

new jersey CARPENTERS benefits watch

Publication of New Jersey Carpenters Funds

november 2012

nj carpenter funds trustees and staff keeping services up and costs down

by george r. laufenberg, administrator

In light of the fiscal difficulties being encountered by the New Jersey Carpenters' three major benefit funds, and the resulting need to reduce or modify benefits, it's only natural that the membership expects administrative costs to be handled and expended in a most prudent manner.

Like most other building trades unions, the Carpenters have suffered from double-digit unemployment since the economic meltdown began in late 2008. In turn, this has led to a drastic decline in both employer and employee contributions to the funds, as well as a general drop-off in investment returns.

To make matters worse, pension and annuity payouts have increased as more and more members are taking retirement or have been forced to utilize their annuity to cover unexpected or emergency expenses. Our health care payouts also remain substantially higher than the investment returns and contributions coming into the fund.

Fund trustees have a fiduciary duty to prudently manage plan assets in the best interests of participants and their dependents. These duties involve balancing the diverse interests of several different groups that participate in benefit plans, such as working members, nonworking members, disabled members, retirees and dependents.

Many of the administrative decisions and functions undertaken by the trustees are determined by ERISA guidelines, which encourage the hiring of various professionals and consultants to provide assistance and advice in the performance of their fiduciary duties. For the most part, fund trustees (contractors and carpenter representatives) do not possess the expertise in legal affairs, investments, insurance underwriting, accounting, auditing and other specialized areas needed to perform the purpose of the trust.

All trust documents must contain a provision that gives the trustees authority to retain pro-

fessional advisors and to pay reasonable compensation from plan assets for these services. Professional advisors and their responsibilities include:

- **Actuary** – Gathers data and makes calculations that help determine pension and health plan funding needs.
- **Attorney** – Advises trustees on all legal issues, laws and regulations.
- **Auditor/Accountant** – Performs the annual audit required by law, and prepares required tax and compliance returns and reports.
- **Insurance Carrier or Underwriter** – Provides liability insurance coverage for trustees.
- **Insurance Consultant or Broker** – Advises trustees on insurance contracts, underwriting, benefit design and monitoring claims performance.
- **Investment Manager** – Manages and invests plan assets, according to objectives and policies of the trusts. Reports to trustees.
- **Investment Consultant** – Advises and assists trustees in establishing investment policies and objectives, evaluating types of investments, reviewing asset allocations, and selecting and monitoring the performance of investment managers.

Trustees are also required by ERISA to be bonded to protect the trust from fiduciary breaches. The bond – which is paid for out of trust assets – must be for 10% of trust assets up to a maximum of \$500,000. In addition, fiduciary liability insurance protects trustees from personal loss by covering any legal defense costs that might occur.

For the 2011 calendar year, the Carpenters' Pension, Health, Annuity and Vacation plans had assets totaling more than \$2 Billion. Total income for the year was \$310.4 Million, including \$81.4 Million in investment income – a **4% return**

on \$2 Billion. Total expenses for the year were \$306.5 Million, including some \$287.3 Million in benefits paid.

Total administrative expenses for calendar year 2011 were \$19.2 Million, or approximately 6% of the total \$306.5 Million in expenses and benefits paid. Of the \$19.2 Million in administrative expenses, some \$8.7 Million was attributable to investment manager, investment consultant and custodian fees, leaving some \$10.5 Million for administrative staffing expenses, or about 3% of the total \$306.5 Million in expenses and benefits. **On a total assets basis, the \$10.5 Million in administrative staffing and expenses comes to about 0.50% - about one-half of one percent.**

Employees of the Carpenters Funds Office are responsible for processing contractor contributions and reports, making eligibility and benefit determinations, ensuring legal compliance, compiling necessary participant data, communicating with participants and trustees, processing numerous forms and paying trust expenses.

Of most importance, these employees also adjudicate the status and eligibility of claims and process some 400,000 qualified health care claims and another 400,000 prescription claims annually. Our benefit funds' administrative expenses compare very favorably with other multi-employer funds of equal or even less size.

