

AMENDMENT TO THE ADOPTION AGREEMENT FOR THE EMERITI HEALTH PLAN FOR ST. MARY'S COLLEGE OF CALIFORNIA

Name of Plan Sponsor: St. Mary's College of California

Federal Employer ID#: 94-1156599

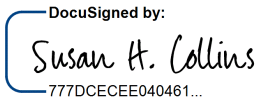
Plan Number: 625

This Amendment shall be effective as of April 1, 2022, or as soon as administratively feasible after that (and only if accepted by Emeriti below).

The Plan Sponsor amends the Emeriti Health Plan Adoption Agreement as described below:

Pursuant to the attached Resolution of the Board of Trustees Schedule D of the Adoption Agreement is replaced by the attached Schedule D.

FOR THE PLAN SPONSOR

Signature:  777DCECEE040461...

Name: Susan H. Collins

Title: Vice President for Finance & Administration

Date: 3/21/2022

ACCEPTED BY EMERITI

Signature:  5651754C3EB14EE...

Name: Roger Montgomery

Title: Chief Operating Officer & Vice President

Date: 3/21/2022

**SAINT MARY'S COLLEGE OF CALIFORNIA
RESOLUTION OF THE BOARD OF TRUSTEES**

Authorization to Amend the Emeriti Program

(Proposed by Finance Committee)

March 10, 2022

Background:

WHEREAS, the Board of Trustees of Saint Mary's College of California ("**Board**") approved the implementation of the Emeriti Retiree Health Plan ("**Emeriti Plan**") for Saint Mary's College of California ("Saint Mary's") effective July 1, 2007, with the most recent amended and restated Adoption Agreement being dated as of May 2016;

WHEREAS, the Emeriti Plan includes a transition benefit formula in Schedule D of the Adoption Agreement ("**Schedule D**") that calculates the Project Five-Year contribution to an eligible employee's Employer VEBA Trust account based on Saint Mary's employee-only cost of medical and dental plan coverage;

WHEREAS, the calculation is used to determine how much additional funding may be needed to ensure that upon retirement by an eligible employee, the value of the eligible employee's Employer VEBA Trust account is not less than the value of the Projected Five-Year contribution;

WHEREAS, the current formula used to determine the Projected Five-Year contribution does not adapt to changing market conditions;

WHEREAS, the Vice President of Finance and Administration, Susan Collins, in consultation with the Finance Committee, has proposed a revised formula to replace the existing formula used to determine the Projected Five-Year contribution currently found in Schedule D; and

WHEREAS, the revised formula uses market data as of the time of the eligible employee's retirement resulting in a formula that better reflects the true Projected Five-Year health care costs leading to a more transparent, easily-understood transition benefit determination; and

WHEREAS, the revised Schedule D attached as Exhibit A ("**Revised Schedule D**"), which includes the revised Projected Five-Year contribution calculation effective for those retiring after March 31, 2022, has been reviewed and considered by the Board; and

WHEREAS, the Board, having discussed the proposed Revised Schedule D, finds it prudent to amend the Emeriti Plan Adoption Agreement by replacing the current Schedule D with the Revised Schedule D.

Resolution:

BE IT RESOLVED that the Board authorizes and approves the amendment of the Emeriti Retirement Health Plan Adoption Agreement such that the current Schedule D to the Adoption Agreement is replaced in its entirety with the Revised Schedule D; and

BE IT FURTHER RESOLVED, that the President and/or Vice President for Finance and Administration are hereby authorized and directed to execute each and every document and to take any necessary action to effect the purpose of this Resolution, including but not limited to delivering to Emeriti one or more counterparts of any required amended documents.

EXHIBIT A

**SCHEDULE D- FUTURE AGE-IN RETIREES ELIGIBLE
FOR THE EMERITI MEDICAL INSURANCE**

Describe below (or on a separate attached sheet) the rules applicable to transitional support – e.g., employees eligible for transitional Employer Contributions, amount of Transitional Employer Contributions, and the schedule for making transitional Employer Contributions:

A: An Eligible Employee hired prior to July 1, 2007, who is under 65 years old as of the date of retirement, and who:

- (i) has completed fifteen (15) or more Years of full-time Continuous Service at the College,
- (ii) has attained age fifty-five (55) at retirement, and
- (iii) makes the written election to participate, described in Schedule A of this Adoption Agreement,

shall receive transitional support if the balance of the Employer-Contribution Account for said employee, calculated at the time of retirement, is not at least equal to the Projected Five-Year Contribution described below. The amount of transitional support shall be the amount necessary, if any, to bring the balance of the Eligible Employee's Employer Contribution Account at the time of Retirement to equal the amount of the Projected Five-Year Contribution.

