

SUMMARY PLAN DESCRIPTION

Medical Expense Reimbursement Plan of the PORAC Retiree Medical Trust

HIGHLIGHTS OF THE PLAN

- Eligibility. Generally, you will need to participate for 10 years in the Plan to achieve eligibility for monthly benefit payments from the Trust. (However, if you are an Employee when your Association joins the Trust and begins to contribute, this requirement will be only five years).
- Benefits. Your benefits from this Trust come in the form of monthly reimbursement for certain medical costs, which are called “Covered Expenses,”¹ incurred after you retire. The amount of reimbursement will be limited to the amount of your individual monthly benefit level, which will depend on your length of participation in the Trust. Contact the Trust Office to find out your benefit level.
- Claims. You must present your claims to the Trust Office with your proof of payment of Covered Expenses, on a form approved by the Trustees, within 30 days after the end of the plan year in which you incurred the expense.
- Changes of Employment Status, Address, Spouse or Child(ren). Please notify the Trust Office of changes to your employment status or any significant life event that you think might affect your participation in the Trust. For example, if you retire or otherwise separate from employment, you might be entitled to begin receiving benefits, or to make self-pay contributions under COBRA; or if there is a change in mailing address or family composition (i.e., marriage, divorce, or birth of a child), failure to notify the Trust Office may result in loss or delay of benefit payments.
- Trust Office. The Trust Office provides important services to Trust participants. For example, to find out your benefit level, submit benefit claims, request a copy of the Plan or notify the Trust of a change in address, you need to contact the Trust Office. You can contact the Trust Office at:

PORAC Retiree Medical Trust
c/o Delta Health Systems
Attn: Ms. Cindi Forbes
555 W. Benjamin Holt Dr., Ste. 320
Stockton, CA 95207
Phone: (800) 700-6762
Fax: (209) 955-4190

NOTE: The questions and answers in this Summary Plan Description ("SPD") have been designed to provide you with key information about the PORAC Retiree Medical Trust, but they do not provide all the details and limitations of the Plan. Exact specifications are provided in the “Medical Expense Reimbursement Plan of the PORAC Retiree Medical Trust” restated and effective November 1, 2010, and as amended from time to time thereafter. If there is a conflict between what is contained in the Plan and what is contained in the Summary Plan Description or any other descriptions, the terms of the Plan will prevail. Note that capitalized terms contained herein are defined in the formal Plan document.

¹ Capitalized terms contained herein are defined in the formal Plan document, and many are described in this Summary Plan Description. You can find the formal Plan document following the SPD in this booklet.

SUMMARY PLAN DESCRIPTION

Medical Expense Reimbursement Plan of the PORAC Retiree Medical Trust

TABLE OF CONTENTS

PART 1: PARTICIPATION.....	1
PART 2: GENERAL DESCRIPTION OF PLAN BENEFITS	1
PART 3: MONTHLY BENEFITS	3
PART 4: EMPLOYEE ACCOUNT BENEFITS.....	5
PART 5: LOSS, DENIAL, OR DELAY OF BENEFITS	6
PART 6: SURVIVOR BENEFITS	6
PART 7: BENEFIT CLAIM AND APPEAL PROCEDURES.....	8
PART 8: ADMINISTRATION & THE BOARD OF TRUSTEES.....	9
PART 9: GENERAL INFORMATION ON THE PLAN AND TRUST	10
PART 10: PARTICIPATING ASSOCIATIONS & CONTRIBUTIONS.....	11
PART 11: LEGAL RIGHTS	11
COBRA GENRAL NOTICE.....	15
ATTACHMENT A (Example Monthly Benefit Level Calculations)	22

SUMMARY PLAN DESCRIPTION

Medical Expense Reimbursement Plan of the PORAC Retiree Medical Trust

TABLE OF QUESTIONS

PART 1: PARTICIPATION	1
1.1 Who can participate in the PORAC Retiree Medical Trust?	1
PART 2: BRIEF DESCRIPTION OF PLAN BENEFITS	1
2.1. Are there different categories of Beneficiaries, once I become an Eligible Retiree?	1
2.2 What type of benefits does the Trust provide?.....	1
2.3. What type of medical expenses will be reimbursed by the Plan?.....	2
PART 3: MONTHLY BENEFITS	3
3.1 In what circumstances will the Trust pay regular monthly benefits to me?.....	3
3.2 How do I become a "Regular Beneficiary" eligible for monthly benefits?	3
3.3 Will I qualify for monthly benefits if I separate from service before I contribute to the Trust for 10 years (or five years for Employees in the Association when it joins the Trust)?	3
3.4 How is my monthly benefit level calculated, if I am a Regular Beneficiary?	4
3.5 Is it possible for my monthly benefit level to change?.....	4
3.6 Why is my monthly benefit level different from other Retirees in my Association, or from Retirees in other Associations?	4
PART 4: EMPLOYEE ACCOUNT BENEFITS	5
4.1 What are Employee Account benefits ?	5
4.2 How do I become eligible for Employee Account benefits?	5
4.3 What is included in the balance of my Employee Account?	5
4.4 How are the funds credited to my Employee Account invested?	6
PART 5: LOSS, DENIAL, OR DELAY OF BENEFITS	6
5.1 What are the circumstances that may result in ineligibility or denial of benefits; or amendment or termination of the Plan?.....	6
5.2 What type of information may affect my benefits, and so I should update with the Trust Office?	6
PART 6: SURVIVOR BENEFITS	7
6.1 What will the benefit be for my spouse and children in the event of my death?.....	7
6.2 Are there benefits for my Domestic Partner in the event of my death?	8
PART 7: BENEFIT CLAIM AND APPEAL PROCEDURES	8
7.1 How do I submit my claims for benefits? What are the appeal procedures for denied claims?.....	8
7.2 What is the Plan Year, and why is it important?.....	9

SUMMARY PLAN DESCRIPTION

Medical Expense Reimbursement Plan of the PORAC Retiree Medical Trust

TABLE OF QUESTIONS

PART 8: ADMINISTRATION & THE BOARD OF TRUSTEES	9
8.1 Who is the Plan Administrator?	9
8.2 What are the names and addresses of the Trustees?	9
8.3 How can I contact the Trust Office?	9
PART 9: GENERAL INFO ABOUT THE PLAN AND TRUST	10
9.1 What are the official name and identification numbers of the Plan and Trust?	10
9.2 What is the name, address and telephone number of the employee organization that established this Plan?	10
9.3 What type of plan the Medical Expense Reimbursement Plan?	10
PART 10: PARTICIPATING ASSOCIATIONS & CONTRIBUTIONS	11
10.1 Are there bargaining agreements that address this Plan and Trust?	11
10.2 What is the source of Trust contributions and method used for the accumulation of assets?	11
PART 11: LEGAL RIGHTS	11
11.1 What is the name and address of the agent for service of process?	11
11.2 What are my legal rights under the applicable federal statutes?	11

**PART 1
PARTICIPATION**

1.1 Who can participate in the PORAC Retiree Medical Trust?

Eligibility in the Trust is generally open to all permanent Employees who are members of a bargaining unit represented by a participating PORAC Association, and for whom contributions are made to the Trust as required by the Association's Memorandum of Understanding ("MOU").

