IATSE NATIONAL BENEFIT FUNDS

October 20, 2015

RE: I.A.T.S.E. National Health and Welfare Fund – Plan C
Planning Your 2016 Enrollment

Dear Plan C Participant:

We are writing this letter to provide information that can help you choose the appropriate Plan C coverage for you and your family during the Fund's annual open enrollment process for the January 1, 2016 coverage quarter. The January 1st coverage quarter will include all employer contributions received by the Fund Office from August 1st up to and including October 31st, as well as any unused CAPP funds in your account from employer contributions prior to that time.

We will also be reporting to you on the Board of Trustees' semi-annual review of our benefit plan experience and future cost projections, and the quarterly CAPP charges for the **coverage quarter beginning April 1, 2016**. The April 1st coverage quarter will include all employer contributions received by the Fund Office during November and December 2015 and January 2016, as well as any unused CAPP funds in your account from employer contributions prior to that time.

Additionally, this letter also provides you with information about changes relating to the administrative charges for Plan C-MRP and the Retiree Only-MRP program, the forfeiture rules for CAPP accounts, and the prescription drug program.

We recommend that you retain this announcement with your Summary Plan Description Booklet and share its contents with your family.

April 1, 2016 – September 30, 2016 CAPP Account Charges

Nationally, health care cost inflation for hospital, medical and prescription drug benefits has continued to outpace any wage increases and general inflation. We strongly encourage you to talk to your family and review all of the coverage options available under Plan C and the costs of each option before you make your election for 2016. The Board of Trustees has evaluated and adopted some plan design changes that will be effective in 2016 to offset some further increases in CAPP account charges.

The cost for Plan C-1 is extremely high due to claims utilization and the small number of covered participants. Anyone covered in Plan C-1 should review the quarterly CAPP charges compared to Plans C-2, C-3, and C-4. Many of the potential out-of-pocket costs in Plans C-2, C-3, or C-4 will be more than offset by the larger quarterly CAPP charges for Plan C-1.

Plan C-2 provides coverage to the largest number of participants, and is the Fund's first default plan for those who do not timely elect coverage. Plan C-3 only covers in-network providers and has a deductible of $1,000 per individual and $2,500 per family, therefore the quarterly CAPP charges are significantly lower than those for Plan C-2. Plan C-4, a relatively new option that was first offered on January 1, 2015, may also provide you with sufficient coverage depending on your needs or the needs of your family. As you consider your selection, it may be helpful to visit our website, www.iatsenbf.org. There you can find a side-by-side benefit comparison outline of Plans C-1, C-2, C-3 and C-4, called "Benefits at a Glance." You will also be receiving a notice with some benefit changes happening in 2016. Please keep that notice with your other Fund material for reference.

The Board of Trustees recently adopted plan design changes with the intent of stabilizing the CAPP account charges. Those plan design changes will be communicated in a separate letter. Because of those changes, and recent positive experience in the Fund, *the Board approved a continuation of the CAPP account charges that just went into effect on October 1, 2015 for Plans C-1, C-2, C-3 and C-4 single and family coverage options.* The current quarterly CAPP charges and the future quarterly CAPP charges for the six-month period from April 1, 2016 through September 30, 2016 are as follows:

Plan C CAPP Account Charges

	QUARTERLY COSTS TO YOU	
	Current CAPP Charge Effective 10-01-15	**CAPP Charge to be Effective 4-1-16**
PLAN C-1		
Coverage		
Individual	**$5,325**	**$5,325**
Family	**$11,757**	**$11,757**
PLAN C-2		
Coverage		
Individual	**$2,187**	**$2,187**
Family	**$3,996**	**$3,996**
PLAN C-3		
Coverage		
Individual	**$1,371**	**$1,371**
Family	**$2,457**	**$2,457**
PLAN C-4		
Coverage		
Individual	**$902**	**$902**
Family	**$1,737**	**$1,737**

With the above CAPP charge schedule in mind, please check your mail for your annual open-enrollment quarterly statement that will reach you in mid-November. You will have

the opportunity to make the right enrollment choice for yourself, and, if applicable, your dependents for the coverage quarter beginning January 1, 2016.

You can also check the website to find other detailed information about Plan C, including your CAPP account balance, or you can call us at 1-800-456-FUND (3863) to request information. You may also send an email to our Participant Services mailbox: psc@iatsenbf.org with any questions you might have regarding your enrollment. Using the contact us page through the Funds website, www.iatsenbf.org, is yet another resource for you.

As you consider the coverage available through Plans C-1, C-2, C-3 and C-4, please note that if you have a CAPP account balance that is more than the charge for two quarters of your enrollment choice, you can use the excess amounts for the reimbursement of certain medical expenses, as detailed in the Plan's Summary Plan Description booklet, pages 24-31.

