

**AMENDMENT NO. 16
TO THE
MEDICAL EXPENSE REIMBURSEMENT PLAN
OF THE
BURBANK EMPLOYEES RETIREE MEDICAL TRUST**

The Board of Trustees of the Burbank Employees Retiree Medical Trust (“Trust”) does hereby amend the “Medical Expense Reimbursement Plan, restated effective August 1, 2019,” and as amended thereafter (the “Plan”), as follows. This Amendment shall be effective immediately.

1. Definition of Actuarial Equivalence. The following definition is added as Section 1.2 and the remaining Sections of Article I are renumbered and references adjusted accordingly, effective immediately:

“1.2 **“Actuarially Equivalent”** means an actuarial calculation based on a discount rate of 5.5% and a mortality assumption based on the CalPERS 1997-2015 mortality table, with mortality projected fully generational with Scale MP-2019.”

2. Definition of Beneficiary. The definition of Beneficiary in renumbered Section 1.4 is revised to read as follows, to add an Alternate Payee:

“1.4 **“Beneficiary”** means an Eligible Retiree, his or her lawful spouse, and the Eligible Retiree’s Children; an Eligible Retiree’s Surviving Spouse and Surviving Children, an Alternate Payee under a QDRO, but not to include any spouse of the Alternate Payee. A **“Regular Beneficiary”** is a person who has become eligible for monthly benefits by meeting the requirements in Section 2.1(a) hereof. An **“Account Beneficiary”** is a person who has become eligible for benefits from an Employee Account by meeting the requirements in Section 2.1(b) hereof.”

3. Definition of QDRO. The following sentence is added at the end of renumbered Section 1.21:

“A domestic relations order will not be treated as a QDRO until the Trust Office determines that it is a QDRO.”

4. Survivor Benefits for Alternate Payees. Subsection 3.2(b) “Surviving Spouses and Children” shall be revised by adding the following sentence at the end of the Subsection:

“There shall be no survivor benefits for the family or dependents of an Alternate Payee on the death of the Alternate Payee, except that the Children from the marriage of the Eligible Retiree and Alternate Payee shall continue to have Surviving Child benefits calculated based upon the Benefit Level of the Alternate Payee, which shall commence as stated in Section 3.3(c) hereof.”

5. Monthly Benefit of Alternate Payees Under QDROs. Section 3.2, “Personal Benefit Levels for Regular Beneficiaries,” is revised by adding the following subsection (d):

“(d) Alternate Payees Under QDROs. The monthly Personal Benefit Level for an Alternate Payee pursuant to a QDRO will be determined as described in this section. A QDRO may award an Alternate Payee a portion of the Employee’s Personal Benefit Level and corresponding Contribution Credits.

(1) Designation of Portion of Benefit Level and Actuarial Adjustment. A QDRO may designate a fixed amount or a percentage of the Employee’s or Eligible Retiree’s Personal Benefit Level earned during the marital period, as defined in the QDRO, to the Alternate Payee. No other method of division of the Employee’s or Eligible Retiree’s monthly benefit shall be permitted. The Trust Office, in consultation with the Plan’s actuary, shall convert the Personal Benefit Level thus designated for the Alternate Payee into an Actuarially Equivalent calculation of the Personal Benefit Level of the Alternate Payee, based on the Alternate Payee’s age and the month that commencement of benefits is first available to the Alternate Payee.

(2) Modification of Alternate Payee Benefit Level. The Benefit Level of the Alternate Payee shall change from time to time, based on changes to the General Benefit Amount and otherwise, in the same manner and percentage as the Employee’s or Eligible Retiree’s monthly benefit changes. These changes may occur before or after the commencement of benefit payments to the Alternate Payee.”

6. Commencement of Benefits to Alternate Payees under QDROs. Section 3.3, “Commencement of Benefits for Regular Beneficiaries,” is revised by adding Subsection 3.3(d) as follows:

“(d) Alternate Payee. An Alternate Payee, pursuant to a QDRO, may commence receiving benefits at a time specified in the QDRO, but no earlier than the earliest date the Employee would be eligible to begin receiving benefits, if the Employee ceased employment with the participating employer on such date. The Surviving Children of the marriage of the Eligible Retiree and Alternate Payee shall commence receiving benefits based on the Alternate Payee’s benefit level starting the month after the death of the Alternate Payee.”

7. Termination of Benefits to Alternate Payees Under QDROs. Section 3.4, “Termination of Benefits,” is revised by renumbering Section 3.4(c) to Section 3.4(d); and adding the following subsection 3.4(c):

“(c) Alternate Payees under QDROs. The benefits for an Alternate Payee under a QDRO shall terminate on the first of the month following the date of the Alternate Payee’s death. An Alternate Payee’s benefit shall not be suspended if the Employee on whom it is based returns to employment with a Participating Employer.”

8. Employee Account Benefit of Alternate Payees Under QDROs. Section 3.5, “Benefits from Employee Accounts for Account Beneficiaries,” is revised by renumbering the current Subsection (f) “Modification of Rules” as Subsection (g) and adding the phrase “, including Alternate Payees” at the end of the renumbered Subsection (g). A new subsection (f) is added as follows:

“(f) Alternate Payee Under QDRO with Employee Account. If ordered in the QDRO, the Trust Office shall establish an Employee Account in the name of the Alternate Payee, and transfer the percentage of the Employee Account balance from the Employee or Eligible Retiree’s Employee Account to that account, as specified in a QDRO. The provisions of this Section 3.5 shall apply to the Employee Account of the Alternate Payee as follows:

(1) Commencement of Benefits From Employee Account. Benefit payments for reimbursement of Covered Expenses from the Employee Account may commence on the date designated in the QDRO.

(2) Surviving Beneficiaries. There shall be no survivor benefits for the family or dependents of an Alternate Payee on the death of the Alternate Payee, except that the Children from the marriage of the Eligible Retiree and Alternate Payee shall continue to have Surviving Child benefits to the balance of the Employee Account of the Alternate Payee, as long as they continue to meet the definition of Surviving Child in Section 1.5 hereof.

(3) Termination of Benefits From Employee Account. Benefits from the Employee Account will terminate when the Employee Account balance of the Alternate Payee reaches zero, or on the date of death of the Alternate Payee, if there are no Surviving Children, whichever is earlier.”

9. Alternate Payee Authority to Submit Claims for Children. Section 3.6(d) is revised by adding a new Subsection 3.6(d)(6) as follows:

“(6) An Alternate Payee shall have authority to submit claims for Covered Expenses of Children from the marriage of Eligible Retiree and Alternate Payee.”

10. Alternate Payees Under QDROs. Section 5.5, the title of the Section is revised to read “Divorce Court Orders: QDRO and QMCSO Review Costs and Procedures,” and the text of the Section is revised by adding the following new first sentence ahead of the existing first sentence:

“The Trustees shall adopt reasonable procedures for accepting, evaluating, approving, and administering QDROs and QMCSOs.”

Adopted at a Board of Trustees meeting on August 4, 2020, and effective immediately.

**For the BOARD OF TRUSTEES
BURBANK EMPLOYEES RETIREE MEDICAL TRUST**



Trustee

Robert Kaczmarek

Print name



Trustee

Theresa Kaczmarek

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