FELRA/UFCW

FOOD EMPLOYERS LABOR RELATIONS ASSOCIATION & UNITED FOOD AND COMMERCIAL WORKERS FUNDS

1099Rs for Retirees Will Be Mailed in Late January. Look for Yours!

December 2012
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For Your Benefit

Material Modification

Flu Shot Is Free With Medco Rx Card at Giant Or Safeway Pharmacies

The following Summary of Material Modification ("SMM") applies to actives and retirees. Keep this SMM with your Summary Plan Description booklet.

Effective October 15, 2012, the Board of Trustees announced an enhanced flu shot benefit for Fund participants.

Flu Shot at Pharmacy

Effective for flu shots given October 15, 2012 and after, you may get your flu shot at any Giant or Safeway pharmacy at **no cost to you** using your Medco Prescription Drug ID card! Simply go to your Giant or Safeway pharmacy, show your Medco ID card, and receive your flu shot.

Flu Shot in Doctor's Office

If you prefer to get your flu shot from your doctor or don't live near a Giant or Safeway pharmacy, the flu shot will be covered under your medical benefits. For participants and dependents with traditional Fund coverage, the injection itself is covered at 100% up to the Usual, Customary, and Reasonable fee, and the office visit charge (if there is one) is covered under your Major Medical or Comprehensive benefit (80% for Plans I and X, or 75% for Plan XX), after satisfying the annual deductible. Plan XX participants must use a participating CareFirst provider in order to be covered. Submit your claim to CareFirst as you usually would.

For participants in the Kaiser Permanente HMO (actives and retirees) who prefer to get a flu shot from their doctor, the flu shot is covered in full with no co-pay if you use a Kaiser physician. Further, actively working participants in Kaiser who use Medco for their prescription benefit may have their flu shots administered at a Giant or Safeway pharmacy using the Medco ID card, at no cost.

Summary Annual Report in This Issue!

FELRA & UFCW Health and Welfare Fund

The purpose of this newsletter is to explain your benefits in easy, uncomplicated language. It is not as specific or detailed as the formal Plan documents. Nothing in this newsletter is intended to be specific medical, financial, tax, or personal guidance for you to follow. If for any reason, the information in this newsletter conflicts with the formal Plan documents, the formal Plan documents always govern.

Plan X Part Timers: Open Enrollment for Dependent "Family" Coverage Is January 1st – 31st.

See page 3.

This issue—

Retiree Corner

Material Modification

New Plan Name for FELRA Retirees

Effective June 1, 2012, the Board of Trustees formalized the separate existence of the Fund's plan for FELRA Retirees. The retiree plan now is called the **FELRA & UFCW Retiree Health Plan, a plan of the Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund.** Your benefits remain the same.

Medicare-Eligible Retirees: Heading South For The Winter? Remember To Disenroll From The HMO

The following article applies to Medicare-eligible retirees whose medical coverage is provided through Kaiser Permanente.

Retirees and eligible dependents whose Fund medical coverage is provided by a Medicare HMO and who plan to head south, or anywhere out of the HMO service area, for the winter (or for any time period longer than 90 days), must remember to disenroll from the HMO and re-enroll for regular Medicare Supplemental coverage. This ensures that you will have coverage while you are away. If you don't disenroll from the HMO, and you see a non-participating provider while you are away, it won't be covered.

If you disenroll from a Medicare HMO and re-enroll in Fund Medicare Supplemental coverage, your medical coverage will be provided through Medicare with Fund Medicare supplemental coverage also in place.

When you return to any area serviced by the HMO, ***you must enroll in the Medicare HMO again*** by completing another enrollment form. At that point, the HMO will provide your coverage again, so you should be sure to use a participating provider.

Remember to notify the Fund office in writing when you leave the area ***(let us know where you can be reached)*** and when you return! We must know in order to send you the information you need and to make sure your monthly co-payment is charged correctly.

Another important note: ***You must always pay for Medicare Part B***—whether you are in a Medicare HMO or are covered by Medicare (Parts A & B) with Medicare Fund Supplemental coverage.

Material Modification

Expanded Definition of Beneficiary for Severance Benefit

Effective July 18, 2012, the Board of Trustees of the Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund ("Fund") has adopted the following change to the United Food and Commercial Workers and Food Employers Labor Relations Association Severance Plan, a program of the Fund. Please keep this document with your Summary Plan Description ("SPD") booklet.

The definition of "Beneficiary" on page 9 of this SPD is hereby deleted and replaced with the following:

"Beneficiary means a person or an entity you designate who may become entitled to receive a benefit on your behalf under the terms of the Plan."

