

SAN FRANCISCO ELECTRICAL WORKERS HEALTH & WELFARE PLAN
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To: Retirees Covered Under the SFEW Health and Welfare Plan

From: Plan Office

NOTICE REGARDING INCREASE TO RETIREE MONTHLY COPAYMENTS

Each year the Trustees are presented with a report from the Plan Consultants on adjustments to the retiree co-payments. The following table includes the adjusted monthly rates that will take effect on January 1, 2011. Recognizing that participants, including retirees, must continue to play a role in ensuring the financial health of the Plan, the co-payments were adjusted in direct proportion to the changes in Plan costs that occurred this year. For retirees who have authorized automatic deduction from their pension benefits, the adjusted co-payment will be reflected in the January 2011 payment that is payable February 1, 2011. The January billing statement (for February Coverage) will be adjusted to reflect the change for those who are paying by check.

Early Retirees (Age 55-62)		
Plan	2010 Monthly Payment	New Monthly Payment Effective 2/1/2011
Kaiser	1,298.00	1,520.00
Blue Shield (HMO)	1,328.00	1,515.00
Self Funded Plan (PPO)	1,944.00	2,170.00

Early Retirees (Age 62-64) who will reach Full Retiree Membership status at age 65*		
Plan	2010 Monthly Payment	New Monthly Payment Effective 2/1/2011
Kaiser-Single	519.00	608.00
Kaiser-Family	785.00	912.00
Blue Shield (HMO)-Single	531.00	606.00
Blue Shield (HMO)-Family	519.00	909.00
Self Funded Plan (PPO)-Single	778.00	868.00
Self Funded Plan (PPO)-Family	1,166.00	1,302.00

*Full Retiree Status at age 65: Under age 59 at the time hourbank runs out following retirement.

Early Retirees (Age 62-64) who will reach Full Retiree Membership status at age 62**		
Plan	2010 Monthly Payment	New Monthly Payment Effective 2/1/2011
Kaiser	400.00	460.00
Blue Shield (HMO)	400.00	460.00
Self Funded Plan (PPO)	400.00	460.00

**Full Retiree Status at age 62: Age 59 or older at the time hourbank runs out following retirement.

Other Retiree Categories (All Plans)		
Plan	2010 Monthly Payment	New Monthly Payment Effective 2/1/2011
Surviving Spouses and Under Age 65 Disabled Retirees	350.00	400.00
Over Age 65 retirees who attained, or will attain, age 75 on or after 1/1/2007	Single 150.00 Family 300.00	Single 170.00 Family 340.00
Retirees who attained Age 75 before 1/1/2007	0.00	0.00

NOTICE ABOUT THE EARLY RETIREE REINSURANCE PROGRAM

The Early Retiree Reinsurance Program (ERRP) is a federal program that was established under the Affordable Care Act. The SFEW Health and Welfare Plan (Plan) has been approved to receive reimbursements from the limited funds available under the ERRP to help defray some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees. The ERRP expires on the earlier of January 1, 2014 or when the ERRP funds run out.

The Board of Trustees are allowed to use any reimbursements it receives from the ERRP to reduce or offset increases in Plan participants' premium contributions, co-payments, deductibles, co-insurance or other out-of-pocket costs. The ERRP funds can be spread across the Plan to defray costs of benefits for all participants, including actives and retirees. For these reasons, as a Plan participant, you may experience changes that may be advantageous to you, in your coverage terms and conditions, for so long as the reimbursements under the ERRP are available. The ERRP reimbursements may increase the likelihood that Plan coverage will continue for retirees and actives and their families.