

UNITED FOOD AND COMMERCIAL WORKERS

1775 K Street, N.W.
Washington DC 20006-1598

TO ALL RETIREES COVERED UNDER THE UFCW HEALTH INSURANCE PLAN FOR RETIREES

Greetings:

Re: UFCW Health Insurance Plan for Retirees

Based on your requested assumed retirement date, please be advised that you may be eligible for health benefits under the above-captioned Plan. Therefore, please read the following information carefully regarding the eligibility requirements and premium requirements to assure proper coverage at the time of retirement.

In order to be eligible for coverage under this Plan, you must have at least 20 years of vesting service under the UFCW Pension Plan for Employees ("Pension Plan"), be at least 60 years of age, and retire directly from Eligible Employment. Individuals hired prior to July 1, 1999, and who became participants in the Pension Plan prior to October 1, 1999, must meet the same requirements mentioned above regarding service and retiring directly from Eligible Employment, but do not have to be age 60 to be eligible for coverage.

All retired individuals who are eligible for benefits under the Pension Plan, and who do not qualify for Medicare benefits, currently all those under age 65, will be required to pay a monthly premium to obtain such coverage. These premiums are based on the years of Service under the Pension Plan at the time of retirement. **The premiums will be required from the date of retirement to the date the retiree becomes eligible for Medicare benefits.** Based on the years of Service, the premiums will be determined by multiplying the percentages referenced below by the actual total cost to provide pre-Medicare retiree health benefits under the Retiree Health Plan. **Although the percentage each applicable retiree will be required to pay will not change from date of retirement to Medicare age, the cost to provide this coverage will be adjusted on March 1 every year based on the actual experience of the Retiree Health Plan.** The current total cost to provide this coverage to individuals not yet eligible for Medicare is \$1,591.00 per month.

Years Of Service Under The Pension Plan	Retiree Health Plan Premium Percentage
35 Years Or More	5 percent
30 to 34 Years	10 percent
25 to 29 Years	15 percent
20 to 24 Years	25 percent
Under 20 Years	50 percent

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These premiums can be automatically withheld from a retiree's pension benefits if authorized by the retiree. For your convenience, we have enclosed a voluntary assignment form should you wish to take advantage of this option.

Surviving Spouses who become eligible for retiree health benefits as described above, will not be required to pay the premiums. Surviving Spouses of individuals who died while actively employed and who otherwise meet the eligibility requirements described above, also will not be required to pay premiums.

Individuals eligible for disability benefits under the Pension Plan will not be required to pay the premiums referenced above in order to obtain retiree health benefits under the Retiree Health Plan at the time of retirement regardless of the date of retirement.

Should individuals elect to defer coverage, they will not be able to obtain coverage at anytime until they reach Medicare age. At that time, they will be notified that their coverage is available. The only exception to this requirement is for those individuals who defer coverage from the Retiree Health Plan because they have other coverage with another UFCW-affiliated fund and that fund covers retirees for a limited number of years and would not continue until Medicare age. If this should occur, the individual must advise the UFCW Benefits Office at the time of retirement and include with that notification the specific coverage periods for the applicable affiliated fund. Deferral can be elected by completing the enclosed rejection form.

Should you have any questions concerning any of the above provisions, please contact the UFCW Benefits Office on extension 1207.

With kind regards, I remain

Sincerely and fraternally,

Lori A. Werner, Director
UFCW Benefits Office

Enclosures

UFCW INTERNATIONAL UNION PENSION PLAN FOR EMPLOYEES

AUTHORIZATION

Voluntary Assignment of Pension Benefits

1. I hereby voluntarily direct the UFCW International Union Pension Plan for Employees ("Pension Plan") to deduct from each of my monthly pension benefit payments an amount equal to the monthly premium required to establish and maintain my coverage under the UFCW Health Insurance Plan for Retirees ("Health Plan") for the same month and remit it to the UFCW International Union ("International") to pay the monthly premium required to establish and maintain my coverage under the Health Plan. Currently, the monthly premium required for my coverage under the Health Plan is _____ (\$1,591.00 x %), but I understand that this monthly premium amount may increase or decrease based upon the claims experience of the Health Plan in the prior year.
2. I hereby authorize the International to receive all or any portion of my monthly pension payment under the Pension Plan to pay the current monthly premium required to establish and maintain my coverage under the Health Plan.
3. I understand that this is a voluntary assignment and that I may revoke this Authorization completely at any time by giving written notice directly to the Pension Plan at the UFCW Benefits Office, 1775 K Street, NW, Washington, D.C. 20006-1598. I further understand that my written revocation of this Authorization must be submitted to the Pension Plan at least 30 days before the date that I wish the revocation to be effective.

Signed: _____ Date: _____

Name and Address: _____

UFCW HEALTH INSURANCE PLAN FOR RETIREES

Rejection of Retiree Health Coverage

1. I hereby reject the health coverage under the UFCW Health Insurance Plan for Retirees ("Plan") that is available to me at the time of my retirement.
2. I understand and acknowledge that, pursuant to my rejection of this coverage now, I will not be permitted to elect health coverage under the Plan until the first of the month following the date I become Medicare eligible (currently age 65).

Signed: _____ Date: _____

Name and Address: _____

NOTE:

IF, BY YOUR DATE OF RETIREMENT, THE UFCW BENEFITS OFFICE HAS NOT RECEIVED EITHER:

- 1) A COMPLETED AUTHORIZATION FORM (authorizing the deduction from your monthly pension benefit payments of an amount equal to the monthly premium required to maintain your coverage under the plan) OR
- 2) A MONTHLY PREMIUM PAYMENT FOR YOUR COVERAGE UNDER THE PLAN,

YOU WILL BE DEEMED TO HAVE REJECTED COVERAGE UNDER THE PLAN AND DEFERRED SUCH COVERAGE UNTIL THE FIRST OF THE MONTH FOLLOWING THE DATE YOU BECOME ELIGIBLE FOR MEDICARE (CURRENTLY AGE 65), REGARDLESS OF WHETHER YOU HAVE RETURNED THIS FORM.

Certification by Notary:

Subscribed and sworn before me on this _____ day of _____, 20____.

Notary Public

My commission expires on _____.

Dated: _____