

TO CLASS MEMBERS RE SETTLEMENT SUPPLEMENT

To All Class Members in Requa/Moen v. Regents of Univ. of California:

We know that all of you are awaiting distribution of the “Settlement Supplement” – the annual payment that starts this year to supplement the benefit paid by LLNS.

We were hopeful that this benefit would be distributed in January 2021. We are now hopeful that it will be distributed at the end of this month (March 2021).

The reasons for the delay are complicated, but we want to provide a “thumbnail” explanation.

In order to meet our goal of having the funds deemed tax-exempt, the benefit has to be distributed through an HRA (“Health Reimbursement Arrangement” also known as a “Health Reimbursement Account”). Since UC declined to have any role in distributing the HRA, including acting as “plan sponsor,” Petitioners had to set up a new nonprofit corporation that would act as the plan sponsor to get the funds distributed. The name of the new nonprofit is the Livermore Class Action Settlement Administration and Education Fund, Inc. (“LCASE”). Petitioners also had to set up a Voluntary Employees Beneficiary Association (“VEBA”) to allow settlement funds from UC to be invested so that the benefit would last for 20 years (or until only 1,000 class members are still living).

All of this has involved a number of filings with the IRS, the California Franchise Tax Board, the California Registry of Charitable Trusts, etc. In addition, LCASE has had to work out agreements with Willis Towers Watson to act as the plan administrator to distribute the HRA funds. LCASE has also had to work out an agreement with ARCHER Systems, the Settlement Administrator, to provide settlement funds to Willis Towers Watson for distribution to the class; and to provide funds to Argent Financial, the Court-approved VEBA Trustee, which will be responsible for investing funds to ensure that the benefits will last for 20 years.

This may be more than you wanted to know. Most members of the class just want to know when they will get their Settlement Supplement for 2021. We have included this brief explanation for those who are interested.

Please keep in mind that, regardless of when the Settlement Supplement is distributed, it will apply to the entire year of 2021. That means that, if you had an expense in January 2021 that the Settlement Supplement covers (e.g., an out-of-pocket expense not covered by your health care or prescription plan), you will still be able to use the benefit to cover that expense, even though the actual funds do not arrive until March 2021.

I can assure you that class counsel and ARCHER are working as hard as we can to get this done. In the meantime, we understand the urgency of the situation and appreciate your patience.

We cannot make any promises about when the Settlement Supplement will be distributed – except that we are working as hard as we can to get it done as soon as possible.

Please continue to visit the Settlement Administrator’s website at <http://llnlretireesettlement.com> for information regarding the settlement. Further announcements regarding the distribution of the Settlement Supplement and other benefits will be posted there.

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