

**August 22, 2007 Omaha Lucent/Avaya/CSM Pensioners Association
Special Meeting
Millard American Legion Post #374**

WELCOME: President, Lyle Nicholson welcomed all retirees to our meeting.

PLEDGE: We all stood for the Pledge of Allegiance.

ROLL CALL: Present were Lyle Nicholson, Dan Kovar, Pauline Lieth, Andy Barges, Jim Filipiak, John Barnes, Howard Clark, Bill Love, Bev Opfer, John Pinkerton, Mary Jo Pinkerton, Ray Sempek, and Cheryl Todd. Absent were Everett Peterson, Edie Riester, and Martha Ross.

DECEASED: The list of deceased since our July quarterly meeting was read and we all stood for a moment of silence.

OPENINGS ON E-BOARD: Lyle announced there are still 3 openings on our E-Board and no one has offered to take over the secretary job of the association yet. He encouraged anyone that would like to help us out to please volunteer.

OPEN ENROLLMENT: Lucent's Open Enrollment is October 22-November 2, 2007. We are not sure when Avaya's and Connectivity Solution's open enrollments are yet.

BUCKETS: John Barnes and Bill Love passed the donation buckets.

UPDATE: Lyle announced that Everett Peterson has cancer treatments and just about every day has radiation treatments. He is a little under the weather today.

Avaya News: Andy Barges gave a report on Avaya. He asked how many Avaya retirees are here. The union was notified today that Avaya has been sold; it was purchased by Silver Lake and GPG. The present contract will continue in tact till 2009. There will be a special Avaya Share Holders meeting in Dober, Delaware on September 20, 2007. The purchase was approved. CWA and IBEW will be there. The purchase was at \$17.50 a share, a pretty good price, but the first offer was at \$22 a share (how that is a better bargain, don't know).

AL MUMM: Lyle introduced Al, CWA president. He reported that when Al, Ken Mass, and a few of us E-Board members met with Lee Terry about the 420 transfer language change Terry was instrumental with passing that bill. Companies like Alcatel/Lucent and probably Avaya, which have a prescription drug plan that is better than Medicare Part D, gets a government subsidy for carrying such a plan. This prevents a great number of people not being dropped and placed into the Med D all at once. Terry committed to us attendees that he would work on an amendment and changed into law to that bill where any company getting this subsidy should go toward healthcare for retirees and employees. Al contacted Lee Terry and Ben Nelsons offices by email, by fax, and by phone and has not yet gotten a response, it has only been a couple of weeks though. All

our elected officials need to hear from us, just a short note regarding this! Ask them what they plan on doing to modify the law that the companies receiving a subsidy for their prescription drug plan that is better than Medicare Part D is able to claim it as profit instead of placing that money toward retiree healthcare where it has to and should go-into the Healthcare Fund. For example: Alcatel/Lucent or Lucent last year got over 26 million dollars last year from the government, our tax dollars, and just stuck that in their pockets because of their prescription drug plan is better than Medicare Part D; you know what they did with us, they gave us a big 150% increase in our healthcare premiums. So, the Senators and Congressmen need to hear from us on this issue, CWA is doing the same thing. Al will report back to us if he hears anything from the Senators and Congressmen on this issue. Maybe something needs to be written up so we all can be on the same page, will see what we can do. Lyle and Pauline is going immediately following this meeting to Lee Terry's Town Hall meeting for this reason, to see if he will stick with his commitment to us when we met with him, and to carry through with changing the law with an amendment to stop the companies from pocketing this subsidy monies and not putting it back in the Healthcare Trust Fund.

LUCENT HEALTHCARE COORDINATOR: Lyle introduced our speaker, Bryan Flickinger. He reported the results of the Joint Retiree Healthcare Committee negotiations. (Changes are on an attachment to these minutes)

Questions and Answers:

Question 1A: If we got across the board a 2.5% rise in healthcare then why didn't we get an increase in our pensions?

