

Announcement to All Employees on March 4, 2008:

I am pleased to announce that the College has significantly enhanced the plan to provide retiree health insurance benefits following feedback we received from employees. Over the past few months Chief Human Resources Officer Traci Nordberg, Director of Benefits Dianne Kenney and I have worked with Professor of Mathematics and chair of the Committee on the Faculty Peter Winkler to solicit employee feedback.

We held several open forums and received written comments from over 400 employees and worked with the College Benefits Committee.

As a result of that feedback, we have modified the retiree health insurance proposal, which will become effective July 1, 2009. The new plan incorporates many suggestions proposed by employees including weighting years of service more heavily than age, taking into account fractions of years of service and age, and providing more of a subsidy for employees earning less than \$60,000 a year. Many employees will now find that they qualify for 100 percent of the cost of retiree health benefits (including all those who meet the old "rule of 75" - the combination of years of service at Dartmouth and age on July 1, 2009) - while most others will receive a significantly higher subsidy than the earlier plan had allowed for.

On July 1, 2009 all employees who qualify for benefits will "lock" into a level of subsidy for their retiree health. You can find a calculator to help you estimate your subsidy on the web site at: <http://www.dartmouth.edu/~hrs/benefits/retirement/index.html> .

In April, the Office of Human Resources will send each benefits-eligible employee a written confirmation of their calculated retiree health subsidy and has Retirement Counselors available to meet with you if you need assistance as you consider the best time to retire. The number to call to schedule those meetings, and for general assistance, is 603-646-3588.

Benefits-eligible employees who retire by June 30, 2009 will continue to qualify for the current subsidy. New employees hired on or after July 1, 2009 will not receive a subsidy but will be eligible to buy into the plan and will be encouraged to participate in a health savings program. Retirees will also see some changes to their plan including an increase in deductibles and co-insurance, and an increase in the out-of-pocket maximum to \$900 a year.

The process for review and comment has been very helpful. We want to thank those of you who offered constructive feedback about how we can best change the retiree health insurance benefit. We hope that you feel that the revised plan is an improvement and recognize that it truly reflects your input.

Adam Keller
Executive Vice President for Finance and Administration