SUMMARY PLAN DESCRIPTION
OF THE
CALIFORNIA TEACHERS ASSOCIATION
EMPLOYEES' RETIREMENT BENEFITS PLAN

INTRODUCTION

The Board of Trustees of the California Teachers Association Employees' Retirement Benefits Plan has prepared this revised Summary Plan Description ("SPD") to provide you with a summary description of your Retirement Plan. Frequently asked questions, with answers to guide you to the portion of the SPD where you can find the answers, appear on pages 30-34 below. The Plan is designed to provide retirement benefits to employees who qualify and for whom contributions have been made to the Plan. The Plan is administered by a joint Board of Trustees, half of the voting power being held by persons appointed by the California Teachers Association and the other half by persons appointed by the California Associate Staff and the California Staff Organization.

This revised SPD describes your rights under the Plan (or the predecessor Plan, called the "California Teachers Association Staff Retirement Plan" (the "*Prior Plan*")) if you are employed by a Participating Employer under the Plan (or the Prior Plan) on or after January 1, 2021. Different rules may apply to persons whose employment (i) was covered under the Plan and terminated prior to January 1, 2021, or (ii) was covered under the Prior Plan and terminated prior to January 1, 1996. More detailed information concerning the prior rules can be obtained from the Plan Office.

The most important provisions of the Plan are summarized in this SPD as accurately as possible. However, if there are any differences between this SPD and the official Plan (or Prior Plan) documents, the official documents will apply.

To inquire about your right to any particular benefit, contact the Plan Office at the address or telephone number shown on the last page of this SPD. Although the Trustees, union business representatives, and other persons familiar with the Plan may be able to answer certain questions for you, the Plan cannot be bound by any incorrect information they may give. ***Only questions directed to the Plan Office, and answered by the Board of Trustees in writing, can result in binding answers, and then only if you have furnished full and accurate information concerning all relevant aspects*** of ***your situation.***

The Plan was established to provide you with benefits that are in addition to your Social Security benefits and your other sources of retirement income. The Plan and the Prior Plan were identical in all essential respects when the Prior Plan was merged into this Plan. All benefits payable under the Prior Plan are now payable from a Trust which funds the benefits provided under both Plans.

We urge you and your family to read the booklet carefully.

Board of Trustees
January 1, 2021

BRIEF SUMMARY OF
MAJOR PLAN PROVISIONS

The California Teachers Association Employees' Retirement Benefits Plan (the "*Plan*") is a multiemployer defined benefit pension plan, and the trust that holds the Plan's assets is a joint labor-management trust. Both are governed and operated in accordance with federal and state law and applicable collective bargaining agreements. The full requirements of law and relevant terms from applicable collective bargaining agreements are set forth in the formal Plan document[1] and its related trust agreement. This SPD provides an overview of major provisions of the Plan. Only eligible employees for whom contributions have been made by a Participating Employer and who have earned at least five (5) Years of Vested Service Credit or attained age 65 while employed by a Participating Employer are eligible for benefits from this Plan (or the Prior Plan). Lists of the Participating Employers (as of January 1, 2021) and those Employers that participated prior to January 1, 2021 but have ceased participating in the Plan appear in Section I.A below.

CONTRIBUTIONS

Contributions to the Plan are made by the Participating Employers in amounts determined by the Board of Trustees and in accordance with applicable collective bargaining agreements. However, employees of some Participating Employers were required to pay part of the cost of the Plan. Such contributions are called "Member Required Contributions."[2]

MEMBERSHIP RULES

If you are a "regular," permanent employee, your membership commences with the month in which your employment begins. However, prior to January 1, 2008, some Participating Employers required a two-month waiting period.

If you are a temporary employee, special rules apply. See Section I.C.2 below for details.

VESTING AND BREAK-IN-SERVICE RULES

You are credited with one Year of Vesting Service for each calendar year during which you earn at least 1,000 Hours of Service. If you are paid on a semi-monthly basis, you are credited with 95 Hours for each payroll period. If you are paid on a monthly basis, you are credited with 190 Hours for each month. Once you accumulate five (5) Years of Vesting Service, you are Vested.

You will lose your accrued Years of Vesting Service and all other rights under the Plan (and the Prior Plan) if you have five (5) consecutive One-Year Breaks-in-Service before you become Vested. A One-Year Break-in-Service will occur if you earn less than 501 Hours of Service in a calendar year.

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1 Copies of this document, entitled the California Teachers Association Employees' Retirement Benefits Plan, and the Prior Plan document, entitled The California Teachers Association Staff Retirement Plan, are available from the Plan Office.

2 Each Participating Employer whose employees were required to make member Required Contributions is identified by a footnote ([6]) in the lists in Section I.A below.

RETIREMENT AGES FOR VESTED MEMBERS

Retirement Incentive Benefit Age:	Age 50
Earliest Unreduced Retirement Age:	Age 60
Normal Retirement Age:	Age 65
Disability Retirement Age:	(no age requirement)
Required Benefits Age, Effective January 1, 2020:	April 1 of the year after the year you attain age 72
Benefits Commencement Age for Terminated Vested Participants	65

RETIREMENT BENEFITS

The basic amount of your monthly benefit is determined by multiplying your Years of Credited Benefit Service times 3% of your Monthly Compensation.

Your Years of Credited Benefit Service are based upon the period of your eligible employment by any Participating Employer. For salaried employees, your Monthly Compensation is your compensation for the full month of Credited Benefit Service in which your compensation was the highest. For hourly employees, your Monthly Compensation is the amount paid to you for the total number of hours worked during any Plan Year divided by the number of months worked during that Plan Year, using the Plan Year that will produce the highest Monthly Compensation. See Section IV.A.1 below for more detailed rules and exceptions.

Retirement Incentive Benefits are retirement benefits that begin at or after age 50 and before age 55, for benefits earned prior to January 1, 2021, or age 60, for benefits earned after January 1, 2021.[3] They are reduced to take account of the fact that your benefits will be paid over a longer period of time. Tables showing how the reductions work appear in Section IV.B below.

METHOD OF PAYMENT

You may elect to receive the full monthly benefit described above for life, or you may elect to receive a Joint and Survivor Lifetime Benefit option to provide benefits after your death to your eligible designated beneficiary, including an eligible designated domestic partner. If you elect a Joint and Survivor Lifetime Benefit option, the monthly Benefit amount is subject to actuarial reduction to provide a 50%, 75% or 100% continuation of benefits to your eligible designated beneficiary. Except when the Plan is in "critical status" under applicable funding rules in the Internal Revenue Code, a Social Security adjustment option is also available. See Section VI.B.4 below for details.

DEATH BENEFITS

Spouses of married members who are Vested and who die before retirement age are protected in accordance with federal law. A surviving spouse will receive a survivor benefit which is the amount the member would have received had the member retired and elected the 100% Joint and Survivor Lifetime Benefit option before death. This provides a lifetime benefit continuation to the deceased member's surviving spouse or eligible designated domestic partner. If death occurs before benefits have started but after a One-Year Break in Service, the deceased member's surviving spouse will receive a survivor benefit under the 50% (rather than the 100%) Joint and Survivor Lifetime Benefit option.

If a member has made Member-Required Contributions, his or her estate or designated beneficiary(ies) will receive a death benefit equal to at least the amount of the member's Accumulated Member-Required Contributions under the Plan (or the Prior Plan) that remained unpaid upon the member's death.[3]

DISABILITY BENEFITS

If you are Vested and qualify as a totally and permanently Disabled member, you may elect to retire and receive Disability Benefits at any age. If you do not elect to receive Disability Benefits, the amount of your Retirement Benefit will increase during the period of time you are totally and permanently disabled and not receiving Disability Benefits. You may choose to retire on a Disability Retirement at any age, or you may wait until you elect to retire.

RENEWED MEMBERSHIP

Various special rules apply if your employment with all Participating Employers terminates and you are subsequently rehired by a Participating Employer.

IMPORTANT INFORMATION TO AVOID LOSS OF BENEFITS

To avoid loss of benefits, consider the following precautions.

1. Whenever you are considering a decision which might affect your rights under the Plan and are uncertain of what the effect will be (or, even if you think you know the effect, but just want to be sure), ask the Plan Office.

