

BAC LOCAL UNION 15 WELFARE FUND

NOTICE OF PLAN CHANGES

According to one national survey, average health care costs increased by 12% in 2000, 13% in 2001, 14% in 2002 and 16% in 2003. Costs are projected to go up another 12% in 2004. Compounded, this is an 87% increase over just 5 years. The Trustees are regularly reviewing the benefits provided by this Fund in an attempt to keep a balance between these constantly increasing medical costs and the cost of providing benefits to the Participants in the Fund.

Benefit Changes Effective January 1, 2005

The following changes become effective on January 1, 2005, and will be described in greater detail in the revised Summary Plan Description that will be published in 2005.

- The lifetime Major Medical Benefit maximum is increasing from \$400,000 to \$600,000. This lifetime maximum takes into account all claims that have been paid on a covered individual's behalf since the inception of the Fund.
- The Diagnostic X-Ray and Laboratory Benefit will be part of the Major Medical Benefit. Claims for these services will be subject to the annual deductible limits and the in-network and out-of-network percentage co-payments under the Major Medical Benefit.
- The Outpatient Surgery Benefit will be part of the Major Medical Benefit. Claims for these services will be subject to the annual deductible limits and the in-network and out-of-network percentage co-payments under the Major Medical Benefit.
- The Fund will no longer cover Orthodontia charges for covered individuals that are over 18 years of age. The lifetime maximum of \$1,000 per person will not change.
- Previously the Alcohol and Drug Treatment Benefit was limited to services ordered and prescribed by a "legally qualified Physician". Beginning January 1, 2005, the Fund will cover services ordered and prescribed by a "Legally Qualified Substance Abuse Professional". A "Legally Qualified Substance Abuse Professional" will include psychiatrists, psychologists, certified mental health or substance abuse counselors, or a social worker who has a masters degree and who is legally licensed and/or legally authorized to practice or provide service, care or treatment of alcoholism and substance abuse.

- Contraceptives, even if medically necessary for a medical condition other than the prevention of pregnancy, will not be covered.
- Any eligible expenses that are applied to the Deductible Amount in the last 90 days of a calendar year will NOT be carried over and applied to the Deductible Amount for the next calendar year.
- There will be no coverage for tempromandibular joint syndrome (TMJ).
- An eligible Employee who: (a) is receiving benefit payment under the BAC Local Union 15 Pension Fund; (b) is between ages 55 and 62; (c) has been eligible under the BAC Local Union 15 Welfare Fund for at least 12 consecutive months prior to retirement; (d) loses eligibility as an active Eligible Employee under the BAC Local Union 15 Welfare Fund; and (e) has at least 17 Years of Service under the BAC Local Union 15 Pension Plan, will become eligible for continuing Benefits provided under this Plan by making the required self-payments.

If another health plan merges with this Plan or if a group of participants is transferred from another health plan to this Plan, pension credits earned by these participants under a pension fund associated with the bricklaying industry will count towards the fulfillment of the 17 Years of Service requirement in the preceding paragraph. Evidence of these pension credits will be required. No other pension credits may be used to fulfill the 17 Years of Service requirement. For example: Prior pension credits with another BAC Local for person who transfers individually to Local 15 will NOT be recognized.

Benefit Change Effective April 1, 2005

The following change becomes effective on April 1, 2005, and will be described in greater detail in the revised Summary Plan Description that will be published in 2005.

- The initial eligibility requirement will be modified. Regardless of age, an employee who has worked at least 400 hours in a four consecutive month period will become initially eligible for Benefits on the first day of the third month following the month in which the 400 hours have been accumulated. For example if an Employee works 400 hours in the months of January, February, March and April, the Employee and qualified dependents will become eligible for coverage on July 1. The prior eligibility requirements will continue to apply until April 1, 2005.

If you have any questions regarding these Benefit changes, please call the Fund Office at (913) 236-5490 or (800) 542-4482.