Our NJ Carpenters benefit funds are blessed with trustees who have always put the needs of the membership first and by an office staff whose expertise and commitment to excellence is second to none. The membership can rest assured that despite these very difficult economic times, the stewardship of the funds remains in competent hands and that every effort is being made to continue the highest level of benefits and service to our participating members.

New Jersey CARPENTERS Funds

EMPLOYER TRUSTEES:

James Parry, Co-Chairman
Alfonso Daloisio, Jr., Robert Epifano, Robert Gariepy,
Glenn Garlatti, Mark Hall, Michael Jensen, Jack Kocsis,
Brian McGlone, Robert Partyka, Jr., Robert Polisano

EMPLOYEE TRUSTEES:

Michael Capelli, Co-Chairman
John Ballantyne, William Buttino, Andrew Pacifico, Michael DeRosa,
Dennis Garbowski, William Michalowski, Leonard Pennucci,
Frank Spencer, William Sproule, Robert Tarby, Anthony Verrelli

revisions to nj carpenters health plan SPD re: banking provision and disability health coverage

This notice is to inform members of two new Summary Material Modification (SMM) changes to the Summary Plan Description (SPD) of the NJ Carpenters Health Plan.

The trustees have acted to **discontinue the Plan's Banking Provision.**

However, any bank funds that were accumulated during the 2011 calendar year, that are in excess of the actual cost of coverage (\$10,500), may be used to maintain health care coverage for the upcoming Plan Year, beginning April 1, 2013. **Active and retired members will be able to establish or maintain a bank with their 2012 employer contributions. But once again, this is the final year that the banking provision will be in effect.**

There has also been an SMM to the **Total Disability Health Provision** found on pages #24 and #25 of the NJ Carpenters Health Plan's SPD. Number #1 on the list of requirements for active members who receive a permanent Social Security Disability Award - and want to apply for coverage under the disability health provisions of the NJ Carpenters Retired Health Plan - is revised to include the following bold and underlined phrase: Social Security Award Letter - The individual has received a Social Security Disability Award Letter **and presents the award letter to the Fund Office within 90 days of its receipt.**

In addition to submitting the award letter **within 90 days of its**

receipt, active members who receive a permanent Social Security Disability Award and wish to apply for coverage under the disability health provision of the NJ Carpenters Retired Health Plan must also meet the following requirements (already spelled-out in the SPD) to be eligible for coverage:

- **Active Coverage** - The individual must have an "active" level of coverage on the date the Social Security Disability Award Letter deems you disabled.
- **15 Consecutive Years** - The individual must have earned an "active" level of coverage for benefits through the Carpenters Health Fund for at least 15 consecutive years prior to the date of disablement.
- **Pension** - The individual must qualify for, and be receiving, a pension through the NJ Carpenters Fund.
- **Union Dues** - The individual's union dues must be paid up to date with his or her Local Union.

For complete information on the Carpenters disability health provision and requirements, please refer to the appropriate sections of the NJ Carpenters Health Plan's SPD, and the NJ Carpenters Retired Health Plan's SPD. (An additional SMM can be found on page 4 of this newsletter.)



out-of-network reimbursements based on nj carpenters fee schedules

Some members have the **false impression** that the NJ Carpenters Health Fund will reimburse them for up to 80% of the charges, if and when they select an out-of-network provider. They then become frustrated when informed that the fund will reimburse them **only up to the level of our fee schedule, which is 120% of the Medicare RBRVS fee schedule.** The NJ Carpenters fee schedule is usually much less than 80% of the actual charges that may be billed by an out-of-network provider.

Participating members of the NJ Carpenters Health Fund have a responsibility to make sure their provider is in our network in order to reduce or eliminate their out-of-pocket costs. Otherwise, they will be responsible for the difference between our fee schedule payment and the actual charges billed by an out-of-network provider.

