

MICHIGAN BAC FRINGE BENEFIT FUNDS

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

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

IMPORTANT NOTICE

July 2021

TO: ALL PARTICIPANTS OF THE MICHIGAN BAC HEALTH CARE FUND

RE: Summary of Material Modifications (SMM)

New Self-Payment and COBRA Rates For August 1, 2021 And For November 1, 2021

Dear Participant:

This SMM summarizes changes in the Fund's Self-Payment and COBRA rates, *which become effective on August 1, 2021 and on November 1, 2021.*

In short, on August 1 and November 1, 2021 we are raising the Self-Payment rates for most Fund participants. And, we are increasing the COBRA rates effective August 1, 2021. Below, we specifically explain these rate changes.

Q1: Who Is Affected By The August 1, 2021 Self-Payment Rate Changes?

A1: *Non-Medicare Retirees, Surviving Spouses and Families with Medicare and Non-Medicare Participants (Split Contracts)* will experience a monthly Self-Payment rate increase with their **August 2021** Self-Payment.

Q2: Who Is Affected By The November 1, 2021 Self-Payment Rate Changes?

A2: *Self-Pay Actives* will experience a monthly Self-Payment rate increase with their **November 2021** Self-Payment.

Q3: Are Medicare Retirees Affected By These Self-Payment Rate Changes?

A3: No. **Medicare Retirees** will experience *no* change in their Self-Payment rate.

Q4: What Are The August 2021 Self-Payment Rate Changes?

A4: Listed below are the *new* Self-Payment rates effective August 2021 for NonMedicare Retirees, Surviving Spouses, and Families with Medicare and NonMedicare Participants (Split Contracts).

**Non-Medicare Retirees, Surviving Spouses and Split Contracts
(Effective for the August 2021 Self-Payment)**

	Medical Only	Medical and Rx	Medical, Vision, Dental and Hearing	Medical, Rx, Vision, Dental and Hearing
1 Person, 2 Persons, Family, and Split Contract	\$640.02	\$793.48	\$665.02	\$818.48

Q5: What Are The November 2021 Self-Payment Rate Changes?

A5: Listed below are the *new* Self-Payment rates for Self-Pay Actives effective November 2021.

**Actives
(Effective for the November 2021 Self-Payment)**

	Medical, Rx, Vision, Dental and Hearing
1 Person, 2 Persons, and Family	\$818.48

Q6: What are the August 2021 COBRA Rate Changes?

A6: Below are the *new* COBRA rates effective August 2021.

	Medical and Rx	Medical, Rx, Vision, and Dental
1 Person	\$483.39	\$498.53
2 Persons	\$1,160.12	\$1,190.38
Family	\$1,450.14	\$1,502.52

A Final Note

We understand the impact of these rate increases. So, we raise these rates reluctantly. But, they are necessary for the prudent management of your health care program and the Fund's assets. And, we note that Active Working Fund participants share in the increases in the Fund's health care costs. Specifically, the hourly contribution rate to the Fund for active participants recently increased from \$7.51 per hour to \$7.87 per hour.

Sincerely,

Board of Trustees Michigan
BAC Health Care Fund