

Laborers Benefit Office

Welfare Fund

Gary Elliott
Chairman

Kenneth Karsten
Secretary Treasurer

Pension Fund

Jeffrey O'Connell
Chairman

Joseph W. Beetz
Secretary Treasurer

December 14, 2009

Subject: Retiree Contribution Rate Increase Effective January 1, 2010

At the November 18, 2009 Welfare Board meeting, the Trustees reviewed and analyzed the cost of benefits utilized and provided to the Retirees of the Greater St. Louis Construction Laborers' Welfare Fund. It was determined by the Board of Trustees and the Fund's consultants to increase the Retiree and eligible spouse of Retirees monthly contribution rates effective **January 1, 2010** as listed below. Medicare Supplement Retirees rates **will not be increasing**.

| | Current Retiree Rate | New Retiree Rate |
|--------------------------------|----------------------|------------------|
| Retiree Only | \$217.00 | \$250.00 |
| Spouse of Retiree | \$262.00 | \$301.00 |
| Retiree and Spouse | \$479.00 | \$551.00 |
| Retiree and Child(ren) | \$629.00 | \$723.00 |
| Retiree, Spouse and Child(ren) | \$891.00 | \$1,025.00 |

The Fund Retiree contribution rate last increased in January 2009 and is necessary for the Fund to continually review the premium rates annually to ensure the Fund is keeping up with the rising cost of providing health care to our membership.

Between 01/01/2008 to 06/30/09, the cost of providing retiree benefits amounted to \$7.9 million. Contributions from Retirees amounted to \$2.1 million during the same time period. As many know, the cost of medical care has increased each year and is projected to increase in the future.

Your Retiree benefits will continue to include medical, prescription drug, hearing aid, dental, vision, member assistance program and a \$2,500 life insurance death benefit.

If you have any questions, feel free to contact a Customer Service Representative at (314)644-2777 ext. 2, (800)489-0228, ext. 2 or via email @ customerservice@stllaborers.com.

Sincerely,

Bernard Difani
Administrative Manager