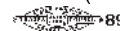




BAC LOCAL 15 WELFARE AND PENSION FUNDS

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

6405 Metcalf, Suite 200 • Overland Park, Kansas 66202
(913) 236-5490 • Fax: (913) 236-5499



December 2010

TO: ALL ELIGIBLE PARTICIPANTS OF THE BAC LOCAL UNION 15 WELFARE FUND

RE: ALTERNATIVE SHORT HOUR SELF PAY OPTION

SUMMARY OF MATERIAL MODIFICATION

It is the intention of the Board of Trustees of your Welfare Plan to change benefits from time to time when the financial soundness of the Fund requires, and at other times to comply with changes to the Federal law. Effective **December 1, 2010**, the Board of Trustees has agreed to revise the plan's rules to allow you to continue your eligibility if you do not work the required hours in a Work Period. Please keep this updated information with your *Summary Plan Description* for future reference.

Previously, as explained in Section Two B of your May 2006 Benefit Booklet, if you did not work the required 350 hours in the four month Work Period or 700 hours in the eight month Work Period associated with the Benefit Period, you would not be eligible for Benefits and would be eligible to elect Continuation of Coverage (COBRA) as explained in Section Two K of your Benefit Booklet. Effective December 1, 2010, **if you worked at least one hour in the associated four month Work Period, you have two options to continue coverage under the Plan:**

- 1) Short Hour Self Pay – You may make a *Short Hour Self Payment* in the amount that is the difference between the required number of hours (in either the four month Work period or eight month Work Period) and the actual number of hours that you worked in the same Work Period multiplied by the current contribution rate. **You may utilize the *Short Hour Self Pay* option only one time in any 12 month period.** Please note, COBRA will still be available if you lose coverage in a subsequent period because you fail to meet the continuing eligibility rules after use of the new Short Hour Self Pay option.
- 2) COBRA – In the event you do not elect the Alternative Coverage option described above, you may elect to continue your coverage by electing COBRA.

If you are eligible for the *Short Hour Self Pay* you will receive a notice from the Fund Office that will include the amount of your required Short Hour Self Pay and the date that it must be received at the Fund Office. When calculating the amount of your required *Short Hour Self Pay*, you will be required to pay the lesser amount due between the four month Work Period and the eight month Work Period. Examples of how this will work are included on the following page.

If you have any questions regarding these changes, please contact the Fund Office at (913) 236-5490.

Sincerely,
BOARD OF TRUSTEES

SHORT HOURS SELF PAY

Example #1

| Benefit Period | Required Hours in Work Period | Actual Hours Worked in Work Period | Difference in Required Hours and Actual Hours |
|---------------------|---|------------------------------------|---|
| 12/01/10 – 03/31/11 | 350 Hours from 06/01/10 – 09/30/10 | 100 Hours | 250 Hours |
| | or 700 Hours from 02/01/10 – 09/30/10 | 500 Hours | 200 Hours |

In **Example #1**, the *Short Hour Self Payment* would be based on the requirement of 700 hours in the eight month Work Period because that creates the lower *Short Hour Self Payment*. The amount of the *Short Hour Self Payment* would be 200 hours multiplied by the current contribution rate.

Example #2

| Benefit Period | Required Hours in Work Period | Actual Hours Worked in Work Period | Difference in Required Hours and Actual Hours |
|---------------------|---|------------------------------------|---|
| 12/01/10 – 03/31/11 | 350 Hours from 06/01/10 – 09/30/10 | 250 Hours | 100 Hours |
| | or 700 Hours from 02/01/10 – 09/30/10 | 400 Hours | 300 Hours |

In **Example #2**, the *Short Hour Self Payment* would be based on the requirement of 350 hours in the four month Work Period because that creates the lower *Short Hour Self Payment*. The amount of the *Short Hour Self Payment* would be 100 hours multiplied by the current contribution rate.

You may utilize the Short Hour Self Pay option only one time in any 12 month period.