

UNITED SCENIC ARTISTS
LOCAL 829 PENSION AND WELFARE FUNDS

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***** SUMMARY OF MATERIAL MODIFICATION (SMM WF No. 6) ***
UNITED SCENIC ARTISTS LOCAL 829 WELFARE FUND**

**KEEP THIS NOTICE WITH YOUR
USA LOCAL 829 WELFARE FUND SUMMARY PLAN DESCRIPTION**

**THIS NOTICE CONTAINS CRITICAL INFORMATION ON STRUCTURAL CHANGES TO THE
WELFARE PLAN EFFECTIVE FOR COVERAGE STARTING FEBRUARY 1, 2012.**

**PARTICIPANTS, ONCE QUALIFIED, ARE AUTOMATICALLY ELIGIBLE FOR LOW OPTION
INDIVIDUAL, AND MAY ELECT TO BUY UP TO HIGH OPTION INDIVIDUAL, OR LOW OR
HIGH OPTION FAMILY COVERAGE.**

**THE EMPLOYER CONTRIBUTION THRESHOLD IS INCREASED TO A
SINGLE QUALIFYING THRESHOLD**

September 1, 2011

Dear Participant,

Over the last several years, multiemployer health plans have experienced unprecedented challenges. Plans face rising healthcare costs and a lagging economy. While the Plan remains financially sound, the Plan's Board of Trustees must review all aspects of the Plan and take steps to maintain the financial health of the Plan, while providing the best medical benefits possible. In consultation with the Plan's professional advisors, the Trustees have determined that the changes described in this SMM are necessary.

Documents concerning the Medical, Prescription Drug and Dental Benefits plans and what is covered may be accessed under **Documents** by logging in at www.asonet.com. The Summary Plan Description (SPD) is the most complete information, along with the various "SMM" which are statements of periodic modifications. There are also summaries of the various parts of the plan.

Sincerely,
The Board of Trustees

WHEN WILL THE NEW PLAN GO INTO EFFECT?

The redesigned plan will be in place for coverage starting in February of 2012.

WHAT IS THE STRUCTURE OF THE NEW PLAN?

The new plan structure will have **Low Option** and **High Option** coverage for both Single and Family participants. The High Option Plan is the same plan that is currently in force. The Low Option Plan is an **in-network only** benefit. Both plans will include the current dental plan administered by Delta Dental and the current prescription drug program administered by CVS Caremark.

WHAT ARE THE NEW QUALIFYING CONTRIBUTION LEVELS?

The new Plan design works differently than the current plan. Once you qualify for Low Option Single coverage you may opt to "buy-up" to High Option Single, Low Option Family, or High Option Family coverage. You "buy-up" with a combination of Employer Contributions and out of pocket payments (**Self-Pay**). If you have enough Employer Contributions to cover the buy-up amount you pay only the *Administrative Fee*.... just as in the old system.

Both the qualifying employer contribution threshold and the maximum out of pocket liability have risen as shown on the following pages.

BILLING AND PAYING OPTIONS

Administration Fee and applicable Self Pay Payments to participate in the Plan and receive coverage will be billed Quarterly. Once you meet the Eligibility Threshold, **you must** make all required payments.

Six-Month Coverage Period	Billing Date	Due Date
February 1 to July 31	January 1	January 31
	April 1	April 30
August 1 to January 31	July 1	July 31
	October 1	October 31

The initial invoice, which will be mailed in early December 2011, will include the Administration Fee for the Coverage Period and the Self Pay required to maintain your chosen level of coverage, based on contributions received by the date of billing. Fifty percent of the total will be due in 30 Days. The balance is due at the start of the second quarter of the Coverage Period.

If additional contributions applicable to the Coverage Period are received on your behalf after you receive your initial invoice for the Coverage Period, the amount you owe will be adjusted on the second bill of the period.

A new payment option will be to remit payment on a monthly basis via automatic bank withdrawal.

Failure to pay on time will immediately bar you from participation for two consecutive Benefit periods.

SELECTING AND CHANGING COVERAGE

You select the level of coverage you want when you are billed for the start of a new coverage period. Your bill will detail the amount owed for the different levels of coverage.

You may change from a High Option Plan to a Low Option Plan and or from a Family Plan to a Single Plan when billed for the start of a new coverage period. However, if you select a Low Option Plan or Single Plan, you must wait two consecutive coverage periods to buy up to a High Option Plan or Family Plan. You may buy-up to a Family Plan without waiting only under certain circumstances described in the **Special Enrollment** section on page 23 of the Summary Plan Description.