2. Whenever the Plan Office gives you specific information concerning your own benefits, promptly report any errors in that information to the Plan Office.

3. If you are considering terminating employment, check to be certain that your benefits for that employment have Vested. If your employment with all Participating Employers terminates before you are Vested, you can lose your accrued benefits.

4. File an application for benefits as soon as you know that you are going to retire (but no sooner than 90 days before your retirement date). You may lose benefits if you delay filing an application for benefits until after the day that you intend to retire.

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[3] Although most employees hired since September 1, 1977 will not have made any Member-Required Contributions, some members employed before that date may have an Accumulated Member-Required Contribution account even though such contributions may no longer be required. No Participating Employer that joined the Plan after December 31, 1998 is permitted to require its Eligible Employees to make Member-Required Contributions.

5. If you choose to delay receiving any retirement benefits for which you are eligible after your employment has terminated, your eligibility for retiree health benefits under the CTA Employees' Health and Welfare Benefits Trust may be adversely affected.

6. If you are totally and permanently disabled, be sure to provide a copy of your Social Security award of disability or proof of eligibility for benefits under your employer's long-term disability plan no later than 60 days of the date it was issued.

7. Once you have retired, check with the Plan Office before returning to work with a Participating Employer to determine if and when your benefit payments will be suspended.

8. Always keep the Plan Office informed of any change in your address after you retire or your employment otherwise terminates. Failure to do so may result in benefit payment delays.

GENERAL INFORMATION

NAME OF PLAN: The name of the Plan is:

CALIFORNIA TEACHERS ASSOCIATION
EMPLOYEES' RETIREMENT BENEFITS PLAN

- **Type of Plan**: This is a multiemployer defined benefit pension plan providing benefits to members who satisfy the Plan's eligibility requirements and retire or whose employment otherwise terminates after becoming Vested. Death benefits may also be provided in some cases.

- **Plan Trustees**: The Plan is governed by a joint Board of Trustees appointed by the California Teachers Association and its unions - the California Associate Staff and the California Staff Organization. A list of the Trustees as of January 1, 2021 appears near the end of this SPD.

- **Plan Administrator**: The official Plan Administrator is the Board of Trustees, composed of both employee and employer representatives. Its name, address (which is the official Plan Office), telephone number, employer identification number ("EIN"), and the plan number ("PN") are as follows:

Name:	Board of Trustees of California Teachers Association Employees' Retirement Benefits Plan
Mailing Address of Board and Plan Office:	BeneSys Administrators P.O. Box 154 San Ramon, CA 94583
Physical Address of Plan Office:	BeneSys Administrators 7180 Koll Center Parkway, Suite 200 Pleasanton, CA 94566
Telephone:	(925) 208-2277
Toll Free:	(833) 265-2277
Fax:	(925) 395-4101
Plan Website:	www.CTApension.org

Employer Identification and Plan Numbers: EIN: 68-0427229; PN: 001

- **Agent for Service of Legal Process:** Legal process may be served on the Joint Board of Trustees at the Plan Office.

- **Type of Administration:** The Plan is administered by the Board of Trustees under a contract with the firm of BeneSys Administrators ("*BeneSys*").

- **Sponsoring Organizations:** The Plan is (and the Prior Plan was) maintained in accordance with collective bargaining agreements between the California Teachers Association (and various of its affiliates) and the California Associate Staff and/or the California Staff Organization. By writing to the Board of Trustees, Plan members and beneficiaries may determine whether a particular employer or union is a sponsor of the Plan and, if so, its address. They may also obtain or review a copy of the applicable collective bargaining agreement as described below.

- **Contributions:** Contributions to provide Plan benefits are paid by the Participating Employers in amounts determined by the Board of Trustees. However, employees of a small number of employers were required to pay part of the cost of the Plan, and such contributions are called "Member-Required Contributions."

- **Funding Medium for Accumulation of Assets:** All Plan benefits are provided directly from the Plan's assets, which are accumulated in a trust fund and invested in accordance with the Plan's Trust Agreement and held by a custodian bank designated by the Board of Trustees.

- **Fiscal Year:** The fiscal year of the Plan is the calendar year, and the Plan records are maintained on that basis.

DETAILED SUMMARY OF PLAN RULES

I. ELIGIBILITY RULES

A. Participating Employers.

All employees of the following Participating Employers are eligible to participate in the Plan once they meet the eligibility requirements set forth in Section I.C below:

	Participating Effective Dates	
Name of Participating Employer	*Beginning*[4]	*Ending*
California Teachers Association		
Alameda Education Association		5/15/20
Alhambra Education Association [5]	07/01/97	
Anaheim Educators Association	09/01/11	

[4] On or prior to January 1, 1989 or the date indicated below.

[5] Contributions for some or all employees are reported by these Participating Employers directly to the Trust Fund. Some contributions (and all contributions from other Participating Employers) are reported through the State Association's Payroll Services Group.

	Participating Effective Dates	
Name of Participating Employer	*Beginning*[4]	*Ending*
Alvord/Riverside/Colton UniServ		09/01/06
Associated Chino Teachers	09/01/03	
Associated Pomona Teachers		
Bakersfield Elementary Teachers Association		01/01/97
Blossom Ridge Teachers Professional Center		12/31/96
California Faculty Association [6]		10/31/92
Capistrano Unified Teachers Association	09/01/02	
Citrus Belt UniServ		
Compton Education Association [6]	06/01/96	5/1/15
De Anza Council		12/31/94
Eden UniServ		09/01/96
Educational Community Services, Inc. [6]		03/01/96
Educational Support Personnel of Oakland [6]		09/01/95
Educators Professional Center		
Fontana Teachers Association [6]		
Fremont Unified District Teachers Association		
Fresno Teachers Association [6]		
Garden Grove Education Association		
Glendale Burbank UniServ [6]	09/01/98	
Golden Oaks UniServ		05/01/90
Los Angeles County Education Association	03/01/99	5/15/19
Montebello Teachers Association		
Mt. Diablo Education Association		
Mt. Hamilton Council, CTA/NEA [6]		
Napa/Solano Education Council		08/31/01
NEA Jurpa	09/04/98	
North Orange County United Teachers		
Oakland Education Association [6]	09/01/89	09/01/92
Orange Unified Education Association [6]		
Oxnard Educators Association [6]	09/01/89	
Puente Hills UniServ [6]	05/01/89	
Rancho Cerritos	12/01/01	
Redlands Teachers Association [6]		
Rialto Education Association [6]		
Riverside City Teachers Association	09/01/06	
Sacramento City Teachers Association		
Saddleback Valley Educators Association	09/01/02	
San Bernardino Teachers Association		
San Diego Education Association [6]		
San Joaquin CTA Coordinating Council		
San Juan Teachers Association [6]	09/01/92	
Santa Ana Educators Association		
South Bay United Teachers		
South Orange County Educators		09/01/02
Stanislaus UniServ Unit		12/31/01
Stockton Teachers Association [6]		
Teachers Association of Long Beach [6]	01/01/92	
Teachers United UniServ		
Torrance Teachers Association [6]		
Tri-City Educators [2]		
Twin Lakes UniServ	09/01/01	

Name of Participating Employer	Participating Effective Dates Beginning[4]	Ending
United Educators of San Francisco [6] (excluding OPEIU bargaining unit except longest term employee as of September 18, 2008)	07/01/92	
United Teachers of Richmond [6]	09/01/91	
Vallejo Education Association	09/01/01	
Ventura U Employees Association [6]	04/25/92	05/01/02
Ventura Unified Educators Association		
Verdugo UniServ Unit	09/01/97	08/31/98
West Orange County United Teachers		

B. Member-Required Contributions

Plan members were once required to pay a portion of the cost of the Plan through payroll deductions, but these "*Member-Required Contributions*" are no longer required by any Participating Employer.

The total of a member's Member-Required Contributions at any time, with interest, is referred to as the member's "*Accumulated Member-Required Contributions*". Contributions made by Participating Employers on behalf of members (rather than by payroll deductions) are treated as employer contributions. They are *not* included in Accumulated Member-Required Contributions.

