

SUMMARY OF MOTIONS

THIRD 2009 BOARD OF DIRECTORS MEETING

Westin Bonaventure Hotel, Los Angeles
September 3, 2009

Item:	Subject:	Action:
	BENEFITS ITEMS:	
BEN 1/09/3	Group Term Life Insurance Plan – Anthem Life Insurance Company – Annual Review	Adopted as printed Consent Calendar BD 55/09/3
BEN 2/09/3	Group Ordinary Life Insurance Plan – Anthem Life Insurance Company – Annual Review	Adopted as printed Consent Calendar BD 56/09/3
BEN 3/09/3	Accidental Death and Dismemberment Insurance Plan – New York Life Insurance Company – Annual Review	Adopted as printed Consent Calendar BD 57/09/3
BEN 4/09/3	Disability Income Insurance Plans – (Short Term and Long Term) – New York Life Insurance Company – Annual Review	Adopted as printed Consent Calendar BD 58/09/3
BEN 5/09/3	Cancer Insurance Plans – Monumental Life Insurance Company – Annual Review	Adopted as printed Consent Calendar BD 59/09/3
BEN 6/09/3	Family Life Insurance Plan – American United Life Insurance Company – Annual Review	Adopted as printed Consent Calendar BD 60/09/3
BEN 7/09/3	Legal Plan – Legal Club of America – Annual Review	Adopted as printed Consent Calendar BD 61/09/3
BEN 8/09/3	Auto and Homeowners Insurance Plan – Unitrin Direct <i>preferred insurance</i> – Annual Review	Adopted as printed Consent Calendar BD 62/09/3
BEN 9/09/3	Emergency Assistance Plus Plan (EA+) – OnCall International – Annual Review	Adopted as printed Consent Calendar BD 63/09/3
BEN 10/09/3	24PetWatch Pet Insurance Plan – Pethealth Incorporated – Annual Review	Adopted as printed Consent Calendar BD 64/09/3

BEN 11/09/3	Comprehensive Accidental Plan (CAP) – Hartford Life and Accident Insurance Company – Annual Review	Adopted as printed Consent Calendar BD 65/09/3
BEN 12/09/3	CalPERS Candidate Nights	Adopted as printed BD 66/09/3
BEN 13/09/3	Increase Availability of CalPERS Proxy Votes	Adopted as printed BD 67/09/3
	BYLAWS, POLICIES & PROCEDURES ITEMS:	
B&P 46/09/3	Definition of Membership	Pulled off the agenda
B&P 47/09/3	Resolutions Received by Electronic Means	Referred back to B&P Committee BD 68/09/3
B&P 48/09/3	Request to Reinstitute CalPERS Ombudsman Program	Adopted as printed BD 69/09/3
B&P 49/09/3	Women’s Equality through CSEA	Adopted as printed BD 70/09/3
	FISCAL ITEMS:	
FIS 8/09/3	Adoption of 2008 CSEA Audit Report and Report to the Finance Committee	Adopted as printed Consent Calendar BD 71/09/3
FIS 9/09/3	CSEA Retiree Health Benefit Plan	Adopted as printed BD 72/09/3

MINUTES

THIRD 2009 BOARD OF DIRECTORS MEETING

**Westin Bonaventure Hotel
404 South Figueroa Street
Los Angeles, CA 90071**

September 3, 2009

The meeting was called to order at 1:00 p.m. by President Dave Hart. The Pledge of Allegiance was led by Vice President Donna Snodgrass.