**PART 2
GENERAL DESCRIPTION OF PLAN BENEFITS**

2.1. Are there different categories of Beneficiaries once I become an Eligible Retiree?

Yes, there are three categories of Beneficiaries under the Plan for an Eligible Retiree, described below. It is possible to fall into one or more of these categories. This determination is important because the Beneficiary category(ies) will determine whether you are entitled to "monthly benefits," "Employee Account Benefits," or both (see Q&A 2.2 for a general description of these benefits).

The following is a description of the three Beneficiary categories under the Plan, and the corresponding benefit type to which each is entitled.

1. Regular Beneficiary – A "Regular Beneficiary" is entitled to monthly benefit reimbursement payments up to a certain level, because he/she met the eligibility requirements listed under Q&A No. 3.2. Note that a Regular Beneficiary will also qualify as a "Limited Beneficiary" if transfers of mandatory sick/vacation leave have been credited to his/her Employee Account.
2. Limited Beneficiary - A "Limited Beneficiary" is entitled to Employee Account benefits. An Eligible Retiree can qualify as a Limited Beneficiary in the following two ways:
 - a. The Retiree did not meet the eligibility requirements to become a Regular Beneficiary and receive monthly benefits. So the Trust Office will then credit certain contributions made to the Trust on his/her behalf to his/her Employee Account.
 - b. The Retiree did meet the requirements to become a Regular Beneficiary; and also, his/her employer transferred mandatory sick/vacation leave to the Trust, in addition to monthly contributions amounts necessary to qualify as a Regular Beneficiary. Those transfers of sick/vacation leave are credited to the Employee Account.
3. Account Beneficiary - An "Account Beneficiary" is entitled only to Employee Account benefits. An Eligible Retiree will be an Account Beneficiary in the situation where his /her employer transferred only mandatory sick/vacation leave to

the Trust. That is, when his/her Association joined the Trust, the membership approved *only* transfers of sick/vacation leave, and not regular payroll deduction into the Trust. These people cannot become Regular Beneficiaries.

2.2. What type of benefit payments does the Trust provide?

The Trust provides two types of benefit payments, regular “monthly benefits” and “Employee Account benefits.” You might qualify for one or both types of benefits (see SPD Part 3 for more details on monthly benefits, and SPD Part 4 for more details on Employee Account benefits).

Both types of benefits payments must be used for reimbursement toward the payment of “Covered Expenses,” which consist of insurance premiums and medical expenses paid by the Employee after retirement (see Q&A No. 2.3 for a description of Covered Expenses). The Trust will reimburse Eligible Retirees for properly and timely submitted claims in the following amounts:

- ❖ Monthly Benefits. An Eligible Retiree qualifies as a “Regular Beneficiary” and is entitled to monthly reimbursement of Covered Expenses in the amount of his/her monthly benefit level. See Q&A No. 3.4 for details on how to calculate your monthly benefit level.
- ❖ Employee Account Benefits. An Eligible Retiree qualifies as a “Limited Beneficiary” or “Account Beneficiary” and is entitled to reimbursement of Covered Expenses in an amount limited to the balance of in his/her Employee Account. See Q&A No. 4.3 for information on how the Trust Office calculates Employee Account balances.

Cost Sharing. Also, it is important to remember that the Plan reimburses toward the cost of Covered Expenses, but your benefit level may not cover the entire Covered Expense amount. If your benefit level does not cover the entire cost of your Covered Expense, you will be responsible for the balance of any Covered Expense amounts you owe in excess your benefit level.

2.3. What type of medical expenses will be reimbursed by the Plan?

The following medical expenses are considered Covered Expenses and will be reimbursed by the Plan:

- ❖ Premium or contribution payments for coverage under health, dental, or vision insurance plans.
- ❖ Medical expenses excludable from gross income under Code Section 213(d), i.e., costs for diagnosis, cure, mitigation, treatment, or prevention of disease or injury, including insulin, but not including other non-prescribed drugs. For a complete list, see IRS Publication 502, which can be found at www.irs.gov/pub/irs-pdf/p502.pdf.

SUMMARY PLAN DESCRIPTION

- ❖ Premium payment for qualified long-term care (LTC) insurance. LTC insurance is qualified if it insures only LTC, is guaranteed renewable, does not provide a cash surrender value, does not provide reimbursement for Medicare expenses, and does not distribute premium refunds or similar payments to the policyholder (except generally upon the death of the insured).

See Plan Section 1.8 for the full definition of Covered Expenses.

PART 3 MONTHLY BENEFITS

3.1 In what circumstances will the Trust pay regular monthly benefits to me?

If you become a Regular Beneficiary of the Trust (as described in Q&A No. 3.2 below), you will be entitled to a lifetime stream² of monthly benefit payments, for reimbursement of medical expenses, at your individual benefit level. See Plan Sections 3.2 – 3.3 for details.

3.2 How do I become a “Regular Beneficiary,” eligible for monthly benefits?

An Employee described in Q&A No.1.1 becomes a Regular Beneficiary entitled to monthly benefits under the Plan, generally, after the Employee meets the following requirements:

- ❖ Earns ten (10) years of Active Service in the Trust (i.e., ten years of contributions to the Trust). However, if a person is already an Employee when his/her Association joins the Trust, the requirement is five (5) years.
- ❖ Contributions are made to the Trust for all years of Active Service.
- ❖ Attains age 55 if a sworn public safety employee (or age 58 if a non-sworn employee).
- ❖ Ceases employment with a participating employer.

