

APPENDIX L

SIDE LETTER – UNIVERSITY HEALTH AND WELFARE BENEFITS

The parties agreed, after reaching a tentative agreement on the entire contract including Article 40 – University Health and Welfare Benefits, to remove Section B.5. of Article 40 to avoid confusion among the parties' constituents as to the meaning of that Section. This letter is to clarify the agreement and will serve as a clarification of the understanding between the parties as to how employees within the HX Unit would be handled with regard to Health and Welfare Benefits at the 2009 contract re-opener and should the contract between the parties expire without a new agreement to replace it in 2011.

1. The parties understand that plan changes may occur, offerings may change, and that the bidding and open enrollment processes will continue. Specifically, the items outlined in Section B.1. of Article 40 will remain in place except that the costs (i.e. premium costs, co-payments) to employees will not increase until expressly modified by mutual agreement of both parties or upon completion of the HEERA mandated processes.

2. The parties agree that the process specified in paragraph 1 is in fact how the parties handled the health and welfare benefits of HX employees during the 2008 Open Enrollment process for 2007. Specifically, the premium rates changed and the salary banding levels were updated for all other employees but they remained unchanged from the 2006 rates and salary bands for HX employees.

3. It is further understood that the parties will engage in re-opener bargaining over Article 40 – University Health and Welfare Benefits in 2009 for health and welfare benefits to be applied in calendar years 2010 and 2011.

For the University of California:

For UPTE-CWA:



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