

KAISER BENEFITS TAKE-AWAY PLAN

See a summary of Kaiser's longterm plan for **ALL** its employees below, which was given to NUHW Optical bargaining in Northern California.

According to Kaiser's proposal, these take-aways do not go into effect until January 1, 2013 and January 1, 2014. These dates follow National Coalition Bargaining in 2012.

KAISER'S PROPOSED FLEX BENEFITS

Overall, employees will begin to buy their health benefits from Kaiser and those benefits will be substandard to what they receive today. Especially hard hit will be Part-Time employees (those working fewer than 32 hours per week). Changes to the Health Plan would not occur until 2013.

a.) Full Time employees would be given enough money by Kaiser to buy Kaiser's Mid-Level Medical coverage with basic dental for their family and life insurance. **(There would no longer be a \$5 co-pay option.)** The High plan at \$10 co-pays would mean that the full time employee would have to pay additional monthly premiums.

b.) Part-Time employees would NOT be given enough money to have even the minimum Mid-Level coverage. If they work 26 to 31 hours, they will be given 80% of full time dollars to buy health insurance and if they work 20 to 25, they will be given 60% of full time dollars to buy health coverage. Monthly premiums would come out of the employee's payroll checks.

c.) The following are the co-pays for the \$20 co-pay health plan.

Each Office Visit	\$20
Each ER Visit	\$50
Each Outpatient Surgery	\$50
Each Inpatient Admission	\$100
Each Routine Vision Care	\$20
Eyeglass lenses/frames every 24 months	\$175 allowance
Each 30 day supply of Generic RX	\$10
Each 30 day supply of Brand RX	\$15
Annual Co-Pay Limits	\$1,500/per person \$3,000/per family

KAISER'S PROPOSED PENSION PLAN

- As of 1/1/14 only employees with 20 years of service and who are 65 years of age will continue on the current defined benefit pension plan.
- As of 1/1/14 all other current employees will have their benefits in the defined benefit pension plan **frozen** (*no other benefits will accrue to this plan*). These employees for future years of service will receive a 5% Employer contribution into a 401(k) and a 1.25% match instead of the defined benefit plan.
- As of 1/1/13 newly hired employees *will not be eligible* for the current defined benefit pension plan and will only be eligible for the 5% contribution and the 1.25% match.

KAISER'S POST RETIREMENT BENEFITS PROPOSAL

Currently, employees who retire with 55 years of age and 15 years of service (1000 compensated hours = 1 year of service) are eligible for retiree health at age 65. The benefit for retired Kaiser employees that has traditionally set Kaiser apart from other employers is retiree health i.e., retired employees enjoy the same health plan as active employees. The following dramatic changes, as proposed by the Employer, would apply to the vast majority of employees: Kaiser's Several Tiered Proposal

Eligibility	Benefit at Age 65
<p>Employees hired prior to 1/1/14 with 55 years of age and 20 years of service.</p> <ul style="list-style-type: none"> • Years of Service as of 2014 and prospectively: 2000 compensated hours = 1 year of service • Years of Service prior to 2014: 1000 compensated hours = 1 year of service 	<p>Plan:</p> <ul style="list-style-type: none"> • Highest cost Senior Advantage given to non-Kaiser employees <ul style="list-style-type: none"> • The Employer will provide a \$175 per month subsidy toward the cost of coverage. • No coverage for spouse. • Only disabled dependents covered in active employees' health plan. • Subsidy increased by 4% each year • Failure to pay premium in a timely manner—Employee loses coverage • HRA for medical costs during retirement equal to \$1,000 per year of service (2000 hours = 1 year of service)
<p>Employees hired on or after 1/1/14</p>	<ul style="list-style-type: none"> • No retiree health coverage • HRA for medical costs during retirement equal to \$1,000 per year of service (2000 hours = 1 year of service)

Included in the Employer's proposal are changes for a small number of employees who are age 62 or older with 25 years of service or disabled employees on or after 2014. These changes are not included in this synopsis.

KAISER'S PROPOSED PTO/ESL (Applicable only to Optical, for now, since IBHS already had a PTO program under SEIU)

Example: A 10-year employee's current accrual level is used as an example to explain how PTO would be different from the Vacation and Sick Leave Program currently in place.

Current Benefit for Vacations and Sick Leave		Proposed PTO	Proposed ESL		
25 Vacation Days	Converted to	25 PTO Days			
15 Sick Leave Days	Converted to	9 PTO Days	6 ESL Days		
=					
40 Days in Total		34 PTO Days	6 ESL Days	=	40 Days