MEDICAL EXPENSE REIMBURSEMENT PLAN
OF THE
CENTRAL VALLEY RETIREE MEDICAL TRUST

Restated Effective January 1, 2021

(Dr. 11/17/20, incl. Plan Am. Nos. 1–12)

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PREAMBLE

WHEREAS, the County of Stanislaus (the "County") and the Deputy Sheriffs' Association of Stanislaus County (the "DSASC") entered into a Memorandum of Understanding "MOU"), effective December 1, 2000, wherein the County and the DSASC agreed that mandatory contributions would be made to a benefit trust for the purpose of funding, in whole or in part, reimbursement of retiree health care expenses;

WHEREAS, the DSASC established the Central Valley Retiree Medical Trust (the "Trust") as of January 1, 2002, granting administration of the Trust to a Board of Trustees pursuant to the "Trust Agreement Governing the Central Valley Retiree Benefit Trust," effective January 1, 2002;

WHEREAS, the DSASC split into two unions in 20__: the Stanislaus County Deputy Sheriffs' Association (the "SCDSA") and the Stanislaus Sworn Deputies Association;

WHEREAS, after the split the SCDSA assumed responsibility for the Trust, and the Stanislaus Sworn Deputies Association was accepted as a Participating Labor Organization in the Trust;

WHEREAS, the Board of Trustees adopted a Medical Expense Reimbursement Plan, and several restatements of the Plan since the establishment of the Trust, based on funding that requires mandatory contributions for each employee within a participating Association; and

WHEREAS, the Board of Trustees has amended this Plan four times since the last restatement and now wish to incorporate those amendments and make minor legal updates to the Plan.

NOW, THEREFORE, the Board of Trustees does hereby adopt this "Medical Expense Reimbursement Plan" of the Central Valley Retiree Medical Trust (the "Plan"), restated effective January 1, 2021, as set forth herein.

ARTICLE I:DEFINITIONS

Where the following words and phrases appear in this Plan, they will have the meaning set forth in this Article I, 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, after the Employee's Effective Date.

1.2 **"Active Service Unit"** means a monthly Contribution of $50 to the Trust on behalf of an Employee.

1.3 **"Association"** means a lawful labor organization or bargaining unit that represents Employees, and is party to a Memorandum of Understanding with a Participating Employer; or any rational class of individuals employed by a Participating Employer that is the subject of a Special Agreement, provided that such labor organizations, bargaining unit, or class of employees has been accepted for participation by the Board of Trustees.

1.4 **"Beneficiary"** means an Eligible Retiree, his or her lawful spouse, and the Eligible Retiree's Children; an Eligible Retiree's Surviving Spouse and Surviving Children, an Alternate Payee under a QDRO, but not to include any spouse of the Alternate Payee. A **"Regular Beneficiary"** is a person who has become eligible for monthly benefits under Section 2.1(a). A **"Limited Beneficiary"** is a person who has become eligible for benefits from an Individual Account under Section 2.1(b).

1.5 **"Benefit Level"** means the maximum monthly benefit available for an individual Beneficiary, pursuant to Section 3.3 hereof.

1.6 **"Board of Trustees"** or **"Trustees"** means the duly selected board that administers the Plan and Trust, pursuant to the Trust Agreement.

1.7 **"Child(ren)"** means a natural child, stepchild, or lawfully adopted child of an Eligible Retiree, or child placed in an Eligible Retiree's home for adoption by the Eligible Retiree, who either:

(a) is under the age of 26; or

(b) is legally dependent on the Eligible Retiree for support and maintenance, for so long as the child is determined to be totally disabled by the Social Security Administration.

"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. If an Employee has satisfied all the requirements of Section 2.1(a), except the Employee dies prior to attaining the eligibility age in subsection 2.1(a)(3), then the Employee's Surviving Child shall be treated as a Regular Beneficiary.

1.8 **"Code"** means the Internal Revenue Code of 1986, as amended.

1.9 **"Contribution"** means a mandatory contribution for each Employee in a bargaining unit covered by a MOU, or other rational class as defined in a MOU or Special Agreement. A contribution must be made without any election on the part of an individual employee (except for contributions made pursuant to continuation requirements of federal law under IRC Section 4980B).

1.10 **"Covered Expense"** means payment for the following:

(a) Premium or contribution payment on behalf of a Beneficiary to a health, dental, or vision plan for coverage of the Beneficiary in effect while the Beneficiary is eligible for benefits under this Plan, for the type of medical expenses excludible from gross income under Code Section 105(b);

(b) Medical expenses excludable from gross income under Code Section 213(d) (i.e., expenses for the diagnosis, cure, mitigation, treatment, or prevention of disease or injury), including insulin, but excluding all other nonprescribed drugs, for medical services or supplies provided while the Beneficiary is eligible for benefits under this Plan and which have not been claimed by the Beneficiary as a deduction on his or her personal tax return; and

(c) Premium payment for long-term care insurance, qualified under Code Section 7702B, for coverage of the Beneficiary in effect while the Beneficiary is eligible for benefits under the Plan, but for no other expenses associated with the cost of long-term care.

1.11 **"Effective Date"** for an Employee means the date that contributions on behalf of that Employee are required and made to the Trust, as approved by the Trustees.

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

1.13 **"Employee"** means any individual employed as a Permanent employee on or after that Employee's Effective Date, who is a member of a bargaining unit represented by a participating Association; who is a participant in CalPERS or other pension plan of a Participating Employer; and on whom the required contributions are made to the Trust Fund pursuant to a MOU or Special Agreement, for all periods of Active Service after the Effective Date.

1.14 **"Employer"** or **"Participating Employer"** means an employer (as further defined in the Trust Agreement), which currently contributes to this Plan pursuant to a MOU or Special Agreement.

1.15 **"Individual Account"** means the bookkeeping account maintained by the Trust in the name of an Employee, which reflects certain Contributions made to the Trust as set forth in Section 3.5.

1.16 **"Memorandum of Understanding"** or **"MOU"** means a written agreement between a Participating Employer and an Association, including a Special Agreement as defined herein, that requires mandatory Contributions to a retiree medical trust on behalf of each

Employee in the bargaining unit covered by the MOU, and subsequent amendments or successor agreements.

1.17 **"Missing Participant"** means an Employee, Eligible Retiree, Surviving Spouse, or known Surviving Child for whom the Trust Office has no address information on file in Trust records, or for whom Trust mail communications have been returned to sender without a valid forwarding address

1.18 **"Modify"** means to adjust, including increase or decrease.

1.19 **"Permanent"** means either a part-time or full-time employee filling a regular, permanent, exempt or nonexempt budgeted position.

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

1.21 **"Pooled Account"** means the account(s) maintained by the Trust to hold regular monthly Contributions made to the Trust pursuant to an MOU, Special Agreement, or COBRA.

1.22 **"QDRO"** means a qualified domestic relations order as defined in ERISA Section 206(d)(3)(B), 29 USC 1056(d)(3)(B). A domestic relations order will not be treated as a QDRO until the Trust Office determines that it is a QDRO.

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

1.24 **"Special Agreement"** means a written agreement that covers an objective class of employees that is not based on individual selection into the Trust, between an entity and the Trustees, and any supplement, amendment, continuation, or renewal thereof that obligates the entity to make mandatory Contributions (without employee election) to the Trust Fund, for the purpose of providing employee welfare benefits to the employees covered by said agreement, and their Beneficiaries.

1.25 **"Surviving Spouse"** means the lawful spouse of an Eligible Retiree who was in that status at least 12 months on the date of the Eligible Retiree's death. The Surviving Spouse of an Employee who has satisfied all the requirements of Section 2.1(a), except the Employee dies prior to attaining the eligibility age in Subsection 2.1(a)(3), shall also be a Regular Beneficiary, as a Surviving Spouse.

1.26 **"Trust"** or **"Trust Fund"** means the Central Valley Retiree Medical Trust created by the Trust Agreement and all property and money held by such entity, including all contract rights and records.

1.27 **"Trust Agreement"** or **"Agreement"** means the Trust Agreement Governing the Central Valley Retiree Medical Trust, effective July 1, 2007, and any amendments thereto.

1.28 **"Trust Office"** means the contract administrator hired by the Board of Trustees.

1.29 **"Unit Multiplier"** or **"UM"** means the variable amount periodically set by the Trustees, based on demographic and financial factors, and used in the determination of the monthly Benefit Level of an Eligible Retiree, as set forth in Section 3.3(a). The Trustees may adjust the UM from time to time.

ARTICLE II: ENTITLEMENT TO BENEFITS

2.1 Eligibility

(a) Eligibility as a Regular Beneficiary. An Employee shall become an Eligible Retiree entitled to monthly benefits as a Regular Beneficiary under Section 3.3 hereof when he or she meets all the following requirements in this Section 2.1(a)

(1) The Employee earns 10 years of Active Service, provided however, that for a person who is an Employee on the date that Contributions to the Trust begin for his or her bargaining unit, this requirement shall be 5 years;

(2) Contributions are made to the Pooled Account on behalf of the Employee for all years of Active Service;

(3) The Employee attains age 50 if a sworn public safety employee, or age 55 for all other Employees; and

(4) The Employee has separated from employment with a Participating Employer.

