FOOTHILL-DE ANZA RETIREE BENEFIT PLAN
FOR EMPLOYEES HIRED
ON OR AFTER JULY 1, 1997

SUMMARY PLAN DESCRIPTION

(Effective January 1, 2016)

Only the full Board of Trustees is authorized to interpret the Plan. The Board has discretion to decide all questions about the Plan. No individual trustee, employer, union representative or other person has authority to interpret this Plan on behalf of the Board or to act as an agent of the Board.

The Board has authorized United Administrative Services, the Plan's Third Party Administrator, to respond in writing to your written questions. If you have a question about your benefits, you should write to Unites Administrative Services for a definitive answer. See page 4 of this booklet for United Administrative Services' address. To obtain an accurate answer, you will need to provide complete and accurate information about your situation.

As a courtesy to you, United Administrative Services may also respond informally to oral questions. Oral information and answers are not binding upon the Board and cannot be relied on in any dispute concerning your benefits.

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INTRODUCTION

This booklet is the Summary Plan Description ("SPD") of the Foothill-De Anza Retiree Benefit Plan for Employees Hired On or After July 1, 1997 ("the Plan"). The Plan is sponsored and administered by a joint Board of Trustees consisting of Employee Trustees appointed by the Faculty Association, the Association of Classified Employees, the California School Employees Association, and Teamsters Local 287; and Employer Trustees appointed by the Foothill-De Anza Community College District ("the District").

The purpose of the Plan is to reimburse qualified former employees of the District ("Eligible Persons") for monthly Basic Medicare Insurance Premiums up to the amount of the maximum monthly Basic Medicare Insurance Premium reimbursement amount established by the Board of Trustees.

The summary that follows is provided for your convenience and is not intended to differ from the formal Plan text, the Trust Agreement, or any Memorandum of Understanding (collectively, the "Plan documents"). If there is any apparent difference between this summary and the Plan Documents, the Plan Documents govern. All of the rules of the Plan are subject to modification by the Board of Trustees. Any amendments to the formal Plan text, which are adopted by the Board of Trustees after the publication of this booklet, supersede the summary in this booklet.

See Appendix A for a list of the defined terms used in this Summary Plan Description.

QUESTIONS AND ANSWERS

Q-1. What is the Purpose of this Plan?

The purpose of this Plan is to reimburse Eligible Persons as defined in Q-2 for monthly Basic Medicare Insurance Premiums up to the maximum monthly Basic Medicare Insurance Premium reimbursement amount established by the Board of Trustees. At the time of publication of this booklet that amount is $100.

Q-2. Who can Participate in the Plan?

You are an Eligible Person and may participate in this Plan if all of the following requirements are met:

(1) You are a former employee of the District who was hired on or after July 1, 1997; and, during your period(s) of employment, you rendered service to the District at least half-time as a contract or regular employee in a position for which you were eligible to enroll in District active health coverage for 15 years or more of continuous service prior to your retirement;

(2) You separated from employment as a contract or regular employee in any position for which you are eligible to enroll in District active health coverage, regardless of whether you have yet retired as a service retirement or disability retirement annuitant of the State Teachers Retirement System or the Public Employees Retirement System; and

(3) You have provided evidence that you are eligible for Medicare coverage, have enrolled in and begun receiving Medicare coverage, have paid a premium for Medicare coverage, and must not be receiving reimbursement for that Medicare premium from any other source.

Q-3. What is Continuous Service?

Continuous service is the period of time for which you are employed at Foothill De-Anza Community College District without a break in service. Any approved leave of absence, reduced service or professional development leave that you take will not be considered a break in service, and will not affect your continuous service.

Q-4. How Does The Plan Work?

The Plan will provide a reimbursement toward monthly Basic Medicare Insurance Premium paid by you. The amount of the reimbursement will be equal to the lesser of your monthly Basic Medicare Insurance Premium or the Plan's maximum reimbursement amount.

The Plan's maximum reimbursement amount will be set annually by the Board of Trustees. The amount will be the same for every Participant, regardless of former job title or compensation class. The Plan's maximum reimbursement amount is currently equal to $100 per month for the 2016 Plan Year.

Reimbursements are paid out of the Plan's commingled general assets. As a Participant, you do not have an individual account in your name, and you have no vested rights to benefits under the Plan. There are no employee contributions to this Plan. The Plan is funded by contributions as provided for under a Memorandum of Understanding, and investment income when available.

Q-5. What is the Process for Reimbursement?

To receive a reimbursement you will need to provide proof of your enrollment in Medicare Part A and B and proof of payment of your Medicare Insurance Premium to the Trust Fund Office as outlined below. The Plan will issue reimbursements on a quarterly basis. Payments from the Trust Fund Office will be made in the month following the end of the quarter for the Medicare Insurance Premiums incurred during the quarter (for example you will receive payment in April for your January, February and March premiums). Payments will be issued by paper checks or

by direct deposit. If you choose to be reimbursed by direct deposit, you must fill out the required form providing the necessary information. You may contact the Trust Fund Office for the required form.