Once again, please be cautioned that if you choose a non-participating,

or out-of-network provider for your health care needs, **the Carpenters Health Fund will reimburse you only up to the level of the fee schedule (120% of the Medicare fee schedule) it has contracted with in-network participating providers for that specific procedure.**

when appealing a claim

If you want to appeal a claim to the Funds' office, please make sure that you submit your UBC ID number (if you have one) or Social Security number, along with a copy of the Explanation of Benefits (EOB) and any balanced bills you may have received from the provider. Also, all appeals must be submitted to the Funds' office no later than 12 months from the original date when the claim was first processed, which is indicated on the EOB.

health reimbursement accounts (HRAs) shop carpenters & casino maintenance employees

WHAT YOU SHOULD KNOW

If you are a shop carpenter or casino maintenance employee in New Jersey you should have received by now an open enrollment packet, which you must complete and return to the Funds Office by December 1st. A summary plan description (SPD) of the newly instituted Health Reimbursement Account (HRA) will follow in the mail shortly. If you have not yet received your packet, please notify the Funds Office immediately, so that you can receive and return the packet by December 1st and secure your health care coverage for the January 1, 2013 Plan Year.

HRA Highlights

- **Benefit year is January 1st thru December 31st**
- **A \$2,000 balance is needed to activate your HRA to pay monthly insurance premiums.**
- **When your HRA balance is greater than \$2,000, you can also submit receipts for Eligible Medical Expenses. See Appendix A for a complete list.**
- **If your balance falls below \$2,000, it can only be used for monthly premium payments once your HRA account is activated.**
- To avail yourself of the provisions of this plan, you must be available for work under a Collective Bargaining Agreement which provides contributions to the NJC Health Fund.
- Initial eligibility is attained when you acquire \$2,000 in your HRA. After you complete your enrollment form, coverage will start the first of the following month. Once you have selected your plan option, you cannot change it until the next OPEN ENROLLMENT (annually November 15-December 31), subject to Special Enrollment rights specified in HIPPA. *Failure to return enrollment forms will result in automatic enrollment into Option*

2-Level 2 Single, provided your balance has reached \$2,000.

- Thereafter, your monthly insurance premium will be deducted from your HRA on the first of every month. You will receive an Explanation of Benefits (EOB) from the fund office that shows the monthly deduction and your current HRA balance.
- Every month your HRA must have a minimum dollar amount that at least covers the cost of the insurance premium you have chosen, or you will be sent a "self-pay letter". During your first month of self-pay, you may pay the difference between the amount that is in your HRA account and the amount of your applicable premium.
- Self-pay continues month-to-month thereafter, but you must pay 100% of the premium until your HRA balance is once again greater than \$2,000. You are allowed to self-pay for 12 consecutive months. However, if you have no work history for six months, your self-pay provision will be terminated and you will be offered COBRA.
- If you choose not to self-pay, your coverage will be terminated as of the first of the month and you will be offered coverage under the COBRA provision.
- When COBRA is taken or eligibility is lost, initial eligibility requirements must be met again. Your HRA minimum balance must be \$2,000 to reactivate coverage for the first of the following month.
- If your employer is delinquent, you will not receive credit until the contributions are paid. When your HRA balance does not cover your premium and you "self-pay," and the Fund recovers the delinquent amount, you can submit a claim for reimbursement of that premium. You have one year from the date

the self-pay premium is paid to file the claim.

- If your monthly HRA balance is above \$2,000 you may also submit Eligible Medical Expenses for reimbursement. See Appendix A (elsewhere in this newsletter) for a complete list of eligible expenses.
- Participants and dependents are allowed one claim submission per family, per month, which may include multiple receipts and the aggregate must exceed \$100. Twice a year, January and July, you can submit receipts which total less than \$100.
- Inactive accounts (no contributions or claims paid during the 12 month benefit year) will be charged an annual fee of \$120.
- For those who Opt-Out of health coverage with proof of creditable insurance, there is an annual \$75 administrative fee.
- 36 months of inactivity (no contributions or claims paid) results in the forfeiture of your account.
- Disability Provision - see your HRA summary plan description for complete details.
- There are no illness credits.
- Retiree Coverage - requires 25 years of coverage with the NJ Carpenters Health Fund. This can be a combination of prior years of active coverage under the Health Fund and any subsequent years of medical coverage under the HRA. However, be advised if you select to Opt-Out of health coverage, that plan year will not count towards the 25 years of active coverage needed to qualify for retiree coverage.
- You must be an Active or Retired member, or an Eligible Dependent to submit claims.
- Your HRA balance rolls over from year-to-year. You cannot **CASH out your HRA**. *This is a brief description of the HRA rules. Your Summary Plan Description will follow shortly.*

