of:	Not Covered
Generic	\$5 or 10%*	
Name brand	\$25 or 10%*	
Mail Order (90-day supply)	Greater of:	Not Covered
Generic	\$5 or 10%*	
Name brand	\$25 or 10%*	
Annual Benefit Maximum	\$2,000,000	
*After deductible; reasonable & customary limits apply.		

Have You Moved Recently?

Be sure to update the CLT&E Fund office with your new address!

CLT&E Fund Office
10334 Ellison Circle
Omaha, NE 68134
402.491.3751

This brochure is a brief summary of your health care benefits. It is not intended as a complete description of the plan. More details are in your plan booklets. Although we've made every effort to ensure this brochure is accurate, provisions of the official plan documents and contracts will govern in the case of any discrepancy.

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Protecting Your Pension

Much like health and welfare plans across the country, pension plans also garnered a great deal of legislative attention in 2010 – mostly as plan sponsors sought relief from the 2006 Pension Protection Act and the disastrous investment environment of 2008.

As you may recall, CLT&E was not immune from the turbulent stock market of that time. With dismal investment returns in 2008, the funding percentage of the Contractors, Laborers, Teamsters and Engineers Pension Plan dropped from 102% at the beginning of 2008 to about 84% in early 2009.

Since then, the Trustees have had to make some difficult decisions to help “right the ship.” As you may recall, they have already adopted a Rehabilitation Plan that reduced the benefit formula (from 3% to 1%) and redirected 75 cents of each hourly contribution to a reserve account in an effort to bolster the plan’s general funding (effective January 1, 2010). Further, the Rehabilitation Plan redirects another 30-cents each year through 2014. (Totaling \$1.05 for 2011, \$1.35 for 2012, \$1.65 for 2013 and \$1.95 for 2014.) Assuming further changes to the Rehabilitation Plan are not required in the meantime, the increase for 2015 will be only 15 cents (for a total of \$2.10 in 2015).

In addition to these difficult measures, the Trustees have recently adopted Special Funding Rules allowed by the 2010 Pension Relief Act. These rules provide funding relief by allowing the Pension Plan to spread out the investment losses of 2008 over 30 years instead of 15 years. This is more of an accounting move than anything else, but it makes the plan look better in the short run. (See the Notice at right for more details.)

In the long run, these measures will allow the plan time to recover from the extraordinary losses of 2008 and reestablish its historically strong financial footing. The CLT&E Pension Plan was founded in 1967 and has seen difficult times before. The Trustees remain committed to continuing to protect the plan and ensure its ability to meet its funding obligations for years to come.

Notice – Special Funding Rules

The CLT&E Pension Plan has adopted certain provisions of the 2010 Pension Relief Act, called “Special Funding Rules.” These rules provide that any experience loss or gain attributable to net investment losses that incurred in either or both of the first two plan years ending after August 31, 2008:

- Will be treated as an item separate from other experience losses, and
- Will be amortized in equal installments until fully amortized over the period beginning with the plan year in which such portion is first recognized in the actuarial value of assets and ending with the last plan year in the 30-plan year period beginning with the plan year in which the net investment loss was incurred. This 30-year amortization period is in contrast to the usual 15-year period.

In adopting this measure, the Trustees recognize that in addition to any other applicable restriction on benefit increases, a plan amendment increasing benefits may not go into effect during either of the two plan years immediately following such plan year, unless certain restrictions are met or required by law. For the CLT&E Plan, this would include years 2009 and 2010.

Further, the Special Funding Rules will decrease the amount of required minimum contributions that are taken into account in determining the appropriate contribution rate under the collective bargaining agreements, and may also affect the plan’s status under IRC 432(b) for the current and future years.

For: The Contractors, Laborers, Teamsters
and Engineers Pension Plan
EIN: 47-6049397
Plan Number: 001
Contact: CLT&E Administrator
10334 Ellison Circle
Omaha, NE 68134
402.491.3751