

**PREMIUM REIMBURSEMENT PLAN  
FOR RETIREES**

**SANTA MONICA CITY EMPLOYEES COALITION  
BENEFIT TRUST**

**Amended and restated  
effective February 1, 2018**

Dr. 6/22/17 (incl. Plan Am. Nos. 1-5)

**© Saichek Law Firm APC  
San Diego California 2017  
All rights reserved.**

SME001 0001 sk030305

## TABLE OF CONTENTS

	<u>Page</u>
<b>PREAMBLE</b> .....	1
<b>ARTICLE I DEFINITIONS</b> .....	1
<b>ARTICLE II ENTITLEMENT TO BENEFITS</b> .....	4
2.1 Eligibility .....	4
2.2 Active Service .....	4
2.3 No Rebate or Refund.....	5
<b>ARTICLE III BENEFITS</b> .....	5
3.1 General.....	5
3.2 Benefit Amount .....	6
3.3 Commencement of Benefits.....	6
3.4 Termination of Benefits.....	7
3.5 Benefit Claim Procedure .....	7
<b>ARTICLE IV CLAIM APPEAL PROCEDURES</b> .....	9
4.1 Beneficiary's Duty to Notify Trust Administrator of Claim.....	9
4.2 Acceptance or Denial of Claims by the Trust Administrator .....	10
4.3 Appeal Procedures.....	11
<b>ARTICLE V MISCELLANEOUS</b> .....	12
5.1 Limitation of Rights .....	12
5.2 Applicable Laws and Regulations.....	12
5.3 Confidentiality .....	12
5.4 Trustee Authority.....	12
<b>ARTICLE VI AMENDMENTS AND TERMINATION</b> .....	13

© Saichek Law Firm, APC  
San Diego California 2017  
All rights reserved.

**PREMIUM REIMBURSEMENT PLAN FOR RETIREES**

**SANTA MONICA CITY EMPLOYEES COALITION BENEFIT TRUST**

**PREAMBLE**

WHEREAS, the City of Santa Monica and various groups and bargaining units representing employees of Santa Monica, which groups are signatory hereto (hereafter, the "Coalition"), entered into an "Umbrella Agreement, Medical Insurance for all Miscellaneous City Employees", approved by the City Council on June 12, 2001 and effective July 1, 2001, wherein the City and the Coalition agreed that contributions would be made to a benefit trust for the purpose of funding, in whole or in part, retiree health benefits for eligible City of Santa Monica retirees;

WHEREAS, the City and the Coalition further agreed that the contributions to the trust would be mandatory on behalf of every Employee in the participating bargaining units; and there would be no individual election on participation;

WHEREAS, the Coalition established such a Trust and granted administration of the Trust to a Board of Trustees pursuant to the Trust Agreement governing the Santa Monica City Employees Coalition Benefit Trust, effective July 1, 2001;

WHEREAS, the Board of Trustees adopted the Premium Reimbursement Plan, effective July 1, 2001, and the Board has periodically amended and restated the Plan and now wishes to adopt certain amendments and incorporate Plan Amendment Nos. 3-5 into a restated Plan;

NOW, THEREFORE, the Board of Trustees does hereby adopt this amended and restated Premium Reimbursement Plan for Retirees, effective February 1, 2018, as set forth in the following pages.

**ARTICLE I  
DEFINITIONS**

Where the following words and phrases appear in this Plan, they shall have the meaning set forth in this Article, unless the context clearly indicates otherwise. Other words and phrases with special meanings are defined where they first appear unless their meanings are apparent from the context.

- 1.1 "Active Service"** means service as defined in Section 2.2 herein, subject to Section 2.3 hereof.
- 1.2 "Association"** means a participating labor organization or bargaining unit in the Coalition; and any other labor organization or bargaining unit that has signed a Memorandum of Understanding with the City, and for which the Trustees have

approved participation in the Trust; or any group that is the subject of a Special Agreement, and for whom the Trustees have approved participation in the Trust.

