IMPORTANT NEW DEBIT CARD ANNOUNCEMENT

July 5, 2012

Dear UA Local 190 Member:

The Trustees of the UA Local 190 Health & Welfare and IHRA Plans are happy to announce that beginning in August, 2012 you will be able to access your **Prescription, Miscellaneous and IHRA accounts** at the point of sale by using a new Debit Card procedure. The new Benefit Advisor Debit Card is used, instead of cash, to pay for qualified health care expenses.

In August you will receive two (2) Benefit Advisor cards in the form of a Visa Debit Card. Please watch for an envelope that is stamped ***"YOUR NEW EMPLOYEE BENEFITS MATERIALS ARE ENCLOSED".***

Your Benefit Advisor Debit Card will be loaded with your available balances as of July 31, 2012, for each of your accounts that apply; Prescription, Miscellaneous and/or IHRA accounts. The card will be updated each time you use it. Please submit any paper claim reimbursements you may be holding as soon as possible so that your balances loaded to the debit card are accurate at July 31. **Claims incurred prior to receipt of your debit card and submitted after that date will continue to be processed by the Benefit Office and paid by check.** Please use your new Benefit Advisor Debit Card for eligible expenses when you receive it in order to avoid any delay in claims reimbursement that may result due to paper processing.

Contributions remitted to the IHRA Plan on your behalf will be loaded on the card during the first week of each month. Each January 1 your Prescription and Miscellaneous Accounts will be loaded with the new Plan year maximum amounts.

PRESCRIPTION AND MISCELLANEOUS ACCOUNTS

With the new Benefit Advisors Debit card your prescription and miscellaneous expenses will be paid at 100%, subject to your available balance. **Your prescriptions will be covered 100% up to $1,440 annually and your Miscellaneous qualified health care expenses will be covered 100% up to $1,800 annually**. Your IHRA Plan maximum is limited to your account balance.

CAREMARK/CVS DISCOUNT CARD

You **must** use your Caremark/CVS discount card in order to purchase prescriptions once you receive your new debit card. The Benefit Advisor Debit Card will not pay for prescriptions unless you also submit the Caremark/CVS discount card to the pharmacy at the time of purchase. **This is an important cost saving feature of the new debit card process and accordingly prescriptions paid by you without usage of the Caremark/CVS discount card will no longer be reimbursed to you by the Health Plan.** If you do not participate in the Caremark/CVS discount plan due to your participation in a Medicare Part D Plan, this provision does not apply to you. The Caremark/CVS card works at most pharmacies, not just CVS.

MEDICAL CO-PAYMENTS/DEDUCTIBLES

When you receive your new debit card you may use it for reimbursement of medical co-payments and deductibles from your **Individual Health Reimbursement Account (IHRA) only. Note your debit card**

will not allow reimbursement for co-payments and deductibles from your prescription or miscellaneous account balances.

HOW THE DEBIT CARD WORKS

When you incur a qualified health care expense at a pharmacy, hospital, dentist's or doctor's office that accepts Visa, you simply swipe the Benefit Advisor Debit Card and the amount of your purchase will be deducted from one or more of the following three accounts:

- Prescription
- Miscellaneous
- IHRA

The type of qualified health care expense will determine which account is deducted. Examples of how your accounts will be deducted for qualified health care expenses follow:

- Discounted Caremark/CVS prescriptions that you incur at a pharmacy will deducted from your Prescription account 100% up to $1,440 annually. If you exceed the $1,440 maximum any remaining balance will **automatically** be deducted from any remaining balance in your Miscellaneous account and then from your IHRA.

- Dental expenses not covered by Delta Dental will be deducted from your Miscellaneous account 100% until the Miscellaneous account is used up ($1,800 annually). If your Miscellaneous expenses exceed the $1,800 maximum under the Miscellaneous account any remaining balance will **automatically** be deducted from any remaining balance in your IHRA account.

- Vision expenses will be deducted from your Miscellaneous account up to 100% until the Miscellaneous account is used up ($1,800 annually). If your Miscellaneous expenses exceed the $1,800 maximum any remaining balance will **automatically** be deducted from any remaining balance in your IHRA account.

- Expenses incurred at a doctor's office or hospital or other health care provider will be assumed to be deductibles and co-pays and will **automatically** be deducted from any remaining balance in your IHRA account, since the Miscellaneous account cannot be used to pay deductibles or copays on Basic Benefits.

See the enclosed Q& A sheet for questions concerning the types of qualified health care claims that can be submitted.

SAVE YOUR RECEIPTS

The IRS requires that your Benefit Advisor Debit card only be used for eligible expenses. Most of the time, we can verify the eligibility of the expense automatically, however there are instances when you will receive a letter or notification asking you to furnish an itemized receipt to verify the expense. When you receive such a request, make sure you submit the receipts as soon as possible to avoid having your card suspended until receipts have been submitted and approved.

Please read over the enclosed Q&A that should help answer many of your questions about using your new Benefit Advisor Debit Card, and some general questions about your accounts as well.

We hope you enjoy this new exciting feature of your Health and IHRA Plans.

UA LOCAL 190 FRINGE BENEFIT FUNDS

Benefit Advisor Card Frequently Asked Questions

General Questions on the Benefit Advisor Visa Debit Card

1. What is a Benefit Card?

The Benefit Advisor Debit card is a special-purpose Visa® Card that gives participants an easy, automatic way to pay for qualified health care/benefit expenses. The Card lets you electronically access your Miscellaneous, Prescription and IHRA accounts.

2. How does the Benefit Advisor Card work?

It works like a Visa® card with the value of your accounts stored on it. When you have qualified eligible expenses at a business that accepts Visa debit cards you simply use your Card. The amount of the qualified purchases will be deducted — automatically — from your account(s) and the amount of the expense will be electronically transferred to the provider/merchant for immediate payment.

3. How does the Benefit Advisor Card change how the participant is reimbursed for expenses?

With the Benefit Advisor Card, you simply swipe your Card and the funds are automatically deducted from the respective account(s) for payment. The Card eliminates most out-of- pocket cash outlays and paperwork, as well as the need to wait for reimbursement checks.

4. Is the Benefit Advisor Card just like other Visa Cards?

No. The Benefit Advisor Card is a special-purpose Visa® Card that can be used **only** for qualified health care/benefits expenses. It cannot be used, for instance, at gas stations or restaurants. There are no monthly bills and no interest. This is **not** a credit card.

5. How many Benefit Advisor Cards will I receive?

You will receive two Cards. If you would like additional Cards for other family members, you should contact the Benefit Office.

6. What if the Benefit Advisor Card is lost or stolen?

You should call the Benefit Office at 888-390-7473 to report a Card lost or stolen as soon as you realize it is missing, so the Administrator can turn off your current Card(s) and issue replacement Card(s). Replacement Cards are $10 for two cards, which will be deducted directly from your IHRA account or, if you have no IHRA balance, you're Miscellaneous Account.

Getting Started

1. What dollar amount is on the Benefit Advisor Card.?

For your IHRA account, the dollar value on the Card will be the balance in your account at July 31, 2012 and will be updated monthly for additional contributions submitted by your employer. It's from that total dollar amount that eligible expenses will be deducted as you use your Cards or submit manual claims. Your Miscellaneous and Prescription accounts dollar values will be your remaining balances at July 31, 2012. Each January 1 your new account maximum will be loaded onto your Card.

Using the Card

1. Where can you use the Benefit Advisor Card?

The Benefits Card can be used to pay for eligible goods and services at providers/merchants that offer these goods or services and accept Visa cards. You can find out additional information on where your Cards can be used by clicking on www.evolution1.com for links to the IRS publications. You should be sure to review your current benefit plan or contact the Benefit Office for a complete list of eligible expenses.

2. Are there places the Benefit Advisor Card won't be accepted?

Yes. The Card will not be accepted at locations that do not offer eligible goods and services, such as hardware

stores, restaurants, bookstores, gas stations and home improvement stores. Cards will not be accepted at discount stores, department stores, and supermarkets that cannot identify health plan-eligible items at checkout.

3. If asked, should participants select "Debit" or "Credit"?

Your Benefits Card is actually a prepaid card. But, since there is no "prepaid" selection available, you should select "Credit." You do not need a PIN and cannot get cash with the Benefits Card.

4. How will the Benefit Advisor Card work in participating discount stores and supermarkets?

a. The Benefits Card is only for eligible medical, dental, vision and prescription payments. Substantiation of these expenses may be required.

b. Present the Card and swipe it for payment.

c. If the Card swipe transaction is approved (e.g., there are sufficient funds in the account (s) and at least some of the products are eligible expenses), the amount of the eligible purchase is deducted from the account(s) balance and no receipt follow up is required. The clerk will then ask for another form of payment for any non-eligible items.

d. We have in place direct data links with CVS/Caremark. Real-time substantiation occurs during the Card swipe authorization in the pharmacy prior to the transaction's being approved, and requires no special handling on the part of the merchant or cardholder. The Card transaction will be matched to the claims data at the point of sale. If they match, the Card swipe transaction is approved and considered substantiated, requiring no further action. If the transaction cannot be matched, it is declined.

e. If the Card swipe transaction is declined, the clerk will ask for another form of payment for the total amount of the purchase.

f. The receipt will identify the eligible items and may also show a subtotal of the eligible purchases. **Save your receipts.**

5. Why do you need to save all of your itemized receipts?

You should always save itemized receipts for your Miscellaneous, Prescription and Medical purchases made with the Benefits Card. In most cases, you will not receive requests for receipts for eligible purchases made in participating discount stores or supermarkets, but you may be asked to submit receipts to verify that your expenses comply with IRS guidelines. Each receipt must show: the merchant or provider name, the service received or the item purchased the date and the amount of the purchase.

6. What if you lose your receipts or accidentally swipe the Benefit Advisor Card for something that's not eligible?

Usually the service provider can recreate an account history and provide a replacement receipt. In the event that a receipt cannot be located, recreated, or if the expense is ineligible for reimbursement, you can send a check or money order to the Benefit Office for the amount so it can be credited back to account(s).

7. May participants use the Benefit Advisor Card for eligible expenses ordered prior to activating the Card?

No. The Card must be activated prior to the order and/or purchase date of eligible expenses. In some cases, participants need to wait 1 business day after activating the Card to purchase eligible expenses from providers/merchants that offer these goods or services and accept Visa cards. For example, if the Card is activated on Tuesday, a prescription can be ordered and picked up on Wednesday.

8. May you use the Benefit Advisor Card if you receive a statement with a Patient Due Balance for a dental or medical service?

Yes. As long as you have money in your account for the balance due and the provider accepts Visa debit

cards, you can simply write the Card number on your statement and send it back to the provider.

9. Can I use the Benefit Advisor Card at a doctor's office or hospital to pay amounts other than co-pays or deductibles?

Yes. Since Blue Cross covers most of your medical expenses other than deductibles and co-pays when you use a Blue Cross participating provider, the most likely case when you would need to use your Card at a doctor's office for something other than deductibles or co-pays will be if you go to **non-participating provider.** The Card will cover such expenses, but only from your IHRA account balance, and if you have no IHRA account balance, the Card will not work for this. Non-participating provider bills (other than co-pays and deductibles) are covered by the Miscellaneous account, but for technical reasons the Card cannot be programmed to cover this, so if you would prefer to have non-participating provider costs paid from your available Miscellaneous balance, send the bill to the Fund Office for reimbursement. **If you use the Card at a hospital or doctor's office, the expense will be charged to your IHRA balance.**

10. How do you know how much is in your account?

You can keep track of your account balances each month by checking online or you can call the Benefit Office at the phone number on the back of the Card to obtain your current balance. You should always know your account balance before making a purchase with the Card.

11. What if you have an expense that is more than the amount left in your account?

By checking your account(s) balance often — either online or by calling the Benefit Office at the phone number shown on the back of the Card — you will have a good idea of how much is available. When incurring an expense that is greater than the amount remaining in your account(s), you may be able to split the cost at the register. (Check with the merchant.) For example, you may tell the clerk to use the Benefits Card for the exact amount left in the account, and then pay the remaining balance separately. Alternatively, you may pay by another means and submit the qualified transaction manually via a claim form with the appropriate documentation to the Benefit Office.

12. What are some reasons that the Benefit Advisor Card might not work at point of sale?

The most common reasons why a Card may be declined at the point of sale are:

a. The Card has not been activated.

b. The Card has been used before the 24-hour period after activation is over.

c. You have insufficient funds in your employee benefit account(s) to cover the expense.

d. Non-qualified expenses have been included at the point-of-sale. (Retry the transaction with the qualified expense only.)

e. The merchant is encountering problems (e.g. coding or swipe box issues).

13. Are you responsible for charges on lost or stolen Benefit Advisor Cards?

If the Benefit Office and the issuing bank are notified within 2 business days, you will not be responsible for any charges. If the notification is after 2 days, you may be responsible for the first $50 or more. Replacement Cards are $10 for two cards, which will be deducted directly from your IHRA account or, if you have no IHRA balance, you're Miscellaneous Account.

14. Whom do you call if you have questions about the Benefits Card?

Call the Benefit Office at the phone number shown on the back of the Card.

15. How will you know to submit receipts to verify a charge?

You will receive a letter or notification from the Benefit Office if there is a need to submit a receipt. All receipts should be saved per the IRS regulations.

16. What if you fail to submit receipts to verify a charge?

If receipts are not submitted as requested to verify a charge made with Benefits Card, then the Card may be suspended until receipts are received. You may be required to repay the amount charged. The Benefit Office will advise you that the Card has been suspended, if a receipt is not received. Submitting a receipt or repaying the amount in question will allow the Card to become active again.