

SAN FRANCISCO ELECTRICAL WORKERS HEALTH & WELFARE PLAN
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To: Participants Covered Under the SFEW Health and Welfare Plan

From: Plan Office

NOTICE ABOUT THE EARLY RETIREE REINSURANCE PROGRAM

The Early Retiree Reinsurance Program (ERRP) is a federal program that was established under the Affordable Care Act. The SFEW Health and Welfare Plan (Plan) has been approved to receive reimbursements from the limited funds available under the ERRP to help defray some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees. The ERRP expires on the earlier of January 1, 2014 or when the ERRP funds run out.

The Board of Trustees is allowed to use any reimbursements it receives from the ERRP to reduce or offset increases in Plan participants' premium contributions, co-payments, deductibles, co-insurance or other out-of-pocket costs. The ERRP funds can be spread across the Plan to defray costs of benefits for all participants, including actives and retirees. For these reasons, as a Plan participant, you may experience changes that may be advantageous to you, in your coverage terms and conditions, for so long as the reimbursements under the ERRP are available. The ERRP reimbursements may increase the likelihood that Plan coverage will continue for retirees and actives and their families.