

NEW YORK DISTRICT COUNCIL OF CARPENTERS

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Summary of Material Reductions to the New York City District Council of Carpenters Welfare Fund

***This notice contains important information
concerning your Welfare Fund benefits.***

DATE: June 1, 2006

**TO: All active participants of the New York City District Council of Carpenters
Welfare Fund and their covered dependents
All covered retirees and their covered dependents
All covered surviving dependents
All COBRA participants**

FROM: Board of Trustees of the New York City District Council of Carpenters Welfare Fund

This Summary of Material Reductions (SMR) describes changes to your benefits under the New York City District Council of Carpenters Welfare Fund (the "Welfare Fund") recently adopted by the Welfare Fund's Board of Trustees (the "Trustees"). This SMR only describes recent changes to your benefits under the Welfare Fund, you must read this SMR together with your April 1, 2003 Summary Plan Description (SPD) for a full description of the terms and conditions governing your eligibility for benefits under the Welfare Fund. Please retain this SMR with your SPD. You may want to mark your SPD on the pages where this SMR has modified the SPD. The section references below refer to the April 1, 2003 SPD.

If you have any questions regarding this SMR or the Welfare Fund, or if you need another copy of the SPD, please call the Fund Office at (800) 529-3863 or write the Fund Office at New York City District Council of Carpenters Welfare Fund; 395 Hudson Street, New York, NY 10014.

A. NEW RETIREE ELIGIBILITY RULES: EFFECTIVE FOR PARTICIPANTS

RETIRING ON OR AFTER AUGUST 1, 2006. The following sub-section describes changes to the eligibility rules governing when a participant may receive retiree coverage. The sub-section is effective for participants retiring on or after August 1, 2006, even if a participant is eligible to retire before August 1, 2006, but delays his/her retirement until August 1, 2006 or later.

Retirements that are effective on July 1, 2006 will use the current rules to determine eligibility for Retiree Health coverage. Please note, in order for you to retire effective July 1, 2006, your pension application must be received at the Fund Office no later than June 30, 2006.

(The following sub-sections will replace the sub-sections entitled "Eligibility for Retirees" and "Disability Pensioners," of the SPD.)

When you retire, any remaining hours in your bank are used to continue your coverage as an Active Employee. In order for Welfare Fund coverage to continue after your bank hours are used, you must qualify for Retiree health coverage.

You do not "bank" hours if you work in Covered Employment while you are retired. Therefore, you will not re-qualify for coverage as an Active Employee once you are eligible as a Retiree, even if you work 250 hours in Covered Employment.

In order to be eligible for Health and Welfare Coverage as a Retiree, your employer or employers must have contributed to the Fund for you as an Active Employee, and you must satisfy one of the three requirements below:

- You are at least 55 years old, and have earned at least 30 Vesting Credits with the New York City District Council of Carpenters Pension Fund (the "Pension Fund"). In general, you earn one Vesting Credit for each calendar year in which you work 870 hours or more in Covered Employment;
- You are at least 55 years old, have earned at least 20 Vesting Credits under the Pension Fund and, during the 60-month period immediately preceding the effective date of your pension, you are eligible as an Active Employee for at least 24 months; or
- You are at least 55 years old, have 25 years with at least 250 hours worked in Covered Employment, have earned at least 15 Vesting Credits under the Pension Fund and during the 60-month period immediately preceding the effective date of your pension, you are eligible as an Active Employee for at least 24 months.

Return to work. If you return to Covered Employment and your pension is suspended, your Retiree health coverage will continue for up to six months as long as you work at least 40 hours in each month. (Note that a special rule for disability pensions is discussed in the following section.)

Disability Pensioners

A Disability Pensioner who is an eligible Active Employee when disability commences will continue to be covered as described in the section entitled, "Continued Eligibility During Periods of Disability." (Please refer to the subsection called "Continuation of Coverage during Total Disability.")

If you are not eligible for Welfare Fund coverage as an Active Employee when disability commences, you will be eligible for Retiree health coverage as a Disability Pensioner provided that you satisfy one of the three rules in the preceding "Eligibility for Retirees" section, except for the age requirements.

Disability Pensioners who are eligible for, and in receipt of, a Social Security Disability Award should review the section entitled "Medicare" in the SPD.

B. NEW IN-NETWORK HOSPITAL/MEDICAL COPAYMENTS: EFFECTIVE AS OF AUGUST 1, 2006. New in-network copayments will be in effect for Active Employees, Retirees and dependents who are eligible for the hospital/medical benefits program administered by Empire BlueCross BlueShield. The new copayments do not apply to Retirees and dependents of Retirees who have Medicare as their primary source of coverage. The information that follows replaces information in the chart entitled "Hospital and Medical Benefits for Active Employees and their Dependents" and the chart entitled "Hospital and Medical Benefits for Retirees Who Are Not Medicare Eligible and Non-Medicare Eligible Dependents of Retirees and their Dependents" of the SPD.

