



January 23, 2007

Dear Retiree:

As you know, the new contracts negotiated between the District and Faculty Association and SEIU provides that employees absorb some of the District's spiraling health care costs through a small co-pay covering office visits and prescriptions drugs. I am writing to you to explain what the District has concluded regarding this issue of whether and how this change in coverage will affect retiree benefits.

After consultation with legal counsel, and a careful review of an actuarial analysis of our future costs, we have determined NOT TO apply the new co-pay for office visits and prescription drugs to the following:

- faculty/management employees hired before April 1, 1986;
- classified employees hired before July 1, 1984;
- confidential/supervisory employees hired before October 1, 1984;
- any employee, regardless of their hire date, who retired prior to January 1, 1998.

(We are including employees who retired prior to this date because the operative contract language up to that time guaranteed a fixed rather than a fluctuating retiree benefit.)

This means that if you are in one of the groups listed above your current retiree coverage will remain unchanged.

Thank you for your patience as we carefully reviewed this sensitive issue and I especially thank you for your years of service to the District.

Sincerely,

A handwritten signature in black ink that reads "Susan A. Cota".

Susan A. Cota, Ed.D.

Chancellor

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SAC:bb

c: Charlotte Lofft  
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