Southern California Lumber Industry
Welfare Fund
Established Jointly by Employers and Local Unions

Telephone (562) 463-5080 ◆ (800) 824-4427 ◆ Facsimile (562) 463-5894

October 2025

To: ACTIVE AND RETIRED PARTICIPANTS AND/OR DEPENDENTS

From: ADMINISTRATIVE OFFICE

Re: IMPORTANT NOTICE - MEDICARE PART D PRESCRIPTION DRUG COVERAGE

The following is an important notice for all Medicare eligible employees and/or their dependents and Medicare eligible dependents of early retirees who are age 65 or older or are disabled and receiving Social Security disability benefits and those with end stage renal disease. **If you or your dependents do not fall within these categories, this notice does not now apply to you.** If you have any questions, please do not hesitate to call the Administrative Office at (562) 463-5080 or (800) 824-4427.

IMPORTANT NOTICE CONCERNING YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE

Please read this Notice carefully and keep it where you can find it. This Notice contains information about your current prescription drug coverage with the Southern California Lumber Industry Welfare Fund ("Lumber Fund" or "Fund") and prescription drug coverage available for participants who have enrolled in Medicare Part D. This Notice also informs you where to find additional information to help you make decisions about your prescription drug coverage.

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

2. The Lumber Fund has determined that the prescription drug coverage it currently offers is, on average for all Plan participants, expected to pay out as much as or more than the standard Medicare prescription drug plan will pay, i.e., it is equivalent on a gross basis to Medicare Part D coverage. The Fund is, therefore, providing creditable prescription drug coverage.

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. Please note that you are not required to enroll in Medicare Part D coverage at this time because the Lumber Fund is providing creditable prescription drug coverage.

Because your existing coverage through the Lumber Fund is on average expected to pay out as much as or more than the standard Medicare prescription drug plan, you can keep your coverage through the Fund and not pay extra if you later decide to enroll in Medicare Part D coverage.

Participants can enroll in a Medicare prescription drug plan when they first become eligible and each year from October 15th through December 7th. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

Before you decide to enroll in a Medicare prescription drug plan, you should closely compare your current coverage, including which drugs are covered through the Lumber Fund, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Please be advised that if you enroll in a Medicare prescription drug plan, you will have to pay an annual premium, an annual deductible, and a percentage of your prescription drug expenses.

If you enroll in a Medicare prescription drug plan and terminate your prescription drug coverage through the Fund, please be aware that you and your dependents may not be able to get coverage back through the Fund.

You should also know that if you drop or lose your prescription drug coverage through the Lumber Fund, and you do not enroll in Medicare prescription drug coverage after your current coverage ends, you may have to pay more to enroll in Medicare prescription drug coverage later. If you go for 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly Medicare Part D premium will increase at least 1% per month for every month that you did not have that coverage. For example, if you go 19 months without coverage, your premium will be at least 19% higher than what many other people pay. You will have to pay this higher premium as long as you are enrolled in Medicare prescription drug coverage. In addition, you may have to wait until the next October to enroll. For more information about this Notice or your current prescription drug coverage, contact the Fund Office at 1-800-824-4427. You will receive this Notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage or if prescription drug coverage through the Lumber Fund changes. You may also request a copy.

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You will receive a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also obtain additional information about Medicare prescription drug plans from the following:

- www.medicare.gov
- Your state Health Insurance Assistance Program for personalized help (see your copy of the Medicare & You handbook for their telephone number)
- 1-800-MEDICARE (1-800-633-4227); TTY (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) online at www.socialsecurity.gov, or call 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 offers prescription drug coverage, you may be required to provide a copy of this Notice when you enroll to show that you are not required to pay a higher premium amount for coverage.