

# MICHIGAN BAC FRINGE BENEFIT FUNDS

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Michigan BAC Health Care Fund  
Michigan BAC Pension Fund  
Michigan BAC Apprenticeship & Training Fund

Managed for the Trustees by:  
TIC INTERNATIONAL CORPORATION

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April 2012

## IMPORTANT NOTICE REGARDING YOUR BENEFITS

TO: ALL ELIGIBLE PARTICIPANTS IN THE MICHIGAN BAC HEALTH CARE FUND

RE: SUMMARY OF MATERIAL MODIFICATIONS (SMM)

Dear Participant:

This letter contains a summary of benefit and eligibility changes that we recently adopted. You should keep this SMM with your SPD for future reference.

### **Mental Health and Substance Abuse**

Because of recent changes in the law, we have modified both in-patient and out-patient benefits for Mental Health and Substance Abuse. *Effective May 1, 2012*, Mental Health and Substance Abuse claims will now be paid at the same level as the Fund's medical and surgical benefits.

### **Re-Establishing Fund Eligibility**

We understand that, during this difficult economic time, it is often hard to re-establish your Fund eligibility after you return to work. So, we have relaxed the Fund's current rules that relate to re-establishing your Fund eligibility. Under these new changes, it will be easier for you to re-establish your eligibility for Fund benefits.

### **The Current Rules**

Under current Fund provisions, you must work two hundred seventy-five (275) hours within a three (3) consecutive month period to be eligible the first day of the fifth (5<sup>th</sup>) month. You then remain eligible for three (3) months. For example, an employer remits two hundred seventy-five (275) hours on your behalf for the months of January, February and March. As a result, you are eligible May, June and July.

Under current Plan provisions, you cannot make "short-hour" payments to *re-establish* eligibility. That is, if you return to work but fail to work the 275 hours within 3 consecutive months, you cannot currently make "short hour" payments to re-establish your eligibility.

## The Changes

**Effective May 1, 2012:** You can make “short hour” payments (payments that make up the difference between the hours you work and 275 hours) to re-establish your eligibility *if you meet the following criteria:*

To reinstate eligibility with “short hour” payments:

- You must have at least two hundred (200) hours of employer contributions remitted within a three (3) consecutive month period; and
- You must timely pay the Fund the “cost” of the remaining hours needed to re-establish eligibility (the difference between 275 hours and the hours that actually were contributed for you, multiplied by the Collective Bargaining Agreement hourly contribution rate). This payment is due on the date shown on your self-payment notice. Your Fund Coverage will *not* be effective until your payment is received. If payment is received within five (5) days after the due date, coverage will be provided retroactive to the first day of the month.

**EXAMPLE:** You’re an ineligible participant and have two hundred (200) hours remitted for the months of January, February and March. To be eligible for the months of May, June and July, you must pay four hundred fifty-three dollars and seventy five cents (\$453.75). This amount represents the 75 hour difference between the 200 hours in contributions made on your behalf and the 275 hours needed for Fund eligibility. (The 75 hours is multiplied by the hourly contract contribution rate:  $75 \times \$6.05 = \$453.75$ .)

This payment must be made by the due date shown on the self-payment notice.

If you have any questions regarding the above eligibility changes, contact the Fund Office.

Sincerely,

MICHIGAN BAC HEALTH CARE FUND  
BOARD OF TRUSTEES