use participating labs & free-standing facilities

Hospital costs for outpatient lab work and other testing such as CAT Scans and MRIs are extremely costly to the NJ Carpenters Health Fund. In order to reduce costs to our health benefits plan, we have contracted with free-standing radiology locations and labs – such as **LabCorp and Quest** – that are located throughout the state and country.

In many instances, outpatient testing services rendered at a hospital can cost up to ten times as much as at one of our contracted providers. In contrast, our in-network, free-standing facilities and lab sites are reimbursed per procedure at a pre-contracted amount.

Any testing services ordered by your physician for x-rays, blood or other lab work should be performed at one of our in-network, free-standing facilities. Or, if the physician performs the service, it should be sent to one of these facilities for analysis. REMEMBER: If you use an out-of-network facility for these services, the Health Fund will only reimburse up to the level of our fee schedule. You will be responsible for any additional, out-of-pocket costs, which may be substantial.

Should you have any questions or need a listing of our in-network, free-standing facilities, please contact the Funds Office at 1-800-624-3096.

summary of material modification to the new jersey carpenters health plan's summary plan description

re: commercial carpenters, floorlayers & millwrights

January 1, 2013

This Summary of Material Modification (“SMM”) describes changes to the NJ Carpenters Health Plan, and supplements the Summary Plan Description (“SPD”) for the Plan. The effective date of these changes is indicated below. You should read this SMM very carefully and retain this document with your copy of the SPD for future reference.

Summary of Changes:

Supplemental Healthcare Reimbursement Account (HRA):

Beginning on January 1, 2012, a Supplemental HRA was created for all commercial carpenters, floorlayers and millwrights who receive health and welfare employer contributions paid into the NJ Carpenters Fund on their behalf. An HRA allows for participants and their dependents to obtain reimbursement for certain out-of-pocket healthcare expenses. The HRA is funded solely from employer contributions, and reimbursements are restricted to certain qualified medical expenses as defined by the IRS. The terms and conditions applicable to the Supplemental HRA are described in more detail below.

The current 25% Health and Welfare (H&W) contributions are directed as follows: 24% of gross wage contributions will be directed into the active health and welfare account and 1% of gross wage contributions will be directed into the Supplemental HRA. A Participant engaged in covered employment in 2012 has earned credit toward their HRA. Participants will continue to earn credit as they work in covered employment now and into the future.

Participants have no vested rights to any contribution made to their Supplemental HRA. The Trustees intend to continue this Supplemental HRA indefinitely into the future; however, the Trustees, in their sole and exclusive discretion, may modify, amend or terminate the **Supplemental HRA** at any time.

Activation, access and reimbursement of eligible medical expenses from the Supplemental HRA are as follows:

- Activation: January 1, 2013.
 - Activation Balance must be a minimum of: \$2,000.
 - Minimum Balance: \$2,000 (under \$2,000 used for COBRA/NJCF Self-Pay ONLY).
 - 1% of Gross Wage H&W contribution directed into HRA for hours worked from 1/01/12 to 10/31/12. 2% directed into HRA as of 11/01/12.
 - To access HRA, member must always be available for work under the Collective Bargaining Agreement, or be retired.
 - Account pays for Eligible Medical Expenses – SEE APPENDIX A.
 - Monthly Reimbursements (1 per month must total a minimum of \$100).
 - Reimbursements must be submitted to the Funds Office within 12 months of the date of services.
 - Eligible reimbursements will be paid by the end of the following month.
 - Original receipts & bills must be submitted with HRA Claim Form. **NO PHOTOCOPIES.**
 - Balance rolls-over from year-to-year.
 - Balance can be used by Eligible Dependents in case of a member's death.
 - Domestic Partner Reimbursements not recognized; only recognized Civil Unions.
 - Administrative Fee to be determined by the Board of Trustees.
 - 36-month Forfeiture of Balance due to no activity – (*Contributions or claims.*)
 - \$120 Administrative Fee for no account activity for a 12-month calendar period from January 1st – December 31st. (*Contributions or claims.*)
 - No cash pay-outs at any time.
 - No ownership of HRA.
- This modification to the NJ Carpenters Active Health Plan is effective as of January 1, 2013.

Appendix A

Eligible Medical Expenses for Reimbursement from your HRA

Please remember that just because an expense is included on this list, does not mean that it is automatically reimbursable from the HRA. All the applicable requirements described in the SPD must be met in order for your claim to be eligible for reimbursement. In addition, the Fund reserves the right to request additional information that is not included in this Appendix to determine whether a particular expense is reimbursable.

Healthcare Expense Type	Substantiation Requirements
Co-Payments, Co-insurance, Deductibles and expenses that exceed the Usual or Customary Charges paid to out-of-network providers for expenses. This includes, but is not limited to, doctors, hospitals, urgent care facilities, laboratory services, radiology services, ambulance transport, mental health services, substance abuse treatment, orthotics and prosthetics.	<ul style="list-style-type: none"> • Explanation of Benefits (EOB) is preferable • Proof of Payment • If an EOB is not available, you may submit an itemized bill which must include the following: <ol style="list-style-type: none"> 1. Date of service 2. Patient Name 3. Description of services rendered (procedure code) and diagnosis code if available 4. Cost of Services rendered and proof of payment 5. Name and address of provider.

Appendix A (continued)

