



November 7, 2025

TO: Legal Counsel

News Media

Salinas Californian

El Sol

Monterey County Herald

Monterey County Weekly

KION-TV

KSBW-TV/ABC Central Coast

KSMS/Entravision-TV

The next regular meeting of the **PERSONNEL, PENSION AND INVESTMENT COMMITTEE - COMMITTEE OF THE WHOLE** of **SALINAS VALLEY HEALTH**¹ will be held **MONDAY, NOVEMBER 10, 2025, AT 4:00 P.M., HEART CENTER TELECONFERENCE ROOM, SALINAS VALLEY HEALTH MEDICAL CENTER, 450 E. ROMIE LANE, SALINAS, CALIFORNIA.**

(For Public Access Information Visit <https://www.salinasvalleyhealth.com/about-us/healthcare-district-information-reports/board-of-directors/board-committee-meetings-virtual-link/>.)

A handwritten signature in black ink, appearing to read "Allen Radner", is positioned above the printed name.

Allen Radner, MD
President/Chief Executive Officer

Committee Voting Members: **Catherine Carson**, Chair; **Isaura Arreguin**, Vice-Chair; **Michelle Childs**, Chief Human Resources Officer; **Iftikhar Hussain**, Chief Financial Officer; **Glenn Berry, MD**, Medical Staff Member.

Advisory Non-Voting Members: Tony Redmond, Community Member, Executive Team Members.

**PERSONNEL, PENSION AND INVESTMENTS COMMITTEE
COMMITTEE OF THE WHOLE
SALINAS VALLEY HEALTH¹**

**MONDAY, NOVEMBER 10, 2025, 4:00 P.M.
HEART CENTER TELECONFERENCE ROOM**

**Salinas Valley Health Medical Center
450 E. Romie Lane, Salinas, California**

(Visit SalinasValleyHealth.com/virtualboardmeeting for Public Access Information)

AGENDA

1. Call to Order / Roll Call
2. Public Comment

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board, which are not otherwise covered under an item on this agenda.

3. Approve Minutes of the Personnel, Pension and Investment Committee Meeting of October 13, 2025. (CARSON)
 - Motion/Second
 - Public Comment
 - Action by Committee/Roll Call Vote
4. Consider Approval of (i) Findings Supporting Recruitment of Armando Cervantes, MD (ii) Contract Terms for Dr. Cervantes' Recruitment Agreement, and (iii) Contract Terms for Dr. Cervantes' Family Medicine Professional Services Agreement (RODRIGUEZ/HEACOX)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
5. Review Investment Performance of Salinas Valley Health Medical Center General & Board Designated Funds (HUSSAIN / TIM SKELLY AND GREGG MANJEROVIC OF MORGAN STANLEY)

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

6. Consider Recommendations for Board Approval of Amendments to the (i) SVMHS 403(b) Retirement Plan, the (ii) 403(b) Tax Deferred Salary Reduction Plan and the (iii) 457(b) Retirement Plan (CHILDS)

- Staff Report
- Committee Questions to Staff
- Public Comment
- Committee Discussion/Deliberation
- Motion/Second
- Action by Committee/Roll Call Vote

7. Adjournment

The next Personnel, Pension and Investment Committee Meeting is scheduled for **Tuesday, December 16, 2025** at 5:00 p.m.

This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

The Salinas Valley Health (SVH) Committee packet is available at the Committee Meeting, electronically at [https://www.salinasvalleyhealth.com/~about-us/healthcare-district-information-reports/board-of-directors/meeting-agendas-packets/2025/](https://www.salinasvalleyhealth.com/~/about-us/healthcare-district-information-reports/board-of-directors/meeting-agendas-packets/2025/) and in the SVH Human Resources Department located at 611 Abbott Street, Suite 201, Salinas, California, 93901. All items appearing on the agenda are subject to action by the SVH Board.

Requests for a disability related modification or accommodation, including auxiliary aids or Spanish translation services, in order to attend or participate in-person at a meeting, need to be made to the Board Clerk during regular business hours at 831-759-3050 at least forty-eight (48) hours prior to the posted time for the meeting in order to enable the District to make reasonable accommodations.

CALL TO ORDER
ROLL CALL

(Chair to call the meeting to order)

PUBLIC COMMENT



DRAFT SALINAS VALLEY HEALTH¹
PERSONNEL, PENSION AND INVESTMENT COMMITTEE
COMMITTEE OF THE WHOLE
MEETING MINUTES OCTOBER 13, 2025

Committee Member Attendance:

Voting Members Present: **Catherine Carson**, Chair, **Glenn Berry, M.D.**, Medical Staff Member, **Michelle Childs**, CHRO and **Iftikhar Hussain**, CFO;

Voting Members Absent: Isaura Arreguin;

Advisory Non-Voting Members Present:

In person: Allen Radner, M.D., President/CEO, and Gary Ray, CLO;

Via Teleconference: Alysha Hyland, CAO, and Clement Miller, COO;

Other Board Members Present, Constituting Committee of the Whole:

Via Teleconference: Rolando Cabrera, M.D., and Victor Rey, Jr.

