



April 16, 2009

Name  
Address  
City

**Retiree Health Benefits Rate Update**

All Retirees on the District Paid Retiree Health Plan and all active employees age 58 or older are receiving this update regarding Retiree Health Benefits and projected rates for 2009-10.

As you recall from previous communication (July 2008), Retiree monthly **rates for 2008-09 were significantly decreased** because of the approximately 110 new Retirees who were added to the District Paid Retiree Health Plan. Also discussed was the fact that these new Retiree’s health claims will now be adding to the total Retiree claims, which will result in a **rate increase for 2009-10**.

In an effort to assist your financial planning for 2009-10, Table #1 provides a **projection** of the rates by classification for next year. (New rates will become effective August 1, 2009.)

**Table #1 - Projected Rates for 2009-10**

Classification of Retiree	Current Rate for Fiscal Year 2008/09	Projected Rate for Fiscal Year 2009/10
Single with Medicare	35.86	95.65
Married with One on Medicare	168.11	287.71
Married with Two on Medicare	71.71	191.31
Single with No Medicare	132.26	192.05
Married with No Medicare	264.51	384.11
Family with No Medicare	396.77	576.16
Family with One on Medicare	300.37	479.76
Family with Two on Medicare	203.97	383.36
Family with Three on Medicare	107.57	286.96

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The rates in Table #1 **are subject to change** and will be finalized after claims for April, May, and June are included. Final rates will be distributed to all Retirees on July 15, 2009 for the 2009-10 Retiree rate year which runs from August to July.

Tables #2 and #3 are provided for those of you who wish to review the data that was used to determine the projected rates.

**Table #2 - Total Retiree Medical & Prescription claims as of March 30, 2009**

Total Medical/Rx Claims for all Participants	\$25,005,725
Total Medical/Rx Claims for Retirees	\$3,895,281
Retiree Claims as a % of all Claims	16.51%
Total Retiree Medical/Rx Claims Over 10%	\$1,535,366

**Table #3 - Projected Final Health Claims for 2008-09**

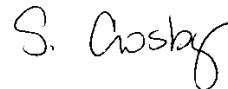
Total Estimated Medical/Rx Claims for All Participants	\$31,465,529
Total Estimated Retiree Medical/Rx Retiree Claims	\$5,193,708
Estimated Retiree Claims as a % of All Claims	16.51%
Total estimated Retiree Medical/Rx Claims over 10% cap	\$2,047,155
Reduction for 2008 Medicare Part D Subsidy	\$ 282,622
Estimated Amount for Determining Retiree Rate for 2009-10	\$1,764,532

Also included with this letter is the history of Retiree monthly rates. If you have any questions, please do not hesitate to contact the CUSD Benefits Department at (559) 327-9125.

Sincerely,



Steve Ward  
Associate Superintendent, Administrative Services



Shareen Crosby  
Benefits Department

cc: Governing Board Members  
Cabinet