Healthcare Expense Type	Substantiation Requirements
<p>Medical Premiums</p> <ul style="list-style-type: none"> • Post-tax medical, dental or vision premiums that are paid to a qualified individual or group health plan • Medicare • COBRA premiums that are paid to a qualified individual or group health plan • Premiums that are self-paid to the Fund with after-tax dollars during a period in which your Employer is delinquent 	<ul style="list-style-type: none"> • Acceptable Proof: <ol style="list-style-type: none"> 1. Proof that premiums are paid with “after tax dollars,” such as a letter from Human Resources or Payroll department. 2. Paycheck stub showing the amount of premiums paid. Pay stub must also include: date the check was issued, name of person the check is issued to and the amount of premium deducted. 3. Proof that the plan is a qualified individual or group health plan. 4. Copies of Medicare statements or invoices are acceptable. 5. For COBRA premiums, proof must include a letter from the Plan Administrator certifying the COBRA rate and proof that you have paid the full premium.
<p>Dental and Orthodontic Services</p>	<ul style="list-style-type: none"> • Explanation of Benefits (EOB) • Proof of payment • Orthodontics also require the following: <ol style="list-style-type: none"> 1. Signed and dated Orthodontic contract with provider information, patient name, payment plan selected and what the insurance company is estimated to pay 2. If the Participant does not have dental insurance, the Participant must submit a signed orthodontic contract and an itemized bill which includes the date services began, patient name, services rendered, and cost for the services
<p>Drugs/Medicines – Prescriptions</p> <p>FDA legend drugs only.</p> <p>No over-the-counter drugs.</p>	<ul style="list-style-type: none"> • Documentation from the Pharmacy that must include all of the following: <ol style="list-style-type: none"> 1. Name and Address of Pharmacy 2. Name of patient 3. Name of Drug 4. Cost of Drug and any amounts covered by insurance 5. Prescribing doctor • Proof of Payment
<p>Vision Care</p> <ul style="list-style-type: none"> • Contact lenses • Laser surgery • Eye examinations by a licensed ophthalmologist, optometrist or optician • Prescription Eyeglass Lens 	<ul style="list-style-type: none"> • Explanation of Benefits (EOB) is preferable • Proof of payment. • If an EOB is not available, you may submit an itemized bill which must include the following: <ol style="list-style-type: none"> 1. Date of service 2. Patient name 3. Description of services rendered (procedure code) and diagnosis code if available 4. Cost of services rendered and proof of payment
<p>Hearing</p> <ul style="list-style-type: none"> • Purchase price and maintenance cost for hearing aids • Batteries needed to operate the hearing aid • Hearing exams 	<ul style="list-style-type: none"> • Explanation of Benefits (EOB) • Letter of Medical Necessity • Proof of payment • If an EOB is not available, you may submit an itemized bill which must include the following: <ol style="list-style-type: none"> 1. Date of service 2. Patient name 3. Description of services rendered (procedure code) and diagnosis code if available 4. Cost of services rendered and proof of payment
<p>Durable Medical Equipment (Equipment must be an Eligible Medical Expense as per current Internal Revenue Service guidelines.)</p>	<ul style="list-style-type: none"> • Copy of the prescription or proof that the equipment was prescribed • Letter of Medical Necessity • Proof of payment • Documentation that includes the following: <ol style="list-style-type: none"> 1. Name and Address of Company providing the equipment 2. Name of patient 3. Type of Equipment 4. Cost of Equipment and any amounts covered by insurance 5. Prescribing doctor
<p>Please see IRS Publication 502, IRS Code Section 213 (d) for a complete list of Eligible and Ineligible Medical Expenses. However, be advised that at this time the Board of Trustees is limiting reimbursements to the Medical Expenses listed in the above appendix.</p>	
<p>The following list provides examples of items that are NOT eligible for reimbursement from your HRA. This list is provided as an example and is not exhaustive.</p>	
<p>Foods and Beverages Cancellation Fees Missed Appointment Fees Late Payments</p>	<p>Shipping Fees Athletic Club membership Swimming Pool, Hot Tubs Weight loss programs</p>
	<p>Massage Therapy Cosmetic Surgery and procedures Non-prescription medicine Acne Treatments</p>
	<p>Suntan Lotion Vitamins Dietary Supplements Exercise Equipment</p>

HRA coverage to begin in **2014** for additional shops & maintenance agreement employees

Active members working for any of the shops or maintenance agreement employers listed below will need to obtain health care coverage through a Health Reimbursement Account (HRA), effective January 1, 2014. You will be receiving a letter from the Funds' Office in the near future, explaining in detail how this health reimbursement arrangement will be administered.

The funding of your HRA will begin on January 1, 2013. All employer health & welfare contributions for 2013 will be deposited into an HRA account for you. These contributions will be used to fund your health-care premium payments, starting January 1, 2014. In order to activate your HRA and begin paying your insurance premiums on a monthly basis, you will need a minimum balance of \$2,000 in employer contributions in your account. Also, you must always be available for work under the Carpenters' collective bargaining agreement.

As with the accounts already being established for other shops and casino maintenance employees, your HRA plan will be offering the same health coverage that is available to all eligible active members. Level I coverage provides for a hospitalization plan, while Level II coverage offers a Major Medical Plan and a prescription drug benefit in addition to Level I benefits. Monthly premiums will be deducted directly from your HRA balance, once you make a selection during an open enrollment period prior to January 2014. When your selection is made, it cannot be changed until the following year's open enrollment period.

If you can obtain health insurance from your spouse's plan or other group health coverage, you may waive the coverage from the New Jersey Carpenters, as long as you provide a Certificate of Creditable Coverage for the other insurance.

In addition, the unused portion of your HRA balance will rollover from year to year and be available for future healthcare needs. Provided you maintain a \$2,000 minimum balance in your HRA, you may also use the account to pay for other qualified reimbursable medical expenses such as co-pays, deductibles, dental or vision care, as set forth by the trustees.

While the coverage is similar to what you have received in the past, your method of earning coverage, making payments, and the ability to save for future medical needs offers a new flexibility for members and assists the Funds in meeting the challenges of providing healthcare insurance for New Jersey's Union Carpenters and their families.

