

CREDITABLE COVERAGE DISCLOSURE NOTICE

Important Notice from The United Federation Of Teachers Welfare Fund About Your Prescription Drug Coverage and 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 United Federation of Teachers Welfare Fund ("Welfare Fund") and new prescription drug coverage available January 1, 2006 for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

The Welfare Fund provides prescription drug coverage to members while in service and their eligible dependents.

1. **Effective January 1, 2006, Medicare will begin providing prescription drug coverage to those who join a Medicare Part D prescription drug plan.**
2. **The Welfare Fund has determined that the prescription drug coverage it offers is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.**
3. **Read this notice carefully - it explains the options you have under Medicare prescription drug coverage, and can help you decide whether or not you want to enroll.**

Effective January 1, 2006, prescription drug coverage will be available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug plans will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

Because your existing prescription drug coverage from the Welfare Fund is on average at least as good as standard Medicare prescription drug coverage, you can keep your Welfare Fund coverage while in service and not pay extra if you later decide to enroll in Medicare coverage.

- **The Welfare Fund does not require that you join Medicare Part D for prescription drug coverage while in service; and**
- **As a Welfare Fund enrollee and/or covered dependent eligible for Medicare in 2006, you will continue to receive full prescription drug benefits currently available to you through the Welfare Fund while in service if you do not enroll in Medicare Part D.**

People with Medicare can enroll in a Medicare prescription drug plan from November 15, 2005 through May 15, 2006. However, because you have existing prescription drug coverage through the Welfare Fund, you can choose to join a Medicare prescription drug plan later. Each year after that, you will have the opportunity to enroll in a Medicare prescription drug plan between November 15th through December 31st.

You should also know that if you drop or lose your coverage with the Welfare Fund and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later. If after May 15, 2006, you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage; your monthly premium will go up at least 1% per month for every month after May 15, 2006 that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most other people pay. You'll have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until next November to enroll.

Local 2 American Federation of Teachers, NYSUT, AFL-CIO



**For more information about this notice or
your current prescription drug coverage...**

Contact our office for further information at (212) 539-0500. NOTE: You may receive this notice at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage changes. You also may request a copy.

**For more information about your options under
Medicare prescription drug coverage...**

More detailed information about Medicare plans that offer prescription drug coverage will be available in in the "Medicare & You 2006" handbook. You'll get a copy of the handbook in the mail from Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from these places:

- Visit www.medicare.gov for personalized help,
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number)
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare which offer prescription drug coverage after May 15, 2006, you may need to give a copy of this notice when you join to show that you are not required to pay a higher premium amount.

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