

CX Units – Sideletter - University Benefits  
Mediation Process  
UC Proposal #1  
December 15, 2005  
Page 1 of 1

**CONTINGENT UPON SETTLEMENT OF ALL ISSUES**

**SIDELETTER  
University Benefits**

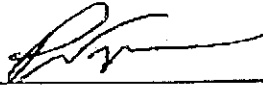
If the University and CUE engage in the meet and confer process outlined in the last two sentences of Article 42 – University Benefits, Section A., with regard to 1) alterations which affect only bargaining unit employees and/or 2) alterations proposed by the University which reduce the UCRS retirement benefits of bargaining unit employees, the parties understand that the meet and confer process is pursuant to HEERA.

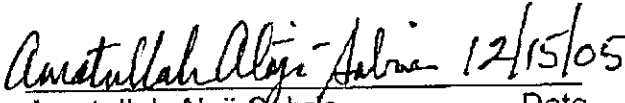
In order to effectuate this meet and confer process the University will provide written notice to CUE as soon as is practicable but in no event later than one hundred twenty (120) calendar days prior to the effective date of the proposed changes. Both parties agree to commence the meet and confer process within thirty (30) calendar days of the written notice.

The parties further understand that upon the conclusion of the HEERA required impasse procedures for the meet and confer process the University may impose its changes and that the contractual prohibition against strikes and concerted activities provided for in the No Strikes article shall be waived.

For the University:

For CUE:

  
\_\_\_\_\_  
Peter Chester Date  
Chief Negotiator  
University of California

  
\_\_\_\_\_  
Amatullah Alaji-Sabre Date  
Chief Negotiator  
CUE

## UNIVERSITY OF CALIFORNIA

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SANTA BARBARA • SANTA CRUZ

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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