All of the contributions made for health care coverage on your behalf by your employer during the 2013 calendar year will be directed to your HRA account. Please note that the following list of contributing employers may be revised and is subject to change by the trustees:

Advance Door & Supply
Atlantic City Convention Center
CAPS, INC.
Elizabeth Board of Education
Great Adventure
Homeport Alliance (Battleship USS NJ)
Housing Authority of Camden
Interior Design
Jersey Architects Door & Supply
Johnson Controls
New Meadowlands Race Track
New Meadowlands Stadium
NJ Sports & Exposition Authority
Red Bulls
Tru-Fit Frame and Door
Wildwood Convention Center



womens' health & cancer rights act

Under federal law, group health plans, insurers, and HMOs that provide medical and surgical benefits in connection with a mastectomy must provide benefits for certain reconstructive surgery, effective for the first plan year beginning on or after October 21, 1998. In the case of a participant or beneficiary who is receiving benefits under the plan in connection with a mastectomy and who elects breast reconstruction, federal law requires coverage in a manner determined in consultation with the attending physician and the patients, for:

- Reconstruction of the breast on which the mastectomy was performed.
- Surgery and reconstruction of the other breast to produce a symmetrical appearance, and
- Prostheses and treatment of physical complications at all stages of the mastectomy, including lymphedemas.

This coverage is subject to the plan's annual deductibles and coinsurance provisions. If you have any questions about your plan coverage for mastectomies or reconstructive surgery, please contact the Carpenters Health Fund at 1-800-624-3096.

know your options for social security benefits

Social Security benefits are a bedrock of most Americans' retirement plans. It seems well worth the time to learn how to get the most out of these valuable benefits and avoid some common mistakes.

A trio of experts on Social Security have listed four of the most frequent errors that recipients should avoid in order to optimize their benefits:

- **Mistake #1 – Starting retirement benefits too soon**

Half of all Americans claim Social Security at age 62, the earliest possible age but with the lowest monthly benefit. Most workers could significantly boost their lifetime accumulation of Social Security income by delaying the start of their monthly benefits, at least until age 66, and to age 70 if possible. For many married couples, this strategy would also improve financial security for widows who, when their husband dies, will assume the Social Security income their husband was receiving before he died.

- **Mistake #2 – Claiming Social Security now, before program changes are made**

Some people think they must hurry to apply for benefits before Social Security runs out of money, or before revisions make them ineligible. In fact, Social Security is projected to have the money it needs to operate at the current level for over two decades. And, nearly all reforms on the table will apply to younger generations, not those currently retiring. So, follow your best plan for claiming Social Security benefits.

- **Mistake #3 – Not coordinating benefits between spouses**

Many people fail to coordinate claiming benefits with their spouse and miss opportunities for married couples to optimize their payouts. One such strategy would be to delay benefits as long as possible for the highest earner (most often the husband), so as to eventually receive a higher level of benefits. The wife might then claim benefits at an earlier age to have some retirement income coming in. Whether the optimal age to begin the spouse's benefits is age 62 or age 66 (the official retirement age to collect full benefits) depends upon a couple's particular circumstances, such as age difference and career earnings history of each spouse.

- **Mistake #4 – Under-reporting income by self-employed individuals**

Many self-employed people under-report their taxable income for Social Security purposes, or use tax deductions to minimize their taxable income, on the assumption that paying any taxes is bad. But, this could ultimately result in a severely reduced level of Social Security benefits, including disability benefits due to an unexpected illness or accident. According to at least one analysis, Social Security taxes can actually be a good investment - don't automatically think that it's a good idea to avoid paying these taxes.

It's well worth the time it takes to learn about Social Security benefits. It can result in increasing the lifetime payout for individuals or spouses by many thousands of dollars. Two online services that can help married couples optimize their claiming strategies are: www.socialsecuritychoices.com and www.socialsecuritytiming.com.

