



Carpenters Southwest Administrative Corporation

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November 2007

To: New Mexico Carpenters
From: Southwest Carpenters Health and Welfare Trust
Re: Frequently Asked Questions about Transition to Southwest Carpenters Health and Welfare Plan

These FAQs reflect the more important aspects of the January 1, 2008 transition of your health benefits to the Southwest Carpenters Health and Welfare Plan and Trust. You will receive a complete Summary Plan Description following the merger and more information during the open enrollment when materials allowing you to elect your benefit choices are sent in November.

The specific benefits are governed by the applicable Southwest Carpenters Plan document and interpreted by the Southwest Trustees or their authorized representative.

1. Will benefit changes occur with the Health Care Plan merger?

Answer: Yes. The New Mexico Trust's health and welfare plans provided to active carpenters and non-Medicare eligible retired carpenters will be replaced with the more generous health and welfare plans provided by the Southwest Trust effective January 1, 2008. Additional health plan options will be available to you, including an HMO plan offered by Blue Cross and Blue Shield of New Mexico and dental options through United Healthcare Dental and Delta Dental.

If you are retired, eligible for Medicare and covered under the New Mexico health plan on December 31, 2007, Medicare will continue to provide your primary coverage and supplemental coverage will be provided under the Southwest Retiree Plan. Benefit comparisons are enclosed with this material.

2. Will eligibility requirements change with the Health Care Plan merger?

Answer: Yes. If you are an **active carpenter**, you will need fewer hours to qualify for coverage. Your initial and ongoing eligibility will be determined on a work quarter basis. If you meet the requirement of 300 hours during a work quarter, you then have eligibility for the next eligibility quarter, as described in the chart below:

Work Quarter	Eligibility Quarter
If you work 300 hours during the months of:	You have coverage during the following months of:
January, February, March	May, June, July
April, May, June	August, September, October
July, August, September	November, December, January
October, November, December	February, March, April

Therefore, your eligibility for Southwest Health Plan coverage effective May 1, 2008 will be based on the rules described above. For the months of January through April, 2008, your eligibility will be based on the New Mexico rules using your New Mexico bank.

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Therefore, if your worked hours in November, 2007, plus your New Mexico bank equals or exceeds 120 hours, you will be eligible for the Southwest Plan in January, 2008. This pattern will continue for February, March and April of 2008. Any New Mexico bank balance remaining at April 1, 2008 will be added to any bank developed by you under the Southwest Plan rules during January through March of 2008, provided the total Southwest bank at March 31, 2008 will not exceed 600 hours (enough for two future eligibility quarters or six months). If you become ineligible at any time starting January 1, 2008 you will be offered COBRA by the Southwest Plan (Self-Pay).

If you are a **retired carpenter** and covered under the New Mexico Plan on December 31, 2007, no eligibility changes will apply to you but your monthly self-pay contribution for coverage may be changed starting with the contribution due for January 2008. If you did not enroll in retiree health coverage offered by the New Mexico Trust within the time period stipulated by that Trust, you will not be eligible to enroll under the Southwest Plan.

3. *I plan on retiring sometime in 2008 or later, will I be affected?*

Answer: Yes. You will need to meet the retiree eligibility requirements under the Southwest Plan in order to be offered retiree health coverage. Your pension credits under the New Mexico Trust will be combined with any pension credits you earn under the Southwest Trust when determining whether you qualify for enrollment in the retiree health plan.

4. *What happens under the Southwest Plan when I reach Medicare age (65) and I'm retired?*

Answer: Currently, the Southwest Plan reimburses Medicare eligible retirees and Medicare eligible spouses of retirees for their premium cost of a Medicare Part D prescription drug plan, up to a maximum reimbursement of \$25 per person per month. There is no retiree self-pay requirement for this benefit.

No medical coverage is offered once you become eligible for Medicare in the Southwest Carpenters retiree medical Plan. If neither you and your spouse are eligible for Medicare on or before January 1, 2008 and you are participating in the New Mexico retiree medical plan, you will be offered the Southwest Carpenters retiree health benefits, for which you will have to make a contribution until you are Medicare eligible.

SPECIAL RULE FOR RETIREES OR SPOUSES COVERED BY MEDICARE AS OF JANUARY 1, 2008

If either you or your spouse are Medicare eligible prior to January 1, 2008 and were continuously covered under the retiree medical plan (New Mexico Plan prior to 2008) you will be in a special grandfathered group wherein you can elect to continue your self-pay retiree medical coverage which will now be provided through Blue Cross, Wellpoint.

If only one person in your family is Medicare eligible as of January 1, 2008 and you were continuously covered under the retiree medical plan of New Mexico prior to January 1, 2008, then you are also in the special grandfathered group. The non Medicare participant (you or your spouse) will be eligible for the Medicare coverage provided by Blue Cross, when they become Medicare eligible. The non Medicare eligible participant will be covered by the Southwest Carpenters under 65 benefit and the Medicare eligible participant will be covered under the Medicare plan provided by Blue Cross. When you or your spouse then become eligible for Medicare, both will be covered under the Blue Cross Medicare plan if you make the required contribution. Surviving spouses of those in this special grandfathered group will continue to be allowed to self pay for coverage for the 12 months immediately following the death of the retiree.

If I am retired and do not have Health & Welfare coverage, can I now enroll for medical coverage?

Answer: No. Coverage cannot be obtained if you did not elect it at the time you retired and maintained it without interruption through December 2007. The same is true for the Medicare Part D reimbursement benefit.

5. *Where can I get more information about the merger of the Plans?*

Answer: Personnel will be able to assist you Monday-Friday from 7:30 am until 4:30 pm Mountain Standard Time at (800) 926-5581. Additional information will also be mailed out to you later this month during the Southwest Plan Open Enrollment Period.

6. *Where do I submit expenses or find out about a claim that I incurred before January 1, 2008 when the merger will occur?*

Answer: You may call the current administrator that will continue to process all claims and handle customer service issues for benefits that were due prior to the merger date. The telephone number is (800) 926-5581.