



TO: All Participants in the Retiree Medical Expense Reimbursement Plan of the Community College Employees Benefit Trust

FROM: Board of Trustees, Community College Employees Benefit Trust

RE: **Changes to Plan:** Increased Benefit Amount; Individual Benefit Levels Increased for Each Month of Active Service; Active Service for Faculty Contracts; Beneficiary Claims Priority (Plan Amendment No. 13)

DATE: November 1, 2017

This letter contains important information about your rights and benefits under the Restated Retiree Medical Expense Reimbursement Plan (“Plan”) of the Community College Employees Benefit Trust (“Trust”). Please file it with your important documents.

CHANGES TO THE PLAN

The Board of Trustees recently adopted Amendment No. 13 to the Plan. The highlights are as follows:

- Benefit Amount Increased. Effective for Covered Expenses incurred by a Beneficiary on or after September 1, 2017, the Board of Trustees raised the general Benefit Amount from \$440 to \$460 per month. Your individual Benefit Level is a percentage of this Benefit Amount. If you have 25 years of Active Service in the Plan, then you will receive 100% of the Benefit Amount. If you have less than 25 years of Active Service when you retire, then you will receive a benefit level that is lower than the Benefit Amount. Also, if you have more than 25 years, then you will receive a benefit level that is more than the Benefit Amount. (See the next section for changes to the graduated Benefit Levels)
- Individual Benefit Levels Calculated According to Each Month of Active Service. Prior to Amendment No. 13, your individual Benefit Level increased from the Minimum Benefit Level for each *full year* of Active Service above the minimum required for eligibility. Effective for Covered Expenses incurred on or after September 1, 2017, your individual Benefit Level will increase slightly for *each additional full month* of Active Service in the Plan. The new formula for your individual Benefit Level is as follows:

$$\text{Individual Benefit Level} = \text{Minimum Benefit Level} + [(\text{Number of Additional Full Months Active Service} \times 0.025 \div 12) \times \text{Benefit Amount}]$$

Note: The Minimum Benefit Level varies depending upon your hire date because Employees hired on or after July 1, 2014, need 10 years of Active Service for eligibility and have a higher Minimum Benefit Level than Employees hired before July 1, 2014, with a minimum of only 5 years of Active Service. See Plan Section 3.2(b) for details.

- Active Service Clarified for Faculty Contracts. The Board of Trustees clarified the calculation of Active Service for faculty in order to account for the fact that faculty are paid their full annual salary over a 10-month contract period, as opposed to 12 months for other employees. Therefore, Amendment No. 13 clarifies that faculty shall receive 6 months of Active Service for completion of a semester contract. If a faculty member does not complete the semester contract, his/her Active Service will be prorated accordingly. This change will be effective retroactive to the start of the Plan on July 1, 2004.

- Authority to Make Claims under this Plan. Amendment No. 13 makes clear that the Eligible Retiree, and not his or her Beneficiaries, has the exclusive right to make claims for benefits during his or her lifetime. The Eligible Retiree may submit claims for reimbursement of Covered Expenses incurred by other Beneficiaries, such as his or her legal spouse and Children, and payment of those claims is limited by the Eligible Retiree's monthly Benefit Level, i.e., claims paid for all Beneficiaries may not exceed the Eligible Retiree's monthly Benefit Level. After the Eligible Retiree's death, only the Surviving Spouse may submit claims for benefits. The Surviving Spouse may submit claims for Covered Expenses incurred by the Children of the deceased Eligible Retiree, and payment of those claims is limited by the Surviving Spouse's monthly Benefit Level, i.e., claims paid for all Beneficiaries may not exceed the Surviving Spouse's monthly Benefit Level. If there is no Surviving Spouse or the Surviving Spouse has not attained the eligibility age, then the Children may submit their own claims to the Trust Office.

If you have any questions about Plan Amendment No. 13, or would like a copy of the Summary Plan Description or the full Plan, please call the Trust Office, Delta Fund Administrators, Phone: (800) 700-6762.

Please keep this Summary of Material Modifications with your Summary Plan Description for future reference.

NOTE: This Notice serves as the Summary of Material Modifications, as required by Employee Retirement Income Security Act of 1974 (ERISA), and as such, is designed to explain recent changes made to the Retiree Medical Expense Reimbursement Plan. However, it does not provide all the details and limitations of the Plan. Exact specifications are provided in the "Second Restated Medical Expense Reimbursement Plan of the Community College Employees Benefit Trust," restated effective August 1, 2015, and as amended thereafter, which will prevail in case of conflict with this Notice.