

October 2014

IMPORTANT INFORMATION

Notice of Creditable Coverage

Please read this entire letter carefully and save it for future reference.

Dear Trust Participant:

The Trust is required to provide the following "Notice of Creditable Coverage" to all eligible participants. In summary, it states that if you have prescription drug coverage now (such as that offered by the Trust) that is at least as good as or better than Medicare's basic drug benefit (creditable), you probably should keep it, according to the Medicare Rights Center. You can join a Medicare private drug plan later without penalty if you choose to do so.

Please note that the Trust is *not* a supplement to Medicare Part D. If you enroll in Medicare Part D coverage, your Trust pharmacy coverage will be cancelled, although you may retain your other medical benefits coverage with the Trust. If you have questions, please see the contact information at the end of this letter.

There are two important things you need to know about your coverage with the Trust and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or a Medicare Advantage Plan (like an HMO or PPO) that offers 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 Trust has determined that the prescription drug coverage it offers through Express Scripts (formerly Medco Health Solutions, Inc.) is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage and is considered "creditable coverage." Because your existing coverage is creditable, you can keep this coverage and not pay a higher premium (a penalty), if you later decide to enroll in a Medicare prescription drug plan.

You may enroll in a Medicare prescription drug plan when you first become eligible for Medicare and each year between October 15 and December 7. Beneficiaries losing current creditable prescription coverage may be eligible for a two-month Special Enrollment Period to join a Medicare drug plan.

If you decide to enroll in one of the Medicare Part D prescription drug plans, you must contact the Trust office.

The Trust provides prescription drug benefits for all covered participants. However, there is a separate prescription drug benefit that applies to **participants whose former employer contributes at the highest rate**. For the 2014 plan year, there is a separate annual deductible of \$650 that applies to prescription drugs only. After this deductible has been met, generic prescription drugs are covered at **90 percent**, "plan-preferred" brand-name prescription drugs are covered at **75 percent**, and "non-plan-preferred" brand-name prescription drugs are covered at **60 percent**. For maintenance prescription drugs, the above 90/75/60 percent benefit levels apply only if you participate in the mail-order program. If you **do not** participate in the mail-order program for your maintenance prescription drugs, then generic prescription drugs are only covered at **50 percent**, "plan-preferred" brand-name prescription drugs are covered at **50 percent**, and "non-plan-preferred" brand-name prescription drugs are covered at **25 percent**.

Participants whose former employer contributes to the Trust below the highest rate receive a discount by showing their Trust I.D. card at the pharmacy. The discount varies by prescription drug. Participants are responsible for submitting receipts to the Trust office for consideration. Once the medical deductible has been satisfied, covered prescription drugs are then reimbursed at 80 percent.

If you drop or lose your coverage with the Trust and don't enroll in a Medicare prescription drug plan within 63 continuous days after your coverage with the Trust ends, you may pay a higher premium (a penalty) to enroll in a Medicare prescription drug plan later.

If you go 63 continuous days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium may go up by at least **one percent per month for every month that you did not have that coverage**. For example, if you go 19 months without creditable coverage, your premium may consistently be at least 19 percent higher than what many other people pay. You will pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

For more information about this notice or your current prescription drug coverage: Contact the Trust office at (239) 936-6242. **NOTE:** You will receive this notice from the Trust each year. You will also receive it before the next period you can join a Medicare prescription drug plan, or if your coverage through the Trust changes. You may request a copy of this notice at any time. It is also posted online at www.gmptrust.com.

For more information about your options under Medicare prescription drug coverage: More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook you receive every year from Medicare. You may also be contacted directly by companies offering Medicare prescription drug plans.

For more information about Medicare prescription drug plans:

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

If you have limited income and resources, extra help paying for Medicare prescription drugs is available. For more information, visit the Social Security Administration online at www.socialsecurity.gov, or call 1-800-772-1213 (TTY: 1-800-325-0778).

IMPORTANT! Keep this Creditable Coverage notice! If you decide to join one of the Medicare prescription drug plans, you may be required to provide a copy of this notice when you join to prove you have maintained creditable coverage and, therefore, are not required to pay a higher premium (a penalty).

Name of Entity/Sender: G.M.P. - Employers Retiree Trust
Contact: Jodi Hopper, Director
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