Material Modification

New Plan Name for FELRA Actives

Effective June 1, 2012, the Board of Trustees formalized the separate existence of the Fund's plan for FELRA Actives. The active plan now is called the **FELRA & UFCW Active Health Plan, a plan of the Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund**. Your benefits remain the same.

Plan X Part Timers: Open Enrollment for Dependent "Family" Coverage Is January 1st – 31st

The following article applies only to Plan X Part-Time participants.

January 1st through 31st will be the first Open Enrollment period for 2013 (there are two each year) for adding dependent ("family") coverage to your benefits. If you are eligible for dependent coverage but previously did not elect it, you may apply to add the coverage in January. After January 31st, the next open enrollment will be July 1st – July 31st.

This open enrollment period applies to participants who have medical coverage through the Fund or through Kaiser Permanente HMO.

Cost

You must pay 20% of the overall cost of dependent coverage which is currently $181 per pay period via payroll deduction. If you elect dependent coverage, ***your payroll deduction*** will begin in March. ***Kaiser Permanente members: this payroll deduction is in addition to the $150 per month premium you send to the Fund office.***

Date of Coverage

Coverage for your dependents will begin March 1, 2013.

Adding Dependent Coverage

As long as they are eligible dependents under the Plan, you may enroll as many dependents as you have. The cost is the same regardless of the number of dependents.

To add dependent coverage, call the Fund office at (800) 638-2972 during the open enrollment period and let us know. We'll send you an enrollment form and begin the process for starting your payroll deduction. We must receive the completed enrollment form (along with any forms of proof which may be required, such as copies of birth certificates, etc.) by January 31, 2013.

If you don't have any dependents right now, and you later get married, have a child, adopt a child, etc., you may add dependent coverage no matter what time of year, as long as you add the dependent within 30 days from the date he/she first became your dependent (for example, within 30 days from the date of marriage, 30 days from the date of birth, etc.). Call the Fund office at (800) 638-2972 and we will send you an enrollment form to complete and return.

Dropping Dependent Coverage

You may drop dependent coverage at any time throughout the year provided you notify the Fund office in writing. You may call us to request the proper form, which you must sign and return to us (verifying that you wish to stop payroll deductions). However, please remember that if you drop dependent coverage, you will not be able to apply until the open enrollment period following a twelve-month waiting period, except in special circumstances such as a birth, adoption or marriage.

Contact The Fund Office

If you have questions about open enrollment, contact the Fund office at (800) 638-2972.

Optical Benefits for Local 27 and Local 400 Actives And Retirees

Your optical benefits are provided by the Fund through an insurance contract with Advantica EyeCare (Advantica).

The Fund provides optical benefits once every two years to eligible actives and retirees. Dependents of retirees are not eligible for optical benefits.

Cost

There is no charge to you when you see a provider in the Advantica network. Advantica has an extensive network with providers located in major malls and convenient locations, including Pearle Vision, Sears, and JC Penney, as well as many individual providers. It is easy to locate a vision provider close to home or work.

Covered Benefits

The following optical benefits are covered:

- A complete eye examination by a licensed optometrist (dilation of the eyes is not considered to be part of a routine eye exam).
- A pair of eyeglasses, if prescribed, including:
  - o A choice from a selection of frames; and
  - o Clear glass or plastic lenses, either single vision, bifocal (TK, FT22, FT25, FT28, or executive), or trifocal (7x25, 7x28).
- Minor repairs and adjustments to eyeglasses.
- Scratch resistant coating.

Exclusions and Limitations

Unless they are medically necessary, cosmetic items are not covered by the program, but they are available for purchase at a discount. Such items include, but are not limited to:

- Solid and gradient tints
- Photosensitive lenses
- Oversized and specialty lenses
- Cataract lenses
- Contact lenses

If you select non-covered frames, you will receive a $100 allowance toward the cost of the frames, and a 15% discount at participating in-network providers. You should check with Advantica EyeCare before purchasing non-covered frames or any other non-covered service or supply so that you know the cost ahead of time.

You can reach Advantica's Customer Service at 866-425-2323.

Show ID Card

Show your Advantica ID card at your appointment. If you don't have it with you, the provider can look you up with your name and date of birth.

Call the Advantica facility most convenient to you and make your appointment. Your Fund ID card is not necessary to make an appointment; the Advantica facility will ask you for the participant's name, Social Security Number, and date of birth. The facility will then verify eligibility for benefits with the Fund office.

To Locate an Advantica Network Provider

- Go to www.advanticaeyecare.com/locate-an-eye-care-provider.aspx. Click on "Locate a Provider" and select "FELRA & UFCW Health and Welfare Fund." The names of providers are updated regularly.
- Call Advantica's Customer Service at (866) 425-2323.