3.3 Will I qualify for monthly benefits if I separate from service before I contribute to the Trust for 10 years (or five years for Employees in the Association when it joins the Trust)?

No, an Employee that does not meet the minimum Active Service requirement, i.e., ten years (or five years, if applicable), will generally not qualify for lifetime³ monthly

² 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.

³ 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.

benefits as a Regular Beneficiary. However, such an Employee is classified as a Limited Beneficiary and is eligible for benefits from his/her Employee Account. (See Q&A Nos. 4.1-4.4 for more information on Employee Accounts benefits.)

3.4 How is my monthly benefit level calculated, if I am a Regular Beneficiary?

A Regular Beneficiary's monthly benefit level is determined by the number of "Active Service Units" he/she has accrued, and the "Unit Multiplier" in effect when he/she stops making contributions.

- ❖ An Employee earns Active Service Units during each month of contributions to the Trust. Each monthly contribution of \$50 is equal to one Active Service Unit. An Employee can earn more than one Active Service Unit per month, depending on his/her Association's negotiated contribution rate (see Q&A No. 3.5).
- ❖ The Unit Multiplier is a factor determined by the Trustees, with actuarial advice.

After retirement, the Trust Office will calculate your monthly benefit level by the following methodology (as further described in Plan Section 3.3, and illustrated in Appendix A of the Plan):

- ❖ Determine the total number of Active Service Units
- ❖ Multiply the total number of Active Service Units by the Unit Multiplier

From time to time, the Trustees will determine the Unit Multiplier, as defined in Plan Section 1.24, with the assistance of professional actuarial advice. You may contact the Trust Office to find out the current Unit Multiplier. (See Attachment A in this booklet for examples of benefit level calculations.)

3.5 Is it possible for my monthly benefit level to change?

Yes, it is possible for your benefit level to change, i.e., benefits under the Plan are not vested. The Trustees reserve the right and power to adjust the Unit Multiplier, or other Plan terms. The Unit Multiplier is one of the key factors in the calculation of a Beneficiary's monthly benefit level (see Q&A No. 3.4). Such adjustments, or termination of benefits, may apply to current as well as future Beneficiaries. This would occur, generally, after the Trustees conduct a periodic review of the investment and demographic experience of the Trust. For example, if the investment returns or the demographic experience (e.g., life span, retirement age, etc.) are significantly different than projected, then the Unit Multiplier may be adjusted (up or down).

3.6 Why is my monthly benefit level different from other Eligible Retirees in my Association, or from Retirees in other Associations?

A Regular Beneficiary's monthly benefit level is dependent on how long his/her Association participated in the Trust, and at what contribution level. It is calculated by the methodology described above. Accordingly, the number of Active Service Units that an Employee earns during his/her career will affect the monthly benefit level for which he/she will be entitled as a Regular Beneficiary. That number is determined by the monthly contribution rate negotiated by

SUMMARY PLAN DESCRIPTION

the Employee's bargaining unit. For example, a monthly contribution rate of \$150 will provide to each employee in that bargaining unit three Active Service Units per month, whereas a monthly contribution rate of \$200 will earn four Active Service Units per month.

PART 4 EMPLOYEE ACCOUNT BENEFITS

4.1 What are Employee Account benefits?

An Eligible Retiree that has an Employee Account, described in Q&A No. 4.2 below, qualifies as either a Limited Beneficiary or an Account Beneficiary (as described in Q&A 2.1 above). These Beneficiaries are entitled to reimbursement of Covered Expenses in an amount limited to the balance of his/her Employee Account. Unlike the monthly benefit described in SPD Part 3 above, there is no monthly limit on Employee Account benefits, i.e., as long as all claims are for reimbursement of Covered Expenses (and properly and timely submitted). Instead, claims will generally be reimbursed until the Employee Account balance reaches zero.

See Plan Section 3.5 for details

4.2 How do I become eligible for Employee Account benefits?

Any Eligible Retiree whose Employee Account has a positive balance is eligible for Employee Account benefits. This includes Retirees who transferred sick and/or vacation leave to the Trust while an Employee, or do not meet the minimum Active Service requirement of 10 years (or 5 years, if applicable). Note that an individual can be eligible for both monthly benefits and Employee Account benefits.

See Plan Sections 2.1(b)-(c) for details

4.3 What is included in the balance of my Employee Account?

The balance of an Employee Account will include the following:

- ❖ Mandatory transfers of sick and/or vacation leave made pursuant to a written agreement, e.g., MOU;
- ❖ Investment earnings and/or losses; and
- ❖ Proportionate share of administrative expenses.
- ❖ The Employee Account of a Limited Beneficiary who does not meet the minimum Active Service requirement of 10 years (or 5 years, if applicable) to qualify for monthly benefits will also include the total amount of monthly employee contributions. Note that monthly employer contributions will be included in the balance, if the Employee terminates at or after retirement age as defined by the retirement system of his/her employer. See Plan Section 3.5(a) for details.

4.4 How are the funds credited to my Employee Account invested?

An Employee may select from a menu of investment Portfolios to invest the funds credited to his/her Employee Account. You will have the opportunity to make an investment selection when you first have contributions credited to your Employee Account, and may change your selection annually during the month of April. You may request an Employee Account Portfolio Investment Selection Packet from the Trust Office for details.

PART 5 LOSS, DENIAL, OR DELAY OF BENEFITS

5.1 What are the circumstances that may result in ineligibility or denial of benefits; or amendment or termination of the Plan?

Circumstances which may result in disqualification, ineligibility, denial, or the loss of benefits include failure by the Employee or employer to make required contributions, failure to properly submit expense receipts, failure to meet the eligibility requirements, death of the Beneficiary, or termination of the Plan. Also, note the following events will cause termination of benefits:

- ❖ An Eligible Retiree's benefits under this Plan will terminate upon his/her death, or if he/she returns to employment with a Participating Employer.
- ❖ A Surviving Spouse's benefits under this Plan will terminate after 24 months of benefits have been paid after the Eligible Retiree's death; and resume in the month the Spouse attains the eligibility age for the Employee under the Plan until the Spouse's death.
- ❖ A Surviving Child(ren)'s benefits under this Plan will terminate upon the loss of child(ren) status.

