

Board Disposition: Adopted without objection on 5/20/2021

R2021-28 rev 1
 BOD MTG: SPRING
 5/18-21/2021

SOURCE: BRAB
 PROPOSER: CA Dave Rintel

FOR: _____
 AGAINST: _____
 ABSTAIN: _____
 ABSENT: _____

Title:	SMP Restructure of Participant Contributions
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Drafting Committee	Policy Manual Amendment:	Cons. & Bylaws Amendment:

Drafting Committee: Recommend adoption by the Board as amended, 9-0-0-1

DATE CONSIDERED: <input type="checkbox"/> 5/19/2021	OTHER AVAILABLE BOD ACTIONS: <input type="checkbox"/> Amend (By Rev # -- OKd by Maker) <input type="checkbox"/> Amend (Without Maker OK) <input type="checkbox"/> Refer (To Whom? Instructions?) <input type="checkbox"/> Postpone Indefinitely (Kill) <input type="checkbox"/> Postpone to a Certain Time <input type="checkbox"/> Adopt-in-Lieu Of	FOR: _____ 9 AGAINST: _____ 0 ABSTAIN: _____ 0 ABSENT: _____ 1
RECOMMENDED FINAL ACTION: <input checked="" type="checkbox"/> Adopt <input type="checkbox"/> Defeat		

1 **WHEREAS**, the APA Voluntary Supplemental Medical and Custodial Care Benefit Plan
 2 (“Plan”) provides that APA has the right to amend or terminate the Plan at any time, including without
 3 limitation with respect to the Plan’s required contribution levels (“reservation of rights”); and,

4 **WHEREAS**, Segal, the Plan’s actuarial expert, has recommended a restructuring of Plan
 5 contributions to ensure adequate funding of the Plan; and

6 **WHEREAS**, in connection with such recommendations, the BRAB instructed Segal to
 7 conduct a rate study to address the funding concerns raised by Segal; and

8 **WHEREAS**, the BRAB has determined, based on Segal’s recommendations, that it would be
 9 prudent to revise the SMP’s contribution rates at this time to address a projected shortfall in the
 10 Plan’s reserves; and

11 **WHEREAS**, the Board has determined to restructure the Plan’s contribution rates based on
 12 the recommendations provided by Segal and the BRAB; therefore,

13 **BE IT RESOLVED**, that the Board hereby amends the contribution structure under the APA
 14 Voluntary Supplemental Medical and Custodial Care Benefit Plan (“Plan”), as follows:

SMP Rate Category/Group	Current Rate(s) (based on retirement status, date (as applicable) and participant status (e.g., member, spouse or dependent))	New Rate
Group A: Active Rate (applies to Eligible Members, Spouses, and Dependent Children, based on Member’s status)	\$15, \$20	\$25
Group B: SMP Secondary to AA Retiree Medical Coverage (Eligible Members and Spouses under age 65)	\$60, \$140	\$125
Group C: SMP Secondary to AA Retiree Medical Coverage (Eligible Members and Spouses age 65 and older)	\$50	\$50 (No Change)
Group D: SMP Primary (Eligible Members, Spouses, and Surviving Spouses)	\$60, \$140, \$400	\$400
Group E: SMP Secondary to Medicare (Eligible Members and Spouses, including Surviving Spouses)	\$50, \$60	\$200
Group F: Dependent Children of Members other than an Active Member	\$60, \$140, \$200	\$200

15 **BE IT FURTHER RESOLVED**, that on an ongoing basis, the BRAB, Benefits Department
 16 and Segal will periodically report to the Board the funded status of the Plan and any additional
 17 recommended changes in the contribution structure of the Plan; and

18 **BE IT FURTHER RESOLVED**, that the Board directs and authorizes the BRAB, National
 19 Officers, and Benefits Department to take any and all actions that are reasonable and necessary to
 20 implement this resolution, as soon as practicable, including without limitation the preparation and
 21 execution of amendments to the Plan as needed to reflect the changes described herein; and

22 **BE IT FURTHER RESOLVED**, that all the acts and doings of the BRAB, National
23 Officers, and the Benefits Department that are consistent with the purposes and intent of this
24 resolution will be, and are in all respects, ratified, confirmed, approved, and adopted.