

**CEMENT MASONS HEALTH AND WELFARE TRUST FUND**  
**220 CAMPUS LANE**  
**FAIRFIELD, CALIFORNIA 94534-1499**  
**TELEPHONE: (707) 864-3300 OR TOLL-FREE (888) 245-5005**

<b>IMPORTANT NOTICE REGARDING YOUR MONTHLY SELF-PAY RATES FOR HEALTH AND WELFARE COVERAGE</b>
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**TO: ALL RETIRED CEMENT MASONS ELIGIBLE FOR  
HEALTH AND WELFARE COVERAGE**

Since September 2000, monthly self-payment rates have been based on your Years of Credited Service in the Pension Plan. The more years you had worked, the more the Health and Welfare Fund subsidized your monthly self-payment rate. Previous to this subsidy, Retired Cement Masons eligible for Health and Welfare coverage paid 100% of the monthly rate.

Over this past year, the Cement Masons Health and Welfare Plan has seen a dramatic increase in medical and prescription drug costs. While costs have increased, investment income has decreased significantly.

In addition to benefit changes described in the enclosed insert, we must also reduce the subsidy in order to maintain the solvency of the Trust Fund. Effective September 1, 2003, the formula for calculating the monthly self-payment rates will change as follows:

<b>Years of Credited Service</b>	<b>Current Percent of Self-Payment Rate Payable by Retired Cement Masons</b>	<i><b>New Percent of Self-Payment Rate Payable by Cement Masons Effective September 1, 2003</b></i>
• <b>Less than ten (10) Years</b>	<b>100%</b>	<b>100%</b>
• <b>Ten (10) to 19 Years</b>	<b>40%</b>	<b>80%</b>
• <b>Twenty (20) to 24 Years</b>	<b>30%</b>	<b>70%</b>
• <b>Twenty-five (25) or more Years</b>	<b>20%</b>	<b>60%</b>

**Reminder:** The monthly charge for optional dental and vision is in addition to the self-payment rate for hospital-medical and prescription drug benefits. You should also be aware that you might be required to submit payment for your Health and Welfare benefits if your pension benefit does not cover your monthly self-payment rate.

Enclosed with this notice is an updated Monthly Self-Payment Rate table, reflecting the new percentages and rates effective September 1, 2003. Remember, to calculate your monthly self-payment amount, multiply the percent that corresponds to your Years of Credited Service by the

amount shown in the table. For example, if you have 25 Years of Credited Service, are eligible for Medicare, and are covering yourself only, then your monthly self-payment amount would be \$145.80 for the Fund's Plan ( $\$243 \times 60\%$ ), or \$124.20 for Kaiser's Senior Advantage ( $\$207 \times 60\%$ ). Please note that the rates for the Fund's Managed Health Care Plan are lower than those currently in effect, while the rates for Kaiser are higher. The reason the Fund's rates are lower is that the Plan changes that become effective September 1, 2003 have been factored into these rates. Kaiser's increase is the result of renegotiation of the contract between Kaiser and Cement Masons Health and Welfare Trust Fund.

In addition, rather than update self-payment rates each March 1, we will update rates each September 1 to coincide with renegotiation of Kaiser's contract and with the Fund's actuarial valuation.

If you have any questions regarding this notice, do not hesitate to contact the staff at the Fund Office at 707 864-3300 or toll-free at 888 245-5005, Monday through Friday, 8:30 AM to 4:00 PM.

Sincerely,

BOARD OF TRUSTEES

INSERT #10 TO 4/1/00 BOOKLET  
JULY 2003