



New York State Teamsters Benefit Funds Newsletter

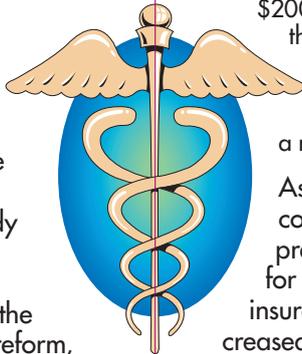
Summer 2008

News and information from your Trustees and Staff

National Leadership: The prescription for U.S. health care reform

Health care spending in the United States continues to grow at an alarming rate – much faster than the rate of inflation and clearly outpacing spending on other goods and services. Health care has become an ever-increasing percentage of the overall U.S. economy.

As a result, health care will be a prominent issue in the 2008 U.S. presidential election with the candidates already promising to tackle the rising costs and impact on working families. Teamsters recognize the need for national health care reform, and we also know that achieving such a worthwhile goal will require national leadership from both political parties.



U.S. Health Care At the Brink

The National Coalition on Health Care has issued a new report showing that:

- In 2007, total national health expenditures were expected to rise 6.9% - two times the rate of inflation. Total spending was \$2.3 TRILLION in 2007, or \$7,600 per person. Total health care spending represented 16 percent of the gross domestic product (GDP).
- U.S. health care spending is expected to increase at similar levels for the next decade reaching \$4.2 TRILLION in 2016, or 20 percent of GDP.
- Health care spending is 4.3 times the amount spent on national defense.
- Since 2000, employment based health insurance premiums have increased 100 percent, compared to inflation of 24 percent and cumulative wage growth of 21 percent during the same period.

- Health insurance expenses are the fastest growing cost for employers.
- The average employee contribution to company-provided health insurance has increased more than 143 percent since 2000.
- Retiring elderly couples will need \$200,000 in savings just to pay for the most basic medical coverage. Many experts believe that this figure is conservative and that \$300,000 may be a more realistic number.

As health care costs have continued to rise, so have the premiums paid by U.S. workers for employer-sponsored health insurance. In addition to increased premiums, most American workers also have faced additional payments when they use health care services, including increased deductibles, copayments and coinsurance levels.

In 2007, the Health and Hospital Fund spent \$163,860,000 for total benefits and administrative costs for all participants and dependents. The Trustees have worked hard to keep administrative expenses down, and the Fund's administrative costs represent only 5.4% of the Fund's total expenditures. What you may not know is that the cost of benefits has outpaced the increases in employer contributions. As a result, the Fund has had to rely on investment income to make up the difference between employer contributions and benefit expenses.

Your health care coverage is among the best in the industry today. Rest assured that the Health and Hospital Fund Trustees will continue to monitor the financial condition of the Fund to make sure benefits will be there for you and your family when you need them.

HOT TOPIC

Prescription Drugs

One of the major topics in the news today is the ever-increasing cost of prescription drugs, and the impact this is having on your pocketbooks and the strength of our economy.

The latest report from the National Institute for Health Care Management shows that Americans spent an astounding \$252 billion on prescription drugs in 2005.

Over the past five years, the Health & Hospital Fund has experienced double digit increases in the total amount spent for prescription drugs.

Year	Prescription Payments	% Increase
2003	\$17,819,397	29.83%
2004	\$21,222,426	19.10%
2005	\$24,627,233	16.04%
2006	\$26,995,873	9.62%
2007	\$29,820,400	10.46%

As the cost of prescription drugs continues to increase each year, generic drugs have increased in popularity as a less expensive option. Generic drugs, which generally are non-brand name drugs that are generally considered as safe and as effective as brand-name drugs, are becoming more widely available as alternatives to brand name drugs. Generics can provide as much as 60 percent in savings versus brand-name drugs.

Important Facts About Generic Drugs?