Victor Rey, Jr., arrived at 4:18 p.m.

1. CALL TO ORDER/ROLL CALL

A quorum was present and Chair Catherine Carson called the meeting to order at 4:02 p.m. in the Downing Resource Center Conference Rooms A & B.

2. PUBLIC COMMENT: None

3. APPROVAL OF MINUTES FROM THE PERSONNEL, PENSION AND INVESTMENT COMMITTEE MEETING OF AUGUST 18, 2025

Approve the minutes of the August 18, 2025 Personnel, Pension, and Investment Committee meeting. The information was included in the Committee packet.

PUBLIC COMMENT: None

MOTION:

Upon motion by Committee Member Childs, and second by Committee Member Dr. Berry, the minutes of the August 18, 2025 Personnel, Pension and Investment Committee are approved as presented.

ROLL CALL VOTE

Ayes: Chair Carson, Dr. Berry, and Childs;

Nays: None;

Abstentions: Hussain;

Absent: Arreguin.

Motion Carried

¹ Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

4. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF (i) FINDINGS SUPPORTING RECRUITMENT OF MARTIN KAMPER, MD, (ii) CONTRACT TERMS FOR DR. KAMPER'S RECRUITMENT AGREEMENT, AND (iii) CONTRACT TERMS FOR DR. KAMPER'S PULMONARY AND CRITICAL CARE PROFESSIONAL SERVICES AGREEMENT

Gary Ray, CLO, reported that in consultation with members of the medical staff, Salinas Valley Health (SVH) executive management has identified the recruitment of physicians specializing in pulmonary and critical care as a recruiting priority for SVH's service area. Based on the Medical Staff Development Plan, completed by ECG Management Group in January 2023, the specialty of pulmonary and critical care was recommended as a priority for recruitment.

A full report was included in the packet.

PUBLIC COMMENT: None

COMMITTEE COMMENTS: Dr. Kamper is an intensivist.

MOTION:

Upon motion by Committee Member Dr. Berry, and second by Committee Member Childs, the Personnel, Pension, and Investment Committee recommends Board of Directors' approval of:

1. The Findings Supporting Recruitment of Martin Kamper, M.D.:
 - That the recruitment of pulmonary and critical care physician to Salinas Valley Health Clinics is in the best interest of the public health of the communities served by the District; and
 - That the recruitment benefits and incentives the hospital proposes for this recruitment are necessary in order to attract and relocate an appropriately qualified physician to practice in the communities served by the District;
2. The Contract Terms of the Recruitment Agreement for Dr. Kamper; and
3. The Contract Terms of the Pulmonary and Critical Care Professional Services Agreement for Dr. Kamper.

ROLL CALL VOTE:

Ayes: Chair Carson, Dr. Berry, and Childs;

Nays: None;

Abstentions: Hussain;

Absent: Arreguin.

Motion Carried

5. EMPLOYEE GROUP HEALTH PLAN

Michelle Childs, CHRO, reported on the Employee Group Health Plan, including data related to enrollment, expenses, expense mitigation efforts, and 2026 plan changes. A full report was included in the packet.

COMMITTEE DISCUSSION: Review of the plan design for Tier 1, 2, 3 and domestic utilization. Dr. Radner described our population health management. SVH has high ED utilization; the new plan design and clinic offerings are intended to drive care to the appropriate level of service.

6. ADJOURNMENT

There being no other business, the meeting adjourned at 4:43 p.m. The next Personnel, Pension and Investment Committee Meeting is scheduled for **Monday, November 10, 2025** at 4:00 p.m.

