

WISCONSIN PIPE TRADES HEALTH FUND

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★★ IMPORTANT NOTICE TO RETIREES ★★

June 2020

To Employees Who Retired On or After January 1, 2005:

As Trustees, we are charged with managing the financial strength of your Health Fund. Following our annual in-depth review of the Fund's expenses and income for the past year, and the expense projections for the upcoming year, we are making difficult, but necessary changes to the Fund's current monthly retiree self-payment rates, as outlined on the other side of this Notice.

We realize that these adjustments may be greater than you expected; however, we must balance the amount you contribute against the cost of your coverage. In 2019, the average monthly cost for medical and outpatient prescription drug claims for retirees under age 65 was \$2,111.87 compared with an average monthly self-payment of \$660.00.

Over the past several years, the Fund's expenses are outpacing the ability to cover those costs through employer contribution increases and heavily subsidized retiree self-payments. The current rates have been in effect since June 1, 2017. There will be no increase in the \$90 self-payment for dental and vision coverage.

Our goal is to provide all participants with healthcare benefits that are both comprehensive and affordable. Maintaining an affordable and cost-effective benefit plan during extended periods of economic instability, soaring healthcare costs, and complying with the Affordable Care Act have been a significant challenge and a financial drain on the Fund's reserves.

All forecasts indicate that we will continue to face financial challenges, such as:

- unrestricted healthcare price increases;
- the continuous development of expensive healthcare advancements;
- the need for more healthcare services as members age;
- combating and surviving serious illnesses, such as heart disease and cancer;
- living longer with chronic conditions and disabilities; and
- paying for high-cost prescription "specialty" drugs needed to treat complex conditions, like cancer, rheumatoid arthritis, and multiple sclerosis.

(over)

Please note the following rate changes below which will become effective August 1, 2020. Note, the rates reflected below are for medical-only coverage and do not include the \$90 voluntary monthly self-payment for dental and vision coverage.

Under age 65

Years of Service	PLAN A		PLAN B	
	From	To	From	To
30	\$650	\$710	\$540	\$590
25	\$715	\$780	\$595	\$650
20	\$775	\$845	\$650	\$710
15	\$845	\$920	\$700	\$760
10	\$975	\$1,060	\$810	\$880
< 10	\$1,200	\$1,415	\$1,080	\$1,175

One person under age 65 and one person over age 65 (Plan A Only)

Years of Service	From	To
30	\$415	\$435
25	\$465	\$490
20	\$520	\$545
15	\$570	\$600
10	\$665	\$700
< 10	\$920	\$965

Please note that if you currently have premiums automatically deducted from your pension, savings, or checking account, the Fund Office will take care of making the necessary changes to comply with the new monthly rates.

Please keep this Notice with your Summary Plan Description (SPD) booklet for future reference. If you have any questions regarding this information, please call the Fund Office.

Very truly yours,

THE BOARD OF TRUSTEES