Generic drugs are identical, or bioequivalent to a brand name drug in dosage form, safety, strength, quality, performance characteristics and intended use. Although generics are identical to their branded counterparts, they are sold at huge discounts from the brand price. According to the Congressional Budget Office, generic drugs save consumers an estimated \$8 to \$10 billion a year at retail pharmacies. Even more billions are saved when hospitals use generics.

New drugs, like other new products, are developed under patent protection. The patent protects



Prescription Drugs and Your Health Care Dollars

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the investment in the drug's development by giving the company the sole right to sell the drug while the patent is in effect. When patents or other periods of exclusivity expire, manufacturers can apply to the FDA to sell generic versions. The ANDA process does not require the drug sponsor to repeat costly animal and clinical research on ingredients or dosage forms already approved for safety and effectiveness. This applies to drugs first marketed after 1962.

The Truth About Generics

Health professionals and consumers can be assured that FDA approved generic drugs have met the same rigid standards as the innovator drug. To gain FDA approval, a generic drug must:

- contain the same active ingredients as the innovator drug (although inactive ingredients may vary);
- be identical in strength, dosage form, and route of administration;
- have the same use indications;
- be bioequivalent;
- meet the same batch requirements for identity, strength, purity, and quality;
- be manufactured under the same strict standards of FDA's good manufacturing practice regulations required for innovator products.

Generic drugs are a great alternative to help you meet your daily health care needs, while also helping reduce health care costs. Ask your physician or pharmacist if any of the prescription medicines that you are currently taking can be filled with a generic drug. With the ever increasing costs, these potential savings will assist the Fund in maintaining the financial soundness of this valued benefit.

Your prescription, your choice.



\$71
Thirty-day prescription of one brand name drug



\$22
Thirty-day prescription of its generic equivalent

Generic drugs are an ideal way to maximize your health care needs at the lowest cost!

WELCOME

Teamsters Local 445

Effective January 1, 2008, the Board of Trustees approved the participation of Teamsters Local 445 (Newburgh, New York) into the Health & Hospital Fund.

Through May, 2008 the Officers and Business Agents of the Local has successfully added four new employers covering 153 members. The employers are PTM of Dutchess County, Louis J. Kennedy, ABF Freight System, Inc. and Roadway Express, Inc.

We welcome their participation knowing that their members will now enjoy the benefits provided by the Fund.

An Update Concerning Life Insurance Benefits

The Fund Trustees were notified that effective April 1, 2008, Fort Dearborn Life Insurance Company of New York purchased the life insurance business from our existing provider, HM Life Insurance Company of New York. The Trustees approved this transition after conducting due diligence on the new provider. You will not need to do anything as a result of this change.

As an important reminder, if you have a life changing event and/or want to change your beneficiary, contact the Fund Office for the required form. Make sure that the individual(s) you want to receive this benefit is the stated beneficiary.

Let's Get Physical

You know to get your car's oil changed every 3,000 miles; you have a standing appointment to get your hair trimmed every six weeks, and you make sure the trash is out every Thursday.

But many people are missing the most important scheduled event of the year - an annual physical exam.

Our busy lives are marked by stress, inactivity, and an unhealthy diet - all of which take their toll on one's physical health. Weight, blood pressure, heart and lung function are all things that can change slowly as people age. Dramatic changes, however, can be an indication of a larger health problem. An annual physical is the easiest and most effective way to regularly track these changes and find and address health issues before they become serious problems.

Preventive medical physicians take an individualized approach to annual exams, creating a personalized plan for good health. Using this approach, a physician can specify testing or lab work that applies directly to one's age, health history and current health level. For example, a 45-year-old, overweight man with a strong family history of heart disease should not get the same preventive care as a 35-year-old man with few cardiovascular risk factors.

Regardless of age, however, regular screenings can diagnose diseases earlier, allowing many patients to start medication or make lifestyle changes to minimize the effects of these ailments. According to the American Diabetes Association, 6.2 million Americans have diabetes but remain undiagnosed. Untreated, diabetes can increase risks for eye disease, kidney disease, complications from poor circulation and many other conditions. Likewise, high blood pressure is a risk factor for stroke, heart, and kidney diseases and is especially dangerous because it often has no warning signs or symptoms. An an-



nual exam provides regular blood pressure screening and allows you and your doctor to discuss ways to control blood pressure.