Member-Required Contributions were 3% of the first $350 of Monthly Compensation, and 6% of the excess over $350, excluding any overtime or bonus pay. (See Section IV.A.1 below for the definition of Monthly Compensation.) If such contributions were required in connection with your employment, you would not have become a Plan member until you signed an application form agreeing to Member-Required Contribution through payroll deductions.

C. When Membership Begins

1. **Members:** All Eligible Employees generally become members at the beginning of the calendar month in which they first perform an Hour of Service. However, prior to January 1, 2008, some Participating Employers had deferred their employees' eligibility for membership until the first day of the month after they completed two months of continuous employment. After 2007, no Participating Employer may defer an employee's eligibility under the old two-month rule. Special rules apply to membership for Retired Annuitants. See Section X.A below for detailed information.

   Employees in the following categories are not "*Eligible Employees*" and are not eligible for membership in the Plan:

   (a) Employees employed on a contract for service basis and not represented by a Union;

   (b) Employees employed as auxiliary staff and excluded from eligibility to participate in this Plan by the terms of the applicable collective bargaining agreement;

   (c) Employees employed as law clerks;

(d) Employees employed on a pro-rata salaried basis, *i.e.,* one who shares the position held by another employee, unless and until the day after the end of the first 12 consecutive month period during which the pro-rata salaried employee is credited with at least 1,000 Hours of Service (such 12-month periods to begin on the date the employee first completed an Hour of Service and anniversaries of that date);

(e) Employees serving only as a member of the Board of Directors of the State Association, unless and until the day after the end of the first 12 consecutive month period during which the Board member employee is credited with at least 1,000 Hours of Service (such 12-month periods to begin on the date the employee first completed an Hour of Service and anniversaries of that date); and

(f) Local affiliate Participating Employers' officers or other members.

2. **Temporary Employees:** If you are a temporary employee, your Membership begins as of the earliest of:

(a) the time specified in the applicable collective bargaining agreement; or

(b) the first day of the month after you complete 1,000 Hours of Service, provided you complete those Hours of Service within the 12-consecutive-month period beginning with the day on which the first of those Hours of Service was performed; or

(c) if you did not complete 1,000 Hours of Service in that first 12-month period, the January 1 following the first calendar year in which you do complete 1,000 Hours of Service.

D. When Membership Ends and How it Can be Reinstated

As a general rule, your Plan membership will end when you retire, die or have a One-Year Break in Service (defined in Section II.B below). If you are subsequently rehired by a Participating Employer, you may again become a member as described in Section X.A below.

II. VESTING AND BREAKS IN SERVICE

Being Vested means you have satisfied the Plan's eligibility requirements for retirement, death or disability benefits. If your employment ends before you have become Vested, the Credited Service accrued will be lost if you incur a Permanent Break in Service.

A. Vesting Rules

You will become "*Vested*" once you have accumulated five (5) Years of Vesting Service or attain age 65 while employed by a Participating Employer.[6]

As a general rule, if you are credited with less than 1,000 Hours of Service for a calendar year, you receive no Vesting Service credit for that year.

6 Different rules applied before 1976. Details can be obtained upon request from the Plan Office.

Certain specific circumstances may also affect your Vesting Service credit, e.g., back pay awards, military duty, family or medical leave, illness, and/or other paid and unpaid leaves. Contact the Plan Office for details.

B. Breaks-in-Service

1. **One-Year Break-in-Service.** A One-Year Break-in-Service occurs if, after your employment has terminated, you earn less than 501 Hours of Service during a calendar year. If you have a One-Year Break-in-Service before you have earned the five (5) Years of Vesting Service required to become Vested, then:

    (a) you will be entitled to receive your Accumulated Member-Required Contribution (if any) as a Severance Benefit; and

    (b) the balance of your accumulated benefits under the Plan will be lost, and they can be reinstated only if you:

        (1) again become a Plan member *before* incurring a Permanent Break-in-Service, and

        (2) also repay the Accumulated Member-Required Contributions you received (*if any*) upon your employment termination.

2. **Permanent Break-in-Service.** If you have five (5) *consecutive* One-Year Breaks-in- Service before becoming Vested, you will incur a Permanent Break-in-Service. This means that all rights you previously earned under the Plan (or the Prior Plan) will be permanently lost, even if you again become a Plan member.

III. RETIREMENT APPLICATION PROCEDURES AND EFFECTIVE DATES

To apply for Plan benefits, **you must file an application in writing** on the official form (available from BeneSys) and in the manner prescribed by the Board of Trustees, ***before* the effective date of your retirement**. You should not file an application more than 90 days before the date on which you wish your retirement to become effective.

Benefits are paid monthly. Benefit checks are issued on the last day of the month. For example, January benefit checks are mailed at the end of January. Although processing your application may delay your first payment, you will receive benefits retroactive to the date your retirement takes effect. **Regardless of your last date of employment, your retirement will not take effect until you have filed a completed retirement application.**

Applications may be obtained from the Plan Office by email, fax or regular mail or in person. If you are not retiring, but would like an estimate of benefits, the application form is also designed to allow you to request an estimate of benefits.

A. Retirement Date

You may elect to retire as early as your 50th birthday, **provided you file an application in advance**. If your employment terminates after you have become Vested, but before your 50th birthday, your benefits cannot start before you attain age 50 and submit your retirement application.

THE EFFECTIVE DATE OF YOUR RETIREMENT WILL BE THE LATEST OF: (1) THE DAY AFTER YOUR LAST DAY OF EMPLOYMENT; (2) THE DATE YOUR RETIREMENT APPLICATION IS FILED; OR (3) THE LATER RETIREMENT DATE YOU SPECIFY ON YOUR RETIREMENT APPLICATION. YOUR RETIREMENT DATE CANNOT OCCUR WHILE YOU ARE ON A PAID VACATION.

If you fail to file a retirement application before your last day of employment, your earliest retirement date will be the day you file your retirement application or the day indicated in the application, whichever is later. Failure to file a retirement application prior to your last day of employment may potentially result in lost benefits. No benefits will be paid for any period before the effective date of your retirement.

EXAMPLE 1:

Your last day of employment for a Participating Employer is December 31, 2022. You would be entitled to retirement benefits, effective as of January 1, 2023 if you filed a retirement application prior to December 31, 2022. Instead, you do not file a retirement application until April 1, 2023, and you list your effective retirement date on your application as the same day. This means you would be entitled to receive retirement benefits effective as of April 1, 2023. You would not receive benefits for January, February, and March 2023, although you could have received benefits for those months if you had submitted your retirement application before your last day of employment.

B. Disability Retirement Date

If you become disabled by reason of total and permanent disability, you must file an application in order to receive Disability Retirement Benefits from the Plan. See Section VIII.C below to learn how the Plan determines when a member has become a Disabled member. The effective date of your Disability Retirement will be determined as follows.

1. **Social Security Award of Disability- *60-Day Filing Period.*** If you receive a Social Security award of disability, a copy of the award must be provided to the Plan Office. If the Plan Office receives a copy of the award within 60 days after its issuance, the effective date of your Disability Retirement will be the first of the month on or after the onset of the disability as determined by the award. If the Plan Office does not receive a copy of the Social Security disability award within 60 days after the date the award was issued, your Disability Retirement effective date will be the first of the month after the date the Plan Office receives your application for benefits.

2. **Permanent and Total Disability Benefits *Without* a Social Security Award of Disability.** If you have not received a Social Security award of disability, you must have a determination that you are eligible for long-term disability income under your employer's group long-term disability benefits plan. In that case, your Disability Retirement effective date will be the first of the month after the *later* of:

   (a) the date the Plan Office receives your application for benefits, or

   (b) the date you became permanently and totally disabled as determined by the Board of Trustees.

3. **Delayed Disability Retirement.** Subject to the provisions of Section IV below, you may elect to delay your Disability Retirement until you retire and then start your benefit payments. Delaying the start of your benefit payments can result in

increased retirement benefits (see Section VIII.A below for details) *but* can result in the loss of retiree health benefits (see item 5 under "Important Information to Avoid Loss of Benefits" above).