If the balance in your CAPP account balance, which reflects employer contributions received by the Fund on your behalf, is insufficient for enrollment in the coverage option of your choice, you can self-pay the difference. **Please note that the fastest and easiest way to make a self-payment is through our website via MasterCard or Visa. You won't have to worry about mail delivery and you will get an immediate payment confirmation.**

Plan C-MRP (Medical Reimbursement Program)

In addition to the four Plan C health insurance options, the Fund offers the Medical Reimbursement Program (Plan C-MRP) as a stand-alone option, as described in more detail in your open enrollment materials. If you are enrolled in Plan C-MRP as a stand-alone option for any coverage quarter in 2016, you will be charged $50 as an administrative fee for that quarter. When the CAPP Account statements are prepared in February 2016, a determination will be made as to whether you are enrolled in Plan C-MRP during the January 1 to March 31, 2016 quarter. If you are enrolled in Plan C-MRP during that quarter, your CAPP Account will be assessed a $50 quarterly administrative charge. The same determination will be made when CAPP Account statements are prepared in mid-May, mid-August and mid-November. You will only be assessed an administrative charge for enrollment in the Plan C-MRP coverage option in those quarters in which you are enrolled in the program.

As a reminder, to enroll in Plan C-MRP as a stand-alone option for 2016 you must send a copy of the front and back of your other employer or union sponsored ***group*** health insurance coverage identification card, showing you have other group health insurance coverage. You also must sign the certification on the open enrollment coupon attesting that your other coverage meets the minimum value standard under the Patient Protection and Affordable Care Act (the ACA), and you must ensure that those materials reach us *on or before December 15, 2015.* If your other coverage identification card does not clearly specify that it is for a ***group*** health plan, you will need to provide the Fund with a statement from the insurance carrier or plan sponsor verifying that the coverage is an employer or union sponsored ***group*** health plan. If you fail to timely provide the required documentation, you will be defaulted into Plan C-2, C-3 or C-4 Individual coverage for 2016, depending on your CAPP account balance, unless you timely enrolled in one of Plan C's four health insurance options.

Retiree-Only Medical Reimbursement Program (R-MRP)

The Fund also has a Retiree-Only Medical Reimbursement Program (R-MRP). We send notices to those participants who are Medicare eligible or who are nearing age 65 to remind them of the

provisions that apply to the R-MRP. Participants in the R-MRP will be charged an administrative fee of $25 for each quarter that they are enrolled in the R-MRP. This fee will be assessed in a similar fashion as the administrative fee for the Plan C-MRP for active participants when statements are prepared each quarter.

Please be reminded that participants who are in the R-MRP will also have a separate test performed quarterly to determine if they are "active" and therefore must be enrolled in an active coverage option provided by the Fund. The "active" test is based on the cost of one quarter of Plan C-4 single coverage (currently, **$902** per quarter). So long as the employer contributions made to your CAPP Account and received during a contribution test quarter are below $902, you will not be considered "active" and Medicare will remain your primary coverage, with your R-MRP account balance available to cover eligible medical expenses that are not reimbursed by Medicare. If you are "active" under the Fund's test, you must be covered under one of the Plan C insurance options, and that coverage will become primary to Medicare.

Forfeited CAPP Accounts

CAPP accounts are for Plan participants who are working in covered employment in various segments of the entertainment industry. If there has been no activity in a CAPP Account for 24 consecutive months, the balance of the account will be forfeited at the end of the calendar quarter to the general assets of the Fund. These forfeitures help to offset administrative expenses for currently active participants. Forfeiture determinations are made on a quarterly basis. An inactive account that will be forfeited is one that has had no Plan coverage charges (no enrollment in an active coverage option), no new employer contributions received and no Plan C-MRP claims paid over the prior eight coverage quarters (24 months).

Revised CAPP Account Statements

Occasionally a Plan C-MRP claim will be received and paid during the time period between when the CAPP Account statements are generated and when payments for coverage options are due. This means that the balance in a participant's CAPP Account at the time self-payments are due may not match the amount shown in a CAPP Account statement, and participants could be confused about how much to pay for a particular plan option. The same holds true if your employer(s) report(s) a mistake in a contribution and such contribution must be adjusted. Since the Fund's records are updated daily, and since you can access the current balance in your CAPP Account at any time through the Fund's website, by e-mail, or by phone, the Fund Office will no longer send a revised CAPP Account statement after the open enrollment or quarterly statements are mailed, regardless of the reason why the balance changes (e.g., due to claim reimbursement or contribution correction). We encourage you to check your CAPP Account balance either on line at www.iatsenbf.org, by e-mail at psc.iatsenbf.org or by calling the Fund Office toll free at 1-800-456-FUND (3863) before you make any selections or co-payments.

Domestic Partner Coverage Ending December 31, 2015

Because same-sex marriage is now legal in all states, the Fund will no longer cover domestic partners after December 31, 2016. If you wish to enroll a same-sex spouse, you may do so at open enrollment.

Special Reminder: *Please wait for your annual open enrollment statement, or look on the Fund's website, for 2016 enrollment information during the annual open enrollment period. Self-payments and/or Medical Reimbursement Program enrollment documents must be* ***RECEIVED BY DECEMBER 15, 2015*** *or the Fund will default you into a coverage option that may not fit your needs. It is very important that you watch your mail and respond timely.*

The health care world is continuing to change rapidly, in terms of the types and costs of services provided by medical professionals and the requirements of laws and regulations, including the ACA. The Trustees continue to review the status of the Plan C benefit offerings with a goal to offer a range of options for participants with diverse health care needs. The Trustees seek to provide you with valuable health care coverage in the most efficient and cost effective manner possible.

As always, please feel free to contact the I.A.T.S.E. National Health and Welfare Fund office if you have any questions.

Sincerely,

Anne J. Zeisler
Executive Director