Contact the provider directly to schedule an appointment.

When Covered Under Two Plans, Show Both Insurance Cards to The Provider

If you have insurance coverage under two different group plans, show both insurance cards to the provider at the time of service. Also, ask the provider if they will file claims for both the primary and the secondary coverage. This will ensure you receive the maximum benefit regardless of whether the Fund is primary or secondary.

Before Accepting A Workers' Compensation Settlement, Be Sure You Understand It

If you suffer an injury or sickness that is work-related, and as a result, you need medical care and/or become disabled, you must file a claim with your employer's Workers' Compensation ("WC") carrier. You should also file a claim for Accident and Sickness (also called Weekly Disability) with the Fund office at the same time. The Fund will initially deny your claim(s) as being work-related until a final decision is made by your employer's Workers' Compensation carrier.

If your employer or your employer's Workers Compensation insurance carrier denies your claim on the grounds that it is not work-related, send a copy of the denial to the Fund office. If the claim is denied for any other reason, the Fund will not cover it. If the claim is denied on the grounds that it is not work-related, we will send you an agreement called a "promise to appeal." It states that you agree to appeal the denial to the Workers' Compensation Commission ("Commission") (or its equivalent in your state).

Once you sign the "promise to appeal," the Fund will process your claims. However, if you do not follow the terms of the "promise to appeal" agreement, payments made by the Plan to you and/or your provider for the work-related injury or illness must be immediately returned by you to the Fund.

Further, if the Commission determines that your claim is compensable, and you receive an award from Workers' Compensation, no matter how it is characterized, you MUST repay the fund in full for any monies it has paid.

Although this seems clear enough, it becomes a little more confusing when a settlement is involved. If your attorney advises you (or if you decide on your own) to accept a settlement relating to your injury or illness, and the settlement amount is less than the amount the Fund has paid relating to your injury or illness, you must notify the Fund office and obtain approval prior to accepting the settlement. If you don't, and you accept a settlement, the Fund will consider this evidence that your claim is work-related. Since the Fund does not cover work-related injuries, you will be required to reimburse the Fund, in full, for any benefits it has paid on your behalf related to your Workers' Compensation claim, even if you did not recover the full amount in settlement.

For example, if the Fund paid $4,000 in Accident & Sickness and/or Medical claims, and you accepted a settlement for $3,000 without the Fund's approval, you would be required to repay the Fund the full $4,000, ***even though your settlement was for $3,000***.

Be Careful! Once you accept a settlement, **Workers' Compensation will close your case—for current claims AND for any future claims relating to that illness or injury**. For example, if your work-related knee injury flares up a year from now (and you have accepted a settlement), generally you will not receive benefits from Workers' Compensation OR the Fund because that injury already was deemed to be work-related and therefore not covered under the Fund's Plan.

Accepting a settlement is your choice. In some cases, it may be the best solution for you, but make sure you understand what it means and what your responsibilities are **before** you agree to accept one.

IMPORTANT: Notify The Fund Office If Receiving Workers' Compensation

If you are receiving Workers' Compensation, it is important that you notify the Eligibility Department of the Fund office at (301) 459-3020 or (800) 638-2972. Your health and welfare benefits are maintained by the Fund while you are collecting Workers' Compensation (as long as it does not exceed your Accident and Sickness benefit entitlement). Notifying the Fund office of Workers' Compensation helps ensure you do not lose eligibility for benefits.

Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (410) 683-6500
(800) 638-2972
www.associated-admin.com

4301 Garden City Drive, Suite 201
Landover, Maryland 20785-6102
Telephone: (301) 459-3020
(800) 638-2972
www.associated-admin.com

Summary Annual Report For FELRA and UFCW Health and Welfare Fund

This is a summary of the annual report for the FELRA and UFCW Health and Welfare Fund, (Employer Identification No. 52-1036978, plan no. 501) for the period January 1, 2011 to December 31, 2011. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was $95,995,262 as of December 31, 2011 compared to $98,595,031 as of January 1, 2011. During the plan year the plan experienced a decrease in its net assets of $2,599,769. 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. During the plan year, the plan had total income of $167,854,594. This income included employer contributions of $154,781,954, employee contributions of $8,898,340, realized losses of $175,967 from the sale of assets and earnings from investments of $2,683,826. Plan expenses were $170,454,363. These expenses included $11,058,824 in administrative expenses and $159,395,539 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 percent of the plan assets; and
5. Insurance information including sales commissions paid by insurance carriers.
6. Information regarding any common or collective trust, 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 the office of:

Board of Trustees of the FELRA & UFCW Health & Welfare Fund
Associated Administrators, LLC
911 Ridgebrook Road
Sparks, MD 21152-9451
52-1036978 (Employer Identification Number)
410-683-6500

The charge to cover copying costs will be $0.25 per page.

