



November 22, 2021

To All Class Members:

While many details of the class action Settlement Agreement in *Requa/Moen, et al. vs. Regents of University of California* are available in documents and in “Frequently Asked Questions” on the settlement websites (www.llnlretireesettlement.com, and <https://llnlretiree.com/>), this communication is intended to provide additional information to answer questions that you may have about payments from the settlement.

Initial \$1000 Payment

All Class Members, both living and next-of-kin (beneficiaries / successor(s)-in-interest) of deceased, are entitled to the Initial \$1000 Payment. These Payments have been distributed to all Class Members who have been located. Some Class Members have not submitted a Class Member Data Form and the Settlement Administrator, ARCHER Systems, continues to search for them.

Past Damage Payments

By now, most eligible Class Members have received their payment for Past Damages. Those who have not will receive them soon. However, less than half of the Class Members are eligible for a payment for Past Damages incurred between **10/15/2010 and 4/10/2020**. Economic or Past Damages are defined as the difference between insurance premiums paid by LLNS after the transition to LLNS compared to premiums that would have been paid by UC under the same or most nearly equivalent plan. The beginning date (10/15/2010) is when damages began to accrue based on the statute of limitations. The end date (4/10/2020) is the “Effective Date” of the Settlement, that is, the date on which the Alameda Superior Court entered the Final Approval Order. If the Class Member incurred an economic loss and is eligible for a Past Damage Payment, each Initial \$1000 Payment is deducted from the Past Damage Payment calculation.

As noted in Schedule B of the Settlement Agreement: Class Members who (i) are living and not eligible for Medicare, (ii) are living and Medicare-eligible and elected Kaiser Senior Advantage Part B between October 15, 2010, to the Effective Date (April 10, 2020), or (iii) who died between October 15, 2010, and the Effective Date, may be eligible for a Past Damages Payment. Not all Class Members falling into these three categories will receive a Past Damages Payment. Eligibility for Past Damages Payments for Class Members who fall into these categories depend on the individual Class Member’s circumstances and plan selections between October 15, 2010, and the Effective Date.

Please note that Past Damage Payments are not meant to compensate eligible Class Members the full amount of their economic loss. This is because the Settlement Agreement was the result of compromises made during the settlement negotiations. The final proration amount applied to all eligible Class Member Past Damage Payments was approximately thirty-eight percent (38%).

At the time the Settlement Agreement was signed in December 2019, it was not possible to calculate precise eligible Class Member Past Damages. However, **Schedule A** of the Settlement Agreement specifies that approximately \$11 million will be paid in Past Damages Payments; and **Schedule B** describes the method that was used to determine Past Damages. <http://www.lnretireesettlement.com/documents/2019-12-11%20Settlement%20Agreement.pdf>

Supplemental Payments

Schedule A of the Settlement Agreement specifies that approximately \$60 million will be used for Supplemental Payments for living Class Members. These Payments began in 2021 and will continue for 20 years or until there are 1,000 or fewer living Class Members, whichever occurs first, at which time remaining funds will be distributed to living Class Members.

The Supplemental Payment is distributed through the Livermore Class Action Settlement Administration and Education Fund, Inc., Retiree Health Reimbursement Arrangement (LCASE HRA). The HRA is managed by Via Benefits. Information about setting up an HRA account for Class Members is available on the ARCHER settlement website, lnretireesettlement.com, where there is a link to a summary and guide at <https://my.viabenefits.com/LCASE>. A link to this guide is also on the UCLRG website, <https://lnretiree.com/>.

Supplemental Payments for future years will be credited to the Class Member's HRA. The amounts will depend on the number of living Class members and the amount of funds remaining in the Voluntary Employees' Beneficiary Association (VEBA) trust.

Schedule C of the Settlement Agreement describes the methodology used to establish the original Supplemental Payment amounts. For calendar year 2022, the Supplemental Payment amounts will increase by 4.25% over the prior year (2021). Please note that in Sections A & F of Schedule C, the amount of the Supplemental Payments is subject to change at the discretion of the Settlement Administrator or VEBA trustee.

Taxes

Neither ARCHER Systems, LLC, nor Class Counsel provides tax or accounting advice. Questions regarding tax consequences of all benefits provided under the Settlement Agreement should be directed to your tax professionals. Any Class Member or next-of-kin

(beneficiaries / successor(s)-in-interest) who receive an Initial \$1,000 Payment or Past Damage Payment will receive IRS Form-1099 from ARCHER. As stated in the Settlement Agreement, ¶ V-A-16, "Taxability of Benefits. The Supplemental Payments are being structured to avoid being taxable in light of their characterization as payments that fall within IRC § 501(c)(9). The Initial \$1,000 Payment and Past Damages Payment will likely be deemed taxable, and the Settlement Administrator will provide 1099 forms to individual Class Members...."

If You Still Have Questions

Class members (or their next-of-kin) who still have questions should first contact ARCHER at Inlretireesettlement@archersystems.com. If the ARCHER representative is not able to answer your question, your inquiry may be elevated to ARCHER's experts and in some cases to Class Counsel. ARCHER will coordinate communications.