Benefit coverage and benefit amounts may be modified or terminated pursuant to Article VI of the Plan and such changes may apply to current and/or future Beneficiaries. In the event of the termination of the Plan, assets of the Plan that remain after payment of expenses associated with termination will be allocated and distributed to the Beneficiaries in accordance with Section 501(c)(9) of the Internal Revenue Code.

See Sections 2.1(b) and 3.5 of the Plan for details.

5.2 What type of information may affect my benefits, so I should update the Trust Office?

It is important for the Trust Office to have an up-to-date record of information that might affect the benefits and rights of Employees and Beneficiaries of the Trust, e.g., employment status, mailing address, identity of spouse and children, etc.

SUMMARY PLAN DESCRIPTION

The Trust Office relies on such information to administer the Trust, for example, to send benefit payments to Beneficiaries and other applicable notices related to the Plan.

Failure to notify the Trust Office of such changes may result in the loss or delay of benefits under this Plan. Please update the Trust Office with any changes you experience that might affect your benefits or rights from the Trust, including, but not limited to, the following changes:

- ❖ Mailing address
- ❖ Employment status (e.g., retirement, lay-off, or reduction in hours)
- ❖ Spouse (e.g., divorce or remarriage)
- ❖ Children (e.g., birth or adoption)

See the Plan Highlights, at the beginning of this booklet, for the Trust Office contact information.

PART 6 SURVIVOR BENEFITS

6.1 What will be the benefit for my spouse and children in the event of my death?

Survivor Benefits for Regular Beneficiaries who were Receiving Monthly Benefits. A Surviving Spouse of a Regular Beneficiary, with Children, is eligible for monthly benefits equal to 100% of the benefit level of the deceased Eligible Retiree. The monthly benefit level for a Surviving Spouse without Children is equal to 50% of the benefit level of the deceased Eligible Retiree. If there is no Surviving Spouse or Domestic Partner, the monthly benefit level for Surviving Children will be 50% of the benefit level for the deceased Eligible Retiree (to be divided equally among Children).

Note that a Surviving Spouse's monthly benefits under this Plan will terminate after 24 months of benefits have been paid following the Eligible Retiree's death. Benefit payments will resume in the month the Spouse attains the eligibility age for the Employee under the Plan until the Spouse's death. Surviving Child(ren)'s monthly benefits under this Plan will terminate upon the loss of child(ren) status.

Employee Account Benefits. If the deceased Retiree had an Employee Account with a positive balance, then his/her Surviving Spouse or Domestic Partner will be entitled to reimbursement benefits in an amount equal to the balance of the decedent's Employee Account. If there is no Surviving Spouse or Domestic Partner, then his/her Child(ren) will be entitled to such benefits.

6.2 Are there benefits for my Domestic Partner in the event of my death?

The benefits for a Surviving Domestic Partner will be the same as for a Surviving Spouse, subject to federal tax law. Federal tax law provides that the aggregate amount paid to all Domestic Partners annually shall not exceed certain limits set by the 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. See Plan Section 3.3.

The Internal Revenue Service has issued guidance indicating that, to the extent coverage is provided to *nondependent* Domestic Partners, the value of such coverage under the Plan for nondependent Domestic Partners will be included in the Employee's gross income for a taxable year if he or she is expected to have a nondependent Domestic Partner upon becoming eligible for benefits under the Plan. The amounts to be included in the employee's gross income will be determined under a valuation that takes into account reasonable actuarial assumptions. The Trust Office will request information concerning registered Domestic Partnerships. You should also notify the Trust Office if you have a Domestic Partner.

PART 7 BENEFIT CLAIM AND APPEAL PROCEDURES

7.1 How do I submit my claims for benefits? What are the appeal procedures for denied claims?

To present a claim for benefits under this Plan, a Beneficiary must submit, to the Trust Office, a written claim, on an approved claim form, within thirty (30) days after the end of the Plan year in which the expense was incurred. Beneficiaries may contact the Trust Office to request an approved claim form.

Please mail your claims to the Trust Office at:

**PORAC Retiree Medical Trust
C/o Delta Health Systems
Attn: Ms. Cindi Forbes
555 W. Benjamin Holt Drive, Suite 320
Stockton, CA 95207**

Details for claim submission and appeal of claim denial are set forth in Plan Sections 3.6 and 4.1-4.3. Note that the appeal procedures apply to any complaint that you may have regarding the Plan, i.e., not just a claim denial.

7.2 What is the Plan Year, and why is it important?

The Plan year runs from July 1 - June 30. Claim must be submitted within thirty days of the end of the Plan year.

**PART 8
ADMINISTRATION & THE BOARD OF TRUSTEES**

8.1 Who is the Plan Administrator?

The fiduciary of the Plan (known under federal law as the “Plan Administrator”) is the Board of Trustees of the PORAC Retiree Medical Trust. The Board has retained the services of a contract administrator (the “Trust Office”) to assist in recordkeeping, claims payments, etc. You may contact the Board in care of the Trust Office.

8.2 What are the names and addresses of the Trustees?

Earl Titman
Novato Police Management Association
P.O. Box 2727
Novato, CA 94948
Region I

Bill Harbottle
Tulare County Deputy Sheriffs Association (*Ret.*)
1616 W. Mineral King, Suite C
Visalia, CA 93291
Region II

John Snowling
Ventura Police Officers Association
P.O. Box 5130
Ventura, CA 93005
Region III

Rusty Rea
Chula Vista Police Officers Association
49 3rd Avenue
Chula Vista, CA 91910
Region IV

Kreg Muller
Huntington Beach Police Officers Association
637 Beachcomber
Seal Beach, CA 90740
PORAC Board Representative

8.3 How can I contact the Trust Office?

You can contact the Trust Office at:

PORAC Retiree Medical Trust
c/o Delta Health Systems
Attn: Ms. Cindi Forbes
555 W. Benjamin Holt Dr., Ste. 320
Stockton, CA 95207
Phone: (800) 700-6762

**PART 9
GENERAL INFORMATION
OF THE PLAN & TRUST**

9.1 What are the official name and identification numbers of the Plan and Trust?

This Plan is known as the “Medical Expense Reimbursement Plan of the PORAC Retiree Medical Trust,” restated and effective November 1, 2010 and as amended hereafter (the “Plan,” 8/26/10 Ed. including Ams. 1-3) The Plan is governed by the “Trust Agreement Governing the PORAC Retiree Medical Trust,” effective June 1, 2008 and as amended from time to time thereafter (“Trust Agreement”). For a copy of the Plan or Trust Agreement, please contact the Trust Office.

