

TO: All Employees and Beneficiaries of the Retiree Health Benefit Plan of the Research Organizations Retiree Medical Trust

FROM: Board of Trustees, Research Organizations Retiree Medical Trust

RE: **Changes to Plan:** Prohibition on Assignment of Rights; Cost of QDROs and QMCSOs; No Purchase of Active Service (Amendment No. 2 to the Retiree Health Benefit Plan)

DATE: July 1, 2017

The Board of Trustees recently amended the Retiree Health Benefit Plan (“Plan”) of the Research Organizations Retiree Medical Trust (“Trust”), i.e., the Trust established to operate the retiree health plan of the San Jose State University Research Foundation. This notice contains important information about your rights and benefits under the Plan. Please file it with your important documents. These are highlights of the Amendment:

- **Assignment of benefits and rights prohibited.** The Trustees have amended the Plan to protect your rights and benefits under the Plan from your creditors, e.g., insurance providers owed premium payments, medical providers owed for services, or other general creditors that you owe. Also, you will not be able to assign your rights under the Plan to anyone else. This Plan will only pay premiums for a Plan Beneficiary; the Plan will not pay your benefits to any other entity or individual.
- **Cost of Divorce Orders, etc.** If you get divorced, part of the settlement might be the division of your benefit from this Plan between you and your former spouse. This Amendment allows the Trust to charge costs of determining whether the divorce decree meets legal requirements on this subject, i.e., whether it satisfies the legal requirements for a “qualified domestic relations order.” The Amendment includes the same rule regarding charging the administrative costs of a medical child support order to the Plan participant or beneficiary.
- **Minimum Active Service Requirement Must Be Attained Prior to Separation from Employment.** Eligibility for retiree health benefits requires a minimum number of years of Active Service with the Foundation. For employees hired before July 1, 2008, five years of Active Service is required; for employees hired on or after July 1, 2008, ten years is required. Amendment No. 2 makes clear that there is currently no right to purchase additional Active Service after separation from employment under COBRA or any other applicable law.

All of the above-listed Plan changes will be effective on September 1, 2017.

If you have any questions about the Plan changes or need a copy of the full Plan or Plan Amendment No. 2, please call Holly Wischler at the Trust Office, Benefit Solutions, Inc., Phone: (206) 859-2688.

NOTE: This Notice is designed to explain recent changes made to the Retiree Health Benefit Plan. However, this Notice does not provide all the details and limitations of the Plan. Exact specifications are provided in the “Retiree Health Benefit Plan of the Research Organizations Retiree Medical Trust, effective January 1, 2011” (12/20/2010 Ed.), and as amended thereafter, which will prevail in case of a conflict with this Notice.