Answer 1A: Lucent doesn't see it that way!

Question 1B: I am over 65-I am on Medicare-Can I enroll in a Supplemental Health Insurance and also keep my Lucent Medical Insurance?

Would this jeopardize my Lucent coverage?

Answer 1B: Yes you can, as long as you don't get into another prescription drug plan. You can only be in one prescription drug plan because of the reimbursement supplement from the government. So you have to be careful whatever you sign up for doesn't have a prescription drug plan. As far as paying for medical, you can sign up and pay for as many premiums as you want to buy. You can opt out of your Lucent coverage. You can opt back in at open enrollment, so if you opt out, you will be out for a year, unless you have a qualifying event. Be careful about that.

Not exactly sure where the information came from on the difference between the 420 caps and that legislation and the contract language are over the healthcare plan: The contract provides for a certain amount of money to go in for every person into the healthcare plan. The 420 legislation details only the amount of money they have to take out of the pension fund to put into that other fund. The two don't have anything to do with the amount of money available, that's by contract.

Question 1: Why weren't we told when we were all pushing for the 420 changes that they were only for the caps, not for the total healthcare cost? That was what most of us thought we were fighting for!

Answer 1: Don't know if anybody asked. It's in the contract language.

Question 2: How come we weren't told when Troy Johnson and Ralph Maly were here that they were already in negotiations with the Joint Retiree Healthcare Committee?

When in an email from Martha Flagge (CWA) to Al Mumm (CWA) that the bill was passed too late to effect this years negotiation: Which means things were decided before the bill was passed on May 17, 2007:

Answer 2: I haven't seen Martha Flagge's email. Specifically when Troy and Ralph were here about the negotiations: Bryan wasn't here and don't know for sure what they were here to talk about. He thought it was about the 420 transfer language change. Every year we're going to look at the cost and the plan and the amount of money we have to spend and determine what to do for the next year, that's in the contract and we do this every year. You realize that the cost of healthcare is going up about 10% per year and the amount of money we have going into the fund is the same per person. We look at this at a contract basis. We have deadlines to meet and changes in place in order to get it in our open enrollment and start for the next year. Troy and Ralph were here for the 420 transfer and that is completely different than negotiations for the Joint Retiree Healthcare Committee. Did anybody ask them? There is nothing connected. The 420 transfer doesn't have anything to do with the amount of fund monies. We had to have this 420 change, we tried to make that clear, and without your help we couldn't have had that done. They wouldn't have had any money, so we got an extension to move monies.

Question 3: Why did Troy Johnson send an email on Tuesday, May 29, 2007 saying the bill was passed and that they would work to lower premiums when he knew it wasn't going to happen? Everything was already set!

Answer 3: They didn't know it wasn't going to happen, we're in a committee, we talk about that constantly because there actually is some extra money in there this year. What we didn't want to do is bounce the premiums up and down, up and down, and up and down. We have a 10% increase in healthcare cost annually, if we had lowered it this year would we have to raise it next year. That would go that up and down route. On the committee, this is one of the main things we talked about. No one knows ahead of time!

Question 4: With the Healthcare committee making all the decisions on cost of healthcare every year, the 2004 contract means nothing! Is this right?

Only what the healthcare committee decides is what we live with till 2012! Is this right?

Answer 4: The contract is what gives us the amount of monies to use. We have a 400 million dollar use fund that we have till 2012, which we bargained for; we have the caps for the post '90' folks we bargain per person every year; we have plan changes, whatever we do to the plan changes the cost; and that overage for the pre '90's also goes in the fund; plus the premiums. These are what we use every year and that's by contract. The decision the healthcare committee makes is only what to spend it on. We can make plan changes, we can drop our coverage, and some drop dental, things to do to save money, change premiums, only if it is credible coverage is all we can do. The healthcare committee does not decide on the amount of money, that's set by contract.