The Employer Tax Identification Number assigned to the Trust by the Internal Revenue Service is EIN 80-6049077.

The Plan number is 501.

9.2 What is the name, address and telephone number of the employee organization that established this Plan?

The Plan was established by the Peace Officers Research Association of California (“PORAC”), which is a professional federation of local, state, and federal law enforcement associations located within the state of California. The name, address and telephone number of the Association is as follows:

Peace Officers Research Association of California
4010 Truxel Road
Sacramento, CA 95834
Phone: (916) 928-3777
(800) 937-6722

9.3 What type of plan is the Medical Expense Reimbursement Plan?

The Plan is a welfare benefit plan providing health insurance premium and medical expense reimbursement benefits to retirees. Beneficiaries may refer to Internal Revenue Service Publication 502, or check with the Trust Office to determine if a premium and/or medical expense is a permissible reimbursement under the Plan.

**PART 10
PARTICIPATING ASSOCIATIONS & CONTRIBUTIONS**

10.1 Are there bargaining agreements that address this Plan and Trust?

Yes, the Plan is maintained pursuant to various collectively bargained Memoranda of Understanding (“MOUs”), and applicable successor agreements, between the participating PORAC Associations and respective employers.

Beneficiaries of the Plan (i.e., Employees, Eligible Retirees, Surviving Spouses, Domestic Partners, and Child(ren)), as defined in the Plan and Trust documents, may examine MOUs at the Trust Office. In addition, Beneficiaries may obtain copies of the MOUs upon written request to the Trust Office. The Trustees may impose a reasonable charge to cover the cost of providing copies of the MOUs. Beneficiaries may wish to inquire as to the amount of the charges before requesting copies.

10.2 What is the source of contributions to the Trust and method used for the accumulation of assets?

Contributions to this Plan must be non-elective, i.e., required by an MOU or other Special Agreement. They may be employer and/or employee contributions. They are transferred by the participating employers, based on the Memorandum of Understanding(s) with the participating Association(s), and by employees. Further, under certain limited circumstances, Beneficiaries may make COBRA self-payment contributions.

Contributions are received by and held in trust by the Trust and are invested with the assistance of a professional investment manager, utilizing investment policies and methods consistent with objectives of this Plan and Employee Retirement Income Security Act of 1974 (ERISA) requirements.

**PART 11
LEGAL RIGHTS**

11.1 What is the name and address of the agent for service of process?

Each member of the Board of Trustees is an agent for purposes of accepting service of legal process on behalf of the Plan. Service of legal process may be made upon a Trustee or the Trust Office.

11.2 What are my legal rights under the applicable federal statutes?

A. Family Medical Leave Act

Please contact the Trust Office and/or your Employer if you would like to take advantage of your right to self-pay contributions under the Family and Medical

**Medical Expense Reimbursement Plan
PORAC Retiree Medical Trust**

Leave Act (“FMLA”). An Employee will be eligible to self-pay under FMLA for one of the following reasons:

- ❖ For the birth and care of a newborn child of the Employee
- ❖ Placement with the Employee of a child for adoption or foster care
- ❖ To care for an immediate family member (spouse, child, or parent) with a serious health condition
- ❖ To take medical leave when the Employee is unable to work because of a serious health condition

B. Uniformed Services Employment and Reemployment Rights Act (USERRA)

Please contact the Trust Office if you are a veteran leaving to, or returning from active duty and would like to take advantage of your right to self-pay contributions under USERRA.

C. Consolidated Omnibus Budget Reconciliation Act (COBRA)

For a description of your rights under COBRA, please see the General COBRA Notice, provided at the end of this Summary Plan Description. Also, if you would like to request a copy of the General COBRA Notice, please contact the Trust Office

D. Qualified Medical Child Support Order (QMCSO)

Beneficiaries can obtain, without charge, a copy of such procedures governing the determination of QMSCO contact the Trust Office.

E. Important Information: Statement of Legal Rights

❖ Rights of Plan Participants. Beneficiaries of the PORAC Retiree Medical Trust are entitled to certain rights and protection under the federal Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

- Examine without charge at the Plan Administrator’s office and at other specified locations, such as worksites and union halls, all documents governing this Plan, including MOUs, insurance contracts and a copy of the latest annual report filed by the Plan with the U.S. Department of Labor, and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain upon written request to the Plan Administrator, copies of documents governing the operation of this Plan, including insurance contracts, collective bargaining agreements, a copy of the latest annual report, and an updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.

SUMMARY PLAN DESCRIPTION

- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each enrollee with a copy of this summary annual report.
- If there is a cessation of contributions to the Plan as a result of a COBRA qualifying event, you or your dependents may have to continue such contributions by self-payment. Review the General COBRA Notice and the Plan, Sections 2.2(d) and 2.2(e), for rules governing your COBRA continuation coverage rights.

❖ Prudent Actions by Plan Fiduciaries. In addition to creating rights for Trust beneficiaries, ERISA imposes obligations upon the persons who are responsible for the operation of this employee welfare benefit plan.

These persons who operate your Plan and Trust are called "fiduciaries" in the law. Fiduciaries must act solely in the interest of the Plan Beneficiaries and they must exercise reasonable prudence in the performance of their Plan and Trust duties. Fiduciaries who violate ERISA may be removed and required to make good any losses they have caused the Trust. No one, including an employer, may fire or otherwise discriminate against members to prevent them from obtaining a welfare benefit or exercising their rights under ERISA.

❖ Enforce Your Rights. If a claim for a welfare benefit is denied or ignored, in whole or in part, Beneficiaries have a right to know why this was done, obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA there are steps that can be taken to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within thirty (30) days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court after exhausting the Plan's administrative procedures. If a Plan fiduciary misuses the Plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if the court finds your claim to be frivolous.

❖ Assistance with Your Questions. If you have any questions about this Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed

**Medical Expense Reimbursement Plan
PORAC Retiree Medical Trust**

in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W. Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at (866) 444-EBSA (3272).