The Projected Five-Year Contribution is the sum of two amounts, the Projected Five-Year Contribution for Medical Benefits and the Projected Five-Year Contribution for Dental Benefits, determined as follows:

- (1) If the Eligible Employee retires on or after March 31, 2022:
 - a. Sixty (60) months of contributions at the current Weighted Average Cost of the College's employee-only monthly contribution rate for its medical plans this shall be the "Baseline Medical Contribution". The Baseline Medical Contribution will be adjusted by the average three (3) year change in the Weighted Average Cost ("Medical Escalation Factor"). The Medical Escalation Factor will be used to adjust the Baseline Medical Contribution commencing with the first month of a new plan year following termination and repeated for each subsequent twelve month period thereafter until a total of sixty (60) months of contributions have been calculated; plus,
 - b. Sixty (60) months of contributions at the current Weighted Average Cost of the College's employee-only monthly contribution rate for its dental benefit plans("Baseline Dental Contribution"). The Baseline Dental Contribution will be adjusted by the average three (3) year change in the Weighted Average Cost. ("Dental Escalation Factor"). The Dental Escalation Factor will be applied in the same manner as the Medical Escalation Factor in paragraph (1) above.

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- (2) If the Eligible Employee retired on or after July 1, 2020 and before March 31, 2022:
- a. Sixty (60) months of contributions at: either the arithmetic mean of the College's current employee-only monthly contribution rate associated with the Eligible Employee's medical plan in which the Eligible Employee was enrolled during the five (5) years preceding the Eligible Employee's termination if the Eligible Employee moved between plans within such period; or the College's employee-only monthly contribution rate associated with the Eligible Employee's then current medical plan in which the Eligible Employee is enrolled at the time of termination and has been within the same plan continuously over the prior five (5) years; in either case, this shall be the "Baseline Medical Contribution". The Baseline Medical Contribution will be adjusted by a factor based upon the arithmetic mean of the Eligible Employee's then current health benefit plan cost change over the prior three years ("Medical Escalation Factor"). The Medical Escalation Factor will be used to adjust the Baseline Medical Contribution commencing with the first month of a new plan year following termination and repeated for each subsequent twelve month period thereafter until a total of sixty (60) months of contributions have been calculated; plus,
 - b. Sixty (60) months of contributions at the College's employee-only monthly contribution for the Eligible Employee's dental benefit plan in which the Eligible Employee is enrolled at the time of the Eligible Employee's termination ("Baseline Dental Contribution"), adjust by a factor based upon the arithmetic mean of the Eligible Employee's dental benefit plan cost changes over the prior three (3) years ("Dental Escalation Factor"). The Dental Escalation Factor will be applied in the same manner as the Medical Escalation Factor in paragraph (1) above.

Notwithstanding the foregoing, the transition benefit formula applied to an Eligible Employee who retires under the age of 65, but who will attain age 65 at any point during the first sixty (60) months of retirement, shall be calculated using a combination of the formula reflected in paragraph A(1)(a) or A(2)(a) above and B(1)(a) or B(2)(a) below, as applicable. In particular, the Baseline Medical Contribution and Escalation Factor used for each month post retirement wherein the Eligible employee does not qualify for Medicare benefits due to insufficient age, shall be the Baseline Contribution and Escalation Factor as described in A(1)(a) or A(2)(a) above; and the Baseline Post-65 Contribution and Escalation Factor used for each month post retirement wherein the Eligible Employee is old enough to qualify for Medicare benefits, shall be the Post-65 Medicare Baseline Contribution and Escalation Factor calculated in B(1)(a) or B(2)(a) below, the combination of which may not exceed a period of sixty (60) total months. Furthermore, the Post-65 Medicare Baseline Contribution calculated at the time of termination

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will be adjusted by the Escalation Factor consistent with the period during which Medicare eligibility is anticipated to commence.