Question 5: On a conference call on June 29, 2007 you told the people on the call that the yearly ½% raise in premiums was only the minimum raise. Where in the contract on healthcare for retirees or anywhere does it say minimum? All paperwork says ½% period!

Answer 5: That ½% is in the contract, it can be more than that. Bryan will find out! I said that the language said that was a minimum and I regretted to say, that isn't the way it ended up. I do have that language but it's an early version and the current language says

“increased on an annual basis .5% per year unless modified” by the JRHC. That’s the reason we could actually drop the premium for 2008. Sorry for the mistake.

Question 6: The 1998 contract: Raised the Lucent medical caps so there will be no cost shifting or cost sharing for the next 5 years. Simply stated, “No retiree will have to worry about the cost of medical insurance exceeding the caps that were established for those who retired after 3-1-90”. This when they set the medical caps!

Answer 6: We no longer go by the 1998 contract. We went way over the ‘98’ medical caps. We bargained the amount we owed away.

Question 7: Why did the 2002, 2003 and 2004 negotiators not work harder to get caps raised so we still would not be paying premiums? There is still billions of excess money in the occupational pension account!

Answer 7: You realize they spend more than 500 million a year on healthcare. Billions don’t last too long when we spend 500 million a year and when you take it out of the pension; that pension grows every year, then what you’re expecting it too grow, it just doesn’t, you just don’t get the extra money you expect for long term. This contract looked at; we have paperwork clear out to 2044, trying to use what the pension would hold, how it would hold that long out, we tied the pension coverage to retiree healthcare past contract. As far as Bryan knew it never had been done before. They did the best they could to tie that to pension coverage rather than contract so that if they don’t have a contract past 2012 there still will be healthcare. You understand our healthcare is only held by contract, there is no legislation that holds your healthcare like you pension. Your pension is protected by legislation, our healthcare is not. If they drop the contract then the only language we have to hold healthcare is what we did to tie the pension coverage to it. Part of the reason they looked at a finite amount each year for healthcare is so they can somewhat guarantee it will be there forever. Impunity is their word!

Question 8: Where does the government subsidy money go that is paid to Lucent for prescription coverage equal to or better than Medicare Part D?

Answer 8: Lucent puts that in their pockets. There is nothing in the contract to say where it has to go. We have been arguing that since the beginning. We hope to get some sort of written statement in good faith; in 2008 negotiations they can press them on that. In bargaining they think they have enough information and literature that shows that it should be used for healthcare and proving that is where it should go. If we can get legislation that will do that, it would be great! Almost 30 million this year, not quite 40 million dollars on the pension coverage: Years ago the EM3 council filed a lawsuit because they felt that belonged to the pensioners. They lost that lawsuit. The law does not give this coverage to the people in the pension fund. The coverage belongs to Lucent. Don’t misconstrue that money.

Question 9: The cost of the prescription plan comes from retiree’s co-pays, excess money from the pension plan and retiree’s premiums; so the government subsidy should go into the Healthcare Fund – Not Lucent’s pocket!

Answer 9: Bryan agrees with that. They are trying to get that legislation, which might be quicker. Also, realize the situation they are in, will retiree’s verses working folks, they have less than 3,000 – total Lucent employees and 110,000 retirees and independents, very lop sided, very upside-down. When they talk about contract issues just keep that in mind, the contract holds your retiree healthcare, but it is for the working folks or active employees.

Question 10: Is Lucent going to honor their commitment to negotiate retiree healthcare in 2012?

Answer 10: They will look at the contract and honor that. If they have those 3,000 employees, Bryan didn't know whether they will negotiate retiree healthcare or not. Pauline was there in Washington D.C. when they made that statement at our meeting. They first said they would not negotiate retiree healthcare, but if we agreed to help with legislation getting the 420 language change they committed to negotiate retiree healthcare. Bryan said if he said it they will do it! They hope that retiree healthcare is taken care of past 2012. That was the intent of a lot of these new and different language changes. They hope there won't be much to negotiate there.

