

Everett School Employee Benefit Trust

June 4, 2004

Ms. Mickie Gundersen
aka Ruth Michelle Shepard
1126 Lawton Road
Lynnwood, WA 98036

Re: Medical Benefits for Bernard and Austin Shepard

Dear Ms. Gundersen:

This letter is notification that the Everett School Employee Benefit Trust has determined your former spouse, Bernard Shepard, and former stepson, Austin Shepard, were not eligible for dependent coverage on your medical and dental plans from October 2003 through April 2004. This resulted in the Trust overpaying premiums on your behalf.

In March 2004 you requested a mid-year family status change stating that Bernard and Austin Shepard were no longer eligible dependents due to a divorce. However, the decree of dissolution you provided shows your divorce was final on August 19, 2003. Thus, coverage for Bernard and Austin should have ended as of September 30, 2003. (Refer to page 16 of the PPO Plan document for the criteria of Dependent Eligibility and page 20 for information on the termination of dependent coverage.)

Based on the foregoing, you are responsible for reimbursing the Trust \$4,088.44, which is the difference between the employee/family rates and COBRA rates. Enclosed please find information on the amounts you paid for family coverage for October 2003 through April 2004, as well as the COBRA rates for the same period.

The Trust recognizes the reimbursement is a large sum and is willing to work with you on establishing a reasonable plan for repayment. Bev Rogers, District Payroll Manager, is available to work with you in developing a repayment schedule. She can be reached at 425-385-4169. Please contact her by June 14, 2004.

Your attention to this matter is appreciated.

Sincerely,

Jeffrey S. Riddle
Chair, Board of Trustees
Everett School Employee Benefit Trust

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enclosure

cc: B. Rogers

D. Van Duren
Trustees

Everett School Employee Benefit Trust

Breakdown of Family Rate vs. Employee Only Rate

Family rate deductions from paycheck for October, November, December 2003	\$384.91/month =	\$1154.73
Family rate deductions from paycheck for January, February, March, April 2004	\$440.19/month =	\$1760.76
Total Family Rate		\$2915.49
Employee only rate for October, November, December 2003	\$112.97/month =	\$338.91
Employee only rate for January, February, March, April 2004	\$128.73/month =	\$514.92
Total Employee Rate		\$853.83
Difference (credit to employee)		\$2061.66

COBRA Rates for October 2003 – April 2004 (Amount that should have been paid for dependents)

Ex-Spouse and Child – <u>Medical and WSD</u> for October, November, December, 2003	\$827.42/month =	\$2482.26
Ex-Spouse and Child – <u>Medical and WSD</u> for January, February, March, April 2004	\$916.96/month =	\$3667.84
Total COBRA rate – Medical and WSD		\$6150;10 (\$2061.66)
Total Amount Due ESEBT (COBRA rate minus credit to employee)		<u>\$4088.44</u>