C. Required Commencement Date for Vested Members Who Terminate Employment Prior to Normal Retirement Age.

Beginning January 1, 2021, if you are Vested and you terminate employment with all Participating Employers prior to attaining Normal Retirement Age of 65, your benefit payments must begin on the first day of the calendar month after you turn age 65 or the date you turn 65 if that day is the first day of a calendar month.

D. Age 72 Required Benefit

Effective January 1, 2020, your benefit payments must begin by April 1 of the year following the later of (i) the year in which you attain age 72, or (ii) the year your employment with all Participating Employers terminates.

IV. DETERMINING THE AMOUNT OF YOUR BENEFITS

If your employment terminates after age 50, Unreduced Retirement Benefits are available at age 55 (or later), for benefits earned prior to January 1, 2021, or age 60 (or later) for benefits earned starting January 1, 2021, and continue for life. Retirement Incentive Benefits are computed by applying a table of retirement percentages (see Section IV.B below) to your Unreduced Retirement Benefit.

A. Unreduced Retirement Benefits

To determine your Unreduced Retirement Benefits you must use a formula. It requires that you understand two special terms – Monthly Compensation and Years of Credited Benefit Service. Those terms are defined, and you will find explanations of how to use them to determine your Retirement Benefits (in Sections IV.A.1 and IV.A.2 below).

1. Monthly Compensation. Your "*Monthly Compensation*" is the monthly compensation you received during the calendar year of your membership in which your Monthly Compensation was the highest. Monthly Compensation itself is determined one way for salaried employees and another way for hourly employees.[7]

(a) **Monthly Compensation for Salaried Employees.** If you are a salaried employee, your Monthly Compensation is your highest regular monthly compensation rate during any whole calendar month in which you were a Plan member.

(b) **Monthly Compensation for Hourly Employees.** If you are an hourly employee, your total compensation for the calendar year is divided by the number of months during which you worked during that calendar year. The result is your Monthly Compensation for that year.

[7] Monthly Compensation is calculated differently for Plan members who were last employed by a Participating Employer before January 1, 1996. Details can be obtained upon request from the Plan Office.

(c) **What is Included in Monthly Compensation.** For both salaried and hourly employees, Monthly Compensation is determined *before* any payroll deductions for income and Social Security taxes, group insurance or other purposes, but it *does not* include bonuses, overtime pay, contributions your employer makes to the Plan, or your employer's share of Social Security tax payments, car allowance, group insurance payments, retainer fees, unused sick leave or vacation paid in cash, or travel reimbursement payments. Monthly Compensation *does* include any Social Security (FICA) tax payments your employer makes on your behalf (computed as provided in the Plan), as well as any employ***ee*** compensation contributed to a 401(k) plan. However, Monthly Compensation *does not* include any employ***er***-paid contributions to a 401(k) plan.

(d) **Special Limitations.** There are three important limitations to the above rules:

(i) If your employment status changed from part-time or temporary status to full- time status at any time during the 60-month period prior to your retirement, your Monthly Compensation will be adjusted to reflect your part-time or temporary status.

(ii) Annual compensation in excess of the Internal Revenue Code maximum cannot be counted. This maximum annual compensation amount ($290,000 for 2021) is indexed to government maintained indexes which reflect increases in the cost of living. You can contact the Plan Office for the figure currently being used for this purpose.

(iii) In no event may any Plan member's accrued monthly benefit exceed 100% of the greatest Monthly Compensation amount credited for any of his or her Years of Credited Benefit Service, as adjusted for cost of living increases in accordance with rules prescribed by the IRS.

2. Years of Credited Benefit Service. Once your Monthly Compensation is determined under the above rules, the next step is to determine your Years of Credited Benefit Service.

(a) **Credited Benefit Service Rules.** Since January 1, 1976,[8] a full Year of Credited Benefit Service has been credited for any calendar year during which you were regularly employed throughout the year after becoming a member of the Plan (or the Prior Plan).

If you were employed for less than twelve (12) months during a calendar year, you receive 1/12th of a Year of Credited Benefit Service for each calendar month of employment in that year during any portion of which you were a Plan member. Only one month of Credited Benefit Service can be earned for any calendar month, and only 12 months of Credited Benefit Service can be earned in any given year.

[8] Different rules applied before 1976. Details can be obtained upon request from the Plan Office.

Vested members who are totally and permanently disabled may continue to accrue Years of Credited Benefit Service until they begin to receive benefits from the Plan as described in Section III.B.3 above.

(b) **Credited Benefit Service for Unused Sick Leave.** Periods of unused sick leave to which you are entitled at termination of employment will be counted as Credited Benefit Service if required by the collective bargaining agreement governing your employment or if otherwise agreed to and paid for by your employer in accordance with Plan rules.

For members who are represented by the California Associate Staff (CAS), the portion of a year of Credited Benefit Service is determined by dividing the number of days of unused sick leave by 225, so that exactly one Year of Credited Benefit Service would be credited if you had exactly 225 days of unused sick leave. <u>For example, if you have 75 days of unused sick leave at termination of employment, your unused sick leave would be converted into 0.33 of a Year of Credited Benefit Service: 75 ÷ 225 = 0.33.</u>

For members who are represented by the California Staff Organization (CSO) and unrepresented members, the portion of a year of Credited Benefit Service is determined by multiplying the number of days of unused sick leave by 0.004, so that exactly one Year of Credited Benefit Service would be credited if you had exactly 250 days of unused sick leave. <u>For example, if you have 100 days of unused sick leave at termination of employment, your unused sick leave would be converted into 0.40 of a Year of Credited Benefit Service: 100 x 0.004 = 0.40.</u>

(c) **Limitations**. There are certain limitations on accruing Years of Credited Benefit Service:

(i) No credit is given for periods of time during which you failed to become a Plan member by not agreeing to make Member-Required Contributions.

(ii) No credit is given for prior periods of membership for which you have received a Severance Benefit, unless the amount you received is repaid with interest in connection with becoming a rehired Plan member as described in Section X.C below.

(iii) If you are not Vested, no credit is given for Years of Credited Benefit Service performed before a One-Year Break-in-Service, unless and until you again become a Plan member and earn an additional Year of Vesting Service.

(iv) If you have less than five (5) Years of Vesting Service at the time of a Break-in-Service, all Years of Credited Benefit Service earned before the Break will be permanently lost if you have a Permanent Break-in-Service.

3. **Computing Your Benefit.** Once you have determined both your Monthly Compensation and your Years of Credited Benefit Service, you can determine your Unreduced Retirement Benefit by multiplying (a) the total number of your

Years of Credited Benefit Service (see Section IV.A.2 above), *times* (b) 3%, *times* (c) your Monthly Compensation (see Section IV.A.1 above).

For benefits earned prior to January 1, 2021, the earliest age at which you can retire and receive your Unreduced Retirement Benefit is age 55. For benefits earned starting January 1, 2021, the earliest age at which you can retire and receive your Unreduced Retirement Benefit is age 60. Compensation increases received after January 1, 2021, will apply to benefits accrued before January 1, 2021, as well as to benefits accrued on and after January 1, 2021.

4. **Example for Active Members** - whose Credited Benefit Service includes employment by a Participating Employer after December 31, 1998.[9]

EXAMPLE 1: Assume you work steadily until you retire at age 60 on January 1, 2022, that your Monthly Compensation is $10,000, and that you have 25 Years of Credited Benefit Service. Your monthly Unreduced Retirement Benefit will be computed as follows:

3% x $10,000 = $3,000 x 25 years = $7,500/month

B. Retirement Incentive Benefits

Retirement Incentive Benefits are determined in the same way as Unreduced Retirement Benefits. However, if you retire before age 60, your Retirement Benefits are reduced to take account of the fact that they are expected to be paid over a longer period of time Different early retirement factors apply to benefits earned prior to January 1, 2021, and to benefits earned starting January 1, 2021. For retirements between age 50 and 60, benefits earned after January 1, 2021, will be reduced using the early retirement factors in effect beginning on January 1, 2021. The following table lists the applicable percentage factors:[10]

TABLE 1

Age at Retirement	Percentage of Accrued Benefit for Benefits Earned Prior to 1/1/21	Percentage of Accrued Benefit for Benefits Earned Starting 1/1/21
50	66%	44%
51	72%	47%
52	78%	51%
53	85%	55%
54	92%	60%
55	100%	65%
56	100%	70%
57	100%	77%
58	100%	84%
59	100%	91%
60 and older	100%	100%

9 Inactive Plan members who were not employed by a Participating Employer after December 31,1998, should contact the Plan Office for assistance in calculating benefits.