Members present were:

Dave Hart, President
Donna Snodgrass, Vice President
David Okumura, Secretary-Treasurer
Patrick N. Gantt, CSUEU President
Yvonne Walker, SEIU Local 1000 President
Roger Marxen, CSEA Retirees, Inc. President
Arlene Espinoza, ACSS, Inc. President
Ronnie Grant, CSUEU Vice President for Organizing
Loretta Seva'aetasi, CSUEU Vice President for Finance
Cora Okumura, SEIU Local 1000 Vice President and Secretary-Treasurer
Jim Hard, SEIU Local 1000 Vice President for Organizing/Representation
John A. Williams, CSEA Retirees, Inc. Executive Vice President
Max Turchen, CSEA Retirees, Inc. Vice President
Frank Ruffino, ACSS, Inc. Director at Large
Elnora Hunter-Fretwell, ACSS, Inc. Vice President

Headquarters office was represented by: Lee King, Janis Mickel Szichak, Rocco Paternoster, Anne Giese, and Paula McClarin.

COMMUNICATIONS

Secretary-Treasurer David Okumura reported that there were no communications.

President Dave Hart swore in the new Board of Directors, Loretta Seva'aetasi and Elnora Hunter-Fretwell, and welcomed them.

Mr. Gantt of CSUEU, presented President Dave Hart with an appreciation gavel and thanked him for his hard work and services.

REPORT OF EXECUTIVE SESSION

Secretary-Treasurer David Okumura reported that legal updates have been made at CSEA on pending matters.

READING AND APPROVAL OF SECOND 2009 BOARD OF DIRECTORS MINUTES

BD 54/09/3 MOTION: Ruffino, second by Hunter-Fretwell – That the Board of Directors approve the minutes from the Second 2009 Board of Directors meeting.
CARRIED.

REPORT OF AGENDA COMMITTEE

Secretary-Treasurer David Okumura reported that the Agenda Committee was in consensus with adding the following items to the agenda:

B&P 49/09/3 Women's Equality through CSEA

FIS 9/09/3 CSEA Retiree Health Benefit Plan

The Board of Directors was in general consensus with pulling the following item from the agenda:

B&P 46/09/3 Definition of Membership

The agenda was adopted by general consent.

CONSENT CALENDAR ITEMS

The Agenda Committee was in general consensus with adding and adopting the following items to the consent calendar:

- BEN 1/09/3** Group Term Life Insurance Plan – Anthem Life Insurance Company - Annual Review
- BEN 2/09/3** Group Ordinary Life Insurance Plan – Anthem Life Insurance Company Annual Review
- BEN 3/09/3** Accidental Death and Dismemberment Insurance Plan – New York Life Insurance Company – Annual Review
- BEN 4/09/3** Disability Income Insurance Plans – (Short Term and Long Term) New York Life Insurance Company – Annual Review
- BEN 5/09/3** Cancer Insurance Plans – Monumental Life Insurance Company – Annual Review
- BEN 6/09/3** Family Life Insurance Plan – American United Life Insurance Company – Annual Review
- BEN 7/09/3** Legal Plan – Legal Club of America – Annual Review
- BEN 8/09/3** Auto and Homeowners Insurance Plan – Unitrin Direct *preferred* Insurance – Annual Review
- BEN 9/09/3** Emergency Assistance Plus Plan (EA+) – OnCall International – Annual Annual Review
- BEN 10/09/3** 24PetWatch Pet Insurance Plan – Pethealth Incorporated – Annual Review
- BEN 11/09/3** Comprehensive Accidental Plan (CAP) – Hartford Life and Accident Insurance Company – Annual Review
- FIS 8/09/3** Adoption of 2008 CSEA Audit Report and Report to the Finance Committee

REPORT OF PRESIDENT

There was none.

REPORT OF VICE PRESIDENT

There was none.

REPORT OF SECRETARY-TREASURER

Secretary-Treasurer David Okumura reported on the highlights of the financial and audit of CSEA.

As we have passed the half-way mark on 2009, our ability to project operating results become clearer. We are currently projecting that expenditures will exceed our budget for 2009 by approximately \$160,000. This is not an unplanned event, however, as we purposefully took on some large projects that were not considered when the 2009 budget was developed back in early 2007. CSEA committed in 2009 to upgrade our membership data base and our accounting software to the tune of utilizing our reserves in the amount of \$300,000. This is the principle reason why our expenditures will exceed our budget for 2009. It was considered mission critical, however, that these expenditures be made in order to provide CSEA and its Affiliates with the information they need to effectively develop and run their programs. We are excited about the impact that these upgrades to membership and accounting will lend in the area of operation efficiencies.

