



NEWS FROM ROAD CARRIERS LOCAL 707

WELFARE & PENSION FUND ~ SEPTEMBER 2011

INSIDE THIS ISSUE

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

YRC Resumes Pension Payments - page 1-2

A Change to your Prescription Benefits - page 2

Second Surgical Opinions - page 2

Patient Protection & Affordable Care Act - page 3

Post Mastectomy Reconstructive Surgery - page 3

Optometrist vs. Ophthalmologist - page 3

Customer Service - page 3

Welfare Fund Summary Annual Report - page 4

Handling Claims During a Divorce - page 5

Paying Emergency Room Claims for Out of Network Providers - page 5

Just a Reminder Regarding your Pension Benefits - page 5

Change in Widowed Spouse Medical Benefits - page 5



YRC Resumes Pension Payments

On June 1, 2011, the Restructuring Agreement between the Teamsters and the YRC Worldwide companies (including YRC, Inc. and New Penn) required the Company to begin making pension contributions again. The Company had not made pension contributions for more than two years. Under the Agreement, the pension payment is at 25% of the rate in effect on July 2009 or approximately \$1.86 per hour. This is part of Restructuring Agreement which reduced YRCW's debt load and gave it more liquidity and working capital. Most believe that without this pension relief and other concessions the Union provided to the Company, YRC and New Penn would be out of business today. This would have been disastrous for the Local 707 Pension Fund.

Under the Pension Protection Act (PPA), our Fund could not accept these payments until September 1, 2011 which is when our Rehabilitation Adoption Period was completed. From June 1 to September 1, 2011, the payments were made into an escrow account in the name of our Pension Fund. YRCW made those payments into the escrow amount based on the terms of the restructuring agreement. After September, 2011 the contributions will be paid directly to the Pension Fund as contributions.

At a recent meeting of the Board of Trustees of the Pension Fund it was agreed the payments made into the escrow account, representing hours worked from June 1st to August 31, 2011 shall be counted towards a vesting credit but not towards the accrual or value of the credit.

There are two aspects to a pension credit;

- The first is the vesting portion which gives you a year of service. A full vesting credit or year of service is earned by working 1000 hours in a calendar year. These hours include all paid for time including overtime. If you work less than 1000 hours, your vesting credit is determined by the amount of hours worked. For example if you work 750-999 hours you earn $\frac{3}{4}$ of a vesting credit, if you work 500-749 hours you earn $\frac{1}{2}$ of a credit and if you work 250-499 hours you earn $\frac{1}{4}$ of a vesting credit. The vesting credit determines the number of years of service you earned. Working 40 hours a week for 52 weeks adds up to 2080 hours. If your vesting starts accumulating on June 1st, you have approximately 30 weeks to earn your vesting credit of 1000 hours. If you work 40 hours or more each week, you should have plenty of time this year to get your 1000 hours and your vesting credit or year of service.

- The second part is the accrual which is the value of the credit. The accruals or value of the credit is calculated using a formula based on the amount of hours contributed up to a maximum of 8 hours per day. The accrual or value of the credit does not include overtime. Unlike the vesting credit, the accrual or value of the credit is based on hours contributed on your behalf not all hours worked. The NMFA and almost all contracts have a maximum contribution of 8 hours per day regardless of the amount of hours worked. The exception is workers on 4-10s where the employer pays up to 10 hours per day of contributions. Since 2004, this is the method used to value your pension credits. Beginning September 1, 2011 the accruals or value of your pension credit will resume based on the reduced contribution rate.

YRC Resumes Pension Payments ... continued

It is great news YRCW is contributing again but the effects of YRCW's financial difficulties has had a devastating impact on our Fund. YRCW represents 80% of our monthly contributions. Before the resumption of payments in June, we went without any pension contributions for over two years. And, even though YRC's payments have resumed, they are only 25% of the July 2009 contribution rate. And, it will stay at this rate for almost the next 4 years. This coupled with investment losses in 2008 and the most recent market loses in 2011 are making the funding of our future benefits very challenging. The Trustees are looking at every possible alternative to ensure our Pension Fund is able to pay out the benefits that have been promised. Given the cuts in benefits that already have been made, there are limitations to what else can be done. Under current law the Trustees are prohibited from reducing any accrued benefits. These accrued benefits are any vested benefits earned for actives and any benefits retirees are currently receiving.