10 Different rules applied before September 1, 1989. Details can be obtained upon request from the Plan Office.

EXAMPLE 2: Assume that in 2020 you are 45 years old with 15 Years of Credited Benefit Service. You retire at age 55 with 25 Years of Credited Benefit Service, and your highest monthly compensation is $10,000. Your monthly benefit at age 55 would be calculated as follows by applying the percentages set forth above:

3%	x	$10,000	=	$300	x	15 years accrued prior to 1/1/21	x	100%	=	$4,500/month
3%	x	$10,000	=	$300	x	10 years accrued after 1/1/21	x	65%	=	$1,950/month
							Total Benefits		=	$6,450/month

For Plan members whose employment terminates before age 50, there are different Retirement Incentive Benefit factors for benefits accrued before and starting January 1, 2021, as follows:

TABLE 2

Age at Retirement	***Percentage of Accrued Benefit for Benefits Earned Prior to 1/1/21***	***Percentage of Accrued Benefit for Benefits Earned Starting 1/1/21***
50	64%	27%
51	69%	29%
52	74%	31%
53	79%	34%
54	84%	37%
55	89%	40%
56	91%	43%
57	93%	47%
58	95%	51%
59	98%	56%
60	100%	61%
61	100%	67%
62	100%	74%
63	100%	82%
64	100%	90%
65 and older	100%	100%

For example, using the same facts as in ***Example 2*** above, if the member had terminated employment at age 48, upon attaining age 50, the Retirement Incentive Benefit would be calculated as follows:

3%	x	$10,000	=	$300	x	15 years accrued prior to 1/1/21	x	64%	=	$2,880/month
3%	x	$10,000	=	$300	x	3 years accrued after 1/1/21	x	27%	=	$243/month
							Total Benefits		=	$3,123/month

C. Employment After Age 65

You continue to accrue Years of Credited Benefit Service until you actually retire, but you do not also get an actuarial increase by delaying your retirement after age 65.

Special rules apply if you work past age 70½.

D. Maximum Benefits

Federal law limits the maximum amount of the retirement benefits that can be paid by the Plan. For example, the maximum annual retirement benefit that can be paid by the Plan commencing in 2021 at age 65 is $230,000. This maximum is periodically increased by federal law. You should consult your own tax adviser concerning these complicated rules. In addition, if you also participate in an individual account plan (such as a 401(k) plan) sponsored by a Participating Employer, federal law imposed additional limitations on the maximum benefits allowed through the end of 1999. In no event, however, may the Plan pay benefits in excess of those permitted by federal law.

V. BENEFIT PAYMENTS

Benefits are paid monthly and are issued on the last day of the month. For example, January benefit checks are mailed at the end of January. If you believe an error has occurred regarding your benefit payment, please contact the Plan Office as soon as possible.

A. Correction of Benefit Payment Errors

If a Retirement Benefit payment error is discovered by or reported to the Plan Office, the Board of Trustees may take corrective action to either recover any overpayment made to you or compensate you for any underpayment. In the case of overpayments, the Board of Trustees may request that you repay any excess payments in a lump sum or may offset the excess payments against your future retirement benefit payments.

B. Verification of Identity

Periodically, you may be asked to verify your identity to ensure that you are entitled to receive Retirement Benefit payments. If your identity is not verified, your benefit payments may be suspended until the required verification is received. If this happens, and your identity is later verified, your benefits will resume, but you will not receive any missed benefit payments, except as required by law, for example, to comply with Internal Revenue Service rules for payments after age 72.

C. Missing Participants and Unclaimed Benefits

The Plan Office may try to contact you if you have not filed a retirement application and benefits must be paid to you. If the Plan Office is unable to locate or contact you, you may not receive all of your benefit payments. If this happens, and you later contact the Plan Office, you will not receive any retroactive benefit payments that you did not receive during the time when the Plan Office was unable to locate you, except as required by law, for example, to comply with Internal Revenue Service rules for payments after age 72.

VI. FORMS IN WHICH BENEFITS ARE PAID

A. Standard Form of Payment

The standard form of benefit depends on whether you are single or whether you are married or have designated an eligible domestic partner at the time of your retirement.[11] Various options are available to you, but if you don't elect another option, the following standard benefit forms will apply:

1. **Joint and Survivor Lifetime Form.** If you are a married member or have designated an eligible domestic partner, your Retirement Benefit is reduced so that it will not only provide a benefit for the life of the Plan member, but will also provide 50% continuation for the life of the member's surviving spouse or eligible designated domestic partner.

2. **Single-Life Form.** If you are not married and have not designated an eligible domestic partner, your Retirement Benefit is payable to you for life with no survivor benefit.

Optional forms of benefit payment may be selected as explained in Section VI.B below.

B. Optional Methods of Payment

In addition to the standard form of payment described above, the Plan offers the following options. These options will be described to you in more detail when you file your application to retire. Members who are married may elect these options *only if* both the member *and* his or her spouse make the election in accordance with Plan rules and applicable laws. Members who have designated an eligible domestic partner may elect any of these options and consent of the eligible domestic partner is not required. A designated domestic partner ***is not*** treated as a spouse, and domestic partners ***are not*** treated as married, under federal tax law. Effective June 26, 2013, same-sex spouses ***are*** treated as married under federal tax law.

1. **Single-Life Option.** A married member, with the consent of the member's spouse, may elect to receive the single-life annuity to be paid for the life of the member *only,* with no continuation to the surviving spouse upon the death of the member.

2. **Joint and Survivor Lifetime Options.** Upon retirement, the member, with consent of the member's spouse, if the member is married, may elect to receive

[11] If you are not married, see Section VI.C below to learn how to designate a domestic partner for purposes of this Plan.

benefits in the form of a joint and survivor lifetime annuity providing 50%, 75% or 100% continuation to the member's spouse, eligible designated domestic partner, children, parents, brothers or sisters.[12] These options cannot be elected prior to retirement to provide benefits if death occurs before benefits begin.

3. **"Pop-Up" Joint and Survivor Lifetime Options.** Additionally, a member who is married or has an eligible designated domestic partner or has designated an eligible beneficiary may elect one of the forms of the joint and survivor lifetime annuities (described in 2, above) subject to a "pop-up," which provides 100% of the member's single life annuity after all designated beneficiaries and his or her joint annuitants predecease the member. Election of the pop-up option reduces the amount of the member's and beneficiary's monthly annuity payment.

4. **Social Security Adjustment Option.** Except when the Plan is in “critical status” under applicable funding rules in the Internal Revenue Code, a Social Security Adjustment Option is also available if you retire before your Social Security retirement age. Under this option, you receive a larger amount from the Plan before your Social Security benefits begin, and a smaller amount (or none) when you receive Social Security benefits. This option makes it possible for you to receive approximately the same total monthly amount for life from your combined Plan benefits and Social Security benefits. However,

   (a) Plan benefits are paid for the life of the member *only,* with no continuation to the surviving spouse or eligible designated domestic partner upon the death of the member; and

   (b) the Plan will not increase the benefit amount it pays even if the amount of your Social Security benefit decreases for any reason.

C. Designated Domestic Partners

If you are *not* legally married but you have a domestic partner, he or she will be treated as if he or she were your legally married spouse to the extent permitted by federal law, if you so designate your domestic partner, which requires that you and your domestic partner both execute the domestic partnership affidavit prescribed by the Plan and submit it to the Plan Office.

D. When Monthly Benefits End

Unless you were receiving a joint and survivor lifetime annuity and are survived by your designated joint annuitant, your monthly benefits will end with your death. If you die after the 20th of the month, the benefit for that month will be paid to your spouse, eligible designated domestic partner, or your designated beneficiary. Your benefits may also be suspended if you return to work with a Participating Employer as described in Section X.D below.