While there has been some debate on the effectiveness of physicals, physicians consider it a vital tool in health maintenance. In most cases, a routine, well-patient physical provides an opportunity for exploring patient concerns and educating them about how to improve their overall health. In addition, a perceptive doctor can be alerted to a potential health problem simply by taking the time to listen to his or her patient.

In today's hectic world, appointment books and PDA's have become more important to our lifestyles than fitness and nutrition. Strained vision, high blood pressure and increasing waistlines could be signs of something more serious than simply being overworked. Annual physical exams allow physicians to track medical issues and help patients take preventive steps and develop strategies for healthier living.

It's an event we should all remember.



PENSION PROTECTION ACT OF 2006

On August 17, 2006, President Bush signed into law the Pension Protection Act of 2006 ("PPA"). This new law is the most comprehensive pension legislation enacted in the last 25 years.

Under the PPA, the Fund's actuary must certify the funded status to the Trustees and the IRS each year.

There are four different funding levels that the actuary must choose from:

- Critical ("red zone")
- Seriously endangered ("orange zone")
- Endangered ("yellow zone")
- None of the above ("green zone")

On April 25, 2008 the Pension Fund sent a required notice to the Department of Labor (DOL), Pension Benefit Guaranty Corporation (PBG), plan participants and beneficiaries, and contributing employers and unions. This required notice identified our plan as being in the "endangered status" for the plan year beginning January 1, 2008 with a funding percentage of 76.

This 76% figure is the ratio of the Fund's Actuarial Value of Assets (AVA) divided by the Present Value of Accrued Benefits (PVAB). Being below the target percentage of 80% funded, but above the 65% funded, required the classification in the "yellow zone" of endangered.

Funding Improvement Plan (FIP)



The next required action is for the Trustees to adopt a Funding Improvement Plan ("FIP") designed to improve the Plan's funded status. The PPA requires the Trustees to adopt the FIP no later than 330 days after the beginning of the first year that the Plan is in endangered status which is on or before November 25, 2008.

Within 30 days of the adoption of the FIP, the Trustees must produce schedules showing changes in benefit levels, increases in contribution levels, or both, which, if adopted, would be expected to enable the Fund to improve its funded status percentage by 1/3 of the underfund-



ing over a 10-year period.

FIP required calculation

Because the Fund is currently 76% funded, the FIP must increase that percentage by 1/3 of 24% (100% - 76%) or 8% over 10 years, reaching 84% by the end of the 10-year period.

Pension Fund Statistics for years 2000 - 2007

Date	Actives	Retirees	Contributions	Benefits Paid
2000	16,760	14,380	\$79,822,712	\$153,377,464
2001	16,888	14,449	\$81,911,937	\$164,057,433
2002	15,952	14,891	\$79,248,637	\$177,984,271
2003	16,277	15,014	\$87,807,297	\$193,954,347
2004	15,800	15,150	\$84,244,575	\$204,043,019
2005	15,569	15,808	\$95,166,404	\$214,142,941
2006	15,570	15,867	\$95,523,862	\$227,784,679
2007	15,242	15,896	\$101,062,928	\$236,814,862

As of 12/31/2007, the Pension Fund had total assets in the amount of \$2,278,568,619.

Summary

The Trustees have previously taken action to bolster the security of the Fund. Effective January 1, 2004, the change was made to the current 1.3% of contributions for future service accruals.

At the same time, the Trustees introduced the Supplemental Social Security benefit to encourage later retirements, which created additional savings to the Fund. Then, not to negatively impact the members that chose to defer their retirements, effective October 1, 2007, the Trustees improved the accrual rate to 1.73% for the individuals that have exceeded their midpoint of normal retirement age or five years past the unreduced retirement date.