Catherine Carson, Chair
Personnel Pension and Investment Committee

Board Paper: Personnel, Pension and Investment Committee

Agenda Item: **Consider Approval of (i) Findings Supporting Recruitment of Armando Cervantes, MD (ii) Contract Terms for Dr. Cervantes' Recruitment Agreement, and (iii) Contract Terms for Dr. Cervantes' Family Medicine Professional Services Agreement**

Executive Sponsor: Orlando Rodriguez, MD, Chief Medical Officer
Molly Heacox, Director of Clinic Services

Date: November 3, 2025

Executive Summary

In consultation with members of the medical staff, Salinas Valley Health (SVH) executive management has identified the recruitment of physicians specializing in **family medicine** as a recruiting priority for SVH's service area. Based on the Medical Staff Development Plan, completed by ECG Management Group in January 2023, family medicine is recommended as a top priority for recruitment. To ensure that established primary care patients of Salinas Valley Health Clinics (SVHC) have access to after-hours care, clinic hours were expanded weekdays from 5:00 p.m. to 9:00 p.m. and weekends 9:00 a.m. to 6:00 p.m. to offer urgent care services. With plans to continue to expand hours January 2026. To support this expanded service line, recruiting an additional family medicine physician is imperative to meet the growing demand. Urgent care services are available to established SVHC primary care patients of all ages at the PrimeCare Salinas location.

The recommended physician, **Armando Cervantes, MD**, received his Doctor of Medicine degree in 2020 from the University of Iowa Carver College of Medicine and completed his training at the Kaweah Health Family Medicine Residency Program in Visalia, CA. Since his training in 2023, Dr. Cervantes has been providing primary care, wound care and urgent care services in the Bay Area. Dr. Cervantes is fluent in Spanish and will join SVH PrimeCare in December 2025.

Terms and Conditions of Agreements

The proposed physician recruitment requires the execution of two types of agreements:

1. **Professional Services Agreement**. Essential Terms and Conditions:

- **Professional Services Agreement (PSA)**. Physician will be contracted under a PSA with Salinas Valley Health and a member of Salinas Valley Health Clinics. Pursuant to California law, the physician will not be an employee of SVH or SVH Clinics but rather a contracted physician.
- **Term**: PSA is for a term of two years, with annual compensation reported on an IRS W-2 Form.
- **Full-Time Schedule**. Physician will be scheduled to provide physician services to clinic patients on a full-time basis, 46 weeks per year; one week of which can be allocated to continuing medical education (CME).
- **Base Compensation**: \$325,000 per year.
- **Productivity Compensation**: To the extent it exceeds the base salary, physician is eligible for work Relative Value Units (wRVU) productivity compensation at a \$55.00 wRVU conversion factor.
- **Professional Liability Insurance**. Professional liability is provided through BETA Healthcare Group.
- **Benefits**. Physician will be eligible for standard SVH Clinics physician benefits:
 - ❖ Access to SVH Health Plan for physician and qualified dependents. Premiums are projected based on 15% of SVH cost.
 - ❖ Access to SVH 403(b) and 457 retirement plans. Five percent base contribution to 403(b) plan that vests after three years. This contribution is capped at the limits set by Federal law.
 - ❖ Six weeks (30 days) of time off each calendar year.
 - ❖ Continuing Medical Education (CME) annual stipend in the amount of \$2,400 paid directly to physician and reported as 1099 income.

2. **Recruitment Agreement** that provides a recruitment incentive of \$50,000, which is structured as forgivable loan over two (2) years of service.

Meeting our Mission, Vision, Goals Strategic

Plan Alignment:

The recruitment of Dr. Cervantes is aligned with our strategic priorities for the service, quality, and safety and growth pillars. We continue to develop Salinas Valley Health Clinics infrastructure that engages our physicians in a meaningful way, promotes efficiencies in care delivery and creates opportunities for expansion of services. This investment provides a platform for growth that can be developed to better meet the needs of the residents of our District by improving access to care regardless of insurance coverage or ability to pay for services.

Pillar/Goal Alignment:

☒ **Quality & Safety** ☐ **People** ☐ **Operations** ☐ **Finance** ☒ **Growth** ☐ **Community**

Financial/Quality/Safety/Regulatory Implications

The addition of Dr. Cervantes to Salinas Valley Health Clinics has been identified as a need for recruitment while also providing additional resources and coverage for SVH PrimeCare.

The compensation proposed in these agreements have been reviewed against published industry benchmarks to confirm that the terms contemplated are fair market value and commercially reasonable.

Recommendation

Salinas Valley Health Administration requests that the Salinas Valley Health Board of Directors approve of the following:

1. The Findings Supporting Recruitment of Armando Cervantes, MD:

- That the recruitment of family medicine to Salinas Valley Health Clinics is in the best interest of the public health of the communities served by the District; and
- That the recruitment benefits and incentives the hospital proposes for this recruitment are necessary in order to attract and relocate an appropriately qualified physician to practice in the communities served by the District;

2. The Contract Terms of the Recruitment Agreement for Dr. Cervantes; and

3. The Contract Terms of the Family Medicine Professional Services Agreement for Dr. Cervantes.

Attachments: Curriculum Vitae for Armando Cervantes, MD

Armando Cervantes, M.D.

