

**AMENDMENT NO. 5 TO
THE CALIFORNIA TEACHERS ASSOCIATION
EMPLOYEES' RETIREMENT BENEFITS PLAN**

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

Provisions Added or Amended

Effective Date and Time

Section 4.2

January 1, 2002

Section 7.10

January 1, 2001

EXECUTION

CALIFORNIA TEACHERS ASSOCIATION

CALIFORNIA STAFF ORGANIZATION

By: _____

By: _____

Dated: _____, 2002

Dated: _____, 2002

CALIFORNIA ASSOCIATE STAFF

By: _____

Dated: _____, 2002

**AMENDMENT NO. 5 TO
THE CALIFORNIA TEACHERS ASSOCIATION
EMPLOYEES' RETIREMENT BENEFITS PLAN**

1. Effective as of January 1, 2002, Section 4.2 is amended in its entirety to read as

follows:

4.2 Required Contributions. If (*and only if*) expressly required, both before January 1, 2002 and (with respect to the Prior Plan) as of December 31, 1998, by the applicable collective bargaining agreement or participation agreement signed by his or her Participating Employer, each Member shall contribute by means of payroll deduction 3% of the first \$350.00 of his or her monthly salary, and 6% of that portion of monthly salary which exceeds \$350.00, excluding any overtime or bonus pay. Otherwise, each Participating Employer shall make all contributions necessary to fund the Plan (as determined pursuant to Section 4.1) and none of its Eligible Employees shall make Required Contributions. Required Contributions made by Participating Employers shall, for purposes of Section 1.2 (defining "Accumulated Required Contributions"), not be counted as Members' Required Contributions but shall be treated as Employer Contributions under Section 4.1.

2. Effective as of January 1, 2001, Section 7.10 is amended in its entirety to read as

follows:

7.10 Application and Election Procedures. To apply for retirement, an application shall be made in writing on a form and in the manner prescribed by the Board, and shall be filed with the Board at least one day, but no earlier than 90 days, before the Member's desired Retirement Date (as defined in Section 7.2). An application will not be considered complete for purposes of Section 7.2 until all information and documents required from the Member or his or her beneficiary have been received by the Board. This includes any written statements, documents and other information required from a Member who wishes to elect an optional form of Retirement Allowance.

7.10.1 Election of Optional Form. An election of an optional form of Retirement Allowance must be made no earlier than 90 days before the Member's Retirement Date (as defined in Section 7.2), and may be revoked or changed by the Member at any time before or within 90 days after the date his or her election of a form of payment is signed by the Member, notwithstanding the first sentence of Section 7.10. If a Member is married, his or her spouse's consent is required for the election of any optional form of Retirement Allowance (as

provided in Section 7.5), subject to the Special Effective Date Rule set forth in Section 7.5.3 which applies to this Section 7.10.1.

7.10.2 Written Explanation. Within the time periods described in Section 7.10.3 and subject to the Special Effective Date Rule set forth in Section 7.5.3 which applies to this Section 7.10.2, the Member shall be provided with a written explanation of:

(a) The terms and conditions of the normal form of payment of the Member's Retirement Allowance (as determined under Section 7.5 or 7.6) and a summary of the optional forms of payment available under the Plan;

(b) The Member's right to make, and the effect of, an election to waive the normal form of payment of his or her Retirement Allowance;

(c) The fact that the spouse of a married Member must consent to any election other than the joint and 50% contingent annuity with the Member's spouse as his or her Beneficiary; and

(d) The Member's right to make, and the effect of, a revocation of an optional form of payment of his or her Retirement Allowance.

7.10.3 Time Periods for Providing Information. Effective as of January 1, 1999, the information described in Section 7.10.2 shall be provided to the Member as follows:

(a) General information on the Plan's normal and optional forms of payment shall be provided to the Member:

(1) No less than 30 days and no more than 90 days before the Member's Retirement Date; or

(2) After the Member's Retirement Date, but no less than 30 days and no more than 90 days before payment of his or her Retirement Allowance actually begins;

provided that the Member may waive either 30-day period if payment of his or her Retirement Allowance begins more than seven (7) days after such general information is provided;

(b) A Member's written request for specific information on the normal and optional forms of payment available to the Member must be received (1) at least 60 days before his or her Retirement Date, or (2) if paragraph (a)(2) above applies, at least 60 days before payment of his or her Retirement Allowance actually begins; and

(c) Specific information on the normal and optional forms of payment available to a Member must be provided within 30 days of the Member's timely request therefor.

7.10.4 Limited Time Option to Reconsider Election. The special election made available by this Section 7.10.4 (i) may be elected only during the 90-day period beginning on the date set forth on the written notice of the reconsideration option (the "**Notice Date**"), and (ii) if elected, shall be deemed null and void if any payment required under paragraph (c) below is not received during the 120-day period beginning on the Notice Date.

(a) As soon as reasonably practicable after June 4, 2002, written notice shall be provided to each retired Member:

(1) Whose Retirement Date occurred after

(i) September 1, 1995 (if he or she was represented by the CSO or not represented by a Union when his or her employment terminated); or

(ii) September 1, 1995 (if he or she was represented by the CAS when his or her employment terminated); and

(2) Whose Retirement Allowance is being paid in the form of standard or pop-up joint and contingent annuity (as described in Sections 7.8.1 through 7.8.6),

that the retired Member has a limited one-time option to reconsider his or her prior form of payment election.

(b) The alternate form of payment available to the retired Member shall be limited to the standard or pop-up joint and contingent annuity form that corresponds to the form of payment currently in effect and, if elected, shall be made effective retroactively to the date payment of his or her Retirement Allowance actually began. For example, the only option available to an eligible retired Member whose Retirement Allowance is being paid in the form of the standard joint and 50% contingent annuity (as described in Section 7.8.5) is to elect instead the pop-up joint and 50% contingent annuity (as described in Section 7.8.6).

(c) If an election of an optional form of payment made under paragraph (b) above will result in a retroactive *decrease* in the monthly payments previously made, the election shall not take effect unless and until payment in full of the accumulated value of such decrease with interest at 6% per annum (as specified in the notice) is received by the Board within the period specified in clause (ii) above.

(d) If an election of an optional form of payment made under paragraph (b) above will result in a retroactive *increase* in the monthly payments previously made, the accumulated value of such increase with interest at 6% per annum (as specified in the notice) shall be paid to the retired Member as soon as practicable after payments begin to be made in the newly elected form of payment.