Additionally, other important items to note in the results of operations for 2009 are as follows:

1. Print shop is expected to operate at a loss for the current year due to decline in demand for printing work by the Affiliates and outside customers. Currently, the loss is estimated to be approximately \$375,000 for the year.

It is important to note, however, that this loss is not passed on to the Affiliates, but rather is financed through the existing reserves built up by the print shop from prior years' operating profits.

2. The Member Benefits Department is expected to realize a year end profit of approximately \$218,000. As our Vice President, Donna Snodgrass, will report there are exciting opportunities on the horizon for this program that could make this department a significant revenue producer for the CSEA in the future.

The Audit of CSEA for 2008 has been completed. The information from the audit are as follows:

1. We received a clean or unqualified opinion, which is the highest level of report that an independent auditor can give.
2. CSEA is reporting a negative net worth of approximately \$75,000,000 as of December 31, 2009. It is important to note, however, that we have over \$79,000,000 in pension and post retirement liabilities that are responsible for this huge deficit.

3. The management letter items (or auditors' suggestions for improvements) are minor in nature and do not rise to the level of a significant control deficiency.

REPORT OF GENERAL MANAGER

There was none.

REPORT OF AFFILIATE ADMINISTRATORS

There was none.

BEN 1/09/3 (Snodgrass) Group Term Life Insurance Plan - Anthem Life Insurance Company - Annual Review

BD 55/09/3 MOTION: That the Board of Directors adopt BEN 1/09/3 as printed. Motion was adopted by general consent. CARRIED.

BEN 2/09/3 (Snodgrass) Group Ordinary Life Insurance Plan - Anthem Life Insurance Company - Annual Review

BD 56/09/3 MOTION: That the Board of Directors adopt BEN 2/09/3 as printed. Motion was adopted by general consent. CARRIED.

BEN 3/09/3 (Snodgrass) Accidental Death and Dismemberment Insurance Plan - New York Life Insurance Company - Annual Review

BD 57/09/3 MOTION: That the Board of Directors adopt BEN 3/09/3 as printed. Motion was adopted by general consent. CARRIED.

BEN 4/09/3 (Snodgrass) Disability Income Insurance Plans (Short Term and Long Term) -New York Life Insurance Company - Annual Review

BD 58/09/3 MOTION: That the Board of Directors adopt BEN 4/09/3 as printed. Motion was adopted by general consent. CARRIED.

BEN 5/09/3 (Snodgrass) Cancer Insurance Plans - Monumental Life Insurance Company - Annual Review

BD 59/09/3 MOTION: That the Board of Directors adopt BEN 5/09/3 as printed. Motion was adopted by general consent. CARRIED.

BEN 6/09/3 (Snodgrass) Family Life Insurance Plan - American United Life Insurance Company - Annual Review

BD 60/09/3 MOTION: That the Board of Directors adopt BEN 6/09/3 as printed. Motion was adopted by general consent. CARRIED.

BEN 7/09/3 (Snodgrass) Legal Plan - Legal Club of America - Annual Review

BD 61/09/3 MOTION: That the Board of Directors adopt BEN 7/09/3 as printed. Motion was adopted by general consent. CARRIED.

BEN 8/09/3 (Snodgrass) Auto and Homeowners Insurance Plan - Unitrin Direct *preferred insurance* - Annual Review

BD 62/09/3 MOTION: That the Board of Directors adopt BEN 8/09/3 as printed. Motion was adopted by general consent. CARRIED.

BEN 9/09/3 (Snodgrass) Emergency Assistance Plus Plan (EA+) - OnCall International - Annual Review

BD 63/09/3 MOTION: That the Board of Directors adopt BEN 9/09/3 as printed. Motion was adopted by general consent. CARRIED.