Professional Summary

Bilingual, Family Medicine board-certified physician fluent in Spanish. Founder and operator of an independent medical corporation specializing in comprehensive wound care and urgent care services. Highly skilled in performing a broad range of in-office procedures while delivering efficient, evidence-based, and compassionate care. Demonstrated ability to work autonomously while managing diverse patient populations, with a strong commitment to quality, patient-centered outcomes.

Board Certifications & Licensure

Family Medicine Board Certification, November 2023

Physician and Surgeon's License (California), Issued 07/13/2023 | Expires 09/30/2027

Clinical Experience

Urgent Care | Wound Care

Cervantes Medical Corporation, San Jose, CA

December 2024 – Present

- Provide comprehensive urgent care and advanced wound management services, performing a wide range of in-office procedures with efficiency and precision.
- Independently manage patient evaluation, diagnosis, treatment, and specialty referrals.
- Utilize Spanish fluency to deliver culturally competent care, enhancing access and trust among a diverse patient population.

Family Medicine | Primary Care

Top Care Medical Group, San Jose, CA

January 2024 – November 2024

- Served as the sole physician at the office location, independently overseeing all clinical operations and patient care.
- Delivered preventive care and chronic disease management to a diverse patient panel.
- Streamlined workflows to improve efficiency while maintaining high standards of care quality.
- Applied bilingual communication skills to strengthen patient understanding, compliance, and satisfaction.

Other Professional Experience

Biology Professor

College of the Sequoias, Visalia, CA — August 2023 – December 2023

Taught collegiate-level biology, demonstrating advanced subject matter expertise, effective communication, and curriculum delivery.

Owner | Aile Assisted Living

Tulare, CA — March 2023 – March 2024

Directed all operational and administrative aspects of an assisted living facility business, emphasizing leadership, compliance, and quality care delivery.

Skills:

Clinical Skills:

Urgent care procedures (I&D, suturing, casting, joint injections, toenail removal, pelvic exams, ear lavage, splinting); wound care management and debridement; EKG and X-ray interpretation; critical care and diagnostic evaluation; telemedicine.

Electronic Medical Record:

Proficient with Epic, Cerner, eClinicalWorks

Languages:

Fluent in Spanish (professional proficiency).

Education and Residency:

Family Medicine Resident

June, 2020 – August 2023

Kaweah Health, Visalia, CA

University of Iowa Carver College of Medicine

August 2016 – May 2020

Doctor of Medicine

Publications & Educational Contributions

Published Author: Authored peer-reviewed articles indexed in PubMed (PMID) and NCBI Bookshelf (NBK).

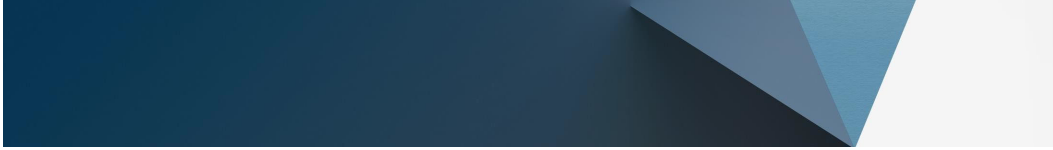
CME Instructor: Contributor and instructor for StatPearls continuing medical education modules.

MOC & CPD Contributor: Contributor to Maintenance of Certification programs for the Royal College of Physicians and Surgeons of Canada and Continuing Professional Development initiatives for the Association of Surgeons of Great Britain and Ireland.

Educational Content Developer: Created question banks and educational materials for Board Review, residency, and fellowship training programs.

