



FOOTHILL-DE ANZA
Community College District

Office of Human Resources and Equal Opportunity
12345 El Monte Road, Los Altos Hills, CA 94022

July 6, 2012

TO: ALL RETIREES AND SURVIVING SPOUSES

Re: 1) Health Benefits Premium Deduction from Your Retirement Warrant
2) Reimbursement to Your Authorized Account

Dear Retiree/Surviving Spouse,

CalPERS Premium Deduction

We had expected, based on our transition advice from CalPERS, that all Retirees (and Surviving Spouses) who had timely completed their election of a CalPERS Health program benefits plan for July 1, 2012 would see a deduction for the July monthly premium amount from their July retirement warrant; however, it has come to our attention that approximately only 5% of current retirees experienced a deduction from their July retirement warrant for their benefits premium.

This means that if you are one of the remaining 95% you will experience a "double deduction" in August, and the premium amount for July *and* August will be deducted from your retirement warrant issued for August.

- *Please plan accordingly for a double deduction in August.*

(If you are a Surviving Spouse who does not receive an annuity warrant, you will be billed directly by CalPERS for your benefit plan premium. Please be aware, you may receive a bill as late as August for two months premium.)

(If you are a new Retiree as of July 1, 2012 you will not see a double deduction in August; CalPERS will bill the District directly for July only, and we will adjust your reimbursement for August to cover your contribution amount for the month of July.)

Reimbursement to Your Authorized Account (for eligible recipients)

Our transition to CalPERS is further complicated by CalPERS' inability to provide us with a complete listing of all Retiree enrollment decisions until mid-August. Although we have accurate election information for those Retirees who submitted their enrollment forms to Secova, we do not have information for Retirees who submitted their enrollment forms directly to CalPERS.

If you submitted your enrollment forms to Secova, the District will reimburse you based on your actual enrollment election.

If you submitted your enrollment forms to CalPERS, the District will *estimate* your reimbursement initially based on the best match to your prior year's election. The District will make adjustments as needed after receiving a complete report from CalPERS in mid-August.

- *Initial reimbursement estimates may be lower or higher than the amount due based on your actual enrollment; please plan accordingly for adjustment at a later date following District receipt of the CalPERS report.*

Finally, approximately 64 Retirees did not submit (or did not properly complete) the required EFT form to Secova to authorize the District to deposit premium reimbursements directly to their accounts. Until Secova receives a properly authorized form from the Retiree, the Retiree's financial institution will not allow the District to deposit reimbursement to these accounts.

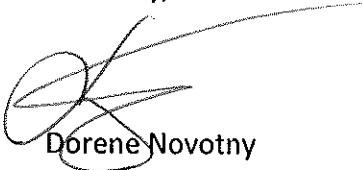
Secova is conducting outreach to each Retiree individually to get this resolved.

- *If Secova contacts you for follow up on this issue, please respond as soon as possible so that the District may deposit your reimbursement to your account.*

With over 4400 retirees, active employees and dependents; various medical plans; levels of coverage; Medicare/Non-Medicare status; and geographic differences, the District's transition to CalPERS has been challenging, with many of the "glitches" outside of our control. Please be assured the District's Benefits Team is working very hard to resolve these issues as quickly as possible and ensure your benefits are available when you need them.

We appreciate your patience and understanding.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dorene Novotny', with a long horizontal line extending to the right.

Dorene Novotny
Vice Chancellor
Human Resources