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12 Members may designate their beneficiary(ies) at any time before benefit payments begin. Contact the Plan Office for details.

E. Assignment of Benefits Not Permitted

No person who is entitled to receive Plan benefits can sell, assign or pledge them to anyone, or use them as security for a loan. Furthermore, Plan benefits are generally not subject to attachment or execution under any court order.

However, the Plan will pay benefits to a former spouse (but not a former domestic partner) of the member or a child of the member if it is required to do so by a Qualified Domestic Relations Order issued by a state court which meets the requirements of federal law. Before obtaining such an order you should have it reviewed by the Plan to make sure it meets the requirements of federal law. To ensure compliance with federal law and avoid excess costs to members for Plan review and evaluation of proposed Qualified Domestic Relations Orders, contact the Plan Office. The Plan cannot honor any state court order which violates federal law.

VII. DEATH BENEFITS

Death Benefits vary depending on whether death occurs before or after your Retirement Benefits begin. Pre-Retirement Death Benefits also vary depending on whether or not there is a surviving spouse.

A. Pre-Retirement Death Benefits

1. **General Rule.** If you are not Vested when you die, there is no death benefit other than the payment of your Accumulated Member-Required Contributions (if any) to your designated beneficiaries. The same is true even if you are Vested, unless you are survived by a spouse who is eligible for the surviving spouse's Pre-Retirement Death Benefit described next.

2. **Death Benefit.** If you are Vested when you die, then your spouse will receive a Pre-Retirement Death Benefit.

   (a) If you had reached age 50, the Pre-Retirement Death Benefit will provide your spouse with the same lifetime benefit he or she would have been entitled to receive had you retired on the first day of the month in which your death occurred having elected the joint and 100% survivor lifetime annuity option.

   (b) If you had not reached age 50 by the date of your death, your spouse will receive a lifetime benefit beginning on the date you could have begun receiving Retirement Incentive Benefits had you survived and retired with a joint and 100% survivor lifetime annuity.

   (c) If your death occurs before you had incurred a One-Year Break in Service, the more favorable Retirement Incentive Benefits factors applicable to members who are currently employees will be used.

   (d) If your death occurs after you had incurred a One-Year Break in Service, your spouse will receive a lifetime annuity benefit beginning on the date you could have begun receiving Retirement Incentive Benefits had you terminated employment as of the date of death, survived and retired with a joint and 50% survivor lifetime annuity.

B. Post-Retirement Death Benefits

If you die after retiring under a joint and survivor lifetime annuity, payments will continue to your surviving joint annuitant. No other death benefit is payable after you retire, except in the very unlikely event that the total benefit payments made to you and your joint annuitant are less than your Accumulated Member-Required Contribution, in which case the remainder of your Accumulated Member-Required Contributions will be paid to your designated beneficiaries or, if none, to your estate.

C. Beneficiary Designations

You have the right to designate a beneficiary to receive whatever sums may be owing or payable to you by the Plan after your death, or to receive the balance of your Accumulated Member-Required Contributions. However, you cannot designate any person other than your spouse as your beneficiary unless your spouse gives his or her written and notarized consent. With consent, the classes of persons who can be designated as beneficiaries are your spouse, your parents, your children, or your brothers and sisters.

Beneficiary designation forms can be obtained from the Plan Office. Your prior designation can be changed from time to time before benefit payments begin by using forms provided by the Plan Office. For Pre-Retirement Death Benefits only, if you designate your spouse or domestic partner as your beneficiary, your designation will be revoked automatically if you divorce or terminate your domestic partnership. In that case, you will need to submit a new beneficiary designation form to the Plan Office in order to designate a beneficiary. If you die before you retire, and you have not designated any beneficiary or your designated beneficiary does not survive you, payments will be made to your spouse, or your estate (if you are not married).

VIII. DISABILITY BENEFITS

If you are Vested and qualify as a Disabled member (as defined in Section VIII.C below), you have two choices. You could delay taking your Retirement Benefits and (in most cases) continue to accrue additional Years of Credited Benefit Service until they start. Or, you could take an immediate Disability Benefit even if you have not yet reached age 50.

A. Deferred Disability Benefits.

If you are Vested and become totally and permanently disabled prior to termination of employment, you may continue to accrue additional Years of Credited Benefit Service during your period of disability. This means that the monthly amount of your Retirement Benefit would continue to increase until such time as you elect to start payment of your benefits, until as late as age 65 ("*Normal Retirement Age*"). To qualify for this Deferred Retirement Benefit, you must qualify as a Disabled member for at least 12 consecutive months. *However,* before you choose to delay the start of your Retirement Benefit payments beyond 12 months, you should contact the CTA Employees' Health and Welfare Benefits Trust because delaying Retirement Benefit payments could adversely affect your eligibility for retiree health benefits from that Trust.

B. Immediate Disability Benefit

Alternatively, a Vested Disabled member may elect to receive an actuarially reduced Disability Benefit even before age 50. This benefit is determined in the same manner as

Retirement Incentive Benefits, but with a further actuarial reduction to take account of any years prior to age 50 for which the benefits will be paid.

C. Definition of Disabled Member

You will be considered a "*Disabled Member*" only if you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. Medical evidence of your disability must be provided in the form of either: 1) an insurance carrier's determination that you are eligible for long-term disability income under any group plan applicable to your employment with a Participating Employer, or 2) your Social Security disability award. See Section III.B above to learn how you may qualify for Disability Benefits.

D. Method of Payment of Disability Benefits.

Disability Benefits will be paid in the standard form unless an optional form is elected (see Section VI.B above).

IX. SEVERANCE BENEFITS

A. Vested Members

If your employment with all Participating Employers ends after you have become Vested, but before you reach age 50, no benefits are payable to you until you reach age 50.

IMPORTANT: Unreduced Retirement Benefits and Retirement Incentive Benefits for Vested members are computed and paid based on the Plan (or Prior Plan) provisions in effect when your employment ended, unless you renew your membership (as described in Section X below).

B. Non-Vested Members

If you terminate employment before becoming Vested, the only Severance Benefit you will receive is payment of your Accumulated Member-Required Contributions (if any) when your employment ends.

C. Rights Following Severance Benefit

If you receive a Severance Benefit, you will have no further rights under the Plan unless you again become a member as described in Section X below.

X. RENEWED MEMBERSHIP

If your employment with all Participating Employers terminates but you later again become employed by a Participating Employer, the following rules will apply:

A. When Membership Renews

In general, your Plan membership will be renewed when you again become employed by a Participating Employer. Temporary employees who have had a Permanent Break-in-Service (as described in Section II.B.2 above) will have to satisfy the 1,000 Hours of Service eligibility requirement again, and special rules apply to Retired Annuitants, but in all other cases Plan membership will renew immediately. If you become employed by a Participating Employer as a Retired Annuitant, your Plan membership will be renewed as of the first day of the calendar month after you first complete 1,000 Hours of Service as a Retired Annuitant within the 12 consecutive month period beginning on the day you first performed an Hour of Service as a Retired Annuitant, or, if later, the first day of the calendar month in which you first complete 1,000 Hours of Service as a Retired Annuitant during any Plan Year, beginning with the Plan Year starting after the day you first performed an Hour of Service as a Retired Annuitant.

B. Vesting

Once you have become Vested, you will remain Vested. If your employment terminated before you became Vested and you are reemployed by a Participating Employer before you have a Permanent Break-in-Service, you will receive credit for the Years of Vesting Service you had earned before termination. However, if you do have a Permanent Break-in-Service, you would not receive credit for your prior Vesting Service.

C. Reinstatement of Service Credit

If you are reemployed by a Participating Employer, you may receive credit for the Years of Credited Benefit Service you had earned before your employment terminated. However, if you had a Permanent Break-in-Service before you became Vested, you would not be eligible for reinstatement of your prior Credited Benefit Service. Repayment of any Severance Benefit you received when your employment terminated may be required before your prior Credited Benefit Service can be reinstated. Contact the Plan Office to learn about the rules governing reinstatement of Credited Benefit Service.