- 1.3 "Beneficiary"** means an Eligible Retiree, his or her lawful spouse or Domestic Partner and the Eligible Retiree's Children; and an Eligible Retiree's Surviving Spouse or Domestic Partner, and the Eligible Retiree's Surviving Children.
- 1.4 "Benefit Amount"** means the amount set from time to time by the Trustees as the monthly maximum amount available for payment of Premiums, as set forth in Appendix A to the Plan.
- 1.5 "Board of Trustees" or "Trustees"** means the duly selected board which administers the Plan and Trust, pursuant to the Trust Agreement.
- 1.6 "Child(ren)"** means natural child, stepchild, or adopted child of the Eligible Retiree, who is under the age of 26. "Surviving Child(ren)" means an individual who met the definition of Child or Children in the foregoing sentence at the time of the Eligible Retiree's death and who continues to meet those requirements. Child(ren) or Surviving Child(ren) shall also include a natural child, stepchild, or adopted child of any age who is legally dependent upon the Eligible Retiree (or was legally dependent upon the Eligible Retiree at the time of the Eligible Retiree's death) for support and maintenance for so long as the child is determined to be totally disabled by the Social Security Administration.
- 1.7 "City"** means the City of Santa Monica, or any public agency (e.g., Rent Control Board) of the City that is party to a Memorandum of Understanding.
- 1.8 "Coalition"** means the Santa Monica City Employees Coalition.
- 1.9 "Code"** means the Internal Revenue Code, as amended.
- 1.10 "Contribution"** means a mandatory monthly payment from the City to the Trust for each and every Employee in the bargaining unit represented by an Association, made pursuant to an MOU or Special Agreement and made without any election on the part of the individual Employee (except for contributions made pursuant to continuation requirements of federal law under IRC Section 4980B).
- 1.11 "Domestic Partner"** means a person who meets all of the following requirements and, along with the Eligible Retiree, completes and signs an affidavit to this effect, approved by the Board of Trustees:
- 18 years of age or older;
  - Shares the same permanent residence as the Eligible Retiree and intends to do so indefinitely;
  - Sole domestic partner of the Eligible Retiree;
  - Not married to, or in a domestic partnership with, or legally separated from, anyone else;

- Not related by blood to the Eligible Retiree closer than would be a bar to marriage in the state of California; and
- Jointly responsible for the Eligible Retiree's basic living expenses such as food, shelter and other necessities of life.

**1.12 "Eligible Retiree"** means an Employee who is entitled to benefits under Section 2.1 of the Plan.

**1.13 "Employee"** means an individual employed as a Permanent Employee of the City, who is a member of a bargaining unit represented by a Coalition member or other Association and on whom the required Contributions are made to the Trust Fund pursuant to a Memorandum of Understanding. **"Permanent Employee"** means an individual actively employed by the City who is or will be eligible for City-provided medical insurance immediately following expiration of the City's waiting period for enrollment in such City-provided medical insurance;

**"Employee"** also means an individual who is a member of the Santa Monica City Council, who participates pursuant to a Special Agreement.

**1.14 "Hire Date"** means the date that an individual starts working for the City as a Permanent Employee.

**1.15 "Memorandum of Understanding" or "MOU"** means a written agreement between the City and an Association that requires mandatory contributions for each employee in the bargaining unit to a trust for retiree medical benefits, and subsequent amendments or successor agreements.

**1.16 "Plan"** means this separate written document, together with any amendments duly adopted by the Trustees.

**1.17 "Premium"** means a premium payment or contribution paid by a Beneficiary to a health plan that provides coverage for the type of medical expenses excludible from gross income under Code Section 105(b), for coverage of a Beneficiary in effect while the Beneficiary is eligible for benefits under this Plan.

**1.18 "QDRO" or "qualified domestic relations order"** means a qualified domestic relations order as defined in ERISA Section 206(d)(3)(B), 29 USC 1056(d)(3)(B).

**1.19 "QMCSO" or "qualified medical child support order"** means a qualified medical child support order as defined in ERISA Section 609(a)(2)(A), 29 USC 1169(a)(2)(A).

**1.20 "Special Agreement"** means a written agreement between the City and the Trust that covers an objective class of Employees, that is not based on individual election into the Trust, and that obligates the City to make mandatory contributions to the Trust Fund for each Employee in such class, for the purpose of providing employee welfare

benefits to the Employees, covered by said Agreement, and their Beneficiaries, and any supplement, amendment, continuation, or renewal thereof.