B: An Eligible Employee hired prior to July 1, 2007, who has attained 65 years of age as of the date of retirement, and who:

- (i) has completed fifteen (15) or more Years of full-time Continuous Service at the College, and
- (ii) makes the written election to participate, described in Schedule A of this Adoption Agreement,

shall receive transitional support if the balance of the Employer-Contribution Account for said employee, calculated at the time of retirement, is not at least equal to the Projected Five-Year Contribution described below. The amount of transitional support shall be the amount necessary, if any, to bring the balance of the Eligible Employee's Employer Contribution Account at the time of Retirement to equal the amount of the Projected Five-Year Contribution.

The Projected Five-Year Contribution is the sum of two amounts, the Projected Five-Year Contribution for Medical Benefits and the Projected Five-Year Contribution for Dental Benefits, determined as follows:

(1) If the Eligible Employee retires on or after March 31, 2022:

- a. The current standard monthly premium of Medicare Part B, Group 1, Non-Tobacco, Supplemental Plan G (or its equivalent) median rate as available through three prevalent plan providers in Contra Costa County as of the date of the Eligible Employee's termination, plus the arithmetic mean of the prescription drug plan Part D offered by those same three plans available in Contra Costa County ("Baseline Post-65 Contribution Rate"), adjusted by a factor based upon the arithmetic mean of the Plan G cost changes over the prior three (3) years ("Post 65 Medical Escalation Factor"). The Post 65 Medical Escalation Factor will be used to adjust the Baseline Post 65 Medical Contribution commencing with the first month of a new plan year following termination and repeated for each subsequent twelve month period thereafter until a total of sixty (60) months of contributions have been calculated; plus
- b. Sixty (60) months of contributions at the current Weighted Average Cost of the College's employee-only monthly contribution rate for its dental benefit plans ("Baseline Dental Contribution"). The Baseline Dental Contribution will be adjusted by the average three (3) year change in the Weighted Average Cost ("Dental Escalation Factor"). The Dental Escalation Factor will be applied in the same manner as the Post 65 Medical Escalation Factor in paragraph (1) above.

(2) If the Eligible Employee retired on or after July 1, 2020, and before March 31, 2022:

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- a. The arithmetic mean of the Medicare Part B, Group 1, Non-Tobacco, Supplemental Plan G (or its equivalent) median rate as available through three prevalent plan providers in Contra Costa County as of the date of the Eligible Employee's termination, plus the arithmetic mean of the prescription drug plan Part D offered by those same three plans available in Contra Costa County ("Baseline Post-65 Contribution Rate"), adjusted by a factor based upon the arithmetic mean of the Plan G cost changes over the prior three (3) years ("Post 65 Medical Escalation Factor"). The Post 65 Medical Escalation Factor will be used to adjust the Baseline Post 65 Medical Contribution commencing with the first month of a new plan year following termination and repeated for each subsequent twelve month period thereafter until a total of sixty (60) months of contributions have been calculated; plus
- b. Sixty (60) months of contributions at the College's employee-only monthly contribution for the Eligible Employee's dental benefit plan in which the Eligible Employee is enrolled at the time of the Eligible Employee's termination ("Baseline Dental Contribution"), adjust by a factor based upon the arithmetic mean of the College's dental benefit plan cost changes over the prior three (3) years ("Dental Escalation Factor"). The Dental Escalation Factor will be applied in the same manner as the Post 65 Medical Escalation Factor in paragraph (1) above.

D: For all retirees described in this Schedule, the election to participate in the Emeriti Program, as described on Schedule A of the Adoption Agreement, must be fully executed and delivered to the Associate Vice President and Chief Human Resources Officer for the College prior to the time and date specified for such an election on Schedule A. The Associate Vice President and Chief Human Resources Officer must accept the election as complete.

E: The transitional benefit shall be contributed to the employee's account within 30 days of the employee's date of retirement.

Note: With respect to transition contributions, the Plan Sponsor represents that it has consulted with its own legal counsel, has performed necessary nondiscrimination testing at its own expense, and assumes full responsibility for its transition contribution design.