

OUTSTATE TROWEL TRADES FRINGE BENEFIT FUNDS

Michigan Trowel Trades Health And Welfare Fund

Outstate Michigan Trowel Trades Pension Fund

Michigan Operative Plasterers' & Cement Masons' International Association Apprenticeship
and Training Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

Si Quires Copias De Estas Formas y Reportes Annuales Por Favor Llamen Al Administrator Del Plan a Este Numero (877) 876-9357 or (517) 321-7502 y Prequantar Que Quiere Hablar Que Quiere Hablar Con Algien Que Habla Español.

December 2017

To: **ALL PLAN PARTICIPANTS OF THE MICHIGAN TROWEL TRADES
HEALTH AND WELFARE FUND**

Dear Plan Participants:

We have attached the following Important Notices and Annual Report for your review. These Notices and Report are required to be mailed to each Plan Participant annually as provided by the Employee Retirement Income Security Act of 1974 (ERISA):

- 2015 Summary Annual Report Pages 2 – 3
- Important Notice about your Prescription Drug Coverage and Medicare Pages 4 – 5
- Notice of HIPAA Privacy Policy Page 6
- Notice on Women's Health and Cancer Rights/Newborns' And Mothers' Health Protection Page 7
- Social Security Number Privacy Policy Page 7 – 8

If you (and/or your dependents) have Medicare or will become eligible for Medicare in the next 12 months, a Federal law gives you more choices about your prescription drug coverage. Please see pages 8-9 for more details.

If you have any questions, please contact your Local Union office, or the Medical Claims Department at the Fund Office.

Sincerely,

BOARD OF TRUSTEES

SUMMARY ANNUAL REPORT

This is a summary of the Annual Report of the Michigan Trowel Trades Health and Welfare Fund, Employer Identification Number 38-6238055, Plan No. 501, for the period of January 1, 2016 through December 31, 2016. The Annual Report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees has committed itself to pay certain medical, surgical and other health care claims incurred under the terms of the Plan.

INSURANCE INFORMATION

The Plan has contracts with Blue Cross Blue Shield of Michigan, Unum Life Insurance of America and Blue Care Network of Michigan to pay Stop Loss, Basic Life Insurance and Accidental Death & Dismemberment and Early Retiree Health Care benefit claims incurred under the terms of the Plan. The total premiums paid for the Plan Year ending December 31, 2015 were \$281,130, \$9,745 and \$31,355, respectively.

BASIC FINANCIAL STATEMENT

The value of Plan Assets, after subtracting Liabilities of the Plan, was \$3,405,413 as of December 31, 2016, compared to \$2,318,961 as of January 1, 2016. During the Plan Year, the Plan experienced an increase in its Net Assets of \$1,086,452. This increase includes unrealized appreciation or depreciation in the value of the Plan Assets; that is, the difference between the value of the Plan Assets at the end of the year and the value of the Assets at the beginning of the year or the cost of the Assets acquired during the year. During the Plan Year, the Plan had Total Income of \$6,199,856 including Employer Contributions of \$5,937,241, Employee Contributions of \$116,821, earnings from Investments of \$26,310 and Other Income of \$119,484.

Plan Expenses were \$6,235,404. These Expenses included \$616,800 in Administrative Expenses (See Schedule A) and \$4,489,876 in benefits paid to Participants and Beneficiaries.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have a 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. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of the Plan Assets; and
5. 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 the office of the Board of Trustees, Michigan Trowel Trades Health and Welfare Fund, 6525 Centurion Drive, Lansing, MI 48917-9275, toll free (877) 876 9357 or (517) 321-7502. The charge to cover copying costs will be \$6.75 for the full Annual Report or twenty-five cents per page for any part thereof.

You also have the right to receive from the Plan 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 Plan 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 (Board of Trustees, Michigan Trowel Trades Health and Welfare Fund, 6525 Centurion Drive, Lansing, MI 48917-9725), at any other location where the report is available for examination 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 Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

Schedule A: Administrative Expenses

Claim administration fee	\$393,399	Lockbox and bank service charges	\$ 6,289
Administrative manager's fee*	105,000	Meeting expenses	2,156
Collection coordinator expenses	16,442	Member communications	191
Payroll audit fees	22,542	Trustee and fiduciary liability	
Legal fees - collection	33,067	insurance and bonding	2,269
Legal fees	12,518	Website expense	1,800
Audit fee	13,900	Forms 5500 and 990 preparation fee	<u>1,400</u>
Printing and miscellaneous	5,827		
		Total	<u>\$616,800</u>

*includes rent, equipment, staffing, postage, computer services, etc.

Important Notice

About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug under the Michigan Trowel Trades Health and Welfare Fund and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The Michigan Trowel Trades Health and Welfare Fund has determined that the prescription drug coverage provided under the Plan is, on average for all Plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and you will not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare Part D drug plan, you can also keep your current prescription drug coverage through the Michigan Trowel Trades Health and Welfare Fund.

If you decide to join a Medicare drug plan, and drop your current Michigan Trowel Trades Health and Welfare Fund prescription drug coverage, be aware that you and your dependents may not be able to get back into the prescription drug plan offered by the Fund until you are again eligible to participate in the Plan and complete the Enrollment and Coordination of Benefits Forms.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage under the Plan and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the department listed below for further information. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage under the Plan changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans. For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778)..