- 1.21 "Surviving Spouse" or "Surviving Domestic Partner"** means the lawful spouse or Domestic Partner of an Eligible Retiree who was in that status at least 12 months on the date of the Eligible Retiree's death.
- 1.22 "Trust" or "Trust Fund"** means the Santa Monica City Employees Coalition Benefit Trust created by the Trust Agreement and all property and money held by such entity, including all contract rights and records.
- 1.23 "Trust Agreement" or "Agreement"** means the Trust Agreement governing the Santa Monica City Employees Coalition Benefit Trust, effective July 1, 2001, and any amendments thereto.
- 1.24 "Trust Office"** means the administrative agent selected by the Board of Trustees.

## ARTICLE II ENTITLEMENT TO BENEFITS

- 2.1 Eligible Retiree.** An Employee shall become an Eligible Retiree when he or she meets all the conditions set forth in subsections (a) through (d) as follows:
- (a) For an Employee whose Hire Date is prior to January 1, 2009, that Employee must earn five years of Active Service as defined in section 2.2 below;
- For an Employee who Hire Date is after December 31, 2008, that Employee must earn ten years of Active Service as defined in section 2.2 below; and
- (b) The Employee attains age 58, or dies before age 58 (for survivor benefit eligibility);
- (c) The Employee ceases employment with the City of Santa Monica on or after the date he or she becomes age eligible to receive service retirement benefits, as defined by CalPERS; and
- (d) Contributions have been made to the Plan for all Active Service of the Employee, as defined in Section 2.2, since inception of the Plan on July 1, 2001, or Hire Date, if later.
- 2.2 Active Service.**
- (a) Bargaining Unit Service. Active Service is used to determine an Employee's eligibility under this Plan. An Employee may earn Active Service in the following ways:

- (1) For each month of employment as an Employee after June 30, 2001, for which the Trust receives Contributions (except no contributions will be required for a period of up to 60 days immediately following the Hire Date);
  - (2) For time as an Employee on any authorized leave of absence from the City, including authorized disability, illness, or injury, provided that Contributions are made to the Plan during that time, either by the City or pursuant to Section 2.2(b); and
  - (3) For service in the Armed Forces, for the period required by federal law to allow continued participation, provided that contributions are made to the Plan during that time.
- (b) Contribution after Termination or Reduction of Employment. An Employee whose employment is terminated, or hours reduced causing Contributions to cease, may continue to earn Active Service by monthly self-payment of contributions, for a maximum of eighteen months pursuant to rules set by the Trustees.
- (c) Spouse or Child Contribution after Death or Divorce From Employee. After death of an Employee, a Surviving Spouse, Domestic Partner or Child may continue to earn Active Service by monthly self-payment of contributions, for a maximum of thirty-six months, pursuant to rules set by the Trustees.

**2.3** No Rebate or Refund. Beneficiaries shall receive benefits from the Plan only as reimbursement of Premiums. No Beneficiary or Employee shall be eligible for rebates or refunds of any contributions made, except as reimbursement of Premiums. Provided however that any elective contributions will be returned within thirty (30) days of discovery that the contribution was made by individual election, and Active Service or eligibility granted based upon an elective contribution will be rescinded.

### **ARTICLE III BENEFITS**

**3.1** General. Subject to the exclusions and limitations set forth in this Plan, a Beneficiary is entitled to the reimbursement of Premiums for coverage in effect on or after July 1, 2006, for one or more Beneficiaries, subject to proper documentation, in an amount not to exceed the Benefit Amount in effect on the date of the claim payment to the Beneficiary. See Appendix A for a historical list of Benefit Amounts and their effective dates. The Trustees shall set the Benefit Amounts from time to time, and the Trustees may adjust the Benefit Amounts for some or all current and/or future Beneficiaries from time to time.