BEN 10/09/3 (Snodgrass) 24PetWatch Pet Insurance Plan – Pethealth Incorporated - Annual Review

BD 64/09/3 MOTION: That the Board of Directors adopt BEN 10/09/3 as printed. Motion was adopted by general consent. CARRIED.

BEN 11/09/3 (Snodgrass) Comprehensive Accident Plan (CAP) - Hartford Life and Accident Insurance Company - Annual Review

BD 65/09/3 MOTION: That the Board of Directors adopt BEN 11/09/3 as printed. Motion was adopted by general consent. CARRIED.

BEN 12/09/3 (Hart) CalPERS Candidate Nights

BD 66/09/3 MOTION: Walker, second by Gantt – That the Board of Directors adopt the Resolution as follows, and in that most CalPERS members only see short ballot statements or candidate campaign materials and do not have an opportunity to compare qualifications of candidates running for CalPERS offices.

CSEA should, therefore, petition CalPERS to hold one or more candidate debates or open forums each election cycle to facilitate open dialogue and to compare candidate positions and qualifications. CARRIED.

SUBJECT: CalPERS Candidate Nights

SUBMITTED BY: James McRitchie, Chapter 2

REFERENCE: Bylaws Article I, Section 1(a) and Sections 2(c), (e), (f), (h), (i), (j) and (l)

WHEREAS, (1) Decisions by the CalPERS Board have a tremendous impact on CalPERS members. California taxpayers, and the world economy, and

WHEREAS, (2) CalPERS investment and health-care policies certainly impact the everyday lives of CSEA members. Yet, typically the media does not cover CalPERS elections and there are few, if any, opportunities to compare candidate positions on the issues, and

WHEREAS, (3) There have been few efforts to address lack of coverage. Jeffrey Callison once had candidates briefly discuss the issues during a short segment of his program on Capital Public Radio. A few newspapers have mentioned elections but have never meaningfully discussed candidate positions. Additionally, VoteMedia.org, a public interest project on voter information systems, facilitates access to several internet sites and blogs that post some information on CalPERS elections, and

WHEREAS, (4) Most CalPERS members only see short ballot statements written by the candidates and campaign materials from their own union, and

WHEREAS, (5) CalPERS could take a more active role in fostering debate and greater information flow to potential voters, now therefore be it

RESOLVED, (a) That CSEA petition CalPERS to hold one or more candidate debates or open forums each election cycle to facilitate open dialogue and a comparison of candidate positions and qualifications. Additionally, that CalPERS should consider asking a non-partisan voter education organization, like the League of Women Voters, to facilitate such debates or forums and that they encourage attendance and coverage by the press.

ESTIMATED COST: (McRitchie estimate: The minimal cost of forwarding this executed resolution to CalPERS)

BEN 13/09/3 (Hart) Increase Availability of CalPERS Proxy Votes

BD 67/09/3 MOTION: Walker, second by Gantt – That the Board of Directors adopt the following Resolution, and that CSEA petition CalPERS to increase the proportion of proxies it announces in advance and that CalPERS be encouraged to explore making better use of ProxyDemocracy.org, TransparentDemocracy.org, ShareOwners.org, the Investor Suffrage Movement and/or similar organizations to more broadly distribute information, mobilize members and encourage more input on corporate governance policies. CARRIED.