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date:	December 2017
Name of Entity/Sender:	Michigan Trowel Trades Health and Welfare Fund
Contact:	Fund Office
Address:	6525 Centurion Drive, Lansing, MI 48917
Phone Number:	517-321-7502

TO: ALL HEALTH FUND PARTICIPANTS

RE: **NOTICE OF HIPAA PRIVACY POLICY**

This Notice is intended to confirm that the Fund complies with the Privacy Regulations issued under the Health Insurance Portability and Accountability Act (HIPAA). The law restricts the use and disclosure of the non-public "protected health information" of the Participant and the Participant's covered dependents, if any, with regard to benefits provided under the Fund's group health plan. That protected health information can generally be disclosed only by the Fund, its vendors and the Participant's/dependent's health care provider(s) only if necessary for the payment of claims, treatment of illness or other health care operations, including the administration of health care benefits, as permitted by law and the HIPAA Privacy Regulations.

Blue Cross Blue Shield of Michigan and Blue Care Network may issue separate Notices of Privacy Policies and Practices.

For a complete copy of the Fund's Notice of Privacy Policy, write or call the Fund Office at the address and telephone number and listed below:

Michigan Trowel Trades Health and Welfare Fund
6525 Centurion Drive
Lansing, MI 48917-9275

Telephone (517)321-7502
Toll Free (877)876-9357
Fax 517-321-7508

WOMEN'S HEALTH AND CANCER RIGHTS/NEWBORNS' AND MOTHERS' HEALTH PROTECTION NOTICE

The Women's Health and Cancer Rights Act of 1998 requires that all health care plans that provide medical and surgical benefits for mastectomies provide participants and beneficiaries receiving mastectomy benefits and who elect mastectomy related breast reconstruction with benefits coverage for the following:

- **Reconstruction of the breast on which the mastectomy has been performed;**
- **Surgery and reconstruction of the other breast to produce a symmetrical appearance; and**
- **Prostheses and physical complications of all stages of mastectomy, including lymph edemas, in a manner determined in consultation with the attending physician and the patient.**

Such coverage may be subject to annual deductibles and coinsurance provisions **as may be deemed appropriate and as are** consistent with those established for other benefits under the plan or coverage.

The Fund has provided coverage for mastectomies for a number of years. As part of this coverage, the Plan also covered the procedures necessary to effect reconstruction of the breast on which the mastectomy was performed, as well as the cost of prostheses and physical complications of all stages of mastectomy, including lymph edemas, as recommended by the attending physician of any patient receiving Plan benefits in connection with the mastectomy and in consultation with the patient. The Plan also covers any surgery and reconstruction of the other breast to achieve a symmetrical appearance.

Also, the Newborns' and Mothers' Health Protection Act of 1996 (NMHPA) generally prohibits group health plans from limiting hospital stays for childbirth to less than 48 hours for normal deliveries and 96 hours for cesarean section deliveries for a mother and her newborn child, except with consent of the mother and approval of her physician, or from requiring that a provider obtain authorization from the Plan for prescribing a length of stay not in excess of the above.

Please keep this notice with your Summary Plan Description. If you have any questions regarding these federal requirements, please contact the Medical Claims Department at the Fund Office.

SOCIAL SECURITY NUMBER PRIVACY POLICY

(Effective January 1, 2006)

The Michigan Trowel Trades Health and Welfare Fund is required by Michigan law to make sure that your Social Security number and the Social Security numbers of your family members are kept private as set forth in that law.

The law permits the Fund to use Social Security numbers to verify your identity and the identities of your family members and to perform other functions related to providing retirement benefits under the Fund's Plan. Therefore, the Fund will continue to require Social Security numbers on application and enrollment forms.

When your employer pays contributions on your behalf, the law permits your employer to provide the Fund with your Social Security number so that the Fund may determine your eligibility status. The law also permits the Fund to use Social Security numbers when authorized or required to do so by state or federal statute, by court order, or pursuant to legal discovery or process. The Fund will ensure to the extent practicable the confidentiality of those Social Security numbers.

In order to protect your privacy and in compliance with the law, the Fund's third-party administrator, TIC International Corporation ("TIC"), and the Blue Cross Blue Shield of Michigan ("BCBSM") will use alternate identification numbers wherever feasible, including on monthly notices of contributions. TIC and BCBSM do not print Social Security numbers on the exterior of any envelope or package sent through the mail or in a manner that can be seen from the exterior of such envelope or package. The Fund's website is secure and permits participants to access information through use of a password other than their Social Security number.

Only TIC's employees and agents and employees and agents of other Fund service providers such as BCBSM may access the Social Security numbers of Fund participants and family members and only as necessary to provide services to the Fund. TIC uses practical means to limit access to written and electronic records in its possession that contain Social Security numbers to those employees and agents whose job duties require such access, such as securing areas where Social Security number information is located when not in use and requiring the use of passwords for access to electronic files containing Social Security numbers. TIC disposes of documents that contain Social Security numbers that the Fund is not actively using or is not otherwise obligated to retain by shredding and other processes that protect the confidentiality of the Social Security numbers. TIC's employees and agents must not disclose Social Security numbers by publicly displaying more than four sequential digits of a Social Security number or in any other manner prohibited by law.

The Fund notifies all service providers that they must ensure, to the extent practicable, the confidentiality of all Social Security numbers related to Fund participants and their families as required by law. The Fund may take action regarding service providers who fail to protect adequately the confidentiality of those Social Security numbers, including the termination of contracts.