

# **RETIREE MEDICAL PLAN OF THE SANTA MONICA POLICE OFFICERS' ASSOCIATION REIMBURSEMENT TRUST**

Administered By: Benefit Programs Administration  
Telephone (562) 463-5050 • FAX (562) 463-5993

## **Summary of Material Modifications to the Summary Plan Description dated July 1, 2016 (Please review this notice and keep it with your SPD).**

Dear Fellow Trust Members,

As you are aware, the Retiree Plan of the Santa Monica Police Officers' Association Reimbursement Trust (Plan) issued its Summary Plan Description (SPD) earlier this summer. Since then, the Trustees have revised the Plan as reflected in the enclosed Amendment no. 3. Please keep the SPD, all Plan Amendments (including no. 3), and this Summary of Material Modification (SMM) together, so that they can be read as a whole.

First, effective January 1, 2017, the Plan will reimburse eligible retirees an amount not to exceed twelve (12) times their Monthly Reimbursement Amount for the Premiums, i.e., contributions to health care plans and for other qualifying medical expenses, which are incurred in a calendar year. These Monthly Reimbursement Amounts will be paid quarterly in (or for) the calendar year when the date of service occurred. The Annual Reimbursement Amount is only allowed where Premiums (as defined in section 1.16 of the Plan Document) are paid sporadically during a calendar year.

For example, if your maximum Monthly Reimbursement Amount is \$200 per month (\$2,400 annually), and your quarterly expenses are \$150 in January, \$250 in February and \$350 in March; totaling \$750 for the quarter, you will be reimbursed \$600 for the quarter under the new Plan rule. Assuming your expenses follow this pattern for the rest of the calendar year, you will be reimbursed up to \$2,400 annually under the new rule. Also note that if you pre-pay Premiums in December 2016 for the 2017 year, you will be reimbursed for those Premiums on a quarterly basis up to your maximum Annual Reimbursement Amount for the 2017 year.

Amendment no. 3 also clarifies the definition of "Dependent" to include stepchildren, provided they are under the age of 26 at the time of the Employee's or Retiree's death. Further, section 3.4(b) is modified to reflect that Child Dependents (as defined in section 1.7(a)) may only be covered up through age 26 under the Plan.

As always, maintaining the viability and efficiency of the Plan is a top priority. As such, the Trustees reserve the right, in their sole discretion, and at any time and from time to time, to make any changes to the Plan.

We appreciate your continued support.

Sincerely,

Board of Trustees

Enclosure – Amendment No. 3