SUBJECT: Increase Availability of CalPERS Proxy Votes

SUBMITTED BY: James McRitchie, Chapter 2

REFERENCE: Bylaws Article I, Section 1(a) and Sections 2(c), (e), (f), (h), (i), (j) and (l)

WHEREAS, (1) Good corporate governance leads to better performance and increased returns, and

WHEREAS, (2) CalPERS seeks regulatory and corporate reforms to protect the investments that CSEA members depend on for our retirement income, spending a great deal of time and effort researching governance issues specific to each of the thousands of companies in its portfolio and diligently voting proxies, and

WHEREAS, (3) Regulatory oversight and proxy voting are important means by which shareowners influence company operations and corporate governance, and

WHEREAS, (4) It is, therefore, important for shareowners to exercise their right to participate in policy development and proxy voting based on a full understanding of publicly available information, and

WHEREAS, (5) Thousands of CSEA and other CalPERS members also hold stocks directly as retail shareowners or indirectly as investors in mutual funds, and

WHEREAS, (6) Under recently enacted “e-proxy” rules, allowing proxies to be delivered electronically, fewer than 10% of retail shareholders have been voting and most don’t have the time or resources to figure out policy positions or individual proxy issues, such as which directors have underperformed or whether an executive compensation package should be approved, and

WHEREAS, (7) CalPERS currently publishes proxy voting decisions on only about 300 out of their 5,400 domestic companies in advance of annual meetings “to encourage other shareowners to vote on issues within the proxy in accordance with CalPERS,” and

WHEREAS, (8) Several other funds, including the AFSCME Employees Pension Plan, California State Teachers’ Retirement System, Calvert, Christian Brothers Investment Services, Domini Social Investments, Florida State Board of Administration, Green Century, and Trillium Asset Management announce nearly all their votes in advance, and

WHEREAS, (9) ProxyDemocracy.org is a non-partisan, non-profit website that facilitates informed participation in proxy voting among individual and small institutional investors by collecting announced votes, alerting subscribers, facilitating further proxy research, and that will soon allow shareowners to vote their proxies directly through their site, all at no charge, and

WHEREAS, (10) Similarly, TransparentDemocracy.org is a non-partisan, non-profit website (partially funded by SEIU) that publishes corporate proxies and encourages individuals and groups to publish their recommendations so that shareowners can easily see how people and organizations they trust recommend they vote, and

WHEREAS, (11) Networking sites, like ShareOwners.org and the Investor Suffrage Movement (iSuffrage.org) seek to create better protections for average American investors through meaningful participation in policy development and the exercise of rights, and

WHEREAS, (12) If CalPERS announced more of its votes in advance on websites like ProxyDemocracy.org and TransparentDemocracy.org, participated in networking sites like

ShareOwners.org and the Investor Suffrage Movement, then more informed members could vote their own proxies like CalPERS and would be in a stronger position to influence the vote of mutual funds, as well as the development of policies, regulations, laws, thus increasing the influence of CalPERS efforts, now therefore be it

RESOLVED, (a) That CSEA petition CalPERS to increase the proportion of proxies it announces in advance and that CalPERS be encouraged to explore making better use of ProxyDemocracy.org, TransparentDemocracy.org, ShareOwners.org, the Investor Suffrage Movement and/or similar organizations to more broadly distribute information, mobilize members and encourage more input on corporate governance policies.

ESTIMATED COST: (McRitchie estimate: The minimal cost of forwarding this executed resolution to CalPERS)

~~B&P 46/09/3 (Snodgrass) Definition of Membership [Pulled from agenda]~~

B&P 47/09/3 (Snodgrass) Resolutions Received by Electronic Means

BD 68/09/3 MOTION: Grant, second by Ruffino – That the Board of Directors refer B&P 47/09/3 back to the B&P Committee for further discussion. CARRIED.

B&P 48/09/3 (Snodgrass) Request to Reinstitute CalPERS Ombudsman Program

BD 69/09/3 MOTION: Snodgrass, second by Marxen – That the CSEA Retirees, Inc. Board submit a request to the CSEA Board of Directors, that CSEA request and work with CalPERS to institute an Ombudsman Program to Include: (1) that the ombudsman serves as an intermediary between CalPERS members, beneficiaries, survivors, and retirees and government bureaucracy and be empowered to work with management to bring about changes that will help prevent future problems for other members, both active and especially our retired members; (2) that all public communications be in simple and clear language that can be understood easily, forms be user friendly, help be available for those who have difficulty understanding procedures of filling out forms and CalPERS staff be trained to respond positively and helpfully to those who need or seek CalPERS' advice; and (3) that CalPERS management be required to educate themselves on the affect their decisions have on the lives of members, beneficiaries, survivors and retirees; further, that the Ombudsman Program be instituted before January 1, 2010 and that the CSEA Board of Directors includes this in the Strategic Plan. CARRIED.

