

UNIVERSITY OF CALIFORNIA

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SANTA BARBARA • SANTA CRUZ

Judith W. Boyette
Associate Vice President
Human Resources and Benefits
(510) 987-0301
(510) 587-6476 Fax
judy.boyette@ucop.edu

OFFICE OF THE PRESIDENT
1111 Franklin Street, 7TH Floor
Oakland, California 94607-5200

January 5, 2006

Amatullah Alaji-Sabrie
Chief Negotiator
Coalition of University Employees

Dear Amatullah:

With respect to potential changes in the UC Retirement Plan, absent any catastrophic events significantly impacting the UC Retirement Plan, we are able to state that prior to July 1, 2007, the University will not do the following: change the formula for UCRP participants in the CUE CX bargaining unit; restart the "redirect" contributions into UCRP for participants in the CUE CX unit; or establish any other formula for new and current employees/participants in the CUE CX unit.

With respect to retiree health plans, we can confirm that prior to July 1, 2007, and absent any catastrophic events significantly impacting the Retiree Medical Plan, members of the CUE CX bargaining unit who retire will be responsible for paying the same rates as Band 2 employees (in UC's wage based health premiums) and that major cost shifting to the members of the CUE CX bargaining unit who retire will not occur. On the other hand, program elements, such as change and/or consolidation of carriers, and adjustments for annual increased costs of providing retiree health care benefits, would be subject to adjustment on a year-to-year basis, as per current practice.

We look forward to working with CUE as part of the meet and confer process established in our new contract to address negotiable issues related to the UCRP, which may take effect as early as July 1, 2007. We recognize the mutual interest that CUE and the University of California share in working together to ensure the continued financial viability of the UCRP for current and future bargaining unit members.

Sincerely,

A handwritten signature in cursive script that reads "Judith W. Boyette".

Judith W. Boyette
Associate Vice President—
Human Resources and Benefits