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PRIVATE WEALTH MANAGEMENT



Salinas Valley Health

Q3 2025

ZFIM at Morgan Stanley Private Wealth Management

zfim@morganstanley.com
(310) 788-2130

1999 Avenue of the Stars, Suite 2400
Los Angeles, CA 90067

Drew Zager
Managing Director
Private Wealth Advisor

Gregg Manjerovic
Senior Vice President
Director of Business Strategy

Joseph McCullough
Managing Director, WM
Private Wealth Advisor

Jesus Rivera
Assistant Vice President
PWM Analyst

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PRIVATE WEALTH MANAGEMENT

I. Consolidated - Board Designated and General Review

A. Jan 1 – September 30, 2025

II. Cash Reserve Review

B. Jan 1 – September 30, 2025

III. Consolidated - Board Designated, General, and Cash Reserve Review

C. Jan 1 – September 30, 2025

IV. Fixed Income Market Review



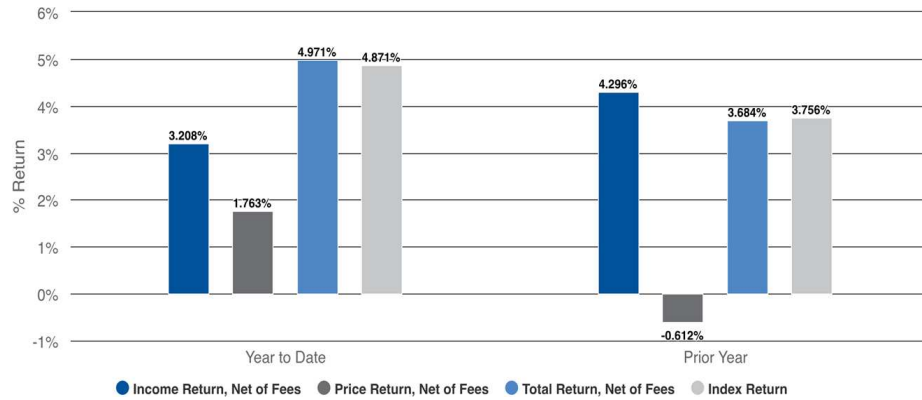
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PRIVATE WEALTH MANAGEMENT

Section I

Consolidated Board Designated and General Performance

01/01/25 – 09/30/25



Benchmark: Bloomberg 1-5 Yr Gov/Credit
 Source: Clearwater Analytics LLC

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PRIVATE WEALTH MANAGEMENT

Section I

Portfolio Summary

Salinas Valley Memorial Healthcare - Board & General September 30, 2025

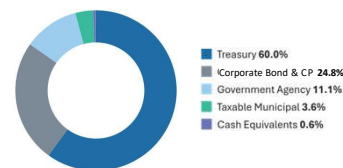
Characteristics

Modified Duration	3.41
Years to Effective Maturity	3.77
Years to Final Maturity	3.96
YTW at Cost	4.08%
TEY at Cost	4.08%
YTW at MKT	3.80%
TEY at MKT	3.80%
Coupon Rate	3.86%
# of Positions	59
MS Inception Date	8/10/16

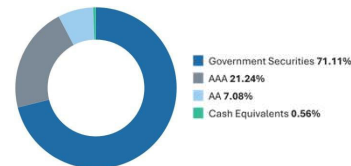
Structure and Taxability

Tax Exempt	0.00%
Callable	32.04%
Puttable	0.00%
Zero Coupon	0.00%
Floater	0.00%
Taxable	100.00%
AMT	0.00%

Allocation



Credit Ratings



Benchmark: Bloomberg 1-5 Yr Gov/Credit

4

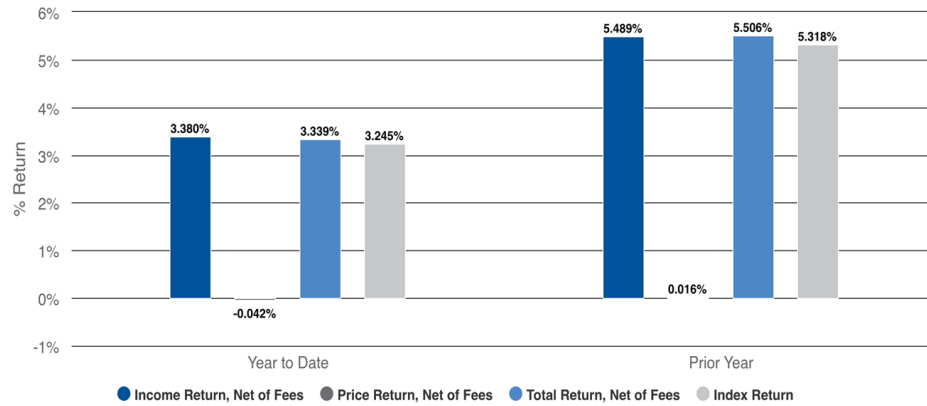
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PRIVATE WEALTH MANAGEMENT

Section II

Cash Reserve Performance

01/01/25 – 09/30/25



Benchmark: Bloomberg U.S. Treasury 1-3 Months
Source: Clearwater Analytics LLC

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PRIVATE WEALTH MANAGEMENT

Section II

Portfolio Summary

Salinas Valley Memorial Healthcare - Cash Reserve September 30, 2025

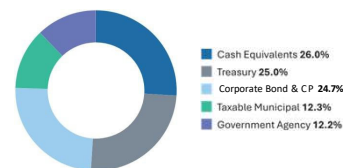
Characteristics

Modified Duration	0.24
Years to Effective Maturity	0.24
Years to Final Maturity	0.28
YTW at Cost	4.25%
TEY at Cost	4.25%
YTW at MKT	4.05%
TEY at MKT	4.05%
Coupon Rate	3.06%
# of Positions	8
MS Inception Date	2/16/18

