



Alaska Electrical Trust Funds

PENSION FUND – HEALTH AND WELFARE FUND – LEGAL FUND
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February 23, 2007

To: All Retired Participants

Re: Alaska Electrical Health & Welfare Fund
Plan Changes Effective March 1, 2007

Dear Participant,

You were recently notified of an increase to your monthly Health & Welfare contribution in a letter dated February 16, 2007. As discussed in that letter, the Board of Trustees determined it was necessary to modify Plan benefits and increase contribution rates to address the soaring increases in benefit expenses. Please note that effective March 1, 2007, the following changes have been made to the prescription drug program for retired participants;

Modify the Prescription Drug Co-pays. Prescription drug costs continue to be the most rapidly increasing element of health plan costs. The co-pay for Brand name drugs when no generic is available is increasing. Additionally, if you elect a Brand name drug but a generic alternative is available, the Plan will NO longer consider that Brand name prescription as a covered benefit and you will be responsible for the entire cost of the prescription. The prescription co-pay schedule effective March 1, 2007 is shown below:

	<u>Retail</u>	<u>Mail Order</u>
Generics	\$15	\$30
Brands (No Generic Available)	\$35	\$70
Brands (Generic Available)	Not a covered benefit	
Out-of-Pocket Maximum	\$750 per person, \$1,500 per family	

In order to help the Plan control prescription drug costs, we encourage you to use the mail order program for medications you take on a regular basis. The cost of the medication is lower and you can obtain up to a 90 day supply (3 times the maximum supply purchased retail) at only 2 times the co-pay, so you save money, too.

The Trustees will continue seeking alternatives to manage the cost of the benefits while striving to provide the greatest benefit to Participants and beneficiaries. Shortly you will receive a survey from the Fund regarding your Health and Welfare benefits. We encourage you to take the time to respond to this inquiry as your feedback will assist the Trustees in managing the Fund.

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

Sincerely,

The Administrative Office