

**AMENDMENT NO. 2 TO  
THE CALIFORNIA TEACHERS ASSOCIATION  
EMPLOYEES' RETIREMENT BENEFITS PLAN**

The undersigned hereby amend the following provision of the above-named Plan as set forth on the following pages:

*Provisions Added or Amended*

*Effective Date and Time*

Section 6.5.3

January 1, 1999

Section 6.5.4

January 1, 1999 (immediately after amended Section 6.5.3 takes effect)

**EXECUTION**

**CALIFORNIA TEACHERS ASSOCIATION**

**CALIFORNIA STAFF ORGANIZATION**

By: \_\_\_\_\_

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2000

Dated: \_\_\_\_\_, 2000

**CALIFORNIA ASSOCIATE STAFF**

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2000

**AMENDMENT NO. 2 TO  
THE CALIFORNIA TEACHERS ASSOCIATION  
EMPLOYEES' RETIREMENT BENEFITS PLAN**

1. Effective as of January 1, 1999 (but only with respect to persons who were receiving a Retirement Allowance immediately prior to that date), Section 6.5.3 is amended in its entirety to read as follows:

**6.5.3 Most Recent Increase.** Effective as of January 1, 1999, a further monthly increase of 1% shall take effect January 1, 1999, for persons who were receiving a Retirement Allowance from the Plan immediately prior to that date; *provided, however,* that the amount of such increase shall be determined under Section 6.5.4 and shall not be determined separately under this Section 6.5.3.

2. Effective as of January 1, 1999 (but immediately after amended Section 6.5.3 takes effect and only with respect to persons who were receiving a Retirement Allowance immediately prior to that date), Section 6.5 is amended by adding the following new Section 6.5.4 at the end thereof:

**6.5.4 1999 Purchasing Power Adjustment.** Effective as of January 1, 1999, the monthly amount of the Retirement Allowance payable from the Plan to any person who was receiving a Retirement Allowance immediately prior to January 1, 1999 shall be increased by *multiplying* (i) the monthly amount of the Retirement Allowance paid in December 1998, *by* (ii) the 1999 Purchasing Power Adjustment Factor (as listed on Exhibit C attached hereto) that corresponds to the Retirement Date (as defined in Section 7.2) of the retired Member or the date of death of the Deceased Member (as defined in Section 8.3.1).

(a) For example, the monthly amount of the Retirement Allowance payable in January 1999 to an eligible retired Member whose monthly Retirement Allowance was \$1,000.00 in December 1998 and whose Retirement Date occurred in 1973 shall be \$1,362.60 (*i.e.*, \$1,000.00 *times* 1.3626 (or 136.26%)).

(b) Any Retirement Allowance increase payable under this Section 6.5.4 for monthly payment dates occurring in 1999 and 2000 (but prior to the adoption of this Section 6.5.4) shall be implemented by including a one-time retroactive make-whole payment (with compound interest at the rate of 6% per annum) in a regular monthly payment).

**EXHIBIT C – 1999 PURCHASING POWER ADJUSTMENT FACTORS**

**TO**

**THE CALIFORNIA TEACHERS ASSOCIATION  
EMPLOYEES' RETIREMENT BENEFITS PLAN**

<i>Year of Member's Retirement Date</i>	<i>1999 Purchasing Power Adjustment Factor (Section 6.5.4)</i>
1962	154.79%
1963	155.71%
1964	155.71%
1965	156.78%
1966	156.78%
1967	155.41%
1968	153.31%
1969	149.64%
1970	143.45%
1971	139.89%
1972	138.66%
1973	136.26%
1974	129.77%
1975	117.66%
1976	111.22%
1977	108.15%
1978	101.48%
1979	101.00%
1980	101.00%
1981	101.00%
1982	101.00%
1983	101.00%
1984	101.00%
1985	101.00%
1986	101.00%
1987	101.00%
1988	101.00%
1989	101.00%
1990	101.00%
1991	101.00%
1992	101.00%
1993	101.00%
1994	101.00%
1995	101.00%
1996	101.00%
1997	101.00%
1998	101.00%