

APRIL 2012

## IMPORTANT PLAN SURVEY

Please respond by completing the survey *online* at [www.959trusts.com](http://www.959trusts.com) *before July 1, 2012.*

For a paper version of the survey, please contact the Trust office directly. Thank you!

## ALASKA TEAMSTER-EMPLOYER WELFARE TRUST

# 2011 SUMMARY ANNUAL REPORT

*This report reflects the financial health of your medical fund.*

*If you have questions about this report, please call 907-751-9700 or (800) 478-4450, or email us at [rosek@959trusts.com](mailto:rosek@959trusts.com).*

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### SUMMARY ANNUAL REPORT FOR THE ALASKA TEAMSTER-EMPLOYER WELFARE TRUST

This is a summary of the annual report of the Alaska Teamster-Employer Welfare Trust, EIN 91-6034674, a multi-employer Plan, for the year beginning July 1, 2010 and ending June 30, 2011. The annual report has been filed with the Employee Benefit Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

#### SELF-FUNDED BENEFIT INFORMATION

The Plan maintains its medical, dental, drug, vacation, disability, vision benefits, and urgent care under a self-funded program.

#### INSURANCE INFORMATION

The following brief description of the Plan benefits are provided for general information purposes only. Participants should refer to the Plan document for more complete information.

The Plan has a contract with Standard Insurance Co. to pay certain life insurance and accidental death and dismemberment claims. The Trust also maintains stop loss coverage under a contract with Alternative Risk Solutions for participants and dependents. The total insurance premiums charged to the Plan for the year ended June 30, 2011 were \$1,138,202.

#### BASIC FINANCIAL STATEMENT

The value of Plan assets, after subtracting liabilities of the Plan, was \$(883,978) as of June 30, 2011, compared to \$(2,149,465) as of July 1, 2010. During the Plan year the Plan experienced an increase in its net assets of \$1,265,487. This increase included unrealized appreciation or depreciation in the value of Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year.

During the Plan year the Plan had total income of \$34,338,526 including employer contributions of \$27,762,887, participant contributions of \$3,968,061, earnings from investments of \$1,944,633, and other income of \$662,945.

Plan expenses were \$33,073,039. These expenses included \$2,455,921 in operating expenses, \$78,426 in investment expenses, \$29,400,490 in benefits paid directly to participants

and beneficiaries and \$1,138,202 in insurance premiums charged by insurance companies.

Benefits and eligibility rules will change from time to time. Retiree benefits differ from active employee benefits and also can be changed or eliminated at any time. Be sure to use the most recent plan booklet and to read any special notices about your coverage. Do not rely on outdated information. If you lose your coverage you may be entitled to continue it by making self payments. Consult your booklet or the plan office for details.

#### YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Assets held for investments;
3. Insurance information including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call Alaska Teamster-Employer Service Corporation, 520 East 34th Avenue, Suite 107, Anchorage, AK 99503, (907) 751-9700 or (800) 478-4450. The charge to cover copying costs will be \$.25 per page for any part thereof.

You also have the right to receive from the Contract Administrator, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full annual report from the Contract Administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the Plan, 520 E. 34th, Suite 107, Anchorage, Alaska 99503 and at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefit Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.



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The Notice of Privacy Practices describes how medical information about you may be used and disclosed and how you can get access to this information. This notice is available to you in several ways:

1. You may call 1-800-478-4450 outside Anchorage or 751-9700 in Anchorage and request a copy of the Notice,
2. You may go online to [www.959trusts.com](http://www.959trusts.com), click on *Health & Welfare Forms* and then the *Privacy Notice*, or
3. You may write and request a copy.

This is the same notice provided to you in 2006 and again in 2009; or later, if your eligibility began after those dates. We are required to send you the Privacy Practices or the availability of these Practices every three years.

**NOTICE OF PRIVACY PRACTICES**

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Trust Customer Service Office at (907) 751-9700 or (800) 478-4450. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at (866) 444-3272 or [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform). This website has a table summarizing which protections do and do not apply to grandfathered health plans.

**The Plan's Status as a "Grandfathered Health Plan"**  
The Board of Trustees believes this Plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Effective July 1, 2012, in accordance with the requirements of the Patient Protection and Affordable Care Act, the Plan's Annual Maximum Benefit for both Active and Retired Participants will be \$1,250,000.

**Change to Annual Maximums on Essential Health Benefits, Effective 7/1/12**  
If you do not qualify for reinstatement by working at least 160 Covered Hours in one or two consecutive months within 13 months after your COBRA coverage began, you will need to reestablish eligibility as a new Participant (400 Covered Hours worked in a minimum of three but no more than five consecutive months, with coverage beginning after that qualification period and the "lag" month).

**Clarification of the Alaska Teamster-Employer Welfare Trust's Summary Plan Description; Section 5.5 & Section 12**  
**• Section 5.5, PREFERRED PROVIDER PROGRAM**  
The Preferred Provider Hospital Facility in Anchorage is Alaska Regional Hospital. Covered expenses at Alaska Regional Hospital are paid at 80%. Covered Expenses at any other hospital/out-patient facility in Anchorage will be applied on a non-preferred penalty. If a participant goes to a hospital or facility within a 25-mile radius of Alaska Regional Hospital for outpatient services, the reimbursement rate will be 70%, after a 50% penalty reduction is applied. Outpatient services include, but are not limited to, emergency room services, diagnostic laboratory examinations, sleep study testing, diagnostic x-rays, radium or radioactive isotope therapy, hemodialysis, radiation therapy and chemotherapy. All inpatient admissions at Providence Hospital, in Anchorage, will have a \$1,000 deductible applied to each admission and benefits will be paid at 70% of the Preferred Provider's inpatient rate.

**• Section 12, Life Insurance & Accidental Death & Dismemberment Benefits**  
Life insurance benefits payable to beneficiaries for an eligible *retired Plan participant* will be paid by the Alaska Teamster-Employer Welfare Trust. The Plan's life insurance provider, Standard Insurance Company, will continue to provide life insurance benefits to eligible active members and their eligible dependents.

**Eligibility Reinstatement Rules for Returning to Covered Employment after COBRA Coverage, Effective 7/1/2012**  
If you are on COBRA and then return to covered employment, effective July 1, 2012 the following reinstatement rules will apply to regain eligibility as an Eligible Employee under Section 1.1 of the Plan:

- **Within 13 months after ACTIVE coverage ends:** If within 13 months of when your COBRA coverage began, you work at least 160 Covered Hours in one or two consecutive months, your eligibility will be reinstated on the first day of the second calendar month after the month in which you completed the 160 hours.

**WOMEN'S HEALTH AND CANCER RIGHTS ACT OF 1998**

Did you know that your Plan, as required by the Women's Health and Cancer Rights Act of 1998, provides benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedema)? Call your Plan Administrator at (907) 751-9700 or you may dial (800) 478-4450 (toll free) for more information.