

MICHIGAN BAC FRINGE BENEFIT FUNDS

Michigan BAC Health Care Fund
Michigan BAC Pension Fund
Michigan BAC Apprenticeship Fund

July 2005

TO: All Eligible Participants of the Michigan BAC Health Care Fund

RE: Summary of Material Modifications – Self-Payment Rates

Dear Participant:

As you may know, the self-payment rates for the Fund participants are reviewed annually and are based upon the actual cost of providing coverage. The Board of Trustees has therefore determined that it will be necessary to increase self-payment rates effective August 1, 2005. Retired, non-active participant self-payment rates will continue to be somewhat subsidized by the Fund.

The rates reflect an overall increase of approximately six percent (6%) for all categories. New self-payment rates will be reflected on your monthly self-payment notice beginning with the month of August 2005. If you have already remitted your self-payment for August, the additional amount will be listed on your self-payment notice for September.

Participants who are having their monthly self-payment deducted from their monthly pension benefit check will automatically have the self-payment rate increase deducted from their August 2005 pension benefit check.

If you have any questions regarding the above, please do not hesitate to contact the undersigned.

Sincerely,

Michigan BAC Health Care Fund
Board of Trustees