



# ***Laborers' Metropolitan Detroit Health Care Fund***

***Local #1076 and #1191***

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November 2015

TO: All Participants of the Laborers' Metropolitan Detroit Health Care Fund

RE: **Summary of Material Modifications (SMM) – New Self-Payment Rates for January 1, 2016.**

Dear Participant:

***THIS IS AN IMPORTANT NOTICE ABOUT CHANGES IN YOUR FUND BENEFITS. SPECIFICALLY, THIS SMM SUMMARIZES CHANGES IN THE FUND'S SELF-PAYMENT RATES***

## **SELF-PAYMENT RATE CHANGES**

**Q. Who's Affected By The Fund's Self-Payment Rate Changes?**

A. All non-active participants, pre-Medicare eligible retirees (early retirees), disabled participants and Medicare eligible retirees.

**Q. When Are These Self-Payment Rate Changes Effective?**

A. January 1, 2016.

**Q. What Are The Self-Payment Changes?**

A. Listed below are the current Self-Payment rates and the rate changes that are *effective January 1, 2016*

**Q. How are these rates calculated?**

A. The rates are based on several factors, including utilization, the participant's years of service as a Laborer and the cost of providing coverage.

**1. Active Employees**

### **Current Self-Payment Rates (Which are not being changed at this time)**

The current Self-Payment rates of \$517.38 per month for the 1st month through the 6th month Self-Payment, \$620.86 per month for the 7th through the 12th month Self-Payment and \$724.34 for the 13th through the 18th month Self-Payment (the last payment) will not be changed at this time.

## 2. Retired Employees

- **Early Retirees (Pre-Medicare Eligible Retirees)**

On *January 1, 2016*, the current Self-Payment rate for early retirees will change as listed in the below table. *Use your current monthly rate to identify your new Self-Payment rate.*

Current Monthly Rate	New Monthly Rate
\$557.20	\$564.42
\$600.06	\$607.84
\$642.92	\$651.26
\$685.78	\$694.67
\$835.80	\$846.63
\$728.65	\$738.09
\$900.09	\$911.76
\$771.51	\$781.51
\$964.38	\$976.88
\$857.23	\$868.34
\$1,028.68	\$1,042.01
\$1,092.97	\$1,107.13
\$1,157.26	\$1,172.26
\$1,285.85	\$1,302.51

As you know, these different early retiree Self-Payment rates are based on Years of Service and your retirement date.

## 3. Medicare Eligible Retirees

On *January 1, 2016*, the current Self-Payment rate for Medicare-eligible retirees will change as listed below. *Use your current monthly rate to identify your new Self-Payment rate.*

Current Monthly Rate	New Monthly Rate
\$295.00	\$305.00
\$470.00	\$490.00
\$663.00	\$693.00

## 4. Disabled Employees

On *January 1, 2016* the current Self-Payment Rates for Disabled participants will change as listed below. *Use your current monthly rate to identify your new Self-Payment rate.*

Current Monthly Rate	New Monthly Rate
\$295.00	\$305.00
\$310.00	\$320.00
\$470.00	\$490.00
\$663.00	\$693.00
\$698.00	\$728.00

## 5. Surviving Spouse

On **January 1, 2016** the current Self-Payment Rates for Surviving Spouses will change as listed below. *Use your current monthly rate to identify your new Self-Payment rate.*

<b>Current Monthly</b>	<b>New Monthly Rate</b>
\$320.00	\$330.00
\$374.00	\$384.00
\$377.00	\$387.00
\$431.00	\$441.00
\$663.00	\$693.00
\$670.00	\$700.00
\$716.00	\$746.00
\$724.00	\$754.00

We understand the effect of any increase in rates. However, while necessary, this year's increases are relatively modest due to the ongoing review of cost and continued prudent management of the Fund.

Sincerely,

Board of Trustees of the  
Laborers' Metropolitan Detroit  
Health Care Fund

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