B&P 49/09/3 (Gantt) Women's Equality through CSEA

BD 70/09/3 MOTION: That the Board of Directors adopt the Resolution as follows and submit it to the 65th General Council. Motion was adopted by general consent. CARRIED.

SUBJECT: Women's Equality through CSEA

SUBMITTED BY: California State University Employees Union

REFERENCE: Maintain and Ensure Future Women's Rights

WHEREAS, (1) it is necessary for the California State Employees Association (CSEA) to rededicate itself to the pursuit of full equality for women and girls in our society so that we maintain hard-fought freedoms and continue to advance women's rights, and

WHEREAS, (2) the struggle for women's rights began in 1848 in the small town of Seneca Falls, New York, when Elizabeth Cady Stanton and Lucretia Mott organized the first convention to discuss women's rights, which created a "Declaration of Sentiments" outlining how few rights women had in society. The Seneca Falls Declaration of Sentiments proclaimed that women were denied property, divorce, child custody, and voting rights; they had no access to a university education and had no legal recourse when beaten by their husbands, and

WHEREAS, (3) since that dark time, our nation has enacted Women's Suffrage passed in 1920, the barring of employment discrimination in the Civil Rights Act of 1964, and the Title IX of the Education Amendments of 1972 guaranteeing equal opportunity in education and sports, and

WHEREAS, (4) that CSEA efforts represent the fulfillment of the dream that Abigail Adams noted in a letter to her husband, John Adams, one of the Founding Fathers, when she lamented, "...and what about ladies, Mr. Adams? Do they not deserve the right to participate in government decisions that affect their lives as well?", now therefore be it

RESOLVED, (a) that the CSEA will continue to foster the advancement of the status of women, particularly in those issues that impact marginalized women in the State of California, and be it further

RESOLVED, (b) that CSEA will promote access, develop and/or strengthen policy within the California State Employees Association (CSEA) ensuring equality for women; that CSEA will promote programs that increase public awareness of violence against women; and that CSEA will monitor complaints of unlawful and unequal treatment of women within the workplace, and be it further

RESOLVED, (c) that CSEA will promote public education and awareness to prevent sexual harassment and discrimination against women, and CSEA will provide information and referrals to individuals related to women's and girls' rights and services, now therefore be it

RESOLVED, (d) that CSEA will help advocate, monitor and/or propose legislation to improve the quality of women's lives, and work with community organizations and coalitions promoting issues which improve the quality of life for women, and be it further

RESOLVED, that this board will aim to ensure equitable treatment and foster the advancement of women through CSEA through policy, legislation, and programs that focus in areas of need. CSEA will unify women to determine our common problems and concerns and to develop action programs within the framework of our union to deal effectively with our objectives. CSEA will adopt four basic goals of action: 1) to promote affirmative action in the workplace; 2) to strengthen the role of women in unions; 3) to organize the women; and 4) to increase the involvement of women in the political and legislative process.

Estimated CSEA Cost: (Staff: To be determined)

FIS 8/09/3 (Okumura) Adoption of 2008 CSEA Audit Report and Report to the Finance Committee

BD 71/09/3 MOTION: That the Board of Directors adopt FIS 8/09/3 as printed. Motion was adopted by general consent. CARRIED.

FIS 9/09/3 (Okumura) CSEA Retiree Health Benefit Plan

BD 72/09/3 MOTION: That the Board of Directors approve the amendment as follows to the CSEA Retiree Health Benefit Plan. Motion was adopted by general consent. CARRIED.