Question 11: Why can't caps be renegotiated to a reasonable 2007 level rather than 1998? Using 1998 is a real insult to retirees!

Was that date chosen by Lucent to slap the unions?

Answer 11: They do have the '98' caps, but they also have the 400 million and we also have any plan design changes monies, savings from the pre '90's to go into that fund, plus the pre '90's are unkempt, so you already have much more money for benefits per person you've ever had. The problem is the cost is going up faster and quicker than it ever did, like gasoline, they can't keep up, 10% per year total cost is 50 million dollars a year that they have to come up with in changes or design changes or whatever. They did negotiate different caps although that's a base part of it. The overall monies are much higher than it's been. They use the caps as a base.

Question 12: As retirees in a coalition to protect our benefits, are we not entitled to see annual reports on cash flow from the pension fund to healthcare that specifically covers average annual estimates for individual and family healthcare costs and the amount of surplus/deficit from those funds?

Answer 12: Lucent puts out a report that shows how much is spent for healthcare, but Bryan doesn't think they put out as individual or family healthcare or that sort of thing.

Question 13:

Answer 13: I guess Bryan is not sure. When they look at this, they look at much more than this. You have representation on the committee; they spend months and months going over information trying to determine what to do for the next year.

Question 14: We would like to see all reports covering the dollar amount of government subsidies (taxpayer contributions) to Lucent retiree healthcare costs pertaining to the prescription drug program and the surplus/deficit dollars. We particularly want to know where any surplus dollars end up; in Lucent's bottom line or refunded to the government.

Answer 14: The Part D is the only part that goes to Lucent, all the other monies go back into the healthcare fund. They have trustees, we have CWA and IBEW trustees, we have several; there is 8 on the JRHC that looks at that specifically to see where the money went, what they spent it on, you know where we can make some difference, maybe where we can save some money, maybe just like verification on dependents this year. That should save a considerable amount of money overall. A lot of people don't understand the rules for dependents. You can't put just anybody on there, there are rules for that. This verification will help us just cover the people that should be covered. Those kinds of things save money overall. But all the other money goes back into the fund, Lucent doesn't pocket anything, they don't even have access to anything after they take the money out of the pension fund and put it in there; except for the Part D subsidy.

Question 15: Was it ever a consideration when forming the Joint Retiree Healthcare Committee to include one or more retirees on the committee? If not, can this now be accomplished?

Answer 15: Bryan was appointed to this position, as one of the committee members, there are two from CWA, Troy is on it, and four from the company is on it. Truthfully Bryan doesn't understand why we would want to be on it. It is a difficult job.

Question 16: Now that we retirees know the annual schedule for the Joint Retiree Healthcare Committee negotiations, can we assume that 2009 will see a significant reduction in premiums and co-pays for retirees? It seems that while social security can adjust for inflation, this committee can likewise be capable of negotiating a similar adjustment in healthcare costs each year!

Answer 16: There is lots of things that can be done to lower the healthcare cost, but there isn't much to be done to change the contract language. Our benefits into the healthcare fund comes from contract language and as far as Bryan knows that will stay the same till 2012. You have an amount of money to use every year, anyway that they want to basically and truthfully they can hold them, the premiums, maybe drop them, at least hold them for the next couple of years. Your peak cost year is 2008. That's the year that they have the most retirees and the most cost according to the experts on that sort of thing. But, Bryan is not the only one available on that committee, so he can't tell us the premiums are going up or down, they won't know till April, May or June of 2008.

Question 17: When the JRHC meets annually to determine the coming year estimated healthcare costs, are they really interested in appropriating enough monies from the pension fund to alleviate the burden to the monthly pensions of retirees that these premiums and high co-pays afford? Retirees now believe that Lucent is intentionally minimizing the impact on the over-funded pension fund to their eventual benefit. (After all retirees have passed on):

Answer 17: No, they don't look at that. That is set! What we get out of the pension fund is a set amount. What we look at is what amount of money that they have to spend and what we spend. The pension funds are separate monies from management's pension. By language we have that overage tied to healthcare. What they say it has in it doesn't have anything to do with the contractual amount they have to take out. In fact if there isn't enough money they have to put cash into the healthcare fund.