HOW CAN I ESTIMATE HOW MUCH I WILL HAVE TO PAY

In December you will receive a statement with the cost of each benefit option, the contributions received on your behalf to date, the Administration Fee and your required Self Pay (if applicable). On the following pages of this letter you will find information regarding the Eligibility Threshold, Administration Fee and Self-Pay Fee for each benefit option and a worksheet to help you estimate the cost of your coverage. This information will soon be available on www.asonet.com.

WHAT IS THE BENEFIT STRUCTURE OF THE NEW PLAN?

The new plan structure will have **Low Option** and **High Option** coverage for both Single and Family participants.

In the chart below the "High Option Plan" is on the right and **is the current plan**. The "Low Option Plan" is on the left. The differences between the High Option and the Low Option Plan are in out of pocket cost and flexibility of choice of providers rather than what is covered.

If you are selecting the Low Option Plan, new Blue Cross Blue Shield ID cards will be issued. If you select the High Option Plan, you will continue to use your current ID card.

For In-Network services under the Low Option:

- The participant pays 20% rather than 10% coinsurance
- The Deductible is Higher
- The Out of Pocket Maximum is higher, and
- The Low Option Plan is **in-network ONLY** - there is no out of network coverage.
- All other benefits are the same, dental, Rx, etc.

Comparison Summary- Below is a brief comparison of the Low Option and High Option plan. More detailed information will be made available in time for participants to make an informed decision.

	Low Option Plan (In Network Only)	High Option Plan	
	In-Network-Only	In-Network	Out-of-Network
Deductible	\$1,000 an individual and \$2,500 family	n/a	\$1,000 an individual and \$2,500 family
Out-of-Pocket Maximum	\$4,000 Individual/\$10,000 family	\$800 Individual/\$2,000 Family	\$3,000 Individual/\$7,500 family
Coinsurance	20%	10%	30%
Hospital Inpatient	Same as High	Subject to deductible and coinsurance	Subject to deductible and coinsurance
Emergency Care	Same as High	100% with a \$75 copay	same
Outpatient Mental Health	Same as High	\$30 copay per visit up to 20 visits a year	Subject to deductible and coinsurance

**UNITED SCENIC ARTISTS LOCAL 829 WELFARE FUND
ELIGIBILITY THRESHOLD, SELF-PAY, AND ADMINISTRATION FEE FOR
SIX MONTH COVERAGE PERIOD
EFFECTIVE 2/1/2012**

The Eligibility Threshold is the minimum amount of **Employer Contributions** made on your behalf during a six-month Earnings Period, or other applicable earnings period, in order to be eligible for coverage under the Welfare Fund.

Effective 2/1/2012 the eligibility threshold is **\$1,300** in Employer Contributions during a single Earning Period to qualify for benefits in **one** Coverage Period.

or

An average of at least **\$1,300** in Employer contributions per Earning Period over the last four Earning Periods to qualify for benefits in **one** Coverage Period.

A Self-Pay Payment- is due when your employer contributions are above the eligibility threshold but below the amount required for the **option of your choice**. Your Self-Pay payment is the difference between the average of your actual employer contributions over the past two prior Earning Periods and the amount required for your coverage option coverage to pay NO Self Pay.

- For Regular Participants the employer **contributions** required to pay **NO** Self-Pay will be :
 - **\$1,900** in employer contributions for **Option1 Single Low Coverage**
 - **\$2,500** in employer contributions for **Option 2 Single High Coverage**
 - **\$4,500** in employer contributions for **Option 3 Family Low Coverage**
 - **\$8,583** in employer contributions for **Option 4 Family High Coverage**

- For Regular Participants the **MAXIMUM Self-Pay-Payments** will be:
 - **Option 1 Single Low Coverage \$600**
 - **Option 2 Single High Coverage \$1,200**
 - **Option 3 Family Low Coverage \$3,200**
 - **Option 4 Family High Coverage \$7,283**

The Administration Fee is due from all eligible participants in order to receive coverage.