AMENDMENT NO. 1 TO THE

CALIFORNIA STATE EMPLOYEES ASSOCIATION RETIREE HEALTH BENEFIT PLAN

The California State Employees Association Retiree Health Benefit Plan, as established effective January 1, 2008 to provide benefits under a collective bargaining agreement, is hereby amended as set forth herein to correct errors in the original document.

FIRST: Subsection (a) of Section 2.2 (defining "Credited Service") is amended to read as follows:

(a) No service shall be credited for an Employee whose regular work schedule does not include sufficient hours to qualify for participation in the medical benefit plan then maintained by CSEA for its active employees or, if greater, 20 hours per week.

SECOND: Item (2) of subsection (b) of Section 2.4 (defining "Dependent") is amended to read as follows:

(2) if (1) is inapplicable, either--

(i) a "qualifying child" of the Participant as defined in Section 152(c) of the Internal Revenue Code, determined by disregarding paragraph (c)(4), clause (B) of paragraph (c)(2) and so much of clause (A) of paragraph (c)(2) as follows the words "a child of the taxpayer", or

(ii) a natural or adopted grandchild for whom the Retiree (or the Retiree and his or her spouse) has exclusive legal custody and who would meet the requirements of item (1) if he or she were the Retiree's child.

THIRD: Sections 4.2 and 4.3 are replaced in their entirety by the following:

4.2 Benefits. Subject to the payment limitations set forth in Section 4.3, CSEA shall pay the cost of the Benefit Programs described in subsection (a) or (b) as applicable, subject to the terms and conditions set forth in subsection (c).

(a) Benefit Programs for Employees Hired before January 1, 2008.

- (1) Medical Plan for Participants and Dependents ineligible for Medicare:
 - (A) Kaiser Foundation Health Plan, Inc., Group Medical and Hospital Service Plan Group #1000 in Northern California; or
 - (B) Kaiser Foundation Health Plan, Inc., Group Medical and Hospital Service Plan, Group #1918-00 in Southern California;
 - (C) KPIC PPO Group #1000; or
 - (D) Kaiser Permanente Colorado, Plan #15194-01-16.
- (2) Medical Plans for Participants and Dependents eligible for Medicare:
 - (A) Secure Horizons Health Plan Insurance Policy #403361; or
 - (B) Kaiser Foundation Senior Advantage Health Plan, Inc., Group Medical and Hospital Service Plan Group #1000 in Northern California; or
 - (C) Kaiser Foundation Senior Advantage Health Plan, Inc., Group Medical and Hospital Service Plan Group #1918 in Southern California.

Should the Secure Horizons Health Plan cease to be offered in a particular area, Participants and/or Dependents affected by such cessation may elect to enroll in (i) the applicable plan in either (2)(B) or (2)(C), or (ii) an additional non-Kaiser senior plan that may be mutually agreed to by CSEA and UAW Local 2350. Should a Participant and /or Dependent reside in an area where none of the plans in (2) (A) - (C) is offered, and no additional non-Kaiser senior plan is offered, CSEA shall provide comparable health benefits for that Participant or Dependent.

(3) For Participants and Dependents eligible for Medicare, CSEA shall pay the monthly cost of Medicare Part B premiums.

- (4) Delta Dental Plan; and
- (5) Vision Service Plan.

(b) Benefit Programs for Employees Hired on or after January 1, 2008.

- (1) Medical Plan.

(A) A Participant not eligible for Medicare shall receive the same Kaiser Plan which current active employees of CSEA receive.

(B) A Participant eligible for Medicare shall receive the Kaiser Senior Advantage Plan associated with the Kaiser plan current CSEA employees receive.

(C) Any Participant not enrolled in a California Kaiser plan shall receive an amount equal to Northern California (or Southern California, if greater) contribution rate for the Kaiser Plan (or Kaiser Senior Advantage Plan) which would be applicable to such Participant under or (A) or (B) above.

(2) For Participants and Dependents eligible for Medicare, CSEA shall pay the monthly cost of Medicare Part B premiums.

(3) Delta Dental Plan; and

(4) Vision Service Plan.

(c) Terms and Conditions.

(1) Notwithstanding subsection (a) and Section 4.3, but subject to item (2) of this subsection, with respect to a Participant listed in Appendix A, the benefit paid shall not be less than the amounts set forth in Appendix A.

(2) Any Participant who is eligible to enroll in Medicare shall enroll in the Medicare Program as a condition of receiving benefits under this Plan. No Participant shall receive any benefit under Article 4 with respect to any period between (i) the date on which he or she becomes eligible to enroll in Medicare and (ii) the date on which he or she actually enrolls in Medicare.

4.3 Limitations on Payments by CSEA.

Notwithstanding the other provisions of the Plan (except for Section 4.2(c) (1), the premium payment required of CSEA shall be limited by any of items (a), (b), and (c) below which apply. Any portion of the premium for a Benefit Program not payable by CSEA shall be payable by the Participant or the Eligible Spouse, Eligible Domestic Partner, or Eligible Child of a deceased Participant.

(a) General Service-Based Limitation. With respect to each Participant or the Eligible Spouse, Eligible Domestic Partner, or Eligible Child of a deceased Participant, CSEA shall, during the period of participation in the Plan, pay a percentage of the contribution rates for the Benefit Programs specified in Section 4.2 according to the following schedule:

<u>Years of Credited Service</u>	<u>CSEA Percentage of Payment</u>
Less than 10 years	-0-
10 years to 10.99 yrs.	50%
11 years to 11.99 yrs.	60%
12 years to 12.99 yrs.	70%
13 years to 13.99 yrs.	80%
14 years to 14.99 yrs	90%
15 years or more	100%

For purposes of the foregoing schedule, Years of Credited Service of a Participant retiring due to Total and Permanent Disability shall be calculated on the same basis as Years of Credited Service of a Participant not retiring due to Total and Permanent Disability.

(b) Additional Limitation re Dependent Coverage. With respect to a Participant who had less than fifteen (15) years of Credited Service as of January 1, 2008, and who has Dependents, the payment required of CSEA shall exclude an amount equal to twenty-five percent (25%) of the excess of (I) the cost of coverage for such Participant and Dependents over (II) the cost of coverage for such Participant alone:

<u>Years of Credited Service on 1/1/2008</u>	<u>Percentage Excluded</u>
Less than 10 years	50%
10 years to 14.99 yrs.	25%
15 years or more	0%

(c) Additional Limit for Non-Kaiser Plans. For Participants hired by CSEA after November 8, 1988 the Plan will pay for PacificCare/Secure Horizons or other non-Kaiser/Kaiser Senior Advantage plans enrollees only the level of the premium cost for the Kaiser/Kaiser Senior Advantage Plan that is available in the area where the Participant resides, plus one-half (1/2) of any amount the PacificCare/Secure Horizons or other non-Kaiser/Kaiser Senior Advantage plan premium exceeds the applicable Kaiser/Kaiser Senior Advantage premium. If a Kaiser/Kaiser Senior Advantage Plan is not available in the Participant's area, the Plan will continue to pay the full premium cost for PacificCare/Secure Horizons or other non-Kaiser/Kaiser Senior Advantage plan.

FOURTH: This amendment shall be effective as of January 1, 2008. Except as set forth herein, the Plan shall continue in full force and effect.

IN WITNESS WHEREOF, this Amendment No. 1 to the California State Employees Association Retiree Health Benefit Plan has been duly executed this ____ day of _____, 200__ to reflect its adoption.

CALIFORNIA STATE EMPLOYEES ASSOCIATION

By: _____

Title: _____

Signature: _____

By: _____

Title: _____

Signature: _____

Meeting Adjournment

President Hart announced that the meeting was adjourned at 1:45 p.m.

PM/Board Secretary – Third 2009 Board of Directors Meeting