Q-6. When do I Need to Submit Proof of my Medicare Insurance Premium?

You must provide proof of the amount of your monthly Medicare Insurance Premium to the Trust Fund Office when you first enroll in Medicare, and annually by January 31st after that. Please note, if you provide proof of the amount of your Medicare Insurance Premium after the annual January 31st deadline, you risk not being entitled to reimbursement for that quarter's premium payments. Proof of the amount of your Medicare Insurance Premium due annually by January 31st is considered late if received by the Trust Fund Office after February 15th (for example, if you provide your proof of the amount of your Medicare Insurance Premium on February 16th, then you will not be reimbursed for your premium payments incurred for January, February and March).

Q-7. What Proof do I Need to Submit?

Proof of your Medicare Insurance Premium will include:

- a copy of your Notice of Medicare Premium Payment Due (CMS 500),
- your annual Social Security Benefit Rate Change Notice from Social Security with the amount of your Medicare premium deduction for the coming year,
- Medicare I.D. Card showing your enrollment effective date for Medicare Part B,
- evidence that the premium has been deducted from your social security payment,
- if you are not receiving Social Security benefits, then evidence you paid the Medicare Insurance Premium, or
- other documentation acceptable to the Board of Trustees.

Q-8. When will Participation in the Plan Terminate?

Your participation in the Plan will terminate at the following times:

- When you return to work as a contract or regular employee in a position for which you are eligible to enroll in District active health coverage;
- If you fail to provide the required proof of your Medicare Insurance Premium;
- Upon your death; or
- On the day the Plan is terminated.

Q-9. Will the Plan Pay a Lifetime Benefit at the Current Level?

There is no guarantee that benefits will continue, or that benefits will continue at any particular level.

PLAN INFORMATION

Plan Name: Foothill-De Anza Retiree Benefit Plan for Employees Hired On or After July 1, 1997.

Type of Plan: This plan is offered by a voluntary employees' beneficiary association under Internal Revenue Code § 501(c)(9). It is a governmental plan within the meaning of section 3(32) of ERISA, that is exempt from ERISA

Plan Number: 001

Employer Identification Number: 47-3000476

Plan Administrator: The Plan is administered by a joint Board of Trustees consisting of Employee Trustees appointed by the following unions: the Faculty Association, the Association of Classified Employees, the California School Employees Association, and Teamsters Local 287; and Employer Trustees appointed by the Foothill-De Anza Community College District. The Board of Trustees is assisted in the administration of the Plan by United Administrative Services (UAS).

Address of Plan Administrator: The address and telephone of the Board of Trustees and the Trust Fund Office are:

United Administrative Services
6800 Santa Teresa Blvd., Suite 100
San Jose, CA 95119
(408) 288-4400

Plan Sponsor: The Plan is sponsored by the Board of Trustees of the VEBA Trust for Retirees of FHDA.

Board of Trustees: The current members of the Board are:

Labor Trustees

Gracian Lecue
Foothill-De Anza Community College District
12345 El Monte Road
Los Altos Hills, CA 94022

Management Trustees

Marietta Harris
Foothill-De Anza Community College District
12345 El Monte Road
Los Altos Hills, CA 94022

Christine Mangiameli
Foothill-De Anza Community College District
12345 El Monte Road
Los Altos Hills, CA 94022

Kevin McElroy
Foothill-De Anza Community College District
12345 El Monte Road
Los Altos Hills, CA 94022

Lisa Markus
Foothill-De Anza Community College District
12345 El Monte Road
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Dorene Novotny
Foothill-De Anza Community College District
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George Robles
Foothill-De Anza Community College District
12345 El Monte Road
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Raquel Puentes-Griffith
Foothill-De Anza Community College District
12345 El Monte Road
Los Altos Hills, CA 94022

Pam Grey
Foothill-De Anza Community College District
12345 El Monte Road
Los Altos Hills, CA 94022

Plan Year: January 1st through December 31st

Agent for Service of Legal Process:
Raphael Shannon Kraw
Kraw Law Group
605 Ellis Street, Suite 200
Mountain View, CA 94043
(650) 314-7800

Legal process may also be served on any Trustee at his or her regular place of business or on the Trust Fund Office.

Plan Consultant and Actuary:
Wang Li
Rael & Letson
378 Vintage Park Drive
Foster City, CA 94404

Plan Auditor:
Tom Perry-Smith, Jen Aras
Crowe Horwath
400 Capitol Mall, Suite 1400
Sacramento, CA 95814

Plan Funding: The Plan is funded entirely by employer contributions.

The reserve assets of the fund are held in trust by U. S. Bank.