**3.2 Benefit Amount.**

- (a) Eligible Retirees. The Trustees shall determine the Benefit Amounts for Eligible Retirees and the effective dates thereof, as listed in Appendix A hereto and incorporated herein by reference.
- (b) Surviving Spouses, and Surviving Children. The Benefit Amount for a Surviving Spouse shall be 100% of the Benefit Amount for the Eligible Retiree. If there is no Surviving Spouse or Domestic Partner, and there are Surviving Children, the Benefit Amount of the Surviving Children shall be 50% of the Benefit Amount for the Eligible Retiree (to be divided among the Children submitting claims).
- (c) Surviving Domestic Partners.
  - (1) The Benefit Amount for a Surviving Domestic Partner shall be the same as for a Surviving Spouse, subject to subsection (2) hereof.
  - (2) The aggregate amount paid to all Domestic Partners annually shall not exceed the maximum amount allowed to Domestic Partners under federal tax law (currently set at 3% of the total benefits paid annually), which shall be calculated within thirty calendar days after the end of each Plan year.
- (d) Adjustments. The Trustees reserve the exclusive right and power to adjust the benefit levels up or down. Such adjustments or termination may apply to some or all current and/or future Beneficiaries.

**3.3 Commencement of Benefits.**

- (a) Retiree. An Eligible Retiree shall be entitled to benefits upon meeting the eligibility requirements of Section 2.1.
- (b) Surviving Spouse. A Surviving Spouse or Domestic Partner shall be entitled to benefits starting the month after the Eligible Retiree's death or the month after the Eligible Retiree would have attained age 58, whichever is later (subject to Section 3.3(c)).
- (c) Surviving Domestic Partner. A Surviving Domestic Partner will receive benefit payments within 60 calendar days after the end of the Plan Year in which Premiums were incurred, subject to the calculation set forth in 3.2(c)(2).
- (d) Surviving Children. Surviving Children shall be entitled to benefits upon death of the Eligible Retiree.



**3.4 Termination of Benefits.**

- (a) Eligible Retirees. An Eligible Retiree's benefit coverage under the Plan shall terminate on the date of the Eligible Retiree's death, although claims for Premiums for coverage prior to death, which are properly and timely submitted, will be paid.
- (b) Surviving Spouse or Domestic Partner. The coverage of a Surviving Spouse or Domestic Partner under the Plan shall terminate on the date of the Surviving Spouse's or Domestic Partner's death, although claims for Premiums for coverage prior to death, which are properly submitted, will be paid.
- (c) Surviving Children. Surviving Children shall be entitled to benefits until death or loss of Child status, as defined in Section 1.6 hereof.
- (d) Benefit coverage may be modified or terminated pursuant to Article VI hereof.

**3.5 Benefit Claim Procedure.**

- (a) To make a claim for Plan benefits, Beneficiaries must present proof of payment of Premiums, independent third party documentation of type of insurance and dates of coverage, and a completed claim form approved by the Trustees, to the Trust Office. Prior to issuing payment, the Trust Office shall review such proof and determine whether to grant or deny coverage under the Plan. Documentation must be submitted for each claim, except that documentation of recurring monthly Premiums must be submitted upon request, but no less frequently than annually. If documentation of a recurring Premium is not sufficient, the Trust Office will suspend recurring benefit payments until sufficient documentation is received.
- (b) If the Trust Office grants coverage on the Beneficiary's claim, all Plan benefits are personal to the Beneficiary and payable only to the Beneficiary, except as provided in subsection 3.5(f), regarding Beneficiary deemed to be incompetent, or pursuant to a QDRO or QMCSO under federal law. If the Trust Office denies coverage, in whole or part, the Beneficiary may appeal the denial of coverage or any other adverse benefit determination of the Plan, by taking action pursuant to Section 4.3 hereof.
- (c) Proof shall include, but not be limited to, canceled checks drawn to the name of the medical insurance provider, or receipt for payment from the medical insurance provider, subject to verification as determined by the Trustees in their sole discretion.
- (d) **Beneficiary Priority to Submit Claims.** Beneficiaries may submit claims for reimbursement of Premiums, in the order described below:

- (1) Eligible Retiree. Subject to Subsection (4) below, only an Eligible Retiree may submit claims for reimbursement of Premiums of a Beneficiary in his or her family.
  - (2) Surviving Spouse or Surviving Domestic Partner. Subject to Subsection (4) below, after the death of the Eligible Retiree, only a Surviving Spouse or Surviving Domestic Partner may submit claims for reimbursement of Premiums of a Beneficiary.
  - (3) Surviving Children. If there is no Surviving Spouse, a Surviving Child may submit claims for reimbursement of his or her own Premiums, subject to division of the Surviving Children's Benefit Level under Section 3.2(b) hereof amongst all Surviving Children.
  - (4) Delegation of Authority to Submit Claims. An Eligible Retiree may delegate authority to submit claims to his or her legal spouse by completing and submitting to the Trust Office a form approved by the Trustees for that purpose. Similarly, a Surviving Spouse may delegate the authority to submit claims to a Surviving Child by completing and submitting to the Trust Office a form approved by the Trustees for that purpose.
  - (5) Revocation of Authority to Submit Claims. An Eligible Retiree or Surviving Spouse may revoke authority granted pursuant to Subsection 3.5(d)(4) hereof at any time by submitting a written revocation (including via email) to the Trust Office
- (e) Subject to Subsection (f), below, unless specifically provided by law, the Trustees shall not make any payments on behalf of or distributions to any person entitled to any benefits except to a Beneficiary personally or pursuant to a QDRO or QMCSO under federal law.
  - (f) If a Beneficiary is deemed to be incompetent by a lawful judicial forum, then the Trust Office may pay any benefit claims payment to the person that the judicial forum has appointed as the Beneficiary's representative, and the Beneficiary's representative may submit claims and take action on the Beneficiary's behalf, subject to the requirements of this Section 3.5. The Trustees shall not be under any duty to oversee the application of funds so paid, and receipt by the Beneficiary's representative shall be full acquittance to the Trustees, the Trust Office, and the Plan.
  - (g) A Beneficiary or Employee who does not have a claim for current Premiums, but seeks to enforce his or her rights under the terms of the Plan or seeks to clarify his or her rights to future benefits or eligibility under the terms of the Plan, may submit a written request to the Trust Office explaining his or her position and asking for a decision or clarification. The

Beneficiary or Employee should enclose any relevant documentation supporting the request. If the Beneficiary or Employee is not satisfied with the decision of the Trust Office, the Beneficiary or Employee may request an appeal of the Trust Office decision to the Board of Trustees pursuant to Section 4.3 hereof.

### **3.6 Prohibition of Assignment and Protection from Creditors**

- (a) No Assignment or Encumbrance of Benefits. No benefit payment under this Plan shall be subject in any way to assignment, alienation, sale, transfer, pledge, attachment, garnishment, or encumbrance of any kind. Any attempt by the Employee or Beneficiary, or any other person or entity, to assign, alienate, sell, transfer, pledge, attach, garnish, or encumber the benefits or monies due from this Plan, whether for current or future benefits, shall be void. The Plan shall not honor any direct or indirect arrangement, whether revocable or irrevocable, whereby a person or entity acquires or receives from an Employee or Beneficiary any right or interest under this Plan for part or all of the Employee's or Beneficiary's current or future benefit payments. Any such arrangement shall be void under this Plan.
- (b) No Assignment of Rights under Law. Any attempt by the Employee or Beneficiary, or any other person or entity, to assign, alienate, sell, transfer, pledge, attach, garnish or encumber the Employee's or Beneficiary's rights under this Plan shall be void, including, but not limited to, the right to bring any action in court, file a lawsuit or appeal a coverage determination, the right to enforce rights or eligibility under the Plan, the right to benefits or eligibility under the Plan, the right to clarify rights to future benefits or eligibility under the Plan, and the right to request copies of Plan documents or annual reports. The Plan shall not honor any direct or indirect arrangement, whether revocable or irrevocable, whereby a person or entity acquires or receives from an Employee or Beneficiary any such right. Any such arrangement shall be void under this Plan.
- (e) Protection of Benefits from Creditors. The Plan and Fund are exempt from all claims from creditors or other claimants and from all orders, decrees, garnishments, executions, and legal processes or proceedings, except in connection with qualified medical child support orders or qualified domestic relations orders.

## **ARTICLE IV CLAIM APPEAL PROCEDURES**

- 4.1 Beneficiary's Duty to Notify Trust Office of Claim.** The Beneficiary is required to notify the Trust Office of his or her claim for benefits pursuant to Article III

hereof, before he or she is entitled to either receive benefits under this Plan, or appeal the Trust Office's decision denying a request for benefits.