No, Bryan thinks they are not intentionally minimizing or underestimating the pension fund.

Question 18: When entering the hospital you pay the first \$900 dollars which Medicare doesn't pick up. United Health Care doesn't pick up any of this! Why?

Answer 18: You have under United Health Care, your Medicare primary, you have a deductible which is right now \$150 dollars plus 1%, you will have to pay that before they pay anything. Then depending on what type of service you are in normally they will pay 10% and you will pay 10% until you hit your out-of-pocket max. There are some things that are only covered at 80% and if that is the case then you will have to pay that 20% until you hit your \$1500. But in no case you should have to pay the 1500 per person per year plus your deductible, which is usually about \$1750 to \$1760 dollars total. Unless you're out of network: If you go out of network and don't get it Medicare approved, you are on your own. You have to stay in network to have coverage. That's what you have,

you have a deductible before they pay anything, then you and United should pay basically this same amount until you reach your 1500 dollar out-of-pocket.

Question 19: United Health pays only when Medicare pays so they don't pay anything. So what good is it? I have to pay out of my pocket!

Answer 19: Yes, I understand, if you are in 80% coverage. Even when you get your open enrollment package, there is a chart in there, it goes down all the different things, this is covered 80%, this is covered 90%, ambulance service, emergency coverage, surgeries, it says all these things that are listed, so depending what your in, if it's 90% coverage then United pays 10% and you pay 10%; if it is 80%, Medicare pays 80% and you will pay 20%. That's the coverage we have. You may change that by getting into a HMO. They have been pushing the last two years to try to get a different level coverage available to you. Saying either United or Aetna, but a different level of coverage; in other words maybe an 80 or 90% like you use to have or possibly a lower out-of-pocket; maybe a 500 dollar out-of-pocket instead of 1500 dollars. Those all cost monies somewhere, so there will be a premium tied to it.

Question 20: When is Lee Terry's Town Hall Meeting?

Answer 20: The Town Hall meeting with Lee Terry will be today, Wednesday, August 22, in Papillion, 12-1P.M., at Sump Memorial Library, 222 North Jefferson Street. If any more questions come after the meeting we will give you the information.

Question 21: What about people who retired and be grandfathered, as far as medical?

Answer 21: There is no true grandfathering on benefits. Benefits are by contract and the changes are by contract. The changes can be in there. In this case this contract is every year, use to be only the changes could only come at the end of the contract, which was only every 3 years or every 5 years. This contract we have is till 2012. The changes will come every year. Hopefully minimal changes, they will try not to do another 2005 where everything changes. Since our benefits, other than pension, is held by contract, so there is no true grandfathering.

Question 22: Where were changes in coverage printed?

Answer 22: If you're talking about changing benefits coverage you will get a packet every year, October time frame. It will have all the changes in there, it will have your coverage now, it says surgery, it doesn't say hand surgery, toe surgery, it doesn't have it listed out like that, and you can get that information if you call the 888#. Those benefits will be there in your packet every year, take a look at what you have. Don't forget if your Medicare is primary they have to OK your benefits before United will pay anything.

Question 23: By what authority does the company not provide Medicare reimbursement to retirees not on the company health plan?

Answer 23: Your Medicare reimbursement is not a medical benefit; it is a contractual benefit – tied to your health business. If you have health benefits from Lucent, then by contract you get a Medicare reimbursement amount and that can be different depending on when you retire. It's by contract.

Question 24: Please go over again the 2.5% of pension. What does this go for and then what does the 6% individual or 12% family cover on Traditional Indemnity?