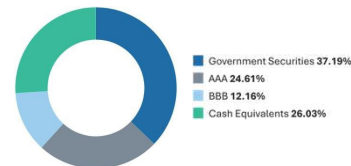
Structure and Taxability

Tax Exempt	0.00%
Callable	24.51%
Puttable	0.00%
Zero Coupon	0.00%
Floater	0.00%
Taxable	100.00%
AMT	0.00%

Allocation



Credit Ratings



Benchmark: Bloomberg U.S. Treasury Bills: 1-3 Months

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PRIVATE WEALTH MANAGEMENT

Section III
Portfolio Summary

Salinas Valley Memorial Healthcare - Cash, Board & General September 30, 2025

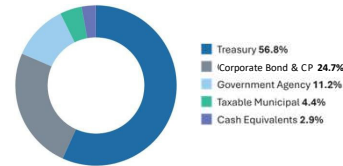
Characteristics

Modified Duration	3.09
Years to Effective Maturity	3.41
Years to Final Maturity	3.63
YTW at Cost	4.09%
TEY at Cost	4.10%
YTW at MKT	3.87%
TEY at MKT	3.87%
Coupon Rate	3.79%
# of Positions	67
MS Inception Date	8/10/16

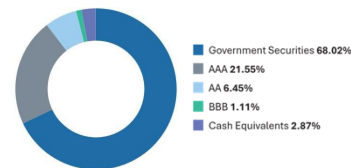
Structure and Taxability

Tax Exempt	0.00%
Callable	31.37%
Putable	0.00%
Zero Coupon	0.00%
Floater	0.00%
Taxable	100.00%
AMT	0.00%

Allocation



Credit Ratings



Benchmark: Bloomberg 1-5 Yr Gov

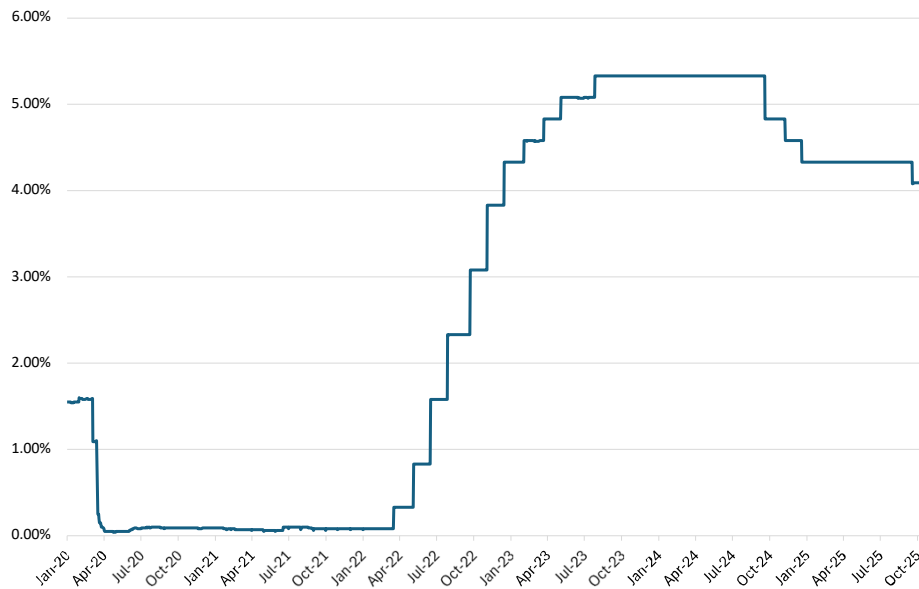
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Overnight Fed Funds Rate