- **\$636** for **single coverage** for six months of coverage and
- **\$1,056** for **family coverage** for six months of coverage

PARTICIPANT WORKSHEET TO ESTIMATE THE COST OF YOUR COVERAGE

	OPTION 1 SINGLE-LOW	OPTION 2 SINGLE-HIGH	OPTION 3 FAMILY-LOW	OPTION 4 FAMILY-HIGH
A. EMPLOYER CONTRIBUTIONS TO MEET THE ELIGIBILITY THRESHOLD	\$1,300	\$1,300	\$1,300	\$1,300
B. AVERAGE EMPLOYER CONTRIBUTIONS DURING THE PRIOR TWO EARNINGS PERIODS REQUIRED TO HAVE NO SELF-PAY	\$1,900	\$2,500	\$4,500	\$8,583
C. MAXIMUM SELF-PAY	\$600	\$1,200	\$3,200	\$7,283
D. ADMINISTRATION FEE- PER COVERAGE PERIOD	\$636	\$636	\$1,056	\$1,056
E. MAXIMUM OUT-OF-POCKET COST- PER COVERAGE PERIOD	\$1,236	\$1,836	\$4,256	\$8,339

For Example: a participant opts for High Option Single Coverage

Step 1	Employer Contributions Required to have No Self-Pay for the health care option of your choice (see Row C)	1	\$2,500
Step 2	Employer Contributions Made on your behalf for the appropriate 6 month period, or the average for two 6 month periods	2	\$2,245
Step 3	Calculate your Self-Pay (Subtract 1 from 2)	3	\$255
Step 4	Enter Administration Fee (see Row D)	4	\$636
Step 5	Calculate Total Six Month Expense (Add Step 3 plus Step 4)	5	\$891

DEFINITIONS

Earning Period is the six-month period from period **January 1, through June 30** and **July 1 through December 31** where employer contributions are made on your behalf to this Fund.

Coverage Period is the six-month period following an Earnings Period beginning on **February 1 or August 1** for which you are eligible for and receive coverage, and for which all required Administrative Fees and applicable Self-Pay Payments are paid.

Eligibility Threshold is the minimum amount of **Employer Contributions** made on your behalf in order to be eligible for and maintain coverage under the Welfare Fund. The Eligibility Threshold is \$1,300 in Employer contributions during a single Earning Period to qualify for benefits in one Coverage Period or an average of at least \$1,300 per Earning Period over the last four Earning Periods to qualify for benefits in one Coverage Period.

Administration Fee is a participation fee that is due from all participants each Coverage Period in order to receive coverage.

Self-Pay Payment- is the amount due when your *employer contributions* are above the *eligibility threshold* but below the amount required for participation in the coverage option of your choice. Your Self-Pay payment is the difference between the average of your actual employer contributions over the two prior Earning Periods and the amount required for your coverage option coverage to pay NO Self-Pay.

Maintaining Your Eligibility-In order to maintain your eligibility for coverage you must continue to meet the requirements set forth above.

Effective Date of Coverage-Benefits Coverage begins on the first day of the Coverage Period beginning either February 1st or August 1st following the Earning Period during which you meet the above requirements, provided the Administrator receives the required Administrative Fee and any required Self-Pay Payment by the due date.

DISCLAIMER

This document is a Summary of Material Modifications ("SMM") intended to notify you of important changes made to the United Scenic Artists Local 829 Welfare Fund ("the Plan"). Please read this SMM carefully and keep it with the copy of the Summary Plan Description ("SPD") that was previously provided to you. If you need another copy of the SPD or if you have any questions regarding these changes to the Plan, please contact ASO at 303 Merrick Road, Suite 300, Lynbrook, NY 11563 or (877) 999-3555.

NOTE: This is not a complete benefit comparison or a contract, and should only be viewed as a brief summary to assist you in understanding the benefit program. A detailed benefits description, including limitations and exclusions, is contained in the Certificate of Insurance. The terms, conditions, limits and exclusions shown in the Certificate of Insurance shall govern.

This Summary of Material Modifications (SMM) is intended to provide you with an easy-to-understand description of certain changes to the Plan. While every effort has been made to make this description as complete and as accurate as possible, this SMM, of course, does not contain a full restatement of all of the terms and provisions of the Plan. If any conflict should arise between this SMM and the Plan, the terms of the Plan will govern in all cases.

The Board of Trustees or its duly authorized designee, reserves the right, in its sole and absolute discretion, to amend, modify or terminate the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason, in accordance with the applicable amendment procedures established under the Plan and the Agreement and Declaration of Trust establishing the Plan (the "Trust Agreement"). The Trust Agreement is available at the Fund Office and may be inspected by you free of charge during normal business hours.

No individual other than the Board of Trustees (or its duly authorized designee) has any authority to interpret the plan documents, make any promises to you about benefits under the Plan, or to change any provision of the Plan. Only the Board of Trustees (or its duly authorized designee) has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Plan and decide all matters arising under the Plan.