FUND
UPDATE

NEWS FROM ROAD CARRIERS LOCAL 707 WELFARE & PENSION FUND ~ JULY 2005

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Please note that there is important information about your rights under the Plan in this issue. Please read and retain for future use.

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PLAN CHANGES ARE IMPROVING FUND'S FINANCIAL CONDITION

Tough Medicine Is Helping To Restore Funds' Financial Health

Less than a year has passed since the announcement of important benefit changes to both the Pension and Welfare Funds. As was explained at the time, these changes were required to deal with the severe economic and demographic conditions confronting the Funds. The stock market's historic negative performance for three years and spiraling medical costs created unprecedented financial pressure on the Funds. These were coupled with a steady decrease in the number of actives and an increase in the number of retirees drawing benefits for a longer period of time.

These severe conditions required action by the Trustees to preserve the long-term financial security of the Funds. Although the changes were tough medicine, they were absolutely necessary. Over the past year, you may have heard of other funds similarly making benefit changes, some much more severe than ours. The funds that waited too long to act – or that have refused to make necessary changes – are facing financial hardship. Fortunately, that is not the case with our Funds.

During the past year, the Trustees have continued to work on restoring the financial health of the Funds, and the changes are starting to work. For the Welfare Fund, the combination of savings from the switch to Empire Blue Cross/Blue Shield and reduction in costs from the benefit changes has had a positive effect. These savings have slowed the rate of medical inflation experienced by the Welfare Fund, and improved the Fund's overall financial condition. Importantly, they also have allowed allocation of employer contribution increases under the NMFA to be made to the Pension Fund, which the actuary has said is a necessary step.

One concrete example of how the benefit changes have made a difference in the Health Fund is that we have been able to stop spending down the Fund's reserves (savings). Before the benefit changes were implemented effective September 1, 2004, the Fund was transferring approximately $600,000 every other month from its reserves because the income of the Fund (employer contributions) was not enough to cover benefits and expenses. Obviously, this could not continue. Since the changes were implemented, only one transfer of $300,000 has been necessary.

Unfortunately, there is no end in sight for escalating medical expenses, and especially for the cost of retiree health benefits. Health care costs continue rising much faster than inflation, and this year likely will be the sixth consecutive year of double digit increases. The good news, however, is that the Health Fund has taken steps to balance its current budget.

The changes made to the Pension Fund are longer term, and have been in place only since January 1, 2005. The effects of the plan changes will be slower, but they appear to be having the desired effect. In addition to having no more employer bankruptcies, an improved financial market is key to restoring the Pension Fund to financial health. The Trustees are working diligently to ensure that the Fund's investment returns are maximized.

The Board of Trustees will continue to monitor the financial condition of the Funds.

Road Carriers Local 707
BOARD OF TRUSTEES

Union Trustees
Kevin McCaffrey
Vincent Cangelosi

Fund Manager
David B. Stewart, C.E.B.S.
Phone (516) 486-7100 ~ 1-800-366-3707

Employer Trustees
Peter Hassler
Tom J. Ventura

Road Carriers Local 707 Welfare and Pension Plans
14 Front Street, Ste. 301 ~ Hempstead, New York 11550

Website
www.roadcarriers707.com

Helpful Hints

Your attention to these matters can help to maximize the benefits available to you!

FAQ'S

Why does the Empire system say I have no out-of-network benefits?
The Empire EPO product we subscribe to for our members does not have an out-of-network benefit. However, the Fund supplements the EPO coverage with an out-of-network benefit. All claims for out-of-network coverage should be submitted to the Fund Office for processing.

Why does the Empire system say I have no deductible?
The deductible does not apply to in-network claims. The deductible only applies to out-of-network benefits. Because out-of-network benefits are not provided by Empire (they are provided by the Fund), their systems reflects no deductible.

Where do I purchase my maintenance drugs?
You must purchase your maintenance drugs (medication for ongoing disease management - e.g. heart conditions, diabetes, high blood pressure) through the Teamsters Care Mail Pharmacy.

What if my doctor is not sure if a medication is the one I will be staying on for my disease management?
When you are first prescribed a medication, ask your physician to order an initial trial amount and obtain that prescription from your local network pharmacy. Once your physician has determined that this is the correct medication and that a maintenance supply is needed, follow these guidelines: (1) Have a physician write out a prescription (3 month supply maximum of 90 days) (2) Complete the Teamsters Care Pharmacy order envelope. Be sure to include all requested information. Enclose a check made payable to Teamsters Care Pharmacy for the correct co-pay amount for each prescription. (3) For a new prescription, call Teamsters Care Pharmacy at 1-800-235-0760 for the correct co-payment. (4) Allow at least 10-14 days for your prescription to be returned to you.

Can I pay for my mail order prescription by credit or debit card?
Yes, fill out a credit/debit card authorization form and mail it to Teamsters Care Pharmacy. All future orders will be processed through your credit/debit card.

Will Teamster Care Pharmacy dispense brand name medications?
They will dispense brand name medications unless an approved, therapeutically equivalent generic alternative is available. In this case, the generic alternative will be dispensed.