1. ***New Copayment Amount for Certain In-Network Office Visits.*** For certain In-Network office visits, effective as of August 1, 2006, the new copay amount is \$20 per visit. The \$20 copay is applicable for services an individual receives in the offices of the following in-network practitioners:
 - Primary Care Physician,
 - Obstetricians,
 - Gynecologists,
 - Certified nurse midwives,
 - Chiropractors, and
 - Physical therapists.
2. ***New Copayment Amount for In-Network Specialist Visits.*** For In-Network Specialist visits, the new copay amount is \$25 per visit. The \$25 copay will apply for all in-network doctors not listed above when a copay is required.
3. ***New Copayment Amount for Services Received in Outpatient Facilities.*** For services received in an in-network, outpatient facility for physical, speech, language, occupational and vision therapies, and for cardiac rehabilitation, the new copay amount is \$25 per visit.
4. ***New Copayment Amount for Emergency Care.*** For In-Network or Out-of-Network Emergency Room Visits, the new copay is \$50 per visit.

Additional details about the new in-network hospital/medical co-pay amounts and new Empire BlueCross BlueShield identification cards, reflecting these changes, will be mailed to you prior to August 1, 2006.

C. CHANGES TO PRESCRIPTION DRUG BENEFITS FOR ACTIVE AND RETIRED PARTICIPANTS AND THEIR DEPENDENTS: EFFECTIVE AS OF SEPTEMBER 1, 2006. (This section revises the information in the section entitled "Prescription Drug Program," as described below.)

1. The Trustees have changed the Welfare Fund's prescription benefits manager from Caremark to MEDCO. Thus, prescription drug benefits will be administered by MEDCO. **Your new prescription cards along with more detailed information about these changes will be mailed to you at a later date. These new cards are effective September 1, 2006. You can continue to use your old cards through August 31, 2006.**

2. New copayment amounts for prescriptions filled at a retail pharmacy (up to a 34 day supply):

	Co-Pay Per Prescription
Generic	\$10
Preferred Brand Name Prescriptions	\$20
Non-Preferred Brand Name Prescriptions	\$35

** A Preferred Brand Name Prescription refers to a medication which is "Preferred" under the Welfare Fund. As described above and below, a higher copay will be required for a medication which is considered "Non-Preferred." For example, Lipitor, Zocor and Pravachol all treat cholesterol. However, one or more of these drugs may be considered "Non-Preferred" under the Welfare Fund, and you will be required to pay a higher co-pay (as described above and below) for a prescription of the drug. You can begin calling MEDCO directly at 1-800-939-2091 on September 1, 2006 to find out if a drug that you are taking is considered "Preferred." You can also visit MEDCO's website at www.medco.com*

3. New copayment amounts for prescriptions filled through the Welfare Fund's mail order program with Medco (up to a 90 day supply):

	Co-Pay Per Prescription
Generic	\$20
Preferred Brand Name Prescriptions	\$40
Non-Preferred Brand Name Prescriptions	\$70

Using the mail order program saves you money because for the value of two retail copayments you get three months of drugs.

4. If you are taking a "maintenance" drug you must use the mail order program under certain circumstances. After your second refill of a maintenance drug prescription, you may not fill the prescription through a retail pharmacy, but must use the mail order program to fill the prescription. Maintenance drugs generally include drugs which treat chronic conditions such as high blood pressure or diabetes. ***You can begin calling MEDCO directly at 1-800-939-2091 on September 1, 2006 to find out if a drug that you are taking is considered a maintenance prescription drug. You can also visit MEDCO's website at www.medco.com***

Additional details and new prescription drug identification cards will be sent to you in future mailings prior to September 1, 2006.

Again, please retain this SMR with your SPD. The two documents should be read together for an accurate description of your current Welfare Fund benefits. For ease of your review, the following page summarizes the new copayments, and their effective dates. If you have any questions, please contact the Fund office at 1-800-529-3863.

ERISA Information

Plan Sponsor: Board of Trustees of the New York City District Council of Carpenters Welfare Fund

Address: New York City District Council of Carpenters Welfare Fund, 395 Hudson Street
New York, NY 10014. Telephone: (212) 366-7300 or (800) 529-3863.

Sponsor's EIN Number: 13-5615576

Plan Number: 501

Plan Year: July 1 to June 30

SUMMARY OF NEW COPAYMENTS:

A. Co-Payments for In-Network Hospital/Medical Services:

Effective August 1, 2006

These new In-Network Hospital/Medical Co-pays do not apply to Retirees and dependents of Retirees who have Medicare as their primary source of coverage.)

Charge	Co-Pay Per Visit
In-Network Office Primary Care	\$20
In-Network Office Specialist Visits	\$25
Services Received in Outpatient Facilities	\$25
Emergency Care	\$50

B. Co-Payments for Prescriptions Filled at a Retail Pharmacy (up to a 34-day supply):

Effective September 1, 2006

Charge	Co-Pay Per Prescription
Generic	\$10
Preferred Brand Name Prescriptions	\$20
Non-Preferred Brand Name Prescriptions	\$35

C. Co-payments for Prescriptions Filled through the Welfare Fund's mail order program with MEDCO (up to a 90-day supply):

Effective September 1, 2006

Charge	Co-Pay Per Prescription
Generic	\$20
Preferred Brand Name Prescriptions	\$40
Non-Preferred Brand Name Prescriptions	\$70