

Attention Participants in Plans 13, 13Y, 14, R7 and R7-65:

CENTRAL PENNSYLVANIA TEAMSTERS HEALTH & WELFARE FUND

CHANGES TO RETIREE BENEFITS

Summary of Material Modification

Important changes to your benefits! Please read carefully.

As set forth in the January 2013 newsletter, the following changes are generally effective

on and after January 1, 2013

The Trustees of the Central Pennsylvania Teamsters Health & Welfare Fund ("Fund") wish to provide this additional Summary of Material Modification regarding the changes made to the Fund's Retiree Plans.

- No further retiree coverage is available for any retiree if his Employer has ceased or, in the future, ceases to be a contributing Employer to the Fund for any reason. This includes employees whose Employer ceases contributions because the Employer goes out of business. Retiree coverage will terminate on the same date that active coverage terminates.

EXAMPLE: Joe Smith worked for a contributing Employer to the CPT Health & Welfare Fund for 22 years prior to his retirement in 2008. Following his retirement, he was eligible for and elected to receive coverage under the CPT Health & Welfare Fund Retiree Plan. During the negotiations for the 2014 – 2017 contract, the Employer and the Local Union agree that the Employer will withdraw as a contributing Employer for the Fund and that, instead, employees will thereafter receive coverage under the Employer's health plan. Effective as of the date that active employees cease coverage, Mr. Smith will no longer have coverage under the CPT Health & Welfare Fund Retiree Plan.

- No further retiree coverage will be available for any retiree if his Employer and Local Union agree to drop the retiree coverage option from the collective bargaining agreement.
 - a. Be aware that this means that if you are currently a retiree but your last Employer and your former Local Union negotiate to eliminate the retiree coverage option from the collective bargaining agreement, you will no longer be eligible for retiree coverage even if active employees of the Employer remain in the Fund. This applies both to Medicare-eligible retirees and non-Medicare eligible retirees.

EXAMPLE: John Jones worked for a contributing Employer to the CPT Health & Welfare Fund for 18 years prior to his retirement in 2007. Following his retirement, he was eligible for and elected to receive coverage under the CPT Health & Welfare Fund Retiree Plan. During the negotiations for the 2014 – 2017 contract, the Employer and the Local Union agree to drop the retiree option. Effective as of the date that the active employees' coverage changes, Mr. Jones will no longer have coverage under the CPT Health & Welfare Fund Retiree Plan.

- Non-Medicare Eligible Retirees: In addition to the Fund's eligibility requirements¹ (see Footnote 1, below), these three criteria are applied to determine if a Non-Medicare Eligible Retiree may receive Benefits from the Fund:
 - a. the collective bargaining agreement between your former Employer and Local Union continues to provide for retiree coverage; AND
 - b. you are eligible for retiree benefits under the Fund's eligibility rules; AND
 - c. you are not yet eligible for Medicare.

NOTE: The only coverage available for retirees who are not yet eligible for Medicare is Plan R-7. Plans R-4 and R-5 are discontinued effective December 31, 2012.

- Medicare-Eligible Retirees: In addition to the Fund's eligibility requirements (see Footnote 1, below), these three criteria are applied to determine if a Medicare Eligible Retiree may receive Benefits from the Fund:
 - a. the collective bargaining agreement between your former Employer and Local Union continues to provide for retiree coverage; AND
 - b. you are eligible for retiree benefits under the Fund's eligibility rules; AND
 - c. you are eligible for and covered by both Medicare Parts A & B.

NOTE: the only coverage available for retirees who are Medicare-eligible is Plan R-7/65. The terms of this plan directly correlate with the provisions of former Plan R-5. Plans R-4 and R-5 are discontinued effective December 31, 2012.

- You can find the terms of Plan R-7 and Plan R-7/65 in the Summary Plan Description which is accessible on the Fund's website at www.centralpateamsters.com under the Health & Welfare Fund tab. Alternatively, the Fund Office would be happy to mail you a copy of the Summary Plan Description. Please call the Fund Office at 610.320.5500 or Toll Free 800.422.8330 in PA or 800.331.0420 in the USA if you wish to receive a copy.

¹ Retired coverage will only be offered to retirees who have a total of 15 years of participation with the Fund. To satisfy the 15 year requirement, a participant must have two (2) years of continuous coverage immediately prior to retirement and must have had coverage for at least thirteen (13) of the prior eighteen (18) years. A participant cannot retroactively satisfy any unpaid periods, except for the coverage period immediately prior to retirement.