What if my physician wants me to take a brand name drug?
When an approved generic product is available and your physician indicates that "only" the brand name must be used, the prescription will be returned to you. In this case, the prescription must be filled at a local network pharmacy and will be subject to the 30 day limit and a higher co-payment.

REPORTING CHANGES IN ENROLLMENT INFORMATION

It is your responsibility to update your enrollment information. If there is a change in your family, such as a new child, a new marriage or a divorce, **you must notify the Fund immediately.** This information will allow us to change your eligibility profile to include or exclude dependents. Failure to do so can result in inaccurate eligibility information and may result in improper claim payment in the case of a divorce.

POST MASTECTOMY RECONSTRUCTIVE SURGERY

You should be aware that the Road Carriers Local 707 Welfare Fund covers Post-Mastectomy Reconstructive Surgery. The following is a brief description of this coverage update:

- Subject to the usual deductible and co-insurance, for any participant or dependent undergoing a mastectomy and who elects reconstructive surgery, the Fund covers reconstruction of the breast on which the mastectomy was performed.
- As part of this, the Fund also covers reconstruction of the breast on which the mastectomy was not performed in order to produce a symmetrical appearance.
- In addition, the Fund covers the cost of any prostheses and treatment of physical complications at all stages of the mastectomy including lymphedemas.
- To be covered, reconstructive surgery must be conducted in a manner determined in consultation with the attending physician and patient. The coverage for reconstructive surgery will be subject to the usual deductible and co-insurance consistent with the terms of the Fund's summary plan description.

ATTENTION MEN - PROSTRATE CANCER

Prostate cancer is the most common nonskin cancer among men in the United States. Risk factors for prostate cancer include

- Being 50 years of age or older
- Having a brother, son, or father who had prostate cancer
- Eating a diet high in fat or drinking alcoholic beverages

Tests that may detect prostate cancer are:

- Digital rectal exam to feel the prostate for lumps or anything else that may seem unusual
- PSA-a prostate-specific antigen. A blood test to detect the amount of PSA made by the prostate that may increase in men with prostate cancer. (PSA levels may also be high in men who have an infection or inflammation of the prostate or benign prostatic hyperplasia (BPH: en enlarged, but noncancerous, prostate)

BE ON THE SAFE SIDE, CALL YOUR PHYSICIAN TODAY!

REVISED SUMMARY PLAN DESCRIPTIONS (SPD'S)

Revised Summary Plan Descriptons (SPD's) **Plan A** - have been delivered to all jobs. You should have a copy of the Plan A SPD if this is the plan that you participate in. If you did nt receive it, please contact the Fund Office and we will send you the SPD free of charge. **SPD's for Plans B, C, G and RA** will be availalbe in the near future.

WEBSITE ADDRESSES FOR VENDORS

Here are some useful websites for obtaining up-to-date benefit and provider information:

DDS Dental Plans - www.ddsinc.net. Enter group #**707** and proceed requesting desired information.
Annual Physical Exams - www.professionalevaluationmedicalgroup.com
Medical Case Management - www.ullicare.com
MagnaCare PPO Provider - www.magnacare.net/ppo.htm
Empire Hospital Case Management - www.empireblue.com
Davis Vision Care - www.davisvision.com

SUMMARY ANNUAL REPORT FOR ROAD CARRIERS LOCAL 707 WELFARE FUND

This is a summary of the annual report of the ROAD CARRIERS LOCAL 707 WELFARE FUND, EIN 11-2159859, Plan No. 501, for the period September 1, 2003 through August 31, 2004. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Insurance Information

The plan has contracts with GHI HMO, AETNA INC., AMALGAMATED LIFE INSURANCE COMPANY, HIP HEALTH PLAN OF NEW YORK, GEISINGER HEALTH PLAN and MVP HEALTH PLAN INC. to pay medical, life insurance, temporary disability, long-term disability and prepaid comprehensive claims incurred under the terms of the plan. The total premiums paid for the plan year ended August 31, 2004 were $4,022,945.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was $16,449,866 as of August 31, 2004, compared to $19,261,944 as of September 1, 2003. During the plan year, the plan experienced a decrease in its net assets of $2,812,078. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of $22,458,497, including employer contributions of $19,697,377, employee contributions of $1,096,739, other income of $5,035, realized gains of $451,419 from the sale of assets, and earnings from investments of $1,207,927.

Plan expenses were $25,270,575. These expenses included $1,791,915 in administrative expenses and $23,478,660 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of the plan assets; and
5. Insurance information, including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write BOARD OF TRUSTEES ROAD CARRIERS LOCAL 707 WELFARE FUND, 14 FRONT STREET, HEMPSTEAD, NY 11550, (516) 486-7100. The charge to cover copying costs will be $15.75 for the full annual report, or 25 cents per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan (BOARD OF TRUSTEES ROAD CARRIERS LOCAL 707 WELFARE FUND, 14 FRONT STREET, HEMPSTEAD, NY 11550) and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

SUMMARY ANNUAL REPORT FOR ROAD CARRIERS LOCAL 707 PENSION FUND

This is a summary of the annual report for the ROAD CARRIERS LOCAL 707 PENSION FUND, EIN 51-6106510, Plan No. 001, for the period September 1, 2003 through August 31, 2004. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the plan are provided through a trust fund. Plan expenses were $39,621,608. These expenses included $2,991,951 in administrative expenses and $36,629,657 in benefits paid to participants and beneficiaries. A total of 5,274 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was $323,730,056 as of August 31, 2004, compared to $328,676,773 as of September 1, 2003. During the plan year the plan experienced a decrease in its net assets of $4,946,717. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of $34,674,891 including employer contributions of $13,770,672, realized gains of $3,450,463 from the sale of assets, and other earnings from investments of $17,453,756.

Minimum Funding Standards

An actuary's statement shows that enough money was contributed to the plan to keep it funded in accordance with the minimum funding standards of ERISA and, as of September 1, 2003, the current value of plan assets covers 52.78% of the current liability under the plan.

Your Rights To Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. Assets held for investment;
2. Transactions in excess of 5% of the plan assets;
3. Financial information and information on payments to service providers;
4. Actuarial information regarding the funding of the plan; and
5. Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates.

To obtain a copy of the full annual report, or any part thereof, write or call BOARD OF TRUSTEES ROAD CARRIERS LOCAL 707 PENSION FUND, 14 FRONT STREET, HEMPSTEAD, NY 11550, (516) 486-7100. The charge to cover copying costs will be $16.25 for the full annual report, or 25 cents per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

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Dear Pension Fund:

I would like to express my appreciation for the 13th check I received. I assure you it ill be put to good use, once again. Many thanks and a prosperous New Year to all!

Carmella Hollenback

Dear Michelle Atkins,

I cannot thank you enough for all your help in clearing up a matter that existed for our son for over a period of three years. Within the same day of my desperate phone call, you responded. We appreciate the empathy you have shown to our family. It was because of your willingness to listen, your professional attitude and experience that this matter was cleared up so quickly. It is obvious that you went above and beyond. I only hope my simple "Thank you" is enough!

Katrina Bostwick

To All The Staff at Local 707:

A special note for you bringing many thanks from me. Thanks for all your help.

Joe Mangiaracina, Jr.

Dear Maria Arroyo,

Thank you so much for all the help you have given me these past few years. My husband has retired from 707 and I probably won't be speaking with you after our insurance runs out. You are one of the sweetest ladies I have ever had the pleasure to know (over the phone). You are the best - a real considerate, caring, loving sweet and thoughtful lady.

Nancy Miller

Dear Mr. Stewart:

It is my great pleasure to be writing this letter on behalf of one of your employees. I am speaking of Maria Arroyo. Last year my husband had major back surgery. Fortunately, neither one of us had ever been hospitalized and needless to say, it was pretty traumatic. I probably first spoke with Maria towards the end of May, trying to figure out all that I needed to do to prepare for the hospitalization and surgery. Not only was she helpful by answering all my questions, but she also was very sincere and courteous. It seems that this is her personality because anytime I speak with her she makes me feel assured that all my needs are considered. We are pleased with the results of the back surgery to date and also glad that we have taken this time to praise this wonderful woman.

Geraldine Hopkins

IT IS YOUR RESPONSIBLITY TO USE A PARTICIPATING PROVIDER

Please be advised that it is your responsibility to determine whether the medical providers you and your family use participate in your network.

MagnaCare Medical PPO

If you are enrolled in the MagnaCare Medical PPO, check to see that the doctor or other provider you use participates with MagnaCare. If you are referred outside the doctors office for X-rays, blood tests or other diagnostic procedures, make sure you are being referred to a MagnaCare radiologist, laboratory, etc. Network providers are supposed to make their best effort to refer you to another in-network provider. However, the responsibility is yours. The Fund Office will process out-of-network claims. However, all out-of-network claims, regardless of the place of service, will be subject to your plan's annual deductible and coinsurance. To check the participation status of a provider, you can call MagnaCare or visit their website. Their phone number is 516-227-6900. Their URL is www.magnacare.com.

Empire BlueCross BlueShield EPO

If you are enrolled in the Empire BlueCross BlueShield EPO, check to see that the doctor or other provider you use participates with Empire BlueCross BlueShield EPO. If you are referred outside the doctors office for X-rays, blood tests or other diagnostic procedures, make sure you are being referred to a BlueCross BlueShield radiologist, laboratory, etc. Network providers are supposed to make their best effort to refer you to another in-network provider. However, the responsibility is yours. The Fund Office will process out-of-network claims. However, all out-of-network claims, regardless of the place of service, will be subject to your plan's annual deductible and coinsurance. To check the participation status of a provider, you can call Empire or visit their website. Their phone number is 1-800-553-9603. Their URL is www.empireblue.com.

Road Carriers Local 707
Welfare & Pension Funds
14 Front Street, Ste. 301
Hempstead, New York 11550

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U.S. POSTAGE
PAID
Bayshore, NY 11706
Permit No. 55