

AGC-International Union of Operating Engineers Local 701 Trust Funds

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Administered by
Welfare & Pension Administration Service, Inc.

October 9, 2025

**TO: All Participants and Dependents with Medical Coverage
AGC-International Union of Operating Engineers Local 701
Health and Welfare Trust Fund**

Important Notice About Your Prescription Drug Coverage and Medicare

If you are, or soon will be, entitled to Medicare because, for example, you are age 65 or older, you have end-stage renal disease, or you are disabled (as determined by the Social Security Administration), you may be eligible for prescription drug coverage under Medicare. This notice does not apply to you if you are not currently, nor soon will be, eligible for 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 AGC-International Union of Operating Engineers Local 701 Health and Welfare Trust Fund (the "Trust") 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 prescription 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.

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

- 1. Medicare prescription drug coverage (known as Medicare Part D coverage) became available in 2006 to everyone with Medicare. If you are Medicare Part D eligible, you can get Medicare Part D coverage by enrolling in a Medicare prescription drug plan or a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare prescription 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 Trust's Board of Trustees has determined that the prescription drug coverage offered by the Trust's self-funded health plan and the HMO option (Kaiser) is, on average for all plan participants, expected to pay out as much as 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 enroll in a Medicare prescription drug plan.**

When Can You Enroll In A Medicare Prescription Drug Plan?

You can enroll in a Medicare prescription drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

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 to join a Medicare prescription drug plan.

What Happens To Your Current Coverage If You Decide to Enroll In A Medicare Prescription Drug Plan?

If you decide to enroll in a Medicare prescription drug plan, your current Trust coverage will not be affected. If you are required to pay a premium for Trust coverage and you choose to enroll in a Medicare prescription drug plan, your premium for Trust coverage will remain the same and will not be reduced because you enroll in a Medicare prescription drug plan. In other words, as long as you have Trust coverage, if you decide to enroll in a Medicare prescription drug plan, you will be required to pay a Medicare Part D premium in addition to the premium you already pay for your medical coverage under the Trust, which already includes prescription drug coverage.

When Will You Pay A Higher Premium (Penalty) To Enroll In A Medicare Prescription Drug Plan?

You should also know that if you lose your current Trust coverage and don't enroll in a Medicare prescription drug plan within 63 consecutive days after your current coverage ends, you may pay a higher premium (a penalty) to enroll in a Medicare prescription drug plan later.

If you go 63 consecutive days or longer without creditable prescription drug coverage, your monthly Medicare Part D 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 Medicare Part D 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 October to enroll.

For More Information About This Notice Or Your Current Prescription Drug Coverage

Contact the Trust Office at (866) 697-5750 (toll-free) if you have questions. **NOTE:** You will get this notice each year and if Trust coverage changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage

More detailed information about Medicare plans that offer prescription drug coverage 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 prescription drug plans.

For more information about Medicare prescription drug plans:

- 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.ssa.gov , or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to enroll in one of the Medicare prescription 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).

Date:	October 9, 2025
Name of Sender:	AGC-International Union of Operating Engineers Local 701 Health and Welfare Trust Fund
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