



Alaska Electrical Trust Funds

PENSION FUND – HEALTH AND WELFARE FUND – LEGAL FUND
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Notice of Retiree Premium Increases effective June 1, 2008

As you know, the cost of health care continues to increase at a rate considerably higher than general inflation. Accordingly, over the last year the Trustees have been evaluating the retiree medical program with the intent of providing affordable benefits for current as well as future retirees. After thorough consideration, the Fund has revised the rules defining qualification for retiree health coverage as well as the method for determining the cost for the coverage, as outlined below:

1. Effective for all new retirements on or after January 1, 2008, employees must have more months of active health and welfare eligibility in the Fund to qualify for the program.
2. The amount that the Fund subsidizes the retiree self-payment amount will be revised to reward long term Plan participants as well as to account for the age of the retiree.
3. Retiree contribution rates will be established that reflect the number of people covered (single vs. married) as well as the Medicare status of each covered person. Accordingly, the cost for a single retiree will be less than that of a married retiree, and the cost for a retired person eligible for Medicare will be less than that of a retired person not eligible for Medicare.

With these changes, the Trustees anticipate that the retiree medical program will provide a meaningful benefit for participants retired from a career in our industry.

As a result of the changes, your premium will be increasing per month effective with June 1, 2008 coverage.

Please notify the Administrative Office should you choose to discontinue or change your Health and Welfare coverage. Unless we hear from you, we will withhold the increased amount indicated above from your June 1, 2008 pension benefit.

If you have any questions, please contact our office. Thank you.

The Administrative Office