



October 12, 2007

TO: All Non-Medicare Retirees

**FROM: Board of Trustees
Carpenters Health and Welfare Trust Fund for California**

RE: Increase in Health Benefit Rates – Effective January 2008

Effective January 1, 2008 the Kaiser and Health Net rates for Non-Medicare Retirees will increase substantially. In some cases the Kaiser rate will increase by more than 85% and the Health Net rate will increase by 56%. **If you are enrolled in Kaiser or Health Net, this will greatly increase the amount you pay for retiree health coverage.**

The purpose of this letter is to provide an early notice of the large increase in your January 1, 2008 Retiree Health & Welfare self-payment.

Two reasons for the huge increases:

- 1) Due to high premium costs, **Health Net** will not be offered to Active Participants starting January 1, 2008. Now Health Net can no longer spread costs between actives and retirees.
- 2) **Kaiser** retiree rates used to be based on Active and Pre-Medicare Retiree costs blended together. Now Kaiser Pre-Medicare retiree rates are based only on the cost of Retiree coverage.

Below are the January 1, 2008 rates the Fund will pay for retiree coverage. Retirees pay approximately half of these rates: *(Your individual rate will be sent to you in November 2007, but you can estimate what your rate is by dividing the appropriate rate below by 2.)*

NON-MEDICARE RETIREES:	One Dependent			More than One Dependent		
	Retiree Only	Dependent Without Medicare	Dependent with Medicare	Dependent with Risk	Dependent without Medicare	Dependent with Risk
HEALTH NET	\$884.75	\$1,769.50	\$1,154.77	\$1,102.77	\$2,564.38	\$1,897.65
KAISER	\$613.90	\$1,227.06	\$1,262.71	\$920.24	\$1,737.14	\$1,430.32
INDEMNITY	\$563.38	\$1,116.42	\$787.90	N/A	\$1,292.56	N/A

More information will be provided later. However if you have any questions about this notice, please call the Fund Office toll free at (888) 547- 2054, or at (510) 633-0333. You may also send an email to: benefitservices@carpenterfunds.com.