Our Fund is not alone. Absent a change through legislation or some other assistance from the government, the long future of defined benefit plans is in jeopardy. The Trustees are in contact with all the agencies which govern multiemployer defined benefit plans like ours to see if there is a solution. Be assured every available option is being explored.

A Change To Your Prescription Drug Benefit

As of September 1, 2011, our mail order vendor will change to Express Scripts. They are currently our vendor for the retail pharmacy benefits. You should already have received information from Express Scripts with regard to the procedure you will need to follow to order your home delivery prescriptions. Just to recap, please note the following:

- You can register your home delivery account with Express Scripts by setting up your account at www.express-scripts.com or complete a New Patient Home Delivery Form. If you don't have a form, you can either print one at www.express-scripts.com, or you can contact Express Scripts Pharmacy to request one by calling the toll free number at 888-285-4584.
- Ask your doctor to write a prescription for up to a 90-day supply of your medication plus refills for one year if appropriate.
- When you fill a prescription through the Express Scripts Pharmacy for the first time, you can expect delivery of your order within two weeks from the time they receive the prescription from your doctor. We recommend that you have a 30 day supply of your medication on hand at the time of your order. Refills typically take three to five days to process.

Second Surgical Opinion

All Participants and Dependents must obtain a second opinion as to the need for the elective surgical procedures listed below, whether inpatient or ambulatory. The surgical procedures for which you must obtain a second opinion are as follows:

Back Surgery (Disc surgery, including injection therapy); Eye Surgery (Eyelid surgery; Blepharoplasty; Lipectomy (Removal of fatty tissue); Nose Surgery (Rhinoplasty); Scar Revision (All surgeries); Vein Surgery (Sclerotherapy, agent injections).

For further information on the Second Surgical Opinion Consultation Program please contact the Fund Office at 516-560-8500.

Patient Protection and Affordable Care Act Extends Health Care Coverage for Young Adult Children to Age 26

The Affordable Care Act requires plans that offer coverage to children to make the coverage available until the day the adult child reaches age 26. Young adults are eligible for this coverage regardless of the following factors: financial dependency, residency with parent, student status, employment and/or marital status. Road Carriers Local 707 Welfare Fund will provide this coverage as of September 1, 2011. A detailed notice was sent to all participants on May 9, 2011.

Post-Mastectomy Reconstructive Surgery*

The Road Carriers Local 707 Welfare Fund covers Post-Mastectomy Reconstructive Surgery. Briefly described, any participant or dependent receiving mastectomy-related benefits will be covered, in a manner determined in consultation with the attending physician and the patient, for: Reconstruction of the breast on which the mastectomy was performed; Reconstruction of the breast on which the mastectomy was not performed in order to produce a symmetrical appearance; Protheses; and Treatment of physical complications at all stages of the mastectomy, including lymphedema.

Coverage for all reconstructive surgery described here will be subject to the normal copayments, deductibles and co-insurance consistent with the Plan's terms as described in the applicable Summary Plan Description.

**Federal Law requires that we provide this notice to you annually.*

Optometrist vs. Ophthalmologist

Services rendered by an **Optometrist** must be submitted to Davis Vision for payment. This includes a comprehensive eye examine, eyeglasses and contacts.

Services rendered by an **Ophthalmologist** must be submitted to Blue Cross Blue Shield for payment. This includes any medical condition of the eye.

Customer Service at Road Carriers Local 707 Welfare & Pension Fund

For information regarding the Pension and Welfare Fund, please call our office during business hours, 8:30 am to 4:00 pm, Monday through Friday. The phone number is 516-560-8500.

Union Trustees
Kevin McCaffrey, C.E.B.S.
Vincent Cangelosi

Interim Fund Manager
Kevin McCaffrey, C.E.B.S.
Phone (516) 560-8500 ~ 1-800-366-3707
Road Carriers Local 707 Welfare and Pension Plans
14 Front Street, Ste. 301 ~ Hempstead, New York 11550
Website ~ www.roadcarriers707.com

