



1199SEIU FAMILY OF FUNDS

GNYEmployerNEWS

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LETTER FROM THE EXECUTIVE DIRECTORS

Successful people, businesses and relationships often share a few easily identifiable traits – the ability to listen and learn, to collaborate and to solve problems creatively. At the 1199SEIU Greater New York Funds, we strive to incorporate those qualities into our work with you, and on the pages that follow you will read about our partnerships in action.

You'll read about the Child Care Corporation's successful gala fundraiser, which celebrated the labor-management partnership that has helped to provide affordable, quality child care programs for 1199SEIU members in our nursing homes and other contributing institutions, and to expand those programs into the broader community. We've also included information on how the Child Care Fund is improving "customer service" so more of your employees take advantage of our child care and youth programs.

You'll also read about the Greater New York Benefit Fund's successful implementation of our latest round of mandated cost-savings programs, and an update on the Training and Education Funds' "New Direction and Innovations" Committee.

We hope you find this newsletter informative, and as always, we welcome your feedback. We're looking forward to another successful year of partnering with you to strengthen our workforce, the nursing home industry and the quality of resident care.

Sincerely,

Mitra Behroozi
Executive Director
Benefit and Pension Funds

Deborah King
Executive Director
Training and Employment Funds

Vivian Fox
Executive Director
Child Care Funds

Child Care Corporation Gala Raises \$400,000 to Expand Reach of Child Care Programs

Nearly 400 guests were on hand December 10, 2007, at the 1199SEIU Employer Child Care Corporation's Care for Kids gala. The event, which raised approximately \$400,000, supports affordable child care programs for low-income families – both 1199SEIU members and other working parents – who live in the communities that our institutions serve, but who do not have the collectively-bargained child care benefits that many Greater New York members enjoy.

Hosted by CBS Evening News correspondent Michelle Miller, the event was chaired by Medco Chairman and CEO David Snow, with GNYHA President and CEO Kenneth E. Raske and 1199SEIU President George Gresham serving as honorary chairs. Lee Perlman, President of GNYHA Ventures, represented Mr. Raske, who was unable to attend.

The evening's honorees were former 1199SEIU President Dennis Rivera and League of Voluntary Hospitals and Homes of New York President Bruce McIver. The Child Care Fund and Child Care Corporation exist today due in large part to their commitment to providing affordable, dependable child care for working families.

“This partnership has helped to build a dynamic movement focused on providing services and support to 1199SEIU members and their children through the Child Care Funds and Corporation. With their support, we have grown from serving 649 children in our first year to over 100,000 through 2007,” said Vivian Fox, President of the Child Care Corporation and Executive Director of the Child Care Funds.



Vivian Fox

Affordable child care ultimately improves patient care and boosts worker morale and productivity. Raising money through the Child Care Corporation for parents who do not have collectively-bargained child care benefits was a natural extension of the program. As a result, today the Child Care Fund and Child Care Corporation offer a wide array of programs and services that help young children develop academically, socially and emotionally, and go on to become productive members of the workforce and their communities.

Registration Improvements Help the Child Care Fund Reach More Members

Since access to collectively-bargained Child Care Fund benefits is relatively new to your employees, it is even more important that they are aware of the valuable benefits that your contributions pay for. The staff of the Child Care Fund is busy identifying the best ways to educate Greater New York employees about their child care and youth program benefits.

Working closely with the Child Care Fund Advisory Committee, a group of 80 1199SEIU members, the Child Care Fund is focusing on streamlining the child care registration process. The Fund has expanded member-to-member outreach through Child Care Fund Advisory Committee members charged with educating their colleagues about the different programs and helping them register. The Committee helped expand onsite registration to nine additional institutions. Additionally, they helped to register nearly 700 members, including 73 Greater New York members, for programs at the 2008 Registration Kickoff last fall.