#### **4.2 Acceptance or Denial of Claims by the Trust Administrator**

- (a) Standard Claim Decision - Timing. The Trust Office shall consider each claim for Plan benefits and determine whether to grant or deny coverage under the Plan. Subject to Sections 4.2(b) and 4.2(c) hereof, the Trust Office shall send written notification of its decision to the Beneficiary not later than 30 calendar days after receipt of the Beneficiary's claim. If coverage is granted, the Beneficiary shall receive payment as stated in Section 3.5(b) hereof. If the claim is denied, the Beneficiary has the right to appeal the claim, pursuant to Section 4.3 hereof and the Plan's "Appeal Procedures," if any, available from the Trust Office.

The denial notification shall include the following information:

- (i) The specific reason(s) for such denial;
  - (ii) Specific reference to the Plan provisions upon which the denial is based;
  - (iii) A statement that the Beneficiary is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to the Beneficiary's claim for benefits; and
  - (iv) An explanation of the Plan's "Appeal Procedures," if any, with respect to the denial of benefits and a statement of the Beneficiary's right to bring an action under ERISA Section 502(a).
- (b) Extension of Time - Special Circumstances. If the Trustees determine that special circumstances require an extension of time for processing the claim, written notice of the extension shall be furnished to the Beneficiary prior to the termination of the initial 30 calendar day period. The extension notice shall indicate the special circumstances requiring the extension of time and the date by which the Trustees expect to render a benefit determination. In no event shall such extension exceed a period of 15 calendar days from the end of the initial period (45 calendar day total).
- (c) Extension of Time – Failure to Submit Information. The period of time for the Trustees to make a benefit determination may be extended if the Beneficiary fails to submit all necessary information to allow the Trustees to decide the claim. In such case, the period for deciding the claim is tolled from the date on which the request for additional information is sent to the Beneficiary until the date the Beneficiary provides to the Trust Office the

requested information. The Beneficiary shall be allowed at least 45 calendar days from receipt of the request for additional information within which to provide the information.

**4.3 Appeal Procedures.** The Trustees, Beneficiaries and any person who claims to be entitled to benefits under this Plan shall follow the provisions in this Article IV.

- (a) Exclusive Procedures. The procedures specified in this Section, together with any written hearing procedures adopted by the Trustees, shall be the exclusive procedures available to a person dissatisfied with an eligibility determination, benefit claim decision or response to written request pursuant to Section 3.5(g) hereof, or to a person who is otherwise adversely affected by any action of the Trustees.
- (b) Request for Hearing. Any person whose claim has been denied may appeal to the Trustees to conduct a hearing in the matter, provided that he or she requests the hearing in writing within 181 calendar days after receipt of notification of the denial of benefits or other adverse determination. The letter requesting a hearing should also indicate the reasons why the Beneficiary believes that the grounds for denial of benefits are inapplicable. The Beneficiary may request and examine documents pertinent to the denial and may submit written comments, documents, records and other information relating to the claim for benefits to the Trustees. The Beneficiary shall also be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Beneficiary's claim for benefits.
- (c) Hearing Procedures. If the Beneficiary requests a hearing, the Board of Trustees shall conduct a hearing, as required by applicable law. The Beneficiary shall be entitled to present his or her position and any evidence in support thereof at the hearing. The Beneficiary may be represented by an attorney or any other representative of his or her choosing at the Beneficiary's expense.
- (d) Decision on Appeal. The Trustees shall issue a written decision, affirming, modifying or setting aside the former decision. Any notification of a denial of benefits shall include the following information:
  - (i) The specific reason(s) for such denial;
  - (ii) Specific reference to the Plan provisions upon which the denial is based;
  - (iii) A statement that the Beneficiary is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents,

records and other information relevant to the Beneficiary's claim for benefits; and

- (iv) An explanation of the Beneficiary's right to bring an action in federal court under ERISA Section 502(a).

