

**AMENDMENT NO. 5**  
**to**  
**SANTA MONICA CITY EMPLOYEES COALITION**  
**BENEFIT TRUST**  
**PREMIUM REIMBURSEMENT PLAN FOR RETIREES**

The Board of Trustees of the Santa Monica City Employees Coalition Benefit Trust does hereby amend the "Santa Monica City Employees Coalition Benefit Trust Premium Reimbursement Plan for Retirees," originally effective July 1, 2001, amended and restated December 1, 2008 (*Dr. 12/01/08*), effective February 1, 2017.

1. **Definition Updates.** New Sections 1.18 and 1.19 are inserted as follows, and old Sections 1.18, "Surviving Spouse," through 1.20, "Trust Agreement," are renumbered as Sections 1.20 through 1.22 respectively and any references thereto throughout the Plan are adjusted accordingly.

"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)."

2. **Eligible Retiree Requirements.** Section 2.1 is deleted and revised to read as follows:

"**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 any time prior to January 1, 2009, that Employee must earn five years of Active Service as defined in section 2.2 below;

For an Employee whose hire date is any time 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; and  
(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 since inception of the Plan on July 1, 2001, or hire date, if later."

3. **Benefit Claim Procedure.** Subsection 3.6(b) is deleted and revised to read as follows:

"(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(e), regarding Beneficiary deemed to be incompetent. 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."

4. **Incompetent Beneficiaries.** Subsection 3.5(e) is deleted and revised to read as follows:

“(e) 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. 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.”

5. **Prohibition of Assignment of Claims and Rights.** A new Section 3.6 is inserted as follows:

**“3.6 Prohibition of Assignment and Protection of 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.

(c) **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.”

6. **QDRO Costs.** A new Section 5.5 is added as follows:

**“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.”

7. **Costs of Domestic Partner Benefits.** Due to the IRS requirements on taxation of Domestic Partner benefits and the associated costs of administration related to calculating and reporting taxable

income from Domestic Partner benefits and paying any applicable employment taxes on such taxable income, a new Section 5.6 is added as follows:

**“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.”

Adopted by the Board of Trustees on November 3, 2016, and effective February 1, 2017.

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



Trustee



Trustee