

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

August 2016

TO: ALL PARTICIPANTS IN THE MICHIGAN BAC HEALTH CARE FUND

RE: SUMMARY OF MATERIAL MODIFICATIONS TO ELIGIBILITY RULES, SHORT-HOUR REQUIREMENTS, AND NON-ACTIVE SELF-PAYMENT RATES

Dear Participant:

This is a summary of material changes we've made to the Michigan BAC Health Care Fund's Quarterly Eligibility Requirements, Short-Hour requirements and non-Active Self-Payment rates. We've made these changes after careful review.

These changes go into effect with the August 2016 work month. This means that the Quarterly Eligibility Requirement begins in August 2016, and the Short-Hour and non-Active Self-Payment rates will apply to the October 2016 Short-Hour and non-Active Self-Payments.

1. Quarterly Eligibility Requirements

We've changed the Quarterly Eligibility Requirement.

The Quarterly Eligibility Requirement is currently three hundred (300) hours. ***Effective August 1, 2016***, the Quarterly Eligibility Requirement will be three hundred and twenty five (325) hours.

Please Note: the Trustees ***did not*** increase the 1,100 hours in a 12 consecutive month requirement. So, you still only need 1,100 hours in a 12 consecutive month period to continue to be eligible for one month.

2. Short-Hour Requirement

The eligibility increase – from 300 to 325 hours – will also impact Short-Hour Self-Pay requirements since you'll have to pay the difference between the hours you worked and 325 hours, instead of 300. This change is effective with the August 2016 work month, ***so the change will apply to your October 2016 Short-Hour Self-Payment.***

In addition, you will only be permitted to purchase coverage through the Short Hour self-payment rules if you have been eligible during the most recent twelve (12) month period.

a) Coverage For A Single Participant

If you work and have employer contributions for at least 277 hours in three (3) consecutive months, you can make up the difference (the “Short-Hours”) between the hours you worked and the three hundred twenty-five (325) hours required for continued Fund eligibility. (As described above, effective August 1, 2016, three hundred twenty-five (325) hours in three (3) consecutive months is required to maintain Fund eligibility).

b) Coverage For A Participant And One Dependent

If you work and have employer contributions for at least 215 hours in three (3) consecutive months, you can make up the difference (the “Short-Hours”) between the hours you worked and the three hundred twenty-five (325) hours required for continued Fund eligibility.

c) Coverage For A Family

If you work and have employer contributions for at least 193 hours in three (3) consecutive months, you can make up the difference (the “Short-Hours”) between the hours you worked and the three hundred twenty-five (325) hours required for continued Fund eligibility.

What You Pay And What You Get In Coverage

To qualify to make “Short-Hours” payments, you must first meet the hours requirement that applies to you -- that is, single participant, participant with one dependent, etc.

Then, you must pay the *current* hourly health care contribution rate multiplied by the number of hours you’re “short.”

Here’s an example: if you’re “short” twenty (20) hours, you must pay the Fund \$6.57 x twenty (20) hours or \$131.40. The \$6.57 hourly rate is set forth in your *current* collective bargaining agreement.

We’ll monitor your eligibility to make “Short-Hour” payments. But, if you believe that you qualify to make “Short-Hour” payments, please contact the Fund Office immediately at the phone number listed below.

Summary of Material Modifications

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3. Non-Active Self-Payment Rates

The self-payment rates for the non-Active participants will increase as follows *effective for the August 2016 work-month (i.e., effective for self-payments due in October 2016)* (the self-payment rates for Active participants *is not* changing at this time):

Current Retiree Self-Payment Rates	Retiree Self-Payment Rates Effective 10/1/16	Retired and Non-Active Participants	Current Retiree Self-payment with Dental, Vision & Hearing	Retiree Self-Payment with Dental, Vision & Hearing - Effective 10/1/16
\$237.98	\$285.58	Single Retiree Coverage	\$263.28	\$315.94
\$290.53	\$348.64	Single Retiree Coverage with Prescriptions	\$337.81	\$405.37
\$535.44	\$642.53	Two Person Retiree Coverage	\$554.20	\$665.04
\$653.68	\$784.42	Two Person Retiree Coverage with Prescriptions	\$709.29	\$851.15
\$612.95	\$735.54	Family Coverage	\$619.12	\$742.94
\$784.42	\$941.30	Family Coverage with Prescriptions	\$793.43	\$952.12
\$137.04	\$164.45	Single Medicare Eligible Retiree	\$159.89	\$191.87
\$371.78	\$446.14	One Person with Medicare and One without Medicare	\$423.16	\$507.79
\$612.95	\$735.54	Two Persons without Medicare and One with Medicare	\$619.12	\$742.94
\$784.42	\$941.30	Family with Prescriptions and One Person with Medicare	\$793.43	\$952.12
\$267.62	\$321.14	Two Person Medicare Eligible Retiree Coverage	\$319.78	\$383.74
\$546.66	\$655.99	Two Persons with Medicare and One Person without Medicare	\$587.83	\$705.40
\$321.52	\$385.82	Single Widow without Medicare	\$327.95	\$393.54
\$653.68	\$784.42	Two Person Widow coverage without Medicare	\$709.29	\$851.14

If you have any questions regarding this information please contact the Fund Office at (800) 531-2244.

Sincerely

Michigan BAC Health Care Fund
Board of Trustees

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