Your pension benefits are among the finest in the country and the Board of Trustees is committed to continuing these benefits while ensuring a sound Pension Fund that will meet its obligations to all current and future retirees. You can be confident that when establishing the FIP that the Trustees and the Fund professionals will perform their due diligence with these goals first and foremost.

BENEFIT CHANGE Dental Plan - Option 1

Fund members are advised that effective July 1, 2008, the Fund will implement a \$5,000 annual limit per individual for all Basic and Major Dental services. This design change will be administered on a calendar year basis.

It is estimated that this Dental Plan change will impact only 1.7% of the Fund's 14,000 annual dental claims. According to a Watson Wyatt Data Services survey report for 2006/2007, the Fund's benefit limit is still over three times higher than most dental plans' annual limit of \$1,250.

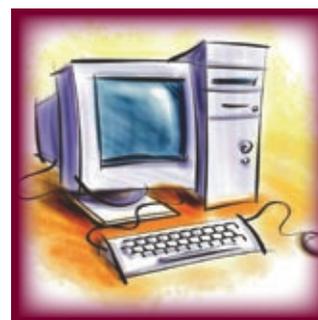


Best Wishes To Trustee Thomas Wotring

The Fund's Board of Trustees accepted the resignation of Thomas K. Wotring as Employer Trustee on February 1, 2008.

Trustee Wotring served the Funds since July 1, 2001 and announced that he will be returning to practice law full time.

The Trustees will miss his dedication and commitment to the Funds and wish him well.



VISIT OUR WEBSITE

If you want to contact the Fund online for general information about your benefits, forms, pension application or other information, you can access our website at www.nytfund.org.

We have links to other sites including participating providers with Excellus Blue Cross/Blue Shield, VSP (Vision Plan Administrator), EBS (Dental plan administration, the IBT and some employers.





DO YOU HAVE QUESTIONS ABOUT YOUR BENEFITS?

Contact the Fund Office or the
Benefit Provider directly using one
of the telephone numbers below:

NYS Teamsters Benefit Funds 315-455-9790
TOLL FREE..... 877-698-3863

Excellus Blue Cross/Blue Shield
Claims (Supreme Plan) 800-414-8555
Claims (Select Plan) 877-650-5840
Inpatient Admissions Pre-Cert. 800-537-7313
Participating Providers..... 800-810-2583

Medco (Prescription Drugs) 800-939-2108

EBS Benefit Solutions (Dental) .. 800-803-5773

VSP (Vision Benefits)..... 800-877-7195

Legal Benefit Plan..... 800-697-8527

The Hartford (Disability)800-538-8439
Policy #LNY 616 134

NEWS FROM OUR TIP FILE

TIP #01

Do You Have A Child Attending College?

The Health & Hospital Fund covers your dependent unmarried eligible children, stepchildren, grandchildren and adopted children to the first of the month following the attainment of age twenty-three (23) who are full time students.



A "full time student" means the child is attending courses full time (as determined by the institution) in a graduate or undergraduate college or university (other than a U.S. Military academy) offering a two (2) or four (4) year program leading to a degree, such as associate, bachelor, or post graduate, or attending an accredited trade or professional school as the child's full time occupation which provides a degree or certificate of completion with a minimum course of study of 12 consecutive months.

A certificate of attendance must be submitted to the Fund office for each semester. This can be an academic certification directly from the college on their letterhead or an electronic Enrollment Verification Certificate through the National Student Clearinghouse.

You may obtain the required student form from our website or contact the Fund office directly.

Reminder of Divorce Notification...

Please be advised that it is the member's responsibility to notify the Fund office within ninety (90) days from the date your divorce is finalized by the County Clerk's office with the official stamped seal. Your ex-spouse may not remain as your dependent for health coverage. Upon notification of divorce, the individual is eligible for COBRA coverage through the Fund on a self pay basis. Failure to notify the Fund office timely will result in you being responsible for full reimbursement of claims paid on your ex-spouse.

If you should have any questions do not hesitate to contact the Fund office.

New York State Teamsters Benefit Funds



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FORWARD SERVICE REQUESTED

