

November 2007

**To: All Plan Participants**

Enclosed you will find the Summary Annual Report for the fiscal period ended January 31, 2007.

Each year the Trustees are presented with a report from the Plan Consultants on revisions to early retiree co-payments. These co-payments are automatically adjusted each year in direct proportion to the changes in Plan costs that have continued to increase over the years. Noting that all participants should play a role in ensuring the financial health of the Plan, the Trustees also review regular and disabled retiree co-payments on an annual basis. The following represents the revised monthly retiree co-payments that will take effect January 1, 2008.

<b>Early Retirees (Age 55-62)</b>		
<b>Plan</b>	<b>Current Monthly Payment</b>	<b>New Monthly Payment</b>
<b>Kaiser</b>	<b>1,096.00</b>	<b>1,169.00</b>
<b>PacifiCare</b>	<b>1,167.00</b>	<b>1,259.00</b>
<b>Indemnity Plan</b>	<b>1,379.00</b>	<b>1,566.00</b>

<b>Early Retirees (Age 62-64) who will reach Full Retiree Membership status at age 65*</b>		
<b>Plan</b>	<b>Current Monthly Payment</b>	<b>New Monthly Payment</b>
<b>Kaiser-Single</b>	<b>438.00</b>	<b>468.00</b>
<b>Kaiser-Family</b>	<b>658.00</b>	<b>701.00</b>
<b>PacifiCare-Single</b>	<b>467.00</b>	<b>504.00</b>
<b>PacifiCare-Family</b>	<b>700.00</b>	<b>756.00</b>
<b>Indemnity Plan-Single</b>	<b>552.00</b>	<b>626.00</b>
<b>Indemnity Plan-Family</b>	<b>828.00</b>	<b>940.00</b>

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

<b>Regular Retirees (Age 62-64) [Full Status Membership at age 62**]</b>		
<b>Plan</b>	<b>Current Monthly Payment</b>	<b>New Monthly Payment</b>
<b>Kaiser</b>	<b>250.00</b>	<b>300.00</b>
<b>PacifiCare</b>	<b>250.00</b>	<b>300.00</b>
<b>Indemnity Plan</b>	<b>250.00</b>	<b>300.00</b>

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

<b>Disabled Retirees (under age 65)/ &amp; Surviving Spouses (All Plans)</b>		
<b>Age</b>	<b>Current Monthly Payment</b>	<b>New Monthly Payment</b>
<b>Under Age 65</b>	<b>200.00</b>	<b>250.00</b>
<b>Over Age 65 retirees who attained, or will attain, age 75 on or after 1/1/2007</b>	<b>75.00</b>	<b>100.00</b>
<b>Retirees who attained Age 75 before 1/1/2007</b>	<b>0.00</b>	<b>0.00</b>

For retirees who have authorized automatic deduction from their pension benefits, the adjusted co-payment will be reflected in your December 2007 payment for January 2008 coverage. The December billing statement will be adjusted to reflect the change for those who are paying by check.