❖ Privacy Rights. The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires special precautions of health benefit plans to protect the privacy of “protected health information.” In the course of providing benefit to you under this Plan, the Trust Office may acquire protected health information. Accordingly, the Plan has developed procedures to restrict access to protected health information to persons who need to know it in order to process, complete, or administer the Plan benefits. If you would like more details about your privacy rights or a copy of the Privacy Notice, please contact the Trust Office.

Internal Revenue Service Circular 230 Disclosure:

As provided for in Treasury regulations, advice (if any) relating to federal taxes that is contained in this communication (including attachments) is not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code or (2) promoting, marketing or recommending to another party any plan or arrangement addressed

COBRA GENERAL NOTICE

Medical Expense Reimbursement Plan of the PORAC Retiree Medical Trust

<< IMPORTANT COBRA INFORMATION >>

THIS COBRA INFORMATION WILL INFORM YOU OF YOUR RIGHTS AND OBLIGATIONS UNDER COBRA. YOU AND YOUR SPOUSE SHOULD TAKE THE TIME TO READ THIS CAREFULLY.

Under this type of health plan, i.e., a retiree medical expense reimbursement plan, COBRA benefits mean the right to continue contributions to the Trust, in order to obtain certain Plan benefits after retirement. This Plan gives the Employee (or family member) the right to self-pay contributions into the Trust, which were formerly paid pursuant to a collective bargaining agreement or other special agreement while the Employee was working. If you have questions regarding the eligibility requirements under the Plan, or are in doubt about the application of COBRA under this Plan, please contact the Trust Office.

It is important to note that the type of continuation coverage under this Plan is unusual. Under this Plan, self-paid contributions (if sufficient, as explained below) would entitle the Qualified Beneficiary to reimbursement of a portion of your health premium or medical expense costs after retirement,⁴ rather than health benefits immediately following active employment. That is, this Plan is for retiree health benefits, not benefits soon after termination of active employment.

- 1. COBRA Generally.** You are a participant in the “Medical Expense Reimbursement Plan” (hereafter the “Plan”) of the PORAC Retiree Medical Trust (hereafter the “Trust”), which provides reimbursement towards certain medical expenses, as defined in the Plan, after retirement. Continued participation in any health plan is a right governed by a federal law called the Consolidated Omnibus Budget Reconciliation Act of 1985, commonly known as “COBRA.”⁵

THIS NOTICE GENERALLY EXPLAINS YOUR RIGHTS AND OBLIGATIONS UNDER COBRA, WHEN THE RIGHT TO SELF-PAYMENT OF CONTRIBUTIONS UNDER COBRA MAY BECOME AVAILABLE TO YOU AND WHAT YOU NEED TO DO TO PROTECT YOUR RIGHT TO MAKE COBRA SELF-PAYMENTS. YOU AND YOUR SPOUSE SHOULD TAKE THE TIME TO READ THIS CAREFULLY.

⁴ In a typical health plan, the COBRA right entitles the Employee to self-pay contributions to continue to receive health coverage immediately following loss of employment. In contrast, this Plan does not pay coverage to terminated Employees until retirement. The Plan accepts contributions during active employment, which are held by the Trust and will be used by Employees to purchase health coverage after retirement. In the event of the Employee’s death, payments to the Surviving Spouse will commence the month after the Eligible Retiree died.

⁵ Public Law 99-272, Title X

**Medical Expense Reimbursement Plan
PORAC Retiree Medical Trust**

2. COBRA Coverage Means the Right to Self-Pay Continued Contributions to Plan for Benefits After Retirement.

A. The Application of COBRA to this Plan. Under this Plan, COBRA continuation coverage is the right to continue contributions to the Trust by self-payment, when contributions to the Trust would otherwise have ceased because of a certain life event known as a “Qualifying Event.” After a Qualifying Event, the Plan must offer each person who is a “Qualified Beneficiary” the COBRA right to self-pay contributions, which were formerly being forwarded pursuant to a collective bargaining agreement or special agreement. By offering a Qualified Beneficiary this right, generally, the Plan is offering that individual the ability to increase his or her benefits from the Plan in one of three ways:

- (i) The ability to meet the eligibility requirement to receive a lifetime⁶ monthly reimbursement benefit from the Plan, which he/she may not otherwise have been able to meet (see **Section 2(B)** below);
- (ii) To augment their monthly benefit, if the person had already met the eligibility requirement; and/or
- (iii) To augment the balance in the participant’s Employee Account in the Plan.

You, your spouse, and your dependent children could become Qualified Beneficiaries if contributions to the Trust on behalf of the covered employee cease due to a Qualifying Event.

B. Plan Eligibility Requirements. To be eligible to receive the monthly lifetime⁷ medical expense reimbursement benefits (subject to Plan rules) after retirement, this Plan requires that the Employee earn 10 years of Active Service as defined in Section 2.2 of the Plan. (This requirement is reduced to five years if you were an Employee⁸ at the time that your Association started participation in the Plan.) Therefore, making COBRA self-payments could make you eligible, depending on how many years of Active Service you have earned at the time of the Qualifying Event.

Further, since the Plan also provides for a gradually increasing level of benefits based on the number of years of your contributions, you may be able to increase your monthly benefit level if you make additional contributions. It is important for you to determine whether making these additional contributions makes sense in your particular situation. If you choose to continue making contributions to this Plan, the number of your self-pay contributions is limited to the number allowed by COBRA, as stated in **Section 7** below.

⁶ The Plan is currently written to provide benefits for most Retirees until death. However, this is not guaranteed. The Trustees reserve the right to modify or terminate benefits as necessary to preserve the financial soundness of the Plan.

⁷ See footnote 6.

⁸ All capitalized terms are defined in the Plan.

COBRA GENERAL NOTICE

Finally, if you cannot become eligible for the monthly lifetime⁹ benefits, your contributions are recorded separately in an Employee Account, which you can access upon separation from employment. (Note that under this circumstance, you might be making contributions at the same time you are making withdrawals from your Employee Account.)

We urge you to consult with your personal tax advisor on this matter. Note that contributions will be made with ‘after-tax dollars’.

C. Consequence of Non-Election. If you do not choose to continue contributing to this Plan and have not earned 10 years (or five years, if applicable under Plan Section 2.1) of Active Service, you will be eligible to receive reimbursement benefits limited to the balance credited to your Employee Account.

D. Widowed spouses and dependent children. Widowed spouses and dependent children may also have the right to continue self-payment under certain circumstances. Contact the Trust Office at the address in **Section 5** below for details.

3. Qualifying Events and Qualified Beneficiaries.

A. An Employee as a Qualified Beneficiary. If you are an **Employee**, you will become a Qualified Beneficiary and have the right to self-pay contributions, if contributions to the Trust on your behalf cease due to any of the following “Qualifying Events”:

- i) Termination of Employment. Your employment is terminated for any reason other than gross misconduct; or
- ii) Reduction of Work Hours. Your hours of employment are reduced.

Either of these Qualifying Events generally gives you the right to continue self-payment of contributions to this Plan.

B. The Spouse as a Qualified Beneficiary. If you are the **spouse of an Employee** covered by this Plan, you will become a Qualified Beneficiary and may have the right to self-pay contributions for yourself if contributions to the Trust on your spouse’s behalf cease due to any of the following “Qualifying Events”,¹⁰ and provided that the Employee does not elect to self-pay contributions under COBRA*:

- i) Spouse’s Death. The death of your spouse; or
- ii) Termination of Spouse’s Employment. Termination of your spouse’s employment (for reasons other than gross misconduct); or
- iii) Reduction of Spouse’s Work Hours. A reduction in your spouse’s hours of employment.

⁹ 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.

¹⁰ Some health plans recognize the following Qualifying Events: 1) your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both) and 2) you become divorced or legally separated from your spouse. However, due to the structure of this plan, these are not recognized Qualifying Events.

**Medical Expense Reimbursement Plan
PORAC Retiree Medical Trust**

*Note: Only one member of a family may make self-payment contributions in this type of health plan. If there are multiple Qualified Beneficiaries, for example a former employee and a spouse, you should confer together and decide whether electing to make COBRA self-pay contributions makes sense in your case, and which of you will make the election. It is important to note that due to the nature of this type of Plan, you do not each have independent rights to elect self-payment. This means that only one Qualified Beneficiary can self-pay.

C. A Dependent Child as a Qualified Beneficiary. If you are a **Dependent child of an Employee** covered by this Plan, you may become a Qualified Beneficiary and have rights to self-pay contribution to this Plan if contributions to the Trust on your parent's behalf cease due to any of the following Qualifying Events, and provided that the Employee parent or spouse does not elect to self-pay contributions under COBRA*:

- i) Death of Parent. The death of the parent who is the Employee; or
- ii) Termination of Parent's Employment. The termination of that parent's employment (for reasons other than gross misconduct); or
- iii) Reduction of Parent's Work Hours. A reduction in the parent's hours of employment, where neither the employee parent nor spouse elect to self-pay contributions under COBRA; or
- iv) Loss of Dependent Status. The child stops being eligible for benefits under the Plan as a "dependent child."¹¹

*See "Note" under **Section 3(B)** above.

4. Notification of Qualifying Event.

A. Employer's Notification Responsibility. The Plan will offer the COBRA option to self-pay contributions to Qualified Beneficiaries only after the Plan Administrator has been notified that a Qualifying Event has occurred. When the Qualifying Event is the termination of employment, reduction of hours of employment, or death of the employee your **employer** has the obligation to notify the Plan Administrator of the Qualifying Event. However, we urge the employee to also give notice to the Plan, in case the employer fails to do so.

B. Qualified Beneficiary's Notification Responsibility. Under COBRA, the **Employee or a family member has the responsibility** to provide written notice, within the time limits described in **Section 4(C)** below, to the Trust Office of the occurrence of any of the following Qualifying Events:

The child of a covered employee loses dependent status under this Plan; the occurrence of a second Qualifying Event after a Qualified Beneficiary has become entitled to self-pay contributions under COBRA for a maximum period of eighteen (18) months (or twenty-nine (29) months in the case of a disability, as described in **Section 6** below); a Qualified Beneficiary is determined by the Social Security Administration to be disabled at any time prior to or during the first sixty (60) days of

¹¹ Under this Plan, this Qualifying Event can only be utilized as a second Qualifying Event. For example, the covered parent dies (1st Qualifying Event), and subsequently the dependent child "ages out" and is no longer eligible because he/she no longer qualifies for dependent status.

COBRA GENERAL NOTICE

self-payment contributions; or a Qualified Beneficiary, who was determined as disabled is subsequently determined by the Social Security Administration as no longer disabled.

C. Timing Requirements for Qualified Beneficiaries to Notify the Trust Office of Qualifying Events.

i) Qualifying Events Other Than Disability. The period of time for providing notice to the Trust Office for the Qualifying Events of loss of dependent status or the occurrence of a second Qualifying Event, is **sixty (60) days after** the latest of:

- a) *Qualifying Event.* The date that the Qualifying Event occurs; or
- b) *Contributions to the Trust Cease.* The date that contributions to the Trust cease or should cease as a result of the Qualifying Event; or
- c) *The Date you Receive Notice.* The date that you are informed through this Notice of your responsibility to provide notice to the Trust Office and the Plan's procedures for providing such notice (see **Section 5** below).

ii) Qualifying Event of Disability. The period of time for providing notice to the Trust Office of a disability determination is **sixty (60) days after** the latest of the following events (but no later than the end of the first eighteen (18) months period of self-payment contributions):

- a) *Determination by Social Security Administration.* The date of the disability determination by the Social Security Administration;
- b) *Disability.* The date that the disability occurs;
- c) *Contributions to the Trust Cease.* The date that contributions to the Trust cease or should cease as a result of the Qualifying Event; or
- d) *The Date you Receive Notice.* The date that you are informed through this Notice of your responsibility to provide notice to the Trust Office and the Plan's procedures for providing such notice (see **Section 5** below).

iii) Change of Disability Status. The period of time for providing notice to the Trust Office of a change in disability is **thirty (30) days after** the latest of:

- a) *Determination by Social Security Administration.* The date the Social Security Administration determines that you are no longer disabled; or
- b) *Notice of Responsibility and Procedure.* The date on which you are informed through this Notice of the responsibility to provide notice and the Plan's procedures for providing notice to the Trust Office (see **Section 5** below)

5. Procedures for Notifying Plan of Qualifying Event. Subject to the time limits in **Section 4(C)** above, a Qualified Beneficiary must provide written notice of the Qualifying Event(s), described in **Section 4(B)** above, to the Trust Office by either first class mail or facsimile (fax). The contact information for the Trust Office is as follows:

**Medical Expense Reimbursement Plan
PORAC Retiree Medical Trust**

PORAC Retiree Medical Trust
C/o Delta Health Systems
Attn: Ms. Cindi Forbes
555 W. Benjamin Holt Dr., Ste. 320
Stockton, CA 95207
Fax: (209) 955-4190

The notice of the Qualifying Event should include:

- A. Identifying Information of the Employee and Qualified Beneficiary. The name and social security number of the Employee and of the Qualified Beneficiary;
- B. Contact Information of the Filing Beneficiary. The current address and phone number of the Qualified Beneficiary who is filing the notice; and
- C. Information Relating to the Qualifying Event. The nature of the Qualifying Event and the date on which the Qualifying Event occurred.

When the Trust is notified that one of these Qualifying Events has occurred, it will, in turn, notify you about details concerning your election to continue your contributions to the Trust for the right to receive future benefits.

6. Maximum Length of COBRA Payments. Once you have elected to take advantage of your COBRA right to self-pay contributions, your initial payment is due within forty-five (45) days of your election. Subsequent periodic payments must be made on a monthly basis and are due on the first of each month, but no later than thirty (30) days following the first of the month. **You will not receive monthly reminders that payment is due.**

- A. First Qualifying Event. COBRA continuation coverage is a temporary continuation of self-payment of contributions.
 - i) 18 month period. When the Qualifying Event is a termination of employment or reduction in hours of employment, the law requires that you be given the opportunity to self-pay contributions for eighteen (18) months.
 - ii) 36 month period. When the Qualifying Event is death of the covered employee or a dependent child losing dependent status, the COBRA law requires that you be given the opportunity to continue to make contributions to the Trust by self-payment for thirty-six (36) months (three years).
- B. Second Qualifying Event Extension (18 month extension of the initial 18 month period). If a second Qualifying Event, other than termination of employment, occurs during the eighteen (18) month period of self-payment of contributions, the Plan beneficiaries may be eligible to receive an extension of up to eighteen (18) months of self-payment contributions, for a maximum of thirty-six (36) months. See **Sections 4 and 5** relating to notification requirements and procedure in the case of a second Qualifying Event.
- C. Disability Extension (11 month extension of the initial 18 month period). If a Qualified Beneficiary under the Plan is determined by the Social Security Administration to be disabled, the

COBRA GENERAL NOTICE

Plan beneficiaries may be eligible to self-pay for an additional eleven (11) months, for a total of twenty-nine (29) months. The disability would have to have started at some time before the 60th day of the COBRA self-payment contributions and must last at least until the end of the 18-month period of self-payment contributions. See **Sections 4 and 5** relating to notification requirements and procedure in the case of disability.

Please note the cost you pay for the additional eleven (11) months maybe approximately 50% higher than the amount the first eighteen (18) months if the self-payment contributions include a disabled beneficiary and the extension of period for self-payment contributions would not be available in the absence of a disability.

7. Termination of COBRA Payments. The COBRA law provides that your right to continue COBRA payments may be terminated prior to the full self-payment period – eighteen (18), twenty-nine (29), or thirty-six (36) months – for any of the following reasons:

- A. The Trust no longer maintains the Plan;
- B. Your employer no longer contributes to the Plan on behalf of employees;
- C. The monthly self-pay contribution to the Trust under COBRA is not paid timely;
- D. There has been a final determination that you are no longer disabled if you qualified to make an extra eleven (11) months of self-pay contributions based on disability.

You do not have to show that you are insurable to choose continued participation.

8. Refund of Contributions Erroneously Paid. Any self-paid contributions to the Plan made and accepted in error, shall be refunded to you by the Plan Administrator and shall not confer upon you any rights under the Plan if it is determined that you are ineligible to self-pay contributions. Any Active Service granted based on an erroneous contribution will be rescinded.

9. Questions about COBRA. If you have any questions about the Plan or your COBRA continuation self-payment rights, you should contact the Trust Office at the address and/or phone number appearing below.

PORAC Retiree Medical Trust
C/o Delta Health Systems
Attn: Ms. Cindi Forbes
555 W. Benjamin Holt Dr., Ste. 320
Stockton, CA 95207
Phone: (800) 700-6762

For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa.

10. Address Changes. In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in marital status or address of yourself and family members. Send all address changes to the Trust Office address stated in **Section 9** above. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

SUMMARY PLAN DESCRIPTION

Medical Expense Reimbursement Plan of the PORAC Retiree Medical Trust

APPENDIX A: EXAMPLES MONTHLY BENEFIT LEVEL CALCULATIONS

\$50 monthly contribution = 1 Active Service Unit
Unit Multiplier, effective May 18, 2010 = \$0.67*

Example #1 – 6 years in Trust: An Association has a contribution rate of \$100/month, and Employee Jones participates for two years (or 24 months) at that level. Then the Association increases the contribution rate to \$150/month, and Jones participates for four 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 \$0.67 = \$128.64

Example #2 – 13 years in Trust: An Association selects a contribution rate of \$100/month, and Employee Jones participates for seven years (or 84 months) at that level. Then the Association increases the contribution rate to \$200/month, and Jones participates for five 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 = 168 Active Service Units

4 Active Service Units x 60 months = 240 Active Service Units

Total = 408 Active Service Units

Step 3: Multiply number Active Service Units by Unit Multiplier.

Monthly Benefit Amount: 408 x \$0.67 = \$273.36

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

ATTACHMENT A
SUMMARY PLAN DESCRIPTION

Example #3 – Career Employee – 25 years in Trust: An Association selects a contribution rate of \$100/month, and Employee Jones participates for seven 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.

$$\text{\$100/month} = 2 \text{ Active Service Units/ Month}$$

$$\text{\$200/month} = 4 \text{ Active Service Units/ Month}$$

Step 2: Find number Active Service Units.

$$2 \text{ Active Service Units} \times 84 \text{ months} = 168 \text{ Active Service Units}$$

$$4 \text{ Active Service Units} \times 216 \text{ months} = 864 \text{ Active Service Units}$$

$$\text{Total} = 1032 \text{ Active Service Units}$$

Step 3: Multiply number Active Service Units by Unit Multiplier.

Monthly Benefit Amount: $1032 \times \$0.67 = \691.44

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: Delta Health Systems (800) 700-6762.