Obtaining Copies of Plan Documents: The following documents are available for examination or copying from the Trust Fund Office:

- Foothill-De Anza Retiree Benefit Plan for Employees Hired On or After July 1, 1997 Formal Plan Text

There may be a charge for copies of any document.

APPENDIX A: DEFINITIONS

“ACE” means the Association of Classified Employees.

“Assets” means any money that is under the control of the Board of Trustees pursuant to the Trust Agreement or any Memoranda of Understanding.

“Board" or “Board of Trustees” means the persons appointed by the Parties to manage the operation and administration, and receive, hold, invest, and distribute the assets of the Plan, acting under the provisions of this Plan or the Trust Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contributions” means any payments made, or required to be made, to the Trust Fund by the District pursuant to a Memorandum of Understanding.

“CSEA” means the California School Employees Association.

“District” means the Foothill-De Anza Community College District.

“Eligible Person” means a person defined in Article IV, Section A, of the formal Plan text.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“FA” means the Faculty Association.

“Medicare Insurance Premium” means the expense incurred by a Participant for Medicare Part B premiums as billed by Medicare on a "Notice of Medicare Premium Payment Due" (CMS-500), or as deducted from the Participant’s Social Security benefit.

“Memorandum of Understanding” or “MOU” means any written agreement between a Union or the Unions, and the District, as defined in the Educational Employment Relations Act, as amended (Cal. Govt. Code section 3540, *et seq.)* which sets forth the terms of employment of employees, including wages, fringe benefits, hours or Contribution amounts to be paid by the Employer, employees, or both to the Trust.

“Participant” means a person defined in Article IV, Section A, of the formal Plan text.

“Parties” means the District, ACE, CSEA, FA, and Teamsters.

“Teamsters” means Teamsters Local 287.

"Third Party Administrator" means the entity or entities with which the Board of Trustees may, from time to time, contract for administrative services to be provided to the Trust and the Plan(s).

"Trust" means the VEBA Trust for Retirees of FHDA established by the Trust Agreement as amended.

"Trust Agreement" means the agreement establishing the Trust, and any modifications, amendments, extensions or renewals thereof.

"Trustee" means a member of the Board of Trustees of the Trust.

"Trust Fund" means the assets of the Trust of whatever kind of nature and description.

"Trust Fund Office" means the office of the Third Party Administrator employed by the Plan.

"Union" means any of ACE, CSEA, FA, and Teamsters. "Unions" means, collectively, ACE, CSEA, FA, and Teamsters.

"VEBA" means a tax-exempt Voluntary Employees' Beneficiary Association, described in section 501(c)(9) of the Code, which provides for the payment of life sickness, accident, or other benefits to its members and their dependents. This Plan is intended to be a VEBA within the meaning of section 501(c)(9) of the Code.

APPENDIX B: CLAIMS AND APPEALS PROCEDURE

A. General Rules

Any dispute as to eligibility for benefits from the Plan shall be resolved by the Board under and pursuant to this Plan and the Trust Agreement. The procedures specified in this Section shall be the sole and exclusive procedures available to any such individual who is dissatisfied with a benefit award, or who is adversely affected by any action of the Trustees, the Trust Fund Office or any other Plan fiduciary.

B. Claims Procedure

Any Participant or duly authorized representative may file a claim for benefits from the Plan to which the claimant believes he is entitled. Such a claim must be in writing and delivered to the Trust Fund Office. Within ninety (90) days after receipt of such claim, the Third Party Administrator will send to the claimant notice of the granting or denying, in whole or in part, of such claim. If special circumstances require an extension of time for processing the claim, the claimant will be given written notice to this effect. In no case will the extension exceed ninety (90) days from the end of the initial claim period. If a notice of denial of the claim is not furnished to the claimant, the claim will be deemed denied, and the claimant will be permitted to exercise the right to appeal. The notice of denial of the claim for benefits will be in writing and set forth in a manner calculated to be understood by the claimant the following information:

(a) Specific reason or reasons for the denial; and

(b) Description of any additional material or information necessary for the claimant to perfect the claim; and

(c) An explanation of why such material is necessary.

C. Appeals Procedure

Within ninety (90) days after the receipt by the claimant of written notification of the denial, in whole or in part, of Participant's claim, the claimant or duly authorized representative may make a written application to the Trust Fund Office requesting a review of such denial.

Upon request for review, the Board of Trustees will make a prompt decision on the review matter. The decision on such review will be written in a manner calculated to be understood by the claimant and will include specific reasons for the decision and specific references to the pertinent plan provision on which the decision was based. The decision upon review will be made not later than ninety (90) days after the Trust Fund Office's receipt of the request for

review, unless special circumstances require an extension of time for processing, in which case a decision will be rendered no later than one hundred twenty (120) days after receipt of a request for review. If an extension is necessary, the claimant will be given written notice of the extension prior to the expiration of the initial ninety (90) day period. If notice of the decision on review is not furnished, the claim will be deemed denied.