The Child Care Fund is also making a concerted effort to raise awareness about Child Care Resource and Referral Services, a free service which helps members make informed choices about their child care needs. The Child Care Resource and Referral Services staff was able to increase referrals to members exploring child care options. The Fund also offered parenting seminars on child-rearing strategies. Moreover, new systems have been implemented to facilitate the processing of each member's application.

Finally, through the new 1199SEIU Family of Funds website, the Child Care Fund was able to streamline the online registration process, making it more member-friendly and enhancing the tutorial to guide members step by step through the process.

In all, these service improvements allowed 1,732 Greater New York members to register for child care



benefits for 2008. In December, we sent members information explaining the programs and services granted to them in 2008.

Smooth Transition Sets the

The most recent Collective Bargaining Agreement between 1199SEIU and our Greater New York employers took steps to stabilize the Greater New York Benefit Fund and maintain health benefits through 2011. One of those steps was to mandate the Greater New York Benefit Fund to introduce additional cost-savings programs which must save \$10 million per year between 2008 and 2011. These new initiatives will save additional dollars by holding down costs for prescriptions, high-end imaging services and the treatment of chronic conditions.

Since the success of any cost-savings initiatives relies on how well our members comply with changes in accessing their benefits, the Greater New York Benefit Fund launched a comprehensive member education campaign to prepare members for these programs, which began last fall.

To address the rising costs of prescription medications, the Greater New York Benefit Fund and Medco revised the existing Preferred Drug List (PDL), negotiating high-quality, cost-effective choices for the types of medications most commonly used by members. In addition, the cap on non-preferred drugs was eliminated, and members are now required to pay the full cost between preferred and non-preferred drugs. This brings the program into line with the Benefit Fund's mandatory generic program.

PDL changes affected approximately 60,000 members in total, requiring concerted member and provider communications throughout the summer. To date there has been a 93 percent compliance rate by both doctors prescribing medications on the Preferred Drug List and members who were willing to change their medication. In the first month after implementing the program, there were only 26 requests for overrides throughout all three Benefit Funds, and only six approved for clinical reasons.

For further cost-savings, and to ensure that members are getting the best care from the most appropriate provider, the Benefit Fund also established new radiology requirements. Prior authorization is now required for high-end imaging tests like MRIs, MRAs and CAT and PET scans. Additionally, the Benefit Fund only reimburses non-radiology physicians for imaging tests within their specialty. This transition, too, has been successful, with very few questionable requests or test adjustments – and not a single member has been denied care.

Another factor contributing to the successful cost-savings transition is improved Member Services. While the phone volume has risen considerably due to the benefit changes, the Member Services and Prescription staff have been able to answer more than 92 percent of calls, with an average wait time of less than one minute. Members are getting the answers they need quickly, and when surveyed, report a high level of satisfaction.

Tone for Success of Benefit Fund's Cost-Savings Initiatives

Finally, the Greater New York Benefit Fund has expanded its existing Wellness Program by contracting with Health Dialog, a leading care management provider, to give members 24/7 access to wellness services. Members now have a 24-hour nurse helpline, health coaching by phone for chronic conditions, and an area of the Benefit Fund's website – the Dialog Center – that members can log into to research personal health topics or get information. In just the first month of the program, 1,200 members took advantage of the nurse helpline and health coaching services. Over half of those callers were assisted with a chronic condition, and 20 percent of calls were received after regular doctor's office hours, underscoring that the availability of such services can help members avoid more costly in-patient and emergency services.

To capitalize on the success of the expanded Wellness Program, we will soon target health coaching for chronic conditions to almost 29,000 members in all three Benefit Funds and contact another 3,000 members about the service by telephone. Approximately 15 percent of these are Greater New York members, and we anticipate these numbers will continue to grow and save benefit dollars as we keep educating members about the programs, and as members recommend the services to others.

To review the new Preferred Drug List and full list of procedures that require prior authorization, you can visit our website at www.1199SEIUFunds.org.



