

**AMENDMENT NO. 8
TO THE
PREMIUM REIMBURSEMENT PLAN FOR RETIREES
OF THE
SANTA MONICA CITY EMPLOYEES COALITION
BENEFIT TRUST**

The Board of Trustees of the Santa Monica City Employees Coalition Benefit Trust (the "Trust") does hereby amend the "Premium Reimbursement Plan for Retirees, restated effective February 1, 2018," and as amended thereafter (the "Plan"), as follows.

1. **Definition of Beneficiary.** The definition of Beneficiary in Section 1.3 is revised to read as follows, to add an Alternate Payee, effective immediately:

"1.3 **"Beneficiary"** means an Eligible Retiree, his or her lawful spouse or Domestic Partner, and the Eligible Retiree's Children; an Eligible Retiree's Surviving Spouse or Domestic Partner and Surviving Children; and an Alternate Payee under a QDRO, but not to include any spouse of the Alternate Payee."

2. **Definition of QDRO.** The following sentence is added at the end of Section 1.19, effective immediately:

"A domestic relations order will not be treated as a QDRO until the Trust Office determines that it is a QDRO."

3. **No Benefits to Survivors of Alternate Payees.** Subsection 3.2(b) "Surviving Spouses and Surviving Children" shall be revised by adding the following sentence at the end of the Subsection, effective immediately:

"There shall be no survivor benefits for the family or dependents of an Alternate Payee on the death of the Alternate Payee, except that the Children from the marriage of the Eligible Retiree and Alternate Payee shall continue to have Surviving Child benefits calculated based on the Benefit Level of the Alternate Payee, which shall commence as stated in Section 3.3(e) hereof."

4. **Monthly Benefit of Alternate Payees Under QDROs.** Section 3.2, "Benefit Amount," is revised by renumbering Subsection 3.2(d) as 3.2(e) and adding the following new Subsection 3.2(d), effective immediately:

"(d) **Alternate Payees Under QDROs.** The monthly Benefit Amount for an Alternate Payee pursuant to a QDRO will be determined as described in this section. A QDRO may award an Alternate Payee a portion of the Employee's or Eligible Retiree's Benefit Amount.

(1) **Designation of Portion of Benefit Level and Actuarial Adjustment.** A QDRO may designate a fixed amount or a percentage of the Employee's or Eligible Retiree's Benefit Amount earned during the marital period, as defined in the QDRO, to the Alternate Payee. No other method of division of the Employee's or Eligible Retiree's monthly benefit shall be permitted. The Trust Office, in consultation with the Plan's actuary, shall convert the Benefit Amount thus designated for the Alternate Payee into an actuarially adjusted Benefit Amount of the Alternate Payee, based on the

Alternate Payee's age and the month that commencement of benefits is first available to the Alternate Payee.

(2) Modification of Alternate Payee Benefit Amount. The Benefit Amount of the Alternate Payee shall change from time to time, based on changes to the Benefit Amount and otherwise, in the same manner and percentage as the Employee's or Eligible Retiree's monthly benefit changes. These changes may occur before or after the commencement of benefit payments to the Alternate Payee."

5. Commencement of Benefits to Alternate Payee under QDRO. Section 3.3, "Commencement of Benefits," is revised by adding Subsection 3.3(e) as follows, effective immediately:

"(e) Alternate Payee under QDRO. An Alternate Payee, pursuant to a QDRO, may commence receiving benefits at a time specified in the QDRO, but no earlier than the earliest date the Employee would be eligible to begin receiving benefits, if the Employee ceased employment with the City on such date. The Surviving Children of the marriage of the Eligible Retiree and Alternate Payee shall commence receiving benefits based on the Alternate Payee's Benefit Amount starting the month after the death of the Alternate Payee."

6. Suspension of Benefits for Return to Employment. Section 3.4(a) is deleted and revised to read as follows, effective for benefit claims paid by the Trust Office on or after January 1, 2021:

"(a) Eligible Retirees. Benefit payments to an Eligible Retiree shall be terminated on date of death or the date that the Eligible Retiree again becomes employed by the City. Provided however, upon cessation of all employment with the City, benefit payments shall resume. A Surviving Spouse, who is also an Employee, shall be eligible to receive Surviving Spouse benefits regardless of employment with the City."

7. Termination of Benefits to Alternate Payees Under QDROs. Section 3.4, "Termination of Benefits," is revised by renumbering Section 3.4(d) as Section 3.4(e); and adding the following subsection 3.4(d), effective immediately:

"(d) Alternate Payee Under QDRO. The benefits for an Alternate Payee under a QDRO shall terminate on the first of the month following the date of the Alternate Payee's death. An Alternate Payee's benefit shall not be suspended if the Employee on whom it is based returns to employment with the City."

8. Benefit Payment Priority. Subsections 3.5(d)(1)-(3) are deleted and revised to read as follows and Subsections 3.5(d)(4)-(5) are renumbered as Subsections 3.5(e)(1)-(2). The remaining Subsections of 3.5 are renumbered and references adjusted accordingly, effective immediately.

"(d) Beneficiary Priority for Claim Payment. Claims submitted in the same month for reimbursement of Premiums of multiple Beneficiaries in the same family shall be prioritized for payment from the monthly Benefit Amount in the following order, in order to avoid conflicting claims for the same Benefit Amount and to minimize taxable benefits:

- (1) Eligible Retiree or Surviving Spouse;

- (2) Legal Spouse of Eligible Retiree;
- (3) Children or Surviving Children of Eligible Retiree;
- (4) Domestic Partner or Surviving Domestic Partner of Eligible Retiree.”

9. **Authority to Submit Claims.** New Section 3.5(e) is revised to add the following paragraph before subsections (1) and (2), as follows, effective immediately:

“(e) **Authority to Submit Claims.** Only an Eligible Retiree or Surviving Spouse or Surviving Domestic Partner may submit claims for reimbursement of Premiums of a Beneficiary from the Benefit Amount of the Eligible Retiree, or Surviving Spouse or Surviving Domestic Partner. If there is no Surviving Spouse or Surviving Domestic Partner, a Surviving Child may submit claims for reimbursement of his or her own Premiums. An Alternate Payee shall have authority to submit claims for Premiums of Children from the marriage of Eligible Retiree and Alternate Payee for reimbursement from the Alternate Payee’s Benefit Amount, and the Children of the marriage of Alternate Payee and Eligible Retiree shall have authority to submit claims for reimbursement from the Alternate Payee’s Benefit Amount following death of the Alternate Payee.”

10. **ODRO Procedure.** The title of the Section 5.5 is revised to read “Divorce Court Orders: QDRO and QMCSO Review Costs and Procedures,” and the text of the Section is revised by adding the following new first sentence ahead of the existing first sentence, effective immediately:

“The Trustees shall adopt reasonable procedures for accepting, evaluating, approving, and administering QDROs and QMCSOs.”

Adopted at a Board of Trustees meeting on August 6, 2020, and effective as stated above.


**For the BOARD OF TRUSTEES,
Santa Monica City Employees Coalition Benefit Trust**



Trustee

Carl P. Olson

Print Name



Trustee

Hakhamanesh Mortezaie

Print Name