The experts cited in this report are Andy Landis, author of "Social Security: The Inside Story;" Jon Peterson, author of "Social Security for Dummies," and CBS News Analyst Steve Vernon.

new jersey carpenters apprentice & training statistics

• Apprenticeship Enrollment (9/1/12)	991
▶ Kenilworth Center	657
▶ Mullica Center	334
• Total # of Carpenter apprentices	852
• Total # of Mill Cabinet apprentices	27
• Total # of Millwright apprentices	43
• Total # of Floor Layer apprentices	50
• Total # of Casino in-house workers	19
• 1st Year Apprentices	252
• 2nd Year Apprentices	172
• 3rd Year Apprentices	83
• 4th Year Apprentices	178
• 5th Year Apprentices	306
• Total Apprentice Recruits (9/1/11 to 9/1/12)	236
▶ Total Recruits (2008)	469
▶ Total Recruits (2009)	183
▶ Total Recruits (2010)	170
▶ Total Recruits (2011)	215
▶ Total Recruits (2012)	236 +
• Apprentice Training Hours	
• 2008	48,395 hours
• 2009	63,576 hours
• 2010	76,921 hours
• 2011	87,956 hours
• 2012 (1/1/12 to 9/1/12)	70,492 hours

(On pace to exceed 2011 hours)



call ahead for an appointment

To avoid confusion and needless delays, please include either your Social Security number or your United Brotherhood membership number when corresponding with the NJ Carpenters Funds Office. This information will help the Funds' staff expedite a response to your inquiry or request. Also, whenever possible, please make an appointment before making a visit to the Funds' office. This will enable us to better prepare for your visit and gather the information needed to answer your questions. As a reminder, the Funds office has evening hours every Tuesday and Thursday until 6:00 pm. **TO MAKE AN APPOINTMENT, PLEASE CALL: 1-800-624-3096.**



New Jersey CARPENTERS Benefits Watch

Raritan Plaza II, P.O. Box 7818
Edison, New Jersey 08818-7818

RETURN SERVICE REQUESTED

Pre-Sorted
First Class Mail
US Postage
PAID
Hackensack, NJ
Permit No. 1121



health coverage differs for active & retired members

For members who are currently on pension and retired from **active** employment, please be advised that your health care coverage, if all eligibility requirements have been met, is provided under the NJ Carpenters Retired Health Plan. Unlike the active members' health plan, the Retired Health Plan **is not** subject to the mandates imposed under the Health Care Reform Act (PPACA).

There are significant differences between the health care coverage provided by the active member's plan and the retired members' plan. You

are considered to be retired when you have ended your active employment, and are eligible for pension. You will be covered under the Retired Health Plan as of the first day of the month that you begin receiving your pension, again, if all eligibility requirements are met.

Most retired members eligible for coverage under the Retired Health Plan have already received the plan's Summary Plan Description (SPD), which was effective April 1, 2011. If you would like a copy of the SPD, please contact the Funds' office at 1-800-624-3096. Also, you can download a printed version of the SPD from the Funds' website at www.njcf.org.

important reminder for medicare eligible participants

As a reminder, the Carpenters Health Fund **will not** cover the cost of claims submitted by members who have Medicare as their primary payer, if Medicare itself does not cover the specific service, procedure or supply.

The policy, enacted by trustees in March 2011, applies to, but is not limited to procedures, services and items such as acupuncture, orthotics and receiving medical treatment when out of country.

Also, members who have Medicare as their primary payer are reminded that it is imperative to use a Medicare participating provider, if you want to avoid out-of-pocket costs. The Carpenters Health Fund **will no longer**

reimburse members 20% of the Medicare-approved amount of charges, if they use a non-Medicare provider. This is in response to a Medicare policy not to reimburse providers or patients for services rendered, if the provider has opted-out of the Medicare program. In such cases, the member will now be responsible for the entire amount charged by the provider.

Check with your provider's office to make sure they are a Medicare provider. To locate a Medicare assigned provider, either contact Medicare at 1-800-633-4227, or on-line at www.medicare.gov.