#### **4.4 Right to Court Review, Time Limit to Bring Lawsuit.**

- (a) **General.** Upon exhaustion of these procedures in this Article IV, a Beneficiary, who is dissatisfied with an eligibility determination, benefit award or response to written request pursuant to Section 3.5(g) hereof may bring an action in federal court pursuant to ERISA Section 502(a).
- (b) **Limitation Period for Filing a Lawsuit Against the Trust.** A Beneficiary has the right to bring action as described in Section 4.4(a) hereof in federal court, pursuant to ERISA Section 502(a), no later than one year after the exhaustion of administrative remedies, which means the date of the written decision by the Board of Trustees on an appeal of a denied benefit claim, or other complaint described in Section 4.4(a).

### **ARTICLE V MISCELLANEOUS**

- 5.1 Limitation of Rights.** Neither the establishment of the Plan and the Trust, nor any modifications thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving any Beneficiary or other person any legal or equitable right of action, or any recourse against any Association, the Coalition, or its employees, the Trust or its employees, the Trust Office or the Trustees, except as provided in this Plan and the Trust Agreement.
- 5.2 Applicable Laws and Regulations.** Reference in this Plan to any particular sections of any local, state or federal statute shall include any regulation pertinent to such sections and any subsequent amendments to such sections or regulations. Except where this Plan is subject to California law, this Plan and the Fund shall be guided by ERISA, 29 U.S.C. 1001, *et seq.*
- 5.3 Confidentiality.** It is agreed and understood that each Beneficiary who applies for benefits under this Plan is entitled to the same rights and consideration, including the right of confidentiality, and the Trustees shall not be required to nor shall they reveal to any other persons, including the Coalition, its officers, agents or employees, any matters revealed to them in confidence by such Beneficiary in the course of his or her application for benefits, except to the extent required by law.
- 5.4 Trustee Authority.** The Trustees shall have the exclusive authority and discretion to determine eligibility for benefits, to interpret and apply the provisions of the Trust and this Plan, or of the benefit plans (including prior or predecessor plans), or of their own

motions, resolutions and administrative rules and regulations, or of any contract, instruments, or writings they may have entered into or adopted. The Trustees' decision shall be binding and conclusive.

**5.5 Divorce and Court Orders: QDRO and QMCSO Review Costs.** The Trust reserves the right to deduct the reasonable costs associated with determining whether a domestic relations order qualifies as a qualified domestic relations order (QDRO), or a medical child support order qualifies as a qualified medical child support order (QMCSO), from the benefits payable to the Eligible Retiree or Beneficiary, according to rules set by the Trustees.

**5.6 Domestic Partner Benefit Costs.** The Trust reserves the right to deduct the reasonable costs associated with administering Domestic Partner benefits and any taxes charged to the Trust as the result of reporting taxable income from Domestic Partner benefits from the benefits payable to the Domestic Partner, according to rules set by the Trustees.

#### ARTICLE VI AMENDMENTS AND TERMINATION

In order that the Board of Trustee may carry out its obligation to maintain, within the limits of its resources, a program dedicated to providing benefits for all Beneficiaries, the Trustees expressly reserve the right, in their sole discretion, any time and from time to time, provided that such action does not violate federal discrimination law:

- (a) To adjust the Benefit Amount.
- (b) To amend or rescind any provision of this Plan.
- (c) To terminate the Plan.


Amendments shall be made by action of the Board of Trustees pursuant to Article IV of the Trust Agreement, and any such changes may apply to some or all current and/or future Beneficiaries, as determined by the Board of Trustees.


**ADOPTED at a Board of Trustees meeting held on November 9, 2017, and effective February 1, 2018.**

**For BOARD OF TRUSTEES,  
SANTA MONICA CITY EMPLOYEES COALITION BENEFIT TRUST**

  
\_\_\_\_\_  
*Trustee Signature*

  
\_\_\_\_\_  
*Trustee Signature*

  
\_\_\_\_\_  
*Print Name*

  
\_\_\_\_\_  
*Print Name*

**APPENDIX A**

The historical Benefit Amount, as set by the Trustees, is as follows:

<b>For Benefits Paid on or after</b>	<b>Benefit Amount*</b>
July 1, 2006	\$200
July 1, 2007	\$250
July 1, 2010	\$275
July 1, 2013	\$300
July 1, 2014	\$325
July 1, 2016	\$350

\*The Trustees may modify the Benefit Amount for some or all current and/or future Beneficiaries at any time. The benefits paid to the Beneficiary cannot exceed the actual Premium paid by the Beneficiary.