Wellness Resources for 1199SEIU Members

**1199SEIU Benefit Funds
Wellness Program:
(646) 473-8960**

**24-Hour Nurse Helpline
and Health Coaching Service:
(866) 935-1199**

**The Dialog Center:
www.1199SEIUBenefits.org**

Labor-Management Committee Will Tackle New Direction and Innovations for the Industry

In the rapidly changing nursing home industry, it's more critical than ever that labor and management work together to help our nursing homes and our workforce adapt and meet new needs. The "New Direction and Innovations" Committee, charged with developing a strategic plan to help nursing homes adapt to a changing industry, will begin work in March 2008. The Greater New York Training and Worker Participation Funds will facilitate the Committee's work.

Co-chaired by John Chobor, President and Executive Director of the Greater New York Health Care Facilities Association, and Mike Rifkin, Executive Vice President of 1199SEIU, and comprising both leaders and employers from the industry's five collective bargaining associations, the Committee will focus on how to improve recruitment, job satisfaction and the relationships between labor, management, government and the Union. Keep an eye out for details on the Committee's ongoing work in future issues of *Greater New York Employer News*.

Earned Income Tax Credit Assistance Program Helps 1199SEIU Members Get More Money in Their Refunds

This year, the Benefit Fund is again connecting low-income 1199SEIU members with trained, certified tax preparers through the Earned Income Tax Credit Assistance Program. Through the program, members can determine if they are eligible for the Earned Income Tax Credit (EITC) and receive free or discounted tax preparation to help them file their returns. By claiming this special credit, eligible 1199SEIU members can file for tax refunds of up to thousands of dollars more than they would ordinarily receive.

Beginning in February, 1199SEIU members at your institution can access tax preparation services across the New York metro area. Eligible members will be able to attend tax preparation events at Benefit Fund sites, or through our partnership with H&R Block, members can visit one of more than 100 of their offices in the New York metro area including New Jersey for discounted tax preparation.

If you would like more information or materials on the EITC Assistance Program to distribute at your institution, speak to your Outreach Coordinator or call the Benefit Fund's Member Services Department at (646) 473-9200.



ANNUAL FUNDING NOTICE FOR THE 1199SEIU GREATER NEW YORK PENSION FUND

Introduction

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding level of the 1199SEIU Greater New York Pension Fund, EIN 13-6601940, PN 001 (Plan).

This notice also includes information about rules governing insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning January 1, 2006 and ending December 31, 2006 (Plan Year).

Plan's Funding Level

The Plan's "funded current liability percentage" for the Plan Year was 58.1%. In general, the higher the percentage, the better funded the plan. The funded current liability percentage, however, is not indicative of how well a plan will be funded in the future or if it terminates. Whether this percentage will increase or decrease over time depends on a number of factors, including how the plan's investments perform, what assumptions the plan makes about rates of return, whether employer contributions to the fund increase or decline, and whether benefits payments from the fund increase or decline.

Plan's Financial Information

The market value of the Plan's assets as of January 1, 2007 was \$511,182,704. The total amount of benefit payments for the Plan Year was \$33,266,511. The ratio of assets to benefit payments is 15.4. This ratio suggests that the Plan's assets could provide for approximately 15.4 years of benefit payments in annual amounts equal to what was paid out in the Plan Year. However, the ratio does not take into account future changes in total benefit payments or plan assets.

Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed

level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed.

Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($\$500/10$), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus $\$24.75$ ($.75 \times \$33$), or \$35.75. Thus, the participant's guaranteed monthly benefit is $\$357.50$ ($\$35.75 \times 10$).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus $\$6.75$ ($.75 \times \$9$), or \$17.75. Thus, the participant's guaranteed monthly benefit would be $\$177.50$ ($\$17.75 \times 10$).

In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency. Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact the Fund Office at 330 West 42nd Street, New York, NY 10036, or call 646-473-8666. For more information about the PBGC and multiemployer benefit guarantees, go to PBGC's web site, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).



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