



Date: April 1, 2009

To: HNA Member Employees

From: Albert Mossman
Director, Employee & Labor Relations
Human Resources

Re: Pay Increase

In recent days we have received multiple inquiries from HNA member employees of when they might expect to realize the recent negotiated increase and thought that this answer should be shared with all members of the HNA bargaining unit.

As many are aware, in the third quarter of 2008, the KP Hawaii Region payroll functions were consolidated into a National Kaiser Permanente Payroll function and we are all becoming acclimated to these new processes and systems. Any changes impacting payroll of a region goes into a work cue by order, and is processed accordingly. The entire process to make the necessary changes within the system, the running of tests and audits to ensure that individuals are paid accurately, etc, takes approximately a month. Once these processes and tests are completed and deemed to be satisfactory, the actual change of pay rates within the system takes effect at the start of the following pay period.

What this means is that during the month of March the necessary testing and audits have been completed and the new rates and changes are scheduled to go live with the pay period starting April 5, 2009. You will realize the negotiated increase in your paycheck which you will receive on April 24, 2009. There should be no delay to the wage increases for 2009 and 2010 as agreed upon.

In relation to retro pay, we are still awaiting confirmations from National Payroll on when these payments will be made, but at this time we are being told that retro payments should be completed and made within the next two pay periods following April 24, 2009.

We apologize for this delay and appreciate your understanding as we all move forward and acclimate to these new changes.