January 1, 2020 – October 31, 2025



Source: Bloomberg L.P. As of 10/30/2025

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5 Year Treasury Curve

January 1, 2020 – October 31, 2025



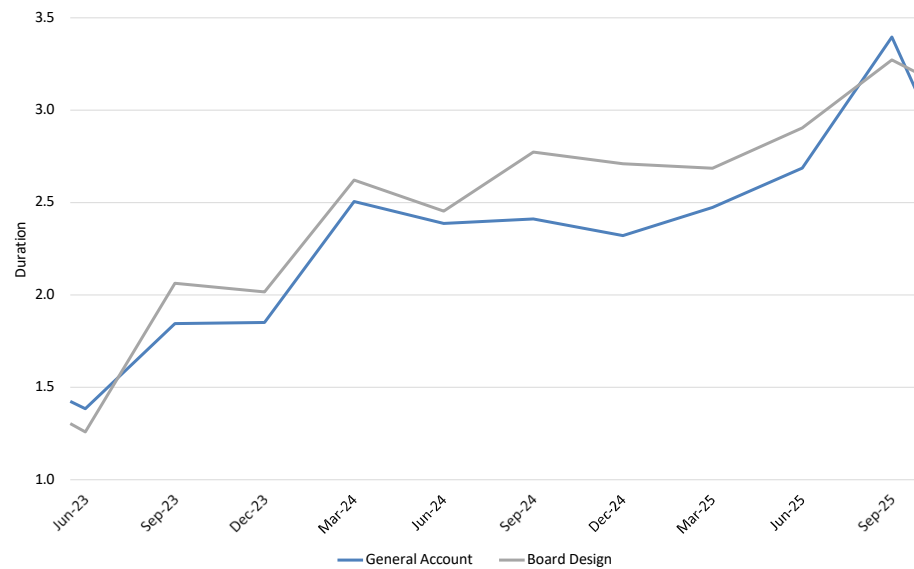
Source: Bloomberg LP, As of 10/30/2025

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Salinas General & Board Design Accounts Duration



*Weighted by: Base Market Value + Accrued
Source: Clearwater Analytics, As of 10/30/2025

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Transfers From Cash Reserve to General Account

Inflows		
2025		
August	\$	34,000,000
September	\$	35,000,000
October	\$	20,000,000
Net	\$	89,000,000

Source: Clearwater Analytics, As of 10/30/2025

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Section IV

Key Themes – October 2025

- **The Fed Cut, Now What:**
 - As was widely anticipated and despite the background noise leading up to the September Fed meeting, the Fed lowered the Fed Funds Rate by 25 basis points and took the target range to 4%-4.25%. Current expectations are that the Fed will cut up to two more times this year in 25bps increments at the October and/or December meetings.
 - Questions around Fed independence have received a lot of attention by news outlets and market commentators although current yields are not showing concerns being priced in. In addition, the fact that the newly appointed Fed governor Miran was the only voting member to dissent (in favor of a 50bps cut) this meeting shows that outside influences may not be impacting votes the way some have been suggesting.
- **Big Tests for Economy Ahead:**
 - The Fed has made it clear that they are willing to prioritize the full-employment component of their mandate over short-term tariff-induced inflation.
 - With new tariffs still being announced, the effects on consumer prices may persist longer than if all tariffs were announced at once. The current approach has made it difficult for businesses and consumers to plan for and adapt to new prices which could soon impact spending.
 - Significant surprises to the economic data relative to current expectations could alter the path of Fed cuts that is currently being priced in.
 - Higher and stickier inflation may warrant slower cuts whereas weaker employment could lead to a faster pace. The biggest test for the Fed would be if inflation moves higher, remains sticky, and employment weakens substantially?
- **Shutdowns and Showdowns:**
 - At publication, the Federal government is at a stand-still as negotiations for a new fiscal year spending plan have failed.
 - While essential government functions and debt payments will continue during this period, the expectation is that each week shutdowns continue will have a negative effect on GDP for the current quarter.
 - The bigger question this time around is what additional measures will the Trump Administration take during this period to gain leverage in negotiations and or implement longer term changes to the Federal workforce. Such additional actions could have additional impacts on the economy that may not be priced in at the moment.
- **Our Thoughts on Relative Value:**
 - Cheap: Investment grade municipal bonds on the ultra-short and long-end of the curve; Select areas of investment grade corporate curve; Callable government agencies.
 - Expensive: Preferreds; U.S. TIPS.

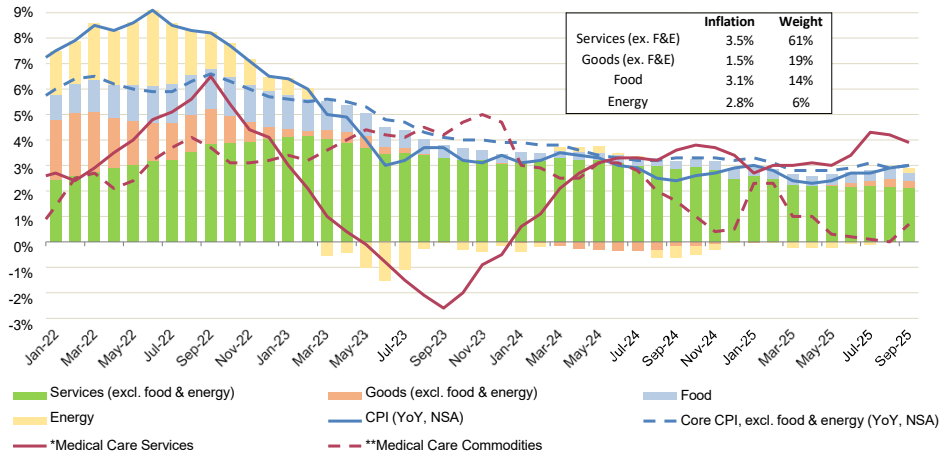
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PRIVATE WEALTH MANAGEMENT