D. Suspension of Benefits

Generally, if you again become employed by a Participating Employer after payment of your Retirement Benefits has begun, payment of your Retirement Benefits will be suspended for any month in which you complete 40 or more Hours of Service. If your employment resumes after terminating employment or retiring under the Plan (or the Prior Plan), payment of your monthly Retirement Benefit will cease, unless you are employed on a limited hours basis (less than 40 hours per month). The amount of the Retirement Benefit payable upon your later retirement may be recalculated to reflect any benefit payments you had previously received and any increases in your Monthly Compensation and Years of Credited Benefit Service. Contact the Plan Office to learn about the rules governing benefit calculations in this situation.

NOTE: These suspension of benefits rules do not apply to a Retired Annuitant until the first calendar month following the month in which the Retired Annuitant again becomes a Member.

If your benefits are suspended, any portion of the your benefits payable to an Alternate Payee pursuant to a qualified domestic relations order will also be suspended for such period as your benefits are suspended.

E. Special Rule

If your membership ended because your employer withdrew from the Plan and your membership is renewed because you later become employed by a Participating Employer, special rules may apply to the calculation of your benefit based on your service with the withdrawn employer. Contact the Plan Office to learn about the rules governing benefit calculations in this situation.

CLAIM PROCEDURES AND REVIEW OF CLAIM DENIALS

All claims for benefits should be filed on the forms provided by the Plan which you can get from the Plan Office. If you submit a form which is not substantially complete or which lacks required supporting documents, you will be notified of what is necessary to complete the claim. The claim will be considered properly filed as soon as it is complete enough to permit processing.

The Plan Office will notify you as soon as practicable if your claim is wholly or partially denied. The Plan Office must notify you within 90 days (or 45 days for a Disability Benefit claim) if your claim is being denied. You will be notified if more time is needed to process your claim - up to a maximum of 90 more days (or two 30-day extensions for a Disability Benefit claim).

Any notice of denial will include the following:

1. The specific reasons for the denial with references to the pertinent Plan provisions on which the denial is based.

2. A description of any additional material or information which could help you perfect your claim, together with an explanation of why such material or information is necessary.

3. For a Disability Retirement claim, information about accessing a copy of any internal rule, guideline, protocol or similar criteria relied upon in denying your claim.

4. An explanation of Plan appeal procedures, relevant timelines, and a statement regarding your ERISA rights following a benefit denial.

If no notice is provided, you may appeal as if your claim was denied.

If you want to file an appeal, you must do so within 60 days after you receive notice of the denial, or 180 days for a Disability Retirement Claim. The Board of Trustees will not consider any appeals filed with the Plan Office after 60 days (or 180 days for a Disability Retirement Claim), and if an appeal is not timely made, the decision of the Board of Trustees will be considered final and binding.

Your appeal will normally be reviewed at the next meeting of the Board of Trustees following receipt of the appeal, unless the appeal is received within 30 days before the meeting, in which case it may not be reviewed until the second meeting following receipt of the appeal. After the Board of Trustees has reviewed your appeal, the Plan Office will issue a notice of appeals decision within five (5) days. If your appeal is denied, the notice will include the following:

1. The specific reasons for the denial with references to the pertinent Plan provisions on which the denial is based.

2. A statement explaining that you may, upon request and free of charge, have access to and copies of all documents, records and other information relevant to your benefit claim.

3. For a Disability Retirement appeal, information about accessing a copy of any internal rule, guideline, protocol or similar criteria relied upon in denying your appeal.

4. A statement explaining your rights under ERISA following a denial of a benefit claim appeal.

To dispute a denied appeal, you must submit the appeal to final and binding arbitration by the American Arbitration Association ("AAA") under its Employee Benefit Plan Claims Arbitration Rules, as modified by the Board.

An arbitration proceeding to dispute a denied appeal must be initiated within 60 days after receipt of notice of the denied appeal (180 days for a disability retirement claim) by submitting a short statement of the claim to the AAA San Francisco Regional Office, along with the applicable filing fee.

You must exhaust your administrative remedies before taking any other actions to enforce your rights under the Plan. ***Further, for any claim filed on or after January 1, 2016, any civil action relating to the denial of your claim or appeal must be filed within one (1) year from the date that the Plan Office provides you with notice that your appeal was denied.***

Any court reviewing your claim can only consider the information you have supplied to the Plan Office and Board of Trustees in support of your claim. The Board of Trustees' decision on your appeal will be final and binding upon you to the fullest extent permitted by law.

STATEMENT OF ERISA RIGHTS

As a member of this Plan, you are entitled to certain rights and protections required by the federal Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"). ERISA currently provides that all Plan members shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Office and at other specified locations, such as work sites and union halls, all Plan documents, including insurance contracts, collective bargaining agreements, and a copy of the latest annual report (IRS Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. Copies of these documents and other Plan information may also be obtained upon written request to the Plan Office. A reasonable charge may be made for the copies.

- Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (age 65) and, if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan members, ERISA imposes duties upon the people who are responsible for the operation of this Plan. The people who operate your Plan- called "fiduciaries" of the Plan - have a duty to do so prudently and in the interest of you and other Plan members and beneficiaries. No one, including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored (in whole or in part), you have a right to know why this was done, to obtain copies of documents relating to the decision (without charge), and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials as provided above and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Board of Trustees to provide the materials and pay you up to $110 a day until you receive the materials, unless they were not sent because of reasons beyond the Board's control. If you have a claim for benefits which is denied or ignored (in whole or in part), you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Office; it is always better to ask for a written response. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Board of Trustees, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

AMENDMENT AND TERMINATION PROVISIONS

A. GENERAL RULES

The Plan may be amended at any time. Furthermore, although it is anticipated that the Plan will continue indefinitely, the right to terminate it has been reserved. Any amendment or termination will be made in accordance with the provisions of the Trust Agreement, federal law and any applicable collective bargaining agreement. Upon termination of the Plan, no further benefits can be earned by Plan members, but all benefits earned to the date of termination will be Vested to the extent funded. If at termination there are not enough assets to fund all Vested Benefits, the assets will be allocated in accordance with ERISA, and the allocated assets will then be used to provide Plan benefits in a manner permitted under federal law.

B. FEDERAL GUARANTEE OF BENEFITS IF PLAN BECOMES INSOLVENT

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first $5 of the monthly benefit accrual rate and (2) 75% of the next $15. The PBGC's maximum guarantee limit is $16.25 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be $5,850.

The PBGC guarantee generally covers (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover (1) benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of (i) the date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask the Plan Office or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 1-202-326-4000 (not a toll-free number). TTY/TOO users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 1-202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

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QUESTIONS & ANSWERS
ABOUT YOUR CTA EMPLOYEES' RETIREMENT BENEFITS TRUST

The following Q&As have been prepared to provide summary answers to questions you might have about the California Teachers Association Employees' Retirement Benefits Plan ("Plan") and to guide you to sections of the Summary Plan Description ("SPD") that contain more information about your question.

These Q&As do not provide official answers to questions. The SPD summarizes the provisions of the Plan. Like the SPD, if these Q&As differ from the official Plan document, the official Plan document will control.

Most questions do not have a simple answer; therefore, only questions directed to the Plan Administration Office, and answered by the Board of Trustees in writing, can result in binding answers, as outlined in the SPD.

All references in these Q&As to "employer" mean "Participating Employers of the Plan." A list of those employers (as of the date the SPD is published) is found in the SPD.

The SPD contains numerous references to the Plan Office (or Plan Administration Office) which is: BeneSys, Inc. and the phone numbers are (833) 265-2277 or (925) 208-2277.

You are encouraged to read the SPD to find the answers to any questions you may have. If you do not find the answer to your question in either these Q&As or the SPD, please send your question to the Plan Office or Board of Trustees in writing.

VESTING

Q: When do I become vested in the Plan?

A: Generally, you are credited with one Year of Vesting Service for each calendar year during which you earn at least 1,000 Hours of Service. If you are paid on a semi-monthly basis, you are credited with 95 Hours for each payroll period. If you are paid on a monthly basis, you are credited with 190 Hours for each month. Once you accumulate five (5) Years of Vesting Service, you are Vested.