Answer 24: That is your deductible. 2.5% is the new deductible amount and it starts January 1 for those folks that are on Medicare primary rather than \$150 dollars plus 1%; it's going to be 2.5% of your annual pension.

That's your premium. 6% is your monthly premium. It entitles you to healthcare coverage. It's the premium you have to pay if you want to get healthcare coverage, if you're Medicare primary.

Question 25: What is open enrollment for? I don't remember filling out any enrollment since I retired!

Answer 25: Every year an open enrollment packet comes in, you have the option to make changes, to look at your coverage's, to see if there is anything that changed in the way that the benefits deal with your Medicare plan. All of that is in their or at least gets some questions you may have that you can call and get clarification on. They try and cover as much stuff as they can; it's usually a book they send out. That is what it's for, to compare what you have to what is available out there. Bryan doesn't say that Lucent has the lowest premium, there are cases where you don't, cases where you can get insurance coverage at less money, but you have to be very careful to get the same benefits. Because you can't get back in until open enrollment: Be careful what you do, but it's to give you information so you can make your choices, you may have even HMO's available through Lucent here, wherever you live, depending on where you live or your area. Look at them and compare them. If you don't do anything then you will be placed where you were if possible. If you are in a HMO that is no longer there then you're not going to get it, they will place you in the traditional indemnity. You don't have to, but it's just information for us.

Question 26: How is Medco sending generic medicine without asking your doctor? It is against the law to do.

Answer 26: Depending on which state you live in, in most cases it is not against the law. The Lucent plan requires them to use generics if they are available, if you haven't asked otherwise, you can always get the doctor to put on there no exchanges or changes. If you can use generics Bryan highly recommends it, he asked us to do it, it saves money overall, that money goes right back into the healthcare fund, it's one of the things that they are trying to do to help save money, and use the mail order. If you can use the mail order, if you're on a long term drug, it saves a considerable amount of money for the fund. Remember this does not go back to Lucent, all that does is go back to our fund. Once Lucent drops the money in the pot they don't even care what we do with it.

Question 27: Why can I get a prescription drug cheaper by not using my insurance – Merc Medco charges me more for this prescription (If less they should be using actual change).

Answer 27: It should not be more. Most of the time they limit that: It should be 30-40 cents cheaper. If that's 3 months there is something wrong there. Will have to check on that: Usually Medco will match any local price in the area and you should never pay more through Medco:

Question 28: If we were to get the 26 million dollar subsidy in our healthcare program, how much of a decrease in premiums could we expect?

Answer 28: 26 million is about half of the shortages that they come up with every year that they have to do something about. It may not be a decrease in premiums at all, it would certainly help. It could be as much as all the premiums gone also. These are arbitrary: We can give you back all the premiums and take away dental. It's all the same monies. They are facing that 40-50 million dollar shortage. However they use it as what it amounts to!

Question 29: If retiree premiums decrease can the spouse continue coverage?

Answer 29: There is Cobra coverage available. It's very expensive, but it is available.

Question 30: Why don't they take healthcare cost out of healthcare fund instead of pension fund?

Answer 30: They do take it out of the healthcare fund every year; when we look at the cost and expenses that comes out of the healthcare fund. The money from the pension fund is what the contract says; this is what Lucent must take out of there and put into the healthcare fund. What they deal with as a healthcare committee is what is in the healthcare fund, they don't look at the coverage that is in the bargaining group; they do that. We look at the healthcare fund, the amount of money that is there and the cost of the plan as it is. One thing I might mention there, as the number of retirees change, either up or down, the monies go in per person, so it doesn't change the problem that we have by adding additional people.

Question 31: How do we as a group get the government to put the subsidy back in the healthcare fund?