(b) Eligibility as a Limited Beneficiary. The following Employees shall be considered Limited Beneficiaries under this Plan after separation from employment with all Participating Employers:

(1) An Employee who does not meet the requirement for years of Active Service under Section 2.1(a)(1) hereof and has Contributions allocated to an Individual Account pursuant to Section 3.5 hereof;

(2) An Employee who has a positive Individual Account balance under Section 3.5 hereof; or

(3) An Employee who qualifies for an Individual Account under Section 2.1(c) hereof.

An individual may be both a Regular Beneficiary and a Limited Beneficiary, due to transfer of accrued leave pursuant to Section 3.5(a)(2) hereof.

(c) Pre-March 12, 2008 Participating Associations. The Contributions of an Employee who is a member of an Association that was participating in the Plan prior to March 12, 2008 (or an Association that was established from a split of such an Association), will continue to be held in his or her Individual Account, and he or she shall be a Limited Beneficiary, subject to any change set forth in a MOU to which that Association is a party, on the condition that all Contributions to this Trust will be used for medical expense reimbursement benefits.

(d) Requirement for Contributions to the Pooled Account. Except for those Employees described in Section 2.1(c), an Employee shall become a Regular Beneficiary or Limited Beneficiary only if Contributions have been made to the Pooled Account on his or her behalf.

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 employment as a Permanent Employee of any Participating Employer, provided that Contributions are made to the Plan during that time;

(2) For time as an Employee on any authorized leave of absence from a Participating Employer, including authorized disability, illness, or injury, provided that Contributions are made to the Plan during that time; and

(3) For service in the Armed Forces, as required by federal law.

(b) Nonbargaining Unit Service. An Employee who has earned Active Service under subsection 2.2(a) hereof and who has transferred out of a participating Association (e.g., through promotion or other action) shall not continue to earn Active Service.

(c) Contribution After Termination or Reduction of Employment (COBRA). If an Employee's Contributions cease due to termination from employment, the Employee is entitled to self-pay monthly contributions for up to 18 months, pursuant to the federal law known as COBRA, and rules set by the Trustees. An Employee is also entitled to self-pay monthly contributions, pursuant to COBRA, if the Employee's Contributions cease due to a reduction in hours or going on leave. An Employee may elect to make COBRA payments from his or her Individual Account balance, calculated pursuant to Section 3.5(a) hereof.

(d) Spouse or Child Contribution After Death of Employee (COBRA). After death of an Employee, a Surviving Spouse or Child may continue to earn Active Service

by periodic self-payment of Contributions, for a maximum of 36 months, pursuant to rules set by the Trustees. A Surviving Spouse or Child may elect to make COBRA payments from his or her Individual Account balance, calculated pursuant to Section 3.5(a) hereof.

(e) Self-Pay Rules. Self-payment rules for purposes of Section 2.2(c)-(d) shall be set by the Trustees and may be obtained from the Trust Office.

(f) Conversion of Individual Account Balance to Active Service. An Eligible Retiree, who is a Limited Beneficiary, may earn Active Service by conversion of his or her Individual Account balance into Active Service Units. Upon the Eligible Retiree's written election on a form provided by the Trust Office and pursuant to rules adopted by the Trustees, the Plan shall convert the value of the balance of the Individual Account into Active Service Units according to a formula set by the Trustees in consultation with the Trust's actuary, and including the following factors in subsections (1) and (2) hereof.

(1) The transferred accumulation will be actuarially equivalent to the cost of projected benefits based on the additional years of Active Service; and

(2) It will be based on the actual age of the Eligible Retiree at the date of the conversion; provided, however, that the minimum cost per year of Active Service shall be 12 times the monthly contribution rate for that Eligible Retiree's bargaining unit at the time of the transfer.

2.3 No Rebate or Refund. Beneficiaries shall receive benefits form the Plan only as reimbursement of Covered Expenses. No Beneficiary or Employee shall be eligible for rebates or refunds of any contributions made, except as reimbursement of Covered Expenses. Provided, however, any elective contributions (other than under 4980B) will be returned within 30 days of discovery that the contribution was made by individual election, and Active Service granted based on an elective contribution will be rescinded.

ARTICLE III: BENEFITS

3.1 General

(a) An Employee may become a Beneficiary under Section 2.1(a), (b) or (c). The rules in Sections 3.3 and 3.4 apply to Regular Beneficiaries (i.e., those Retirees who become eligible under Section 2.1(a)). The rules in Section 3.5 apply to Limited Beneficiaries (i.e., those Retirees who become eligible under Section 2.1(b) and (c) for benefits from Individual Accounts). All benefit payments are subject to proper and timely submission of claims pursuant to Section 3.6 hereof. Subject to the exclusions and limitations set forth in this Plan, a Beneficiary is entitled to monthly reimbursement of Covered Expenses paid by the Beneficiary on behalf of a Beneficiary and paid after the Employee becomes an Eligible Retiree.

(1) Carryover of Excess Covered Expenses. Amounts of Covered Expenses in excess of the monthly Benefit Level of the Beneficiary that are properly submitted to the Trust Office shall be paid in subsequent months, up to the Beneficiary's monthly Benefit Level.

(2) Carryover of Unused Monthly Benefit Level. The Trust Office shall carry over any unused balance of a Beneficiary's monthly Benefit Level to the next month, including periods when an Eligible Retiree's monthly benefit is unused due to suspension of benefits for return to employment with a Participating Employer. Unused monthly Benefit Level accumulated on the Eligible Retiree's death shall carry over to the Surviving Spouse, for so long as the Surviving Spouse is eligible for benefits, and to Surviving Children, as long as they meet the definition in Section 1.7 hereof.

(b) Recoupment of Overpaid Benefits. If the Trust overpays benefits in regard to a Beneficiary, the Trust Office shall recoup the overpaid amount from the Beneficiary's future benefit payments or request repayment from the Beneficiary, as directed by the Trustees. The Beneficiary shall be obligated to repay the Trust for overpaid benefits, as allowed by law.

(c) Benefits not vested. The benefits of this Plan are not vested and may be modified or terminated for some or all Beneficiaries, including current and/or future Beneficiaries.

3.2 Commencement of Benefits. Benefits for Beneficiaries shall commence as follows:

(a) Eligible Retiree. An Eligible Retiree shall be entitled to benefit payments upon meeting the eligibility requirements of Section 2.1(a), (b) or (c).

(b) Surviving Spouse. A Surviving Spouse shall be entitled to benefit payments starting the month after the Eligible Retiree's death, or the Employee's death prior to the eligibility age (if all other eligibility requirements are met). The Surviving Spouse's benefit payments shall be suspended after 24 months of eligibility, and benefit payments shall resume when the Surviving Spouse attains the eligibility age applicable to the deceased Eligible Retiree or Employee. If the Surviving Spouse has already attained the applicable eligibility age, then there will be no suspension of benefits.

(c) Surviving Children. An Eligible Retiree's Surviving Child shall be entitled to benefits on the first day of the month following the death of the Eligible Retiree.

(d) Alternate Payee. 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 Participating Employer 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 level starting the month after the death of the Alternate Payee.

3.3 Benefit Levels for Regular Beneficiaries. An Employee who becomes an Eligible Retiree under Section 2.1(a), and his or her Surviving Spouse and Children, shall be Regular Beneficiaries and entitled to monthly reimbursement of Covered Expenses incurred on or after January 1, 2012, in an amount not to exceed the Beneficiary's Benefit Level, calculated pursuant to this Section.

(a) Eligible Retirees. The maximum monthly Benefit Level for an Eligible Retiree, who is a Regular Beneficiary, shall be determined according to the following methodology:

(1) Determine the total number of Active Service Units after separation from employment, with the total rounded up to the next Active Service Unit for any partial Active Service Unit; and

(2) Multiply the number of Active Service Units by the Unit Multiplier (set out in Appendix A to this Plan and incorporated herein by reference) in effect on the Employee's date of separation from employment with a Participating Employer, subject to Section 3.3(c) hereof.

(b) Surviving Spouses and Children. The Benefit Level for a Surviving Spouse without Surviving Children shall be 50% of the Benefit Level for the Eligible Retiree; if there are Surviving Children, then 100%. If there is no Surviving Spouse and there are Surviving Children, the Benefit Level shall be 50% of the Benefit Level for the Eligible Retiree (to be divided among the Surviving Children). 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 upon the Benefit Level of the Alternate Payee, which shall commence as stated in Section 3.2(d) hereof.

(c) Modifications. The Trustees reserve the right and power to modify the Unit Multiplier from time to time, and the new Unit Multiplier may apply to current and/or future Beneficiaries, as determined by the Trustees. The applicable Unit Multiplier and the designation of Beneficiaries to whom it is applicable will be set forth in Appendix A hereto, which is by this reference incorporated herein. This includes modification of Benefit Levels, benefit formulas, and form of benefits of Eligible Retirees and Employees due to withdrawal of an Association from participation in the Trust.

(d) Alternate Payees Under QDROs. The monthly Benefit Level 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 Benefit Level and corresponding ASUs.

(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 Level 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 Level thus designated for the Alternate Payee into an actuarially adjusted Benefit Level 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 Level. The Benefit Level of the Alternate Payee shall change from time to time, based on changes to the Unit Multiplier 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.

3.4 Termination of Benefits

(a) Eligible Retirees. An Eligible Retiree's monthly benefit coverage as a Regular Beneficiary under the Plan shall terminate on the date of the Eligible Retiree's death, subject to subsection 3.4(f). Provided, however, that claims for Covered Expenses, which are properly and timely submitted on behalf of the deceased Eligible Retiree after death, will be paid for the months through and including the month in which the Eligible Retiree died, at the rate of the monthly Benefit Level for that Eligible Retiree.

(b) Suspension of Benefits for Return to Employment. An Eligible Retiree's benefit payments shall be suspended on the date that the Eligible Retiree again becomes employed by a Participating Employer. Upon subsequent cessation of all employment with Participating Employers, 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 Participating Employer.

(c) Surviving Spouse. A Surviving Spouse's monthly benefit coverage as a Regular Beneficiary under the Plan shall terminate on the date of the Surviving Spouse's death, subject to subsection 3.4(f). Provided, however, that the benefit payments to a Surviving Spouse under the Plan shall be suspended 24 months after death of

the Eligible Retiree or Employee and shall resume in the month that the Surviving Spouse attains the eligibility age applicable to the Eligible Retiree or Employee.

(d) Surviving Children. The coverage under the Plan for Surviving Children shall terminate upon the loss of Child status (as defined in Section 1.7 hereof) or death of the Child, whichever occurs first.

(e) Alternate Payees Under QDROs. 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 a Participating Employer.

(f) Lifetime Benefits Not Guaranteed. The Plan is currently written to provide benefits for Regular Beneficiaries until death. However, this is not guaranteed. The Trustees reserve the right to modify, limit, or terminate benefits as necessary to preserve the financial soundness of the Plan. Such changes may apply to some or all current and/or future Beneficiaries and may apply whether or not the Plan terminates.

3.5 Benefits From Individual Accounts

(a) Individual Account. An Eligible Retiree and his or her Beneficiaries, are entitled to reimbursement of Covered Expenses from his or her Individual Account upon the Employee's separation from employment. The balance in the Individual Account shall include the following:

(1) Credit for employee and employer Contributions on behalf of a Limited Beneficiary under subsection 2.1(b). The Trust Office shall calculate all employee and employer Contributions made to the Plan on behalf of the Employee, applying a debit/credit for a proportionate share of any past investment losses/earnings thereon and a debit for a proportionate share of past operating expenses, and credit the total to the Individual Account, according to rules set by the Board of Trustees.

(2) Credit for value of transfer of accrued leave. The Trust shall credit the value of accrued leave transferred, annually or upon retirement, on behalf of a Limited Beneficiary, as required pursuant to a nonelective requirement for such transfer in his or her MOU, to his or her Individual Account. Accrued leave shall include only the type of leave that the Internal Revenue Service allows for conversion to retiree medical benefits on a nontaxable basis.

(3) Benefit payments. Debits of benefit payments made to a Beneficiary from his/her Individual Account.

(4) Periodic allocation. A periodic allocation of the following items to Individual Accounts, pursuant to rules adopted by the Trustees.

(i) A debit of a proportionate share of the Trust's operating expenses from Individual Accounts with a positive balance on the last day of the period; and

(ii) A debit/credit of a proportionate share of investment losses/earnings of the Trust for the prior period from/to Individual Accounts with a balance over $100 on the last day of the prior period.

(b) Benefit Level From Individual Account. There shall be no maximum amount on a claim against the Individual Account, so long as all claims are for reimbursement of Covered Expenses (i.e., the benefit level calculated pursuant to Section 3.3(a) does not apply to Individual Accounts).

(c) Termination of Benefits From Individual Account. The Trust Office shall deduct from the Individual Account an account closing fee, as determined by the Trustees, when the Individual Account balance equals the account closing fee. Reimbursement from the Individual Account will terminate when the Account balance reaches zero.

(d) Suspension of Benefits for Return to Employment. Benefit payments from an Employee Account shall be suspended on the date that the Eligible Retiree again becomes employed by a Participating Employer. Upon cessation of all employment with Participating Employers, 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 Participating Employer

(e) Forfeitures. Any balance left in the Individual Account upon the death of all Beneficiaries will forfeit to the Plan and shall be allocated to: (i) all Individual Accounts with a balance over $100; (ii) all active Employees with Contributions to the Pooled Account to qualify them for additional Active Service Units at the regular rate of $50 per Active Service Unit; and (iii) the Pooled Account as additional assets to fund benefits for all Regular Beneficiaries receiving benefits from the Pooled Account. The forfeited Individual Account balance shall be split per capita. These allocations shall not provide additional Active Service to any Employee or Beneficiary for attaining eligibility as a Regular Beneficiary.

(f) Withdrawal From the Trust. If the Association that represents an Employee withdraws from the Trust and the employer stops making Contributions to the Trust on the Employee's behalf, the Trustees may allocate assets to an Individual

Account for the Employee. In that instance, the Employee's right to make claims begins as soon as the Individual Account is established.

(g) Alternate Payee Under QDRO With Individual Account. If ordered in the QDRO, the Trust Office shall establish an Individual Account in the name of the Alternate Payee, and transfer the percentage of the Individual Account balance from the Employee or Eligible Retiree's Individual Account to that account, as specified in a QDRO. The provisions of this Section 3.5 shall apply to the Individual Account of the Alternate Payee, except as follows:

(1) Commencement of Benefits From Individual Account. Benefit payments for reimbursement of Covered Expenses from the Individual Account may commence on the date designated in the QDRO.

(2) Surviving Beneficiaries. 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 to the balance of the Individual Account of the Alternate Payee, as long as they continue to meet the definition of Surviving Child in Section 1.7 hereof.

(3) Termination of Benefits From Individual Account. Benefits from the Individual Account will terminate when the Individual Account balance of the Alternate Payee reaches zero, or on the date of death of the Alternate Payee, if there are no Surviving Children, whichever is earlier.

(h) Modification of Rules. The Trustees may modify or amend the rules for benefit payments from Individual Accounts, which may apply to current and/or future Beneficiaries.

3.6 Benefit Claim Procedure

(a) To make a claim for Plan benefits, Beneficiaries must present independent third-party documentation of the following:

(1) The date that medical services were provided or medical supplies purchased (which date must be prior to submission of the claim), or the dates of coverage for insurance premium;

(2) The medical expenses, as defined in Section 1.10(b) hereof, or insurance premiums, as defined in Section 1.10(a) or (c) hereof; and

(3) The Beneficiary's payment of the Covered Expenses.

Along with the above-mentioned documentation, Beneficiaries must submit a completed claim form, approved by the Trustees, to the Trust Office. Prior to issuing payment, the Trust Office shall review such documentation and claim form and determine whether to grant or deny coverage under the Plan. Documentation must be submitted for each claim, except that documentation of a recurring Covered Expense, under Section 1.10(a) or (c), must be submitted upon request, but no less frequently than annually.

(b) Documentation of payment under subsection 3.6(a)(3) above shall include, but not be limited to, the following, subject to Trust Office verification, as determined by the Trustees in their sole discretion:

(1) Canceled check drawn to the name of the insurance provider or medical services or supplies provider;

(2) Copy of confirmation of electronic payment to the insurance provider or medical services or supplies provider; or

(3) Receipt for payment from the medical insurance provider or medical services or supplies provider.

(c) Beneficiaries may submit claims for reimbursement of Covered Expenses, in the order described below:

(1) Eligible Retiree. Subject to subsection (4) below, only an Eligible Retiree may submit claims for reimbursement of covered Expenses of a Beneficiary in his or her family.

(2) Surviving Spouse. Subject to subsection (4) below, after the death of the Eligible Retiree, only a Surviving Spouse may submit claims for reimbursement of Covered Expenses of a Beneficiary in his or her family, except that during the period that benefit payments are suspended pursuant to Section 3.4(c) hereof, the Surviving Child may submit his or her own claims for reimbursement as a Regular Beneficiary (i.e., only from the monthly benefit and not from the Individual Account).

(3) Surviving Children. If there is no Surviving Spouse or the Surviving Spouse's benefit payments are suspended pursuant to Section 3.4(c), a Surviving Child may submit claims for reimbursement of his or her own Covered Expenses from the monthly benefit amount as a Regular Beneficiary. If there is no Surviving Spouse, a Surviving Child may submit claims for reimbursement of his or her own Covered Expenses from the Individual Account balance as a Limited Beneficiary. All claims are subject to division of the Surviving Children's Benefit Level under Section 3.3(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 3.6(c)(4) hereof at any time by submitting a written revocation (including via email) to the Trust Office.

(6) Alternate Payee. An Alternate Payee shall have authority to submit claims for Covered Expenses of Children from the marriage of Eligible Retiree and Alternate Payee.

(d) 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 3.6(g), regarding Beneficiary deemed to be incompetent. If the Trust Office denies coverage, in whole or part, on the Beneficiary's claim, or the Plan takes other action adverse to the Beneficiary, the Beneficiary may appeal the denial of coverage or any other adverse determination of the Plan, by taking action pursuant to Section 4.3 hereof.

(e) There is no claims deadline for claims from an Individual Account as a Limited Beneficiary under Section 2.1(b) or (c) hereof. Claims for monthly Plan benefits as a Regular Beneficiary under Section 2.1(a) hereof must be submitted no later than the earlier of either:

(1) 30 days after the end of the Plan year in which the Beneficiary made the payment of Covered Expenses; or

(2) 30 days after the end of the Plan year of the date of written documentation from an independent third party of the Beneficiary's responsibility for payment.

However, the Trust Office may waive the deadline for good cause shown.

(f) Subject to subsection (g), 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.

(g) 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 3.6. 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.

(h) A Beneficiary or Employee who does not have a claim for current Covered Expenses, 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.

3.7 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.

(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.

ARTICLE IV: CLAIM APPEAL PROCEDURES

4.1 Beneficiary's Duty to Notify Trust Office of Claim. This Plan only pays benefits after receipt and processing of a claim for benefits. Beneficiaries are required to submit claims under the procedures described above in Section 3.6. Benefit claims will be processed under the rules described below.

4.2 Acceptance or Denial of Claim by the Trust Office.

(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 days after receipt of the Beneficiary's claim. If coverage is granted, the Beneficiary shall receive payment as stated in Section 3.3. 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.

(1) The specific reason(s) for such denial;

(2) Specific reference to the Plan provisions upon which the denial is based;

(3) 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;

(4) A description of any additional material or information necessary for the Beneficiary to perfect the claim and an explanation of why such materials or information is necessary;

(5) A statement identifying any internal rules, guidelines, protocols, or other similar criteria relied upon in the denial, copies of which will be provided free of charge to the Beneficiary upon request; and

(6) 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), after exhausting the Plan's appeal procedures.

(b) Extension of Time—Special Circumstances. If the Trust Office determines that special circumstances beyond its control 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-day period. The extension notice shall indicate the special circumstances requiring the extension of time and the date by which the Trust Office expects to render a benefit determination. In no event, shall such extension exceed a period of 15 days from the end of the initial period (45 days total).

(c) Extension of Time—Failure to Submit Information. The period for the Trust Office to make a benefit determination may be extended if the Beneficiary fails to submit all necessary information to allow the Trust Office 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 days from receipt of the request for additional information within which to provide the information. Nothing in this Section shall preclude the Beneficiary from voluntarily agreeing to provide the Trust Office additional time to decide a claim.

4.3 Appeal Procedures. 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(h) 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 Trustee to conduct a hearing in this 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. The Trustees shall conduct a hearing at the next regularly scheduled meeting of the Board of Trustees, unless the request for review is received by the Trustees within 30 days preceding the date of such meeting. In

such case, the hearing will be conducted no later than the date of the second meeting following the Trustees' receipt of the request for review. If special circumstances require a further extension of the time for processing, a benefit determination shall be rendered not later than the third meeting of the committee or board following the Plan's receipt of request for review. If such an extension of time for review is required because of special circumstances, the Trustees shall notify the claimant in writing of the extension, describing the special circumstances and the date as of which the benefit determination will be made, prior to the commencement of the extension. The Trustees will review all comments, documents, records, and other information submitted by the Beneficiary related to the claim, regardless of whether such information was submitted or considered in the initial benefit determination. The Beneficiary shall be entitled to present his or her position and any evidence in support thereof for 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 After Appeal Hearing. The Trustees shall notify the claimant of the determination on review by issuing a written decision, affirming, modifying, or setting aside the former decision.

4.4 Right to Court Review, Time Limit to Bring Lawsuit

(a) Exhaustion of Internal Appeal Procedures. An Employee or Beneficiary who is dissatisfied with an eligibility determination, benefit award or response to written request, pursuant to subsection 3.6(h) hereof, must first exhaust the procedures in this Article IV before bringing an action in court.

(b) Limitation Period for Filing a Lawsuit Against the Trust for Benefit Payments. 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 SCDSA, or its employees, any Participating Employer 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 a section of any local, state, or federal statute shall include any regulation pertinent to such sections and any subsequent amendments to such sections or regulations.

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 SCDSA, 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. This Plan is subject to the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), which imposes specific restrictions on the use and disclosure of protected health information. The Trustees have adopted a HIPAA Privacy Policy and procedures, which are available upon request to the Trust Office.

5.4 Trustee Authority. The Trustees shall have the authority and broad discretion to determine eligibility for benefits, to interpret and apply the provisions of this Trust and Plan, or of the benefit 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 Court Orders: QDRO and QMCSO Review Costs and Procedures. The Trustees shall adopt reasonable procedures for accepting, evaluating, approving, and administering QDROs and QMCSOs. 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 Missing Participant Policies and Procedures. The Trustees shall establish policies and procedures for searching for Missing Participants and shall transmit those policies and procedures to the Trust Office.

(a) Employee/Beneficiary Duty to Provide Contact Information. Each Employee and Beneficiary in this Plan has the duty to inform the Trust Office of changes in his or her contact information including, but not limited to, home address (or post office box), phone number (cell phone number if available), and email address.

(b) Missing Information Fee Charged to Missing Participant. In the event that the Trust incurs costs to search for Missing Participants, the Trustees shall have the right to establish and charge a reasonable Missing Information Fee to the Missing Participant, which may be deducted from the Missing Participant's future monthly benefits or Individual Account balance.

ARTICLE VI: AMENDMENTS AND TERMINATION

Trust resources for payment of benefits consist of Contributions required by the current MOU, assets held in the Trust, and investment returns of the Trust investments. All benefits are paid from Trust assets, and the Plan's obligation to make any benefit payment shall be limited by amounts held in the Trust and the financial stability of the Plan at the time of the payment. In order that the Board of Trustees may carry out its obligation to maintain, within the limits of Trust resources and applicable law, a Plan dedicated to providing benefits for Beneficiaries, the Trustees expressly reserve the right, in their sole discretion, at any time and from time to time, provided that such action does not violate federal discrimination law:

(a) To modify the Unit Multiplier;

(b) To amend or rescind any provision of this Plan; or

(c) To terminate the Plan.

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

Adopted by the Board of Trustees on December 10, 2020, and effective January 1, 2021.

BOARD OF TRUSTEES OF THE
CENTRAL VALLEY RETIREE MEDICAL TRUST

Trustee	Trustee
Matthew Pettus	Juan Alanis
Print Name	Print Name

APPENDIX A: TABLE OF EFFECTIVE DATES FOR UNIT MULTIPLIER

Separated From Employment	Unit Multiplier
January 1, 2012, through November 30, 2013	$0.47
On or after December 1, 2013	$0.50

Examples of Calculations of Benefit Level

$50 monthly contribution = 1 Active Service Unit
Unit Multiplier for all eligible Beneficiaries = $0.50[1]

Example #1—6 Years in Trust: An Association has a contribution rate of $100/month, and Employee Jones participates for 2 years (or 24 months) at that level. Then the Association increases the contribution rate to $150/month, and Jones participates for 4 years (or 48 months) at that level, and then retires. The monthly amount available to Jones for medical expense reimbursement will be calculated as follows:

Step 1: Convert monthly contributions to Active Service Units
$100/month = 2 Active Service Units/Month
$150/month = 3 Active Service Units/Month

Step 2: Find number Active Service Units
2 Active Service Units x 24 months = 48 Active Service Units
3 Active Service Units x 48 months = 144 Active Service Units
Total = 192 Active Service Units

Step 3: Multiply number Active Service Units by Unit Multiplier:
Monthly Benefit Amount: 192 x $0.50 = $96.00

Example #2—13 Years in Trust: An Association selects a contribution rate of $100/month, and Employee Jones participates for 7 years (or 84 months) at that level. Then the Association increases the contribution rate to $200/month, and Jones participates for 5 years (or 60 months) at that level, and then retires. Then the monthly amount available to Jones for medical expense reimbursement will be calculated as follows:

Step 1: Convert monthly contribution to Active Service Units.
$100/month = 2 Active Service Units/Month
$200/month = 4 Active Service Units/Month

Step 2: Find number Active Service Units.
2 Active Service Units x 84 months = 158 Active Service Units
4 Active Service Units x 60 months = 240 Active Service Units
Total = 408 Active Service Units

[1] The Trustees work with a professional actuarial firm to determine the UM. The Trustees have the authority to modify the UM from time to time for both existing and future Beneficiaries.

Step 3: Multiply number Active Service Units by Unit Multiplier.
Monthly Benefit Amount: 408 x $0.50 = $204.00

Example #3—Career Employee—25 Years in Trust: An Association selects a contribution rate of $100/month, and Employee Jones participates for 7 years (or 84 months) at that level. Then the Association increases the contribution rate to $200/month, and Jones participates for 18 years (or 216 months) at that level, and then retires. Then Jones' benefit level will be calculated as follows:

Step 1: Convert monthly contributions to Active Service Units.
$100/month = 2 Active Service Units/Month
$200/month = 4 Active Service Units/Month

Step 2: Find number Active Service Units.
2 Active Service Units x 84 months = 168 Active Service Units
4 Active Service Units x 216 months = 864 Active Service Units
Total = 1032 Active Service Units

Step 3: Multiply number Active Service Units by Unit Multiplier.
Monthly Benefit Amount: 1032 x $0.50 = $516.00

Caveat: These are examples. The Trustees reserve the right to modify the Unit Multiplier and the formula used to calculate benefit levels at any time for both existing and future Beneficiaries. Such a modification is most frequently attributable to favorable or adverse demographic or financial experience of the Plan. For more details, please contact the Trust Office.