Please see SPD page 2 ("Vesting and Break-in-Service Rules") and SPD Section II on pages 9-10.

Q: If I am hired mid-year, do I lose credit for the time worked in the calendar year because I didn't earn 1000 Hours of Service in that year?

A: You may earn partial credits, however, if you work less than 501 hours in a calendar year, you will incur a one-year break in service. You will lose your accrued years of Vesting Service and all other rights under the Plan (and the Prior Plan) if you have five (5) consecutive one-year breaks-in-service before you become Vested.

Please see SPD page 2 ("Vesting and Break-in-Service Rules") and, for the rules regarding credited benefit service, please see SPD Section IV.A.2 on pages 13-14.

Q: Does anything else affect whether I am vested?

A: Certain specific circumstances may also affect your vesting service credit, e.g., back pay awards, military duty, family or medical leave, illness and/or other paid and unpaid leaves. Contact the Plan's Administration Office for details.

Q: Whom do I contact to obtain the date I'll be vested in the Plan?

A: Contact the Plan Administration Office: BeneSys Administrators
Toll Free: 833-265-2277
Phone: 925-208-2277
Fax: 925-395-4101

RETIREMENT BENEFITS

Q: How do I calculate my retirement benefit?

A: Generally, the basic amount of your monthly benefit at or after age 55 for benefits earned prior to January 1, 2021, or age 60 for benefits earned after January 1, 2021, is determined by multiplying 3% of your "Monthly Compensation" by your "Years of Credited Benefit Service" as those terms are defined in the Plan.

Please see SPD, Section IV, on pages 12-17. Only the Plan Administration Office can give you an official calculation of your benefit. Contact the Plan Administration Office at the address listed above for more information.

Q: Are years of "credited benefit service" (used in calculating benefit amounts) the same as years of "vesting service"?

A: No.

Please compare SPD Section II on pages 9-10 with SPD Section IV.A.2 on pages 13-14.

Q: How long must I work at a particular compensation level for it to qualify as my highest "Monthly Compensation"?

A: It depends on whether you are a salaried or hourly employee.

Please see SPD page 3 ("Retirement Benefits") and SPD Section IV.A.1 on pages 12-13.

Q: Assume that, as a regular employee, I take a temporary position at a higher rate of pay and later return to my regular position. At retirement, if the pay rate for that temporary position turns out to be the highest I ever received during my CTA career, would the temporary position pay rate be my "highest Monthly Compensation" and used in calculating the amount of my retirement benefit?

A: If your employment status changed from part-time or temporary status to full-time status at any time during the 60-month period prior to your retirement, your Monthly Compensation will be adjusted to reflect your part-time or temporary status.

Q: Does the employer contribution to my 401(k) plan count as compensation under this Plan?

A: No, only your employee contributions to your 401(k) plan are counted as compensation under this Plan.

Please see SPD Section IV.A.1(c) on page 13.

Q: Can I take a cash, lump sum payment in lieu of monthly payments?

A: No, all benefits are paid in a monthly annuity payable for your lifetime, and, depending on the form of benefit you elect, your designated beneficiary's lifetime.

Please see SPD Sections VI.A and VI.B on pages 18-19.

Q: When I decide to retire, is there any advantage to putting off receiving the benefit?

A: If you stop working and delay receiving Plan benefits, that could affect the calculation of your benefit amount.

Please see SPD pages 4-5 ("Important Information to Avoid Loss of Benefits" especially item 5), SPD Sections IV.A and IV.B on pages 12-16, and SPD Section VIII.A on page 21.

Q: If I retire after age 50 but before age 60, how is my benefit calculated?

A: If you are employed by a participating employer at the time of retirement, your benefit would be reduced based on the following percentages:

Age at Retirement	**Early Retirement Factors for Benefits Earned Prior to 1/1/21**	**Early Retirement Factors for Benefits Earned starting 1/1/21**
50	66%	44%
51	72%	47%
52	78%	51%
53	85%	55%
54	92%	60%
55	100%	65%
56	100%	70%
57	100%	77%
58	100%	84%
59	100%	91%
60 and older	100%	100%

If you are not employed by a participating employer at the time of your retirement and terminated before age 50, your benefit would be reduced based on the following percentages:

Age at Retirement	***Percentage of Accrued Benefit for Benefits Earned Prior to 1/1/21***	***Percentage of Accrued Benefit for Benefits Earned Starting 1/1/21***
50	64%	27%
51	69%	29%
52	74%	31%
53	79%	34%
54	84%	37%
55	89%	40%
56	91%	43%
57	93%	47%
58	95%	51%
59	98%	56%
60	100%	61%

Age at Retirement	*Percentage of Accrued Benefit for Benefits Earned Prior to 1/1/21*	*Percentage of Accrued Benefit for Benefits Earned Starting 1/1/21*
61	100%	67%
62	100%	74%
63	100%	82%
64	100%	90%
65 and older	100%	100%

Please see SPD Section IV.B on pages 15-16.

Q: After I retire, when can I expect my first check?

A: Your benefit payments will commence as soon as administratively feasible after the effective date of your retirement, and payments are always made the last day of the month for the current month.

Example: May benefit is paid on May 31.

The effective date of your retirement will be the latest of: (1) the day after your last day of employment; (2) the date your retirement application is filed; or (3) the later retirement date you specify on your retirement application.

Please see SPD Section III on pages 10-12.

DISABILITY BENEFITS

Q: Is there any provision for disability retirement benefits?

A: Yes, if you are a vested member and qualify as a disabled member within the meaning of the Plan, you have two choices. You could delay taking your retirement benefits and (in most cases) continue to accrue additional Years of Credited Benefit Service until they start. However, before you choose to delay the start of your retirement benefit payments beyond 12 months, you should contact the CTA Employees' Health and Welfare Benefits Trust because delaying retirement benefit payments could adversely affect your eligibility for retiree health benefits from that trust. Or, you could take an immediate Disability Benefit even if you have not yet reached age 50.

Please see SPD Section III.B on pages 11-12 and Section VIII on pages 21-22.

BREAKS IN SERVICE

Q: If I am vested in my benefit under the Plan, can I have a break-in-service that would cause me to lose my vesting?

A: No, if you are a vested member, you cannot lose your vested benefits from a break in service.

Please see SPD Section II.B on page 10, SPD Section IX on page 22, and SPD Sections X.A-C on pages 22-23.

PLAN BENEFIT OPTIONS

Q: Does the plan have provisions for Domestic Partners?

A: Yes, if you are not legally married but you have a domestic partner, he or she will be treated as if he or she were your legally married spouse to the extent described in the Plan and permitted by law, if you file a completed Domestic Partner Affidavit with the Plan's Administration Office. Contact the Plan Administration Office to obtain a copy of the required Affidavit.

Please see SPD Sections VI.A-D on pages 18-19 and SPD Section VII on pages 20-21.

Q: I am not married - is there an option where I can designate my child to receive my benefits upon my death?

A: If you are an unmarried participant, there will only be a pre-retirement death benefit payable to your designated beneficiary (which can be your child) or estate, if you made Member-Required Contributions as defined in the Plan. When you retire, if you validly designate your child as your beneficiary and elect a joint and contingent annuity form of benefit, payments will be made to your child in accordance with your elected form of benefit upon your death.

Please see SPD pages 3-4 ("Death Benefits"), SPD Sections VI.B.1-3 on pages 18-19, and SPD Section VII on pages 20-21.

GENERAL QUESTIONS

Q: Who do I contact with questions about my pension?

A: Contact the Plan Administrator:

BeneSys Administrators
7180 Koll Center Parkway, Suite 200
Pleasanton, CA 94566

Toll Free: 833-265-2277
Phone: 925-208-2277
Fax: 925-395-4101

Mailing Address:

P.O. Box 154
San Ramon, CA 94583

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CALIFORNIA TEACHERS ASSOCIATION EMPLOYEES' RETIREMENT BENEFITS PLAN

PLAN OFFICE

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San Ramon, CA 94583

Physical Address:

BeneSys Administrators
7180 Koll Center Parkway, Suite 200
Pleasanton, CA 94566

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LEGAL COUNSEL
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