Answer 31: That's a great question. Most of what can be done to help is through legislation. This Part D subsidy is a great way to start, there are lots of groups working on these and they can definitely use our help. There is the prescription cost, if they would allow even the different government groups to be in competitive bidding on prescriptions that would help; lower the cost of prescriptions. Why can't we obtain and buy them, the big drug companies buy their drugs, sell them to us, why can't we buy them? Malpractice insurance, if they had legislation for malpractice insurance it would cut the cost of healthcare considerably. Some of you had billing issues, it takes so long for United to pay bills (takes 6 months or more), Some of these things legislation can really help us with. They could really use our help with and anything that lowers the overall cost of healthcare helps us.

Question 32: Why does the cost of our premiums have to go up every year?

Answer 32: It doesn't have to go up every year. It might; it depends on the committee. They would like to try to reduce that some; they would at least like to hold it the same and not reduce your benefits that would be exceptional. That 10% increase in cost if we can find other ways to control that, we would certainly do that. If you have any good ideas call Bryan.

Question 33: Why doesn't our retirement ever go up?

Answer 33: The two are tied contraction ally. They look at retirement benefits, pension wise, they take money out of the pension for that, it reduces the overall pension the same as if they take money out for healthcare. Their tied in that respect:

Question 34: I see you have a letter of changes to our medical for next year, when will we get that same letter?

Answer 34: I don't know exactly. Bryan knows it comes out in your open enrollment package. The first thing you get is the changes. He thinks that comes out in September.

Question 35: Cost of Medicare plan: Changing from United to another plan, Lucent is self insured, but they use United to cover the billing and the contract of individual hospitals, doctors, and all those contracts they have. If you're talking about changing that, they have talked about this many many times. Aetna does a better job of the billing process and they talked about moving that medical portion over to Aetna instead of United. There is some cost associated to that though and we haven't been able to say for

sure it would save money. It would be better billing coverage, but that group of our benefits wouldn't change. Is it worth spending 4, 5 or 6 million dollars to do that? Bryan thinks it is because he can see the billing problems and he sees the issues we have with it; everybody is being told that you have a 1500 dollar deductible and that sort of thing, but the committee that lolls at the actual cost changing it would difficult to convince them to spend 6 million dollars or whatever it is to do that. But what could be done is open it up for you to make a choice, either stay with United or go with Aetna; then we wouldn't be moving arbitrarily everyone at once. One of the things they look at and have extensively, personally Bryan thinks it would be worth it though. Bryan has to convince the others.

Question 36: The cost of Costco will save about 150%.

Answer 36: Call Medco and they look into that!

Question 37: Why do they take the premium out of gross pay instead of net pay?

Answer 37: That has always been the way it was set up.

Question 38: What is the 26 million dollar shortfall?

Answer 38: The plan experiences a 10% increase in cost per year, they spend about 500 million dollars per year on healthcare, so that's a 50 million dollar shortfall every year. That's where the plan changes come into effect. When they get that 50 million dollar shortfall for 2008 they will see that they are not going to have enough in the fund, they are 50 million dollars short; 25 million is going to come from the 400 million we bargained, the other 25 million they have to deal with. They can raise the premiums, which will give them 25 million dollars, change benefits, there are things they can do to make up that shortfall but its there and they have to deal with it. If you raise premiums, then yes, actually your benefits have increased because they cost more and you still have them, but you're paying more premiums. They deal with that amount of money every year.

Question 39: Are the premiums going up or down for 2008?

Answer 39: The premiums are going down for the Medicare primary folks (from 6.5% to 6%, not much) and they stay the same for pre 65 folks.

Question 40: Where does the 13% per family come from?

Answer 40: 13% per family is 13% of your pension.

Lyle announced that our next meeting will be October 17th!

Al Mumm: Bryan reminded him that the contract is what covers your healthcare benefits and that is right.

Merimack Valley is closing and they are fighting over subcontracting. The way it effects us without that contract – you see where this is going -.

Ray Sempek: Nebraska Medical Center. There have been people being refused admission. If you have an upcoming appointment, call first and check that out! They are going to honor your insurance till December 31st. **CHECK IT OUT FIRST!**

MEETING WAS ADJOURNED: