

To All Participants Enrolled in the following IBT Local 731 Health and Welfare Funds:

- **Teamsters Local 731 Health & Welfare Fund of the Excavating, Grading and Asphalt Craft;**
- **Teamsters Local 731 Health & Welfare Fund**
(Hereinafter referred to as "Fund")

The enclosed notice describes the options available to persons eligible to enroll in a Medicare Prescription Drug Plan during the open enrollment period for 2026 coverage between October 15, 2025 and December 7, 2025. The U.S. Government requires that the Fund issue the information to you so that you can make an informed decision. Because the Fund has no way to identify all the participants who are eligible for Medicare, the Fund is sending this notice to each and every participant.

The information in this notice applies only to the following persons who are entitled to or who become entitled to Medicare:

- Active employees age 65 or over and active employees' spouses age 65 or over
- Disabled active employees on Medicare and active employees' disabled dependents on Medicare
- Active employees on Medicare due to end stage renal disease and active employees' dependents on Medicare due to end stage renal disease
- Plus anyone who will enter one of the above categories sometime in 2026

Due to the fact that this notice contains so much required information, the Trustees would like to emphasize the following details:

- **There is no action that you need to take in order to maintain your prescription drug coverage with the Fund.**
- **This Fund's prescription drug coverage has been determined to be as good or better than Medicare's.**
- **Because this Fund's prescription drug coverage is better than the standard Medicare prescription drug coverage, there is no reason for you to enroll and pay premiums for a Medicare Part D Plan at this time.** You can always enroll in a Medicare Part D Plan at a later date if you lose coverage provided by the Fund and are eligible for Medicare at that time.

We urge you to read this notice carefully so that you understand these and other aspects of the notice completely. Please retain this notice as part of your records, in case your coverage under the Fund terminates in 2026. If you lose your coverage under this Fund while you are entitled to Medicare coverage, you may want to enroll in a Medicare prescription drug plan within sixty-three (63) days to avoid any late enrollment penalties. The new Medicare prescription drug plans are required to waive those penalties if you can demonstrate prior coverage and not have a sixty-three (63) day coverage gap. This notice shall serve as proof of that coverage.

Respectfully,

The Boards of Trustees



Important Notice Regarding Your Prescription Drug Coverage and Medicare from the following IBT Local 731 Health and Welfare Funds:

- **Teamsters Local 731 Health & Welfare Fund of the Excavating, Grading and Asphalt Craft;**
- **Teamsters Local 731 Health & Welfare Fund**
(Hereinafter referred to as "Fund")

This notice is for all persons eligible for Medicare, even if Medicare is not the person's primary health plan. This information in this notice applies only to participants who are eligible for Medicare, or who become eligible for Medicare during 2026.

Please read this notice carefully and retain same where you can locate if need be. This notice has information about your current prescription drug coverage with the Fund 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 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 attain additional assistance regarding decisions about your prescription drug coverage is located on page 4 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 (also referred to as Medicare Part D) became available in 2006 to everyone with Medicare. You can attain this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (similar to a HMO or PPO Plan) that offers prescription drug coverage. All Medicare Drug Plans provide at least a standard level of coverage set by Medicare. Some plans may also offer additional coverage for a higher monthly premium.
2. The Fund has determined that the prescription drug coverage offered by the Fund 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 join a Medicare Drug Plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare 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 (SEP) to join a Medicare Drug Plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

You will still be eligible to receive all your current health and prescription drug benefits from the Fund if you also choose to enroll in a Medicare Prescription Drug Plan. However, having both drug coverage's does not mean that you will have better benefits than you currently enjoy, or that you will not have out-of-pocket prescription drug expenses.

Since this Plan is primary to Medicare, this Plan will pay its normal benefits and your Medicare plan's duplicate coverage rules will determine its benefit level. Various Medicare Prescription Drug Plans may have different rules.

You should be aware that having two prescription drug plans could have an effect on whether you reach the Medicare plan's catastrophic coverage level. This is because standard Medicare Prescription Drug Plans are only required to count your actual out-of-pocket costs when determining when you reach the catastrophic coverage level. Drug costs that are paid by this Plan do not qualify as out-of-pocket expenses.

If Medicare is or will become your primary plan, please contact the Fund Office for more information if you are considering enrolling in a Medicare Part D Plan. When Medicare is primary, the Fund will continue to coordinate with Medicare for your hospital and physician benefits. However, if Medicare is primary, the Fund will not coordinate prescription drug expenses with a Part D Drug Plan. *Refer to* pages 7-9 of the CMS Disclosure of Creditable Coverage to Medicare Part D Eligible Individuals Guidance (available at <http://www.cms.hhs.gov/CreditableCoverage/>), which outlines the prescription drug plan provisions/options that Medicare-eligible individuals may have available to them when they become eligible for Medicare Part D.

If you do decide to join a Medicare Drug Plan and drop your current Fund prescription drug coverage, you and your dependents will be able to get this coverage back if you later drop your Medicare Part D Drug Plan coverage. Contact the Fund Office before you terminate your Medicare D Drug Plan coverage.

What Happens if You Do Not Join a Medicare Part D Drug Plan?

You do not have to enroll in a Medicare Drug Plan. If you choose not to join a Medicare Part D Drug Plan, your benefits, including prescription drug benefits in accordance with the Fund will continue.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with the Fund and elect not to join a Medicare Drug Plan within sixty-three (63) continuous days after your current coverage expires, you may pay a higher premium (a penalty) to join a Medicare Drug Plan later.

If you go sixty-three (63) continuous days or longer without creditable prescription drug coverage, your monthly premium may increase 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 (19) months without creditable coverage, your 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 join.

For More Information Regarding This Notice Or Your Current Prescription Drug Coverage...

Contact the IBT Local 731 Fund Office for further information at (630) 887-4150.

NOTE: You will receive this notice each year. You will also receive this notice prior the next period you can join a Medicare Drug Plan. In addition, you will also receive said notice if there is a change in Fund coverage. You may also request a copy of this notice at any time.

For More Information Concerning Your Options Regarding Medicare Prescription Drug Coverage...

More detailed information regarding Medicare Plans that offer prescription Drug coverage is contained within the "Medicare & You" Handbook. You will receive a copy of said handbook via U.S. Mail every year. You may also be contacted directly by Medicare Drug Plans.

■ For additional information concerning Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (refer to the inside back cover of your copy of the "Medicare & You" Handbook to locate said telephone information) for personalized help.
- Call 1-800-MEDICARE or 1-(800) 633-4227. TTY users should call 1-(877) 486-2048.

If you have limited income/resources, assistance paying for Medicare prescription drug coverage is available. For additional information regarding said assistance, kindly visit Social Security via the internet at www.socialsecurity.gov or contact them directly at 1-(800) 772-1213 or for TTY users 1-(800) 325-0778.

Note: Retain this Creditable Coverage notice. If you decide to join one of the Medicare Drug Plans, you may be required to provide a copy of this notice when you join to prove whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date: September 2025

Name of Plan/Sender:

- Health & Welfare Fund of the Excavating, Grading and Asphalt Craft Local No. 731;
- Local No. 731, I.B. of T., Health and Welfare Fund

Contact: The IBT Local 731 Fund Office

Address: 1000 Burr Ridge Parkway, Suite 301
Burr Ridge, Illinois 60527

Telephone Number: (630) 887-4150