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 of the FELRA & UFCW Health & Welfare Fund
911 Ridgebrook Road
Sparks, MD 21152-9451

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:

U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room
200 Constitution Avenue, NW, Suite N-1513
Washington, D.C. 20210

Additional Explanation

Dental claims- Group Dental Services, Inc. – premiums paid $8,295,358
Medical claims - premiums paid $5,974,680. Kaiser Foundation Health Plan
Life insurance claims - ReliaStar - premiums paid $ 241,744
Vision claims - Advantica - premiums paid $ 1,185,027
Accidental Death & Dismemberment - ReliaStar - premiums paid -$12,033

Check Your Benefits Online By Logging On To NETime Benefit System

NETime (*pronounced Anytime*) is an online access service that provides personal benefit information to you and your dependents via the Internet, 24 hours a day, 7 days a week. NETime Benefits provides real time access to benefits data in a safe, secure and HIPAA compliant environment.

NETime can show you:

- The date and amount of contributions your employer paid on your behalf;
- The person(s) named as your beneficiary under the Pension Fund and Health and Welfare Fund;
- Medical claims paid on your behalf for the past three years;
- Your recent eligibility;
- The date and amount of your pension payments, along with the amount withheld for taxes;
- Your most current Severance balance (if you are eligible for the Severance benefit); and
- The dates of, and payments made to you for Accident & Sickness ("Disability").

How does it work?

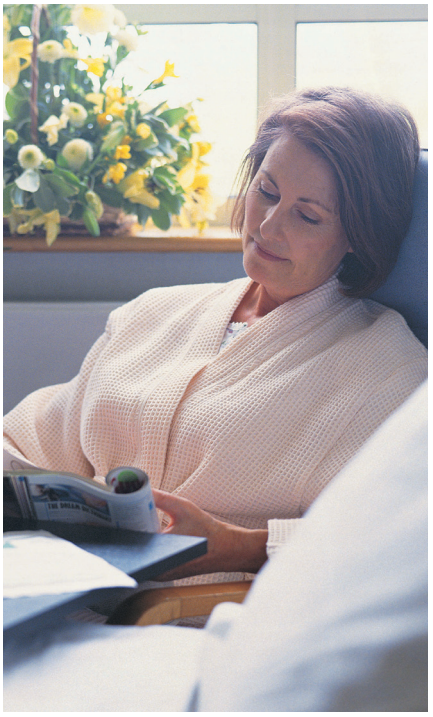
- Log onto www.associated-admin.com, click on "Your Benefits" located at the left side of screen, and select "FELRA & UFCW." On the FELRA homepage, click on "NETime Benefit System."
- When you first access this site, you will be directed to the page where you are asked to create a user name and password. You and your dependent(s) (if over age 18) can create your own user name and password.
- Once you have successfully logged in, you will be taken to the "Demographic" page, which displays your address, phone number, and dependent information.
- The menu selection screen appears in the left column of your screen. Here you can click on the category you wish to view (medical claims paid, Accident & Sickness benefits received, etc.).

Note: The information provided on the NETime Benefit System website is not a guarantee of coverage. It is possible that the information shown is inaccurate or is not fully up to date. If you have changes to what is shown, please submit them in writing to the Fund office. Be sure to include your name and Social Security number in your letter. Call the Fund office if you have any questions at (800) 638-2972.

Note For Kaiser Participants In The Frederick, MD Area

Frederick Memorial Hospital is no longer a contracted hospital with Kaiser Permanente. There is, however, a Kaiser center located on Crestwood Boulevard in Frederick, Maryland for regular appointments, and a larger center in Gaithersburg, Maryland.

Reconstructive Surgery Following Mastectomy



The following article applies to you if your medical benefits are provided through the Fund, not an HMO. If you have coverage through an HMO, you should receive a similar notice directly from the HMO.

The Women's Health and Cancer Rights Act ("WHCRA") provides protections for individuals who elect breast reconstruction after a mastectomy. Under federal law related to mastectomy benefits, the Plan is required to provide coverage for the following:

- All stages of reconstruction of the breast on which a mastectomy is performed;
- surgery and reconstruction of the other breast to produce a symmetrical appearance;
- prostheses; and
- treatment of physical complications of all stages of mastectomy, including lymphedema.

Such benefits are subject to the Plan's annual deductibles and co-insurance provisions. Federal law requires that all participants be notified of this coverage annually.

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