Consumer Price Index – Components (with Medical Care & Equipment)

January 31, 2022 – September 30, 2025



Core CPI remains elevated at 2.8% with services continuing to drive inflation. May headline CPI increased to 2.4% from 2.3% in April though all eyes will be on inflation data from June as tariff inflation could begin to materialize in that report.

*Medical Care Services include: Professional Services (physicians, dental, eye care etc.), Hospital & Related Services (inpatient/outpatient care, nursing homes, elderly homes), care of invalids, Health Insurance.
 **Medical Care Commodities encompass the following: Medical Drugs (prescription/non-prescription drugs), Medical Equipment & Supplies.

Source: U.S. Bureau of Labor Statistics, As of 10/30/2025

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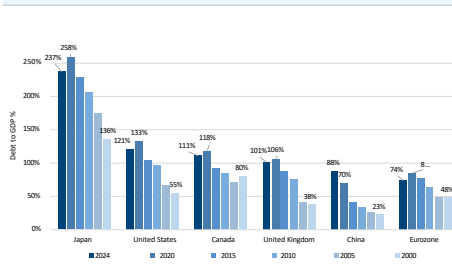
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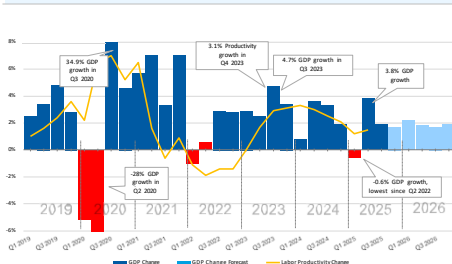
PRIVATE WEALTH MANAGEMENT

Monetary Policy

Global Debt to GDP

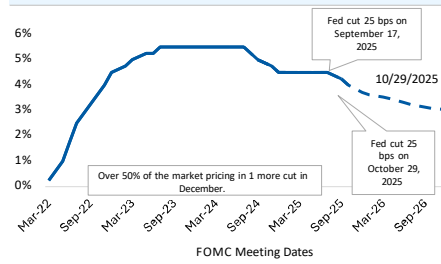


U.S. GDP Quarterly Growth

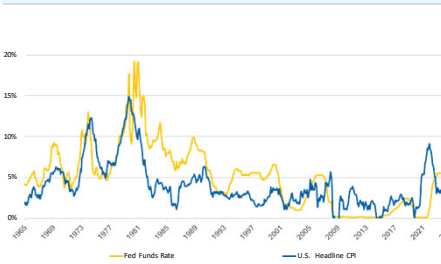


ZFIM at Morgan Stanley PWM

Fed Fund Futures



Fed Funds Rate vs. U.S. Headline CPI

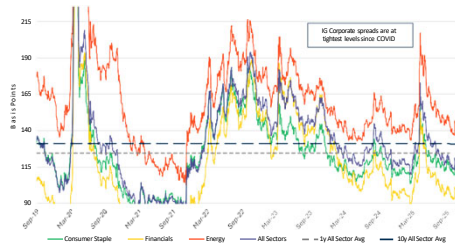


Source: Bloomberg L.P., As of 10/30/2025

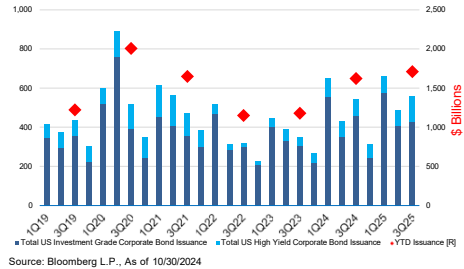
14

Corporates

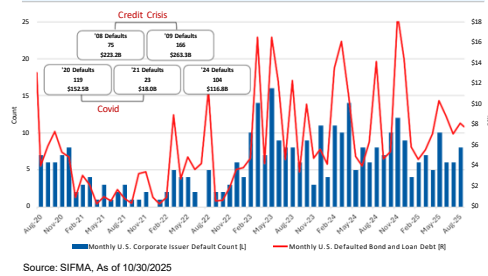
U.S. Investment Grade Option Adjusted Spreads



Corporate Issuance



Corporate Issuer Defaults



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Taxable