

UPPER PENINSULA PLUMBERS' & PIPEFITTERS' FRINGE BENEFIT FUNDS

UP Plumbers' & Pipefitters' Health & Welfare Fund
UP Plumbers' & Pipefitters' Pension Fund
UP Plumbers' & Pipefitters' Defined Contribution Plan
UP Plumbers' & Pipefitters' Educational Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

March 2011

To: ALL PLAN PARTICIPANTS, BENEFICIARIES AND ALTERNATE PAYEES
OF THE UPPER PENINSULA PLUMBERS' & PIPEFITTERS' FRINGE BENEFIT FUNDS

Dear Plan Participants:

We have attached the following Important Notices and Annual Reports for your review:

- 2010 Summary Annual Report for the Health & Welfare Fund Pages 2-3
- Notice on Privacy Practices Page 4
- Notice on Medicare Part D – Prescription Drug Coverage Pages 5-6
- Notice concerning Women's Health and Cancer Rights Page 7
- Notice of Grandfathered Status Page 8
- 2010 Summary Annual Report for the Defined Contribution Plan Pages 9-10

If you have any questions, please contact the Fund Office.

Sincerely,

Boards of Trustees

TO: PLAN PARTICIPANTS OF UPPER PENINSULA PLUMBERS' &
PIPEFITTERS' HEALTH & WELFARE FUND

RE: SUMMARY ANNUAL REPORT FOR THE PLAN YEAR ENDED JUNE 30, 2010

Dear Plan Participant:

This is a summary of the Annual Report of the Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund, Sponsor Identification Number 38-6111803, Plan No. 501, a self-insured fund, for the period July 1, 2009 through June 30, 2010. 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).

The Board of Trustees has committed itself to pay hospitalization, medical, disability, death and other claims incurred under the terms of the Plan.

BASIC FINANCIAL STATEMENT

The value of Plan Assets, after subtracting Liabilities of the Plan, was \$6,578,961 of June 30, 2010, compared to \$4,830,509 as of July 1, 2009. During the Plan Year, the Plan experienced an increase in its Net Assets of \$1,748,452. This increase includes unrealized appreciation or depreciation in the value of the Plan Assets; that is, the difference between the value of the Plan 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 current Plan Year, the Plan had Total Income of \$4,124,219, including Employer Contributions of \$3,164,187, Employee Contributions of \$925,375, Net Earnings from Investments of \$17,628, and other income of \$17,029.

Plan Expenses as of June 30, 2010 were \$2,375,767. These expenses included \$204,323 in administrative expenses (see Schedule A on following page) and \$2,171,444 in benefits paid to or on behalf of Participants and Beneficiaries.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have a 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. Assets held for investment; and
3. Transactions in excess of 5 percent of Plan Assets; and
4. Financial information and information on service providers.

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of the Board of Trustees, Upper Peninsula Plumbers' and Pipefitters' Health and Welfare Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275, Toll Free (800) 342-1730 or (517) 321-7502. The charge to cover copying costs will be \$5.50 for the full Annual Report or twenty-five cents per page for any part thereof.

You also have the right to receive from the Plan Administrative Manager, 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 Administrative Manager, 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, Upper Peninsula Plumbers' and Pipefitters' Health and Welfare Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275), at any location where the Annual Report is available for examination 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, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

Sincerely,

BOARD OF TRUSTEES

UPPER PENINSULA PLUMBERS' AND PIPEFITTERS HEALTH & WELFARE FUND

Schedule A – Administrative Expenses for the Health and Welfare Fund:

Administrative Manager's fees*	\$129,344	Consultant fees	\$4,800
Printing and miscellaneous	15,856	Payroll audit fees	4,197
Annual Audit Fees	12,000	Investment expenses	4,125
Legal and collection fees	10,717	Trustee and Fiduciary	
Actuarial fees	10,700	insurance and bonding	2,889
Trustee meeting expenses	7,645	Summary Plan Description & SAR	<u>2,050</u>
		Total	204,323

* - Includes rent, equipment, staffing, postage, computer services, etc.

TO: All Eligible Participants of the
Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund

RE: **NOTICE OF PRIVACY PRACTICES**

Dear Participant:

Please be advised that this notice is intended to confirm that the Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund is compliant with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Regulations. The law refers to the nonpublic information of the employee and their dependents (if applicable), with regard to your group health plan benefits, and can only be disclosed by the Fund and its vendors, and your health care provider/s, for payment of claims, treatment of your illness, and for health care – administration of your health benefits, as permitted by law and defined in the HIPAA regulations.

For a complete copy of the Fund's Notice of Privacy Policy, please call or write the Fund Office at the address or telephone number listed on this notice.

Sincerely,

BOARD OF TRUSTEES
UPPER PENINSULA PLUMBERS' & PIPEFITTERS' HEALTH & WELFARE FUND

**IMPORTANT NOTICE FROM UPPER PENINSULA PLUMBERS' & PIPEFITTERS'
HEALTH & WELFARE FUND
ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE**

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

These are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund has determined that the prescription drug coverage offered by the Fund is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

WHEN CAN YOU JOIN A MEDICARE DRUG PLAN?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15th through December 31st.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

WHAT HAPPENS TO YOUR CURRENT COVERAGE IF YOU DECIDE TO JOIN A MEDICARE DRUG PLAN?

If you do decide to join a Medicare drug plan and drop your current Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund coverage, be aware that you and your dependents will not be able to get this coverage back.

WHEN WILL YOU PAY A HIGHER PREMIUM (PENALTY) TO JOIN A MEDICARE DRUG PLAN?

You should also know that if you drop or lose your current coverage with Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

FOR MORE INFORMATION ABOUT THIS NOTICE OR YOUR CURRENT PRESCRIPTION DRUG COVERAGE...

Contact the Fund Office at (800) 342-1730 for further information. Note: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund changes. You also may request a copy of this notice at any time.

FOR MORE INFORMATION ABOUT YOUR OPTIONS UNDER MEDICARE PRESCRIPTION DRUG COVERAGE...

For more information about Medicare plans that offer prescription drug coverage it is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov. or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Sincerely,

UPPER PENINSULA PLUMBERS' & PIPEFITTERS' HEALTH & WELFARE FUND
Board of Trustees

**SAVE THIS LETTER AS IT IS YOUR MEDICARE PART D
CERTIFICATE OF CREDITABLE COVERAGE**

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

**TO: PLAN PARTICIPANTS OF THE
UPPER PENINSULA PLUMBERS' & PIPEFITTERS' HEALTH & WELFARE FUND**

RE: WOMEN'S HEALTH AND CANCER RIGHTS

Dear Plan Participant:

Due to changes in Federal law, the Trustees of your Health and Welfare Fund are issuing this annual notice in compliance with the Women's and Cancer Rights Act of 1998. Your Health and Welfare Plan already provides the benefits required by this new law. You have a right to this notice, and the Trustees are providing the notice for your information so that you may be assured that you are treated in accordance with Federal law if the need arises.

The Federal law requires that all health care plans that provide medical and surgical benefits for mastectomies provide, Participants and Beneficiaries receiving mastectomy benefits and who elect mastectomy related breast reconstruction with coverage for the following:

- **Reconstruction of the breast on which the mastectomy has been performed.**
- **Surgery and reconstruction of the other breast to produce a symmetrical appearance; and**
- **Prostheses and physical complications of all stages of mastectomy including lymphedemas; in a manner determined in consultation with the attending physician and the patient. Such coverage may be subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the plan or coverage.**

The Fund has provided coverage for mastectomies for a number of years. As part of this coverage, the Plan also covered the procedures necessary to effect reconstruction of the breast on which the mastectomy was performed, as well as the cost of prostheses and physical complications of all stages of mastectomy, including lymphedemas, as recommended by the attending physician of any patient receiving Plan benefits in connection with the mastectomy and in consultation with the patient. The Plan also covers any surgery and reconstruction of the other breast to achieve a symmetrical appearance.

Please keep this notice with your Summary Plan Description. If you have any questions regarding these federal requirements, please contact the Fund Office.

Sincerely,

BOARD OF TRUSTEES
UPPER PENINSULA PLUMBERS' & PIPEFITTERS' HEALTH & WELFARE FUND

**TO: PLAN PARTICIPANTS OF THE
UPPER PENINSULA PLUMBERS' & PIPEFITTERS' HEALTH & WELFARE FUND**

RE: NOTICE OF GRANDFATHERED STATUS

Dear Plan Participant:

The Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund believes that the plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act, (the Affordable Care Act). As permitted by the Affordable Care Act, as a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the plan administrator at Board of Trustees, Upper Peninsula Plumbers' & Pipefitters' Health & Welfare Fund, 6525 Centurion Drive, Lansing, Michigan 48917, (517) 321-7502. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at (866) 444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

If you have any questions regarding this information, please do not hesitate to contact the Fund Office.

Sincerely,

**BOARD OF TRUSTEES
UPPER PENINSULA PLUMBERS' & PIPEFITTERS' HEALTH & WELFARE FUND**

TO: PLAN PARTICIPANTS OF
UPPER PENINSULA PLUMBERS' & PIPEFITTERS' DEFINED CONTRIBUTION PLAN

RE: SUMMARY ANNUAL REPORT FOR THE PLAN YEAR ENDED JUNE 30, 2010

Dear Plan Participant:

This is a summary of the Annual Report of the Upper Peninsula Plumbers' & Pipefitters' Defined Contribution Plan, Sponsor Identification Number 38-3296005, Plan No. 001, for the period July 1, 2009 through June 30, 2010. 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 by a Trust. The value of Plan Assets, after subtracting Liabilities of the Plan, was \$5,346,107 as of June 30, 2010, compared to \$4,751,472 as of July 1, 2009. During the Plan Year the Plan experienced an increase in its Net Assets of \$594,635. This increase includes unrealized appreciation or depreciation in the value of the Plan Assets; that is, the difference between the value of the Plan 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 current Plan Year, the Plan had Total Income of \$989,601 including Employer Contributions of \$492,195, employee contributions of \$36,258 and Net Gains from Investments of \$461,148.

Plan Expenses were \$394,966. These Expenses included \$86,047 in Administrative Expenses (see Schedule A) and \$308,919 in benefits paid to participants and beneficiaries. A total of 412 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.

MINIMUM FUNDING STANDARDS

Enough money was contributed to the Plan to keep it funded in accordance with the minimum funding standards of ERISA.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have a 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 service providers;
3. Assets held for investment;
4. Transactions in excess of 5 percent of Plan Assets.

To obtain a copy of the full annual report, or any part thereof, write or call the office of the Board of Trustees, Upper Peninsula Plumbers' and Pipefitters' Defined Contribution Plan, 6525 Centurion Drive, Lansing, Michigan 48917-9275, Toll Free at (800) 342-1730 or (517) 321-7502. The charge to cover copying costs will be \$4.00 for the full Annual Report or twenty-five cents per page for any part thereof.

You also have the right to receive from the Plan Administrative Manager, 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 Administrative Manager, 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.

Additionally, you also have the legally protected right to examine the Annual Report at the main office of the Plan (Board of Trustees, Upper Peninsula Plumbers' and Pipefitters' Defined Contribution Plan, 6525 Centurion Drive, Lansing, Michigan 48917-9275), any location where the Annual Report is available for examination 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, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

Sincerely

BOARD OF TRUSTEES
UPPER PENINSULA PLUMBERS' AND PIPEFITTERS' DEFINED CONTRIBUTION PLAN

Schedule A- Administrative Expenses for the Defined Contribution Plan:

Investment expenses	\$41,307
Administrative Manager's fee*	13,860
Legal fees and collection fees	7,208
Annual Audit fee	7,000
Plan Restatement fee	6,500
Printing and miscellaneous	5,158
Trustee and fiduciary liability	
Insurance and bonding	2,981
Bank Service charges	<u>2,033</u>
Total	\$86,047

* - Includes rent, equipment, staffing, postage, computer services, etc.