Employer Trustees
Peter Hassler
Tom J. Ventura

SUMMARY ANNUAL REPORT FOR ROAD CARRIERS LOCAL 707 WELFARE FUND

This is a summary of the annual report for Road Carriers Local 707 Welfare Fund, EIN 11-2159859, Plan No. 501 for the period September 1, 2009 to August 31, 2010. The annual report has been filed with the Employee Benefits Security Administration as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The plan has contract(s) with Cigna Life Insurance Co. of New York, Empire HealthChoice HMO, Inc. and Harford Life Insurance Co. to pay certain Health, Life Insurance, Dental, Vision, Temporary Disability, Long-Term Disability and other claims incurred under the terms of the plan. The total premiums paid for the plan year ended August 31, 2010 were \$2,660,557.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$3,360,591 as of August 31, 2010, compared to \$3,535,536 as of September 1, 2009. During the plan year the plan experienced a decrease in its net assets of (\$174,945). This decrease includes unrealized appreciation or 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 \$17,133,315, including employer contributions of \$14,852,822, employee contributions of \$2,049,422, losses of (\$280) from the sale of assets and earnings from investments of \$208,406. Plan expenses were \$17,308,260. These expenses included \$1,191,071 in administrative expenses and \$16,117,189 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 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 or call the office of the Board of Trustees at Road Carriers Local 707 Welfare Fund at 14 Front Street, Hempstead, NY, 11550, (516) 486-7100. The charge to cover copying costs will be \$9.75 for the full report, or \$.25 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, if any, or a statement of income and expenses of the plan and accompanying notes, if any, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes, if any, will be included as part of that report. The charge to cover copying costs given above does not include a charge for 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 at 14 Front Street, Hempstead, NY, 11550 and at the US Department of Labor in Washington DC, or obtain a copy from the US Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, US Department of Labor, 200 Constitution Avenue, NW, Washington DC 20210.

Handling Claims During A Divorce

Marriage between a Participant and his or her spouse ends on the date that a judgment of divorce is signed. Coverage will terminate for the spouse at the end of the month in which the divorce occurred. The Participant, however, is responsible for notifying the Fund of the divorce. Until you are divorced, you remain married, even if you marry again. A subsequent marriage is invalid if you have not divorced.

Failure to notify the Fund that a former spouse is no longer eligible for benefits will be considered an act of fraud upon the Fund and the Participant will be responsible for any claims that the Fund pays for the former spouse.

Paying Emergency Room Claims for Out of Network Providers

As of September 1, 2011, the Plan will pay 100% of **reasonable** charges to out of network providers in the emergency room.

Just a Reminder Regarding Your Pension Benefits

Withholding Taxes on 13th Check

All requests for holding taxes on the 13th pension check must be made in writing. Direct your request to Sonia Pinzon, Road Carriers Local 707 Pension Fund, 14 Front Street, Ste. 301, Hempstead, NY 11550.

Power of Attorney

In order to speak with anyone other than yourself with regarding to pension benefits, it is imperative that we have a executed Power of Attorney.

Change in Retire Medical Coverage Eligibility for Spouses in Empire HMO

Currently, if you reach age 65, your spouse will continue to be covered for 3 years or until your spouse reaches age 65, if earlier. Your spouse pays 100% of the cost. **Effective 11/1/11, for those participants in the Empire HMO only, this coverage is extended an additional 2 years for a total of 5 years.**

Currently, if you die before you reach age 65, your spouse will be covered for 3 years or until your spouse reaches age 65, if earlier, at the subsidy rate in effect at the time of your death. **Effective 11/1/11, for those participants in the Empire HMO only, the eligibility for medical coverage is extended an additional two 2 years. Your spouse will pay 100% of the cost for the last 2 years of eligibility.**

Flu Shot

Road Carriers Local 707 Welfare Fund will reimburse you up to a maximum of **\$25.00** if you get your flu shot at any local pharmacy offering flu shots.

All you need to do is go to the pharmacy and have the flu shot and pay for it yourself. Ask for a customer receipt and an immunization record card and send both forms to Road Carriers Local 707 Welfare Fund, 14 Front St., Ste. 301, Hempstead, NY 11550, Attention: Daisy Singh. Be sure to check that your name and address is correct so we can reimburse you in a timely manner.

***PRIVACY NOTICE REMINDER**

As you may remember, on or about April 14, 2003, the Road Carriers Local 707 Welfare Fund (“Fund”) sent its HIPAA Notice of Privacy Practices (“Notice”) to you. That Notice is still applicable and available for your review, and review by your dependents. You and your dependents can obtain copies as follows:

1. The Notice is available on the Fund’s website at www.roadcarriers707.com.
2. If you would like a hard copy of this Notice sent to you, please submit a written request to:

**HIPAA Contact Person
Road Carriers Local 707 Welfare Fund
14 Front Street, Ste. 301
Hempstead, NY 11550
516.560.8500**

**Federal law requires that we provide this notice to you annually.*

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

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