

October 15, 2012



SUMMARY OF MATERIAL PLAN MODIFICATION

IMPORTANT ELIGIBILITY INFORMATION

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2013 PARTICIPANT ELIGIBILITY LEVELS

Effective with the benefit period beginning January 1, 2013 - for which qualification determination is based upon employer contributions remitted for work performed October 1, 2011, through September 30, 2012 - the Professional Musicians, Local 47 and Employers' Health & Welfare Fund (the "Fund"), will provide benefit/coverage options at **three levels** of eligibility, as opposed to the single level of eligibility and coverage previously administered by the Fund.

Commencing with the January 1, 2013, coverage year, the initial eligibility threshold to qualify for enrollment in medical plans sponsored by the Fund will be \$800 in Employer contributions. Additionally, the Fund will – also effective with the January 1, 2013, coverage year -- expand the medical plans it sponsors to include two additional levels which will require higher minimum employer contribution thresholds (for a total of three levels of medical insurance plans). Enrollment in these additional levels shall be determined on the amount of employer contributions a Participant, who otherwise has qualified for enrollment, has in his/her employer contribution account (including any available carry-forwards from the 2012 coverage year). The qualifying amounts for each tier and the medical plan options associated with that tier are listed below.

| Level | Eligibility Contribution Level | Medical Plan | Dental/Vision Chiropractic/Acupuncture |
|-------|--------------------------------|--|---|
| A | \$1,500 + | Health Net PPO Health Net HMO \$30 Co-Pay Kaiser \$30 Co-Pay Kaiser \$20 Co-Pay/20% | Yes |
| B | \$1,200 to \$1,499 | Kaiser \$30 Co-Pay Kaiser \$20 Co-Pay/20% | Yes |
| C | \$800 to \$1,199 | Kaiser 30% Co-Pay Plan | No |

Thus, effective with the qualifying period that starts on October 1, 2012, and for eligibility to enroll in one of the three levels of the Fund's medical plans for the coverage year commencing January 1, 2013, the minimum amount of Employer contributions necessary for a Participant to qualify will be \$800 for Level C enrollment/coverage, \$1,200 for Level B enrollment/coverage and \$1,500 for Level A enrollment/coverage.

CARRY-FORWARD CONTRIBUTION BANK

If there are insufficient Employer contributions in the current qualifying period, there will be a look-back period of twelve (12) months. Should a Participant have any unused contributions in the twelve (12) month look-back period (the previous October 1st through September 30th), a maximum of \$600 in unused employer contributions from the immediately preceding qualifying period (in this case October 1, 2010, through September 30, 2011) will be carried forward to the current period to allow the Participant to achieve eligibility.

For eligibility to enroll in coverage starting January 1, 2013, and for the qualification period October 1, 2011 through September 30, 2012, unused Employer contributions, for determining qualification for the January 2013 – December 31, 2013 coverage period, are defined as either (a) Employer contributions in excess of \$1,200, that were actually contributed on the Participant's behalf and that were accepted by Fund, for purposes of qualification in the preceding qualifying period, up to a maximum of \$600 in unused employer contributions, or (b) the amount of employer contributions in the preceding qualifying period, that were actually contributed on the Participant's behalf and that were accepted by Fund, when a Participant did not qualify, up to a maximum of \$600 in employer contributions. In no circumstance will contributions be carried forward more than one period or will the amount carried forward exceed \$600 in unused employer contributions.

However, and commencing for eligibility to enroll in coverage starting January 1, 2014, and for the qualification period October 1, 2012 through September 30, 2013, unused Employer contributions, for determining qualification for future coverage periods, shall be defined as either (a) Employer contributions, that were actually contributed on the Participant's behalf and that were accepted by Fund, ***in excess of \$1,500***, up to a maximum of \$600 in unused employer contributions, or (b) the amount of employer contributions in the preceding qualifying period, that were actually contributed on the Participant's behalf and that were accepted by Fund, when a Participant did not qualify, up to a maximum of \$600 in employer contributions. Once again, in no circumstance will contributions be carried forward more than one period or will the amount carried forward exceed \$600 in unused employer contributions.

ENROLLMENT

To be covered through one of the Fund's benefit plans the eligible Participant must complete and return, to the Fund Administrative Office, an enrollment application prior to December 20, 2012, along with the Participant's proper co-premium, and if applicable, the Participant's Dependent co-premium. Participant and Dependent co-premiums will be posted to the Fund's website prior to November 1, 2012 – www.pacfed.com/musicians.

All eligible Participants will be enrolled in the Fund's Prudential Life and Accidental Death and Dismemberment coverage. Beneficiary forms may be found on the Fund's website - www.pacfed.com/musicians.

PLAN BENEFIT SUMMARIES

Plan benefit summaries will be posted to the Funds website prior to November 1, 2012.

WHY THE TRUSTEES MADE THESE CHANGES

The decision to make the changes outlined above was not taken lightly. The Trustees have devoted considerable effort and careful consideration in trying to maintain our Health and Welfare Trust Fund in a responsible and prudent position. These changes in the Benefit Plan will be reviewed by the Trustees of the Fund on an ongoing basis as to its impact on the Fund and may be revised or eliminated at any time.

IMPORTANT ADDITIONAL INFORMATION

Participants (and/or their Dependents or beneficiaries) have no vested or accrued rights under the Plan and/or any benefits provided through the Fund. Insured benefits are provided to the extent that insurance premiums are paid, and Employer contributions and Participant and/or Dependent co-premium requirements are actually received or collected by the Fund. The Board of Trustees of the Fund expressly reserves the right, in its sole and absolute discretion, at any time and from time to time to make future amendments and modifications to the Plan and/or the Fund to ensure the Fund's continued ability to provide benefits to its Participants and their beneficiaries. We will continue this focus as we review our plan design and co-payment structures in the future.

You should note that the Board of Trustees of the Fund, in its sole and absolute discretion, may at any time:

****Terminate or amend the amount or conditions of eligibility for any benefit, or terminate or change any benefit even though such action may affect any claims that have already occurred;**

****Terminate, amend or rescind any other provision of the Plan and/or benefits provided through the Fund; and**

****Terminate the Plan, the Fund and benefits provided through the Fund even though such action may affect claims that have already been made.**

Among other things, the existence and continuation of Plan benefits depends on the continuation of Employer contributions being made to the Fund . If Employer contributions are terminated or significantly reduced for any reason, the rights of all Participants with respect to benefits will be determined by the Board of Trustees of the Fund in its sole and absolute discretion.

This Notice presents an overview of the Plan's Benefits, Eligibility structure and is not intended to be all-inclusive, nor is it to be used as a Summary Plan Description. In the event there is any conflict between this Notice and the official Plan documents, the official documents will govern. The official Plan Documents will be revised to reflect the above changes adopted by the Board of Trustees. The Board of Trustees reserves the right, in its sole discretion, to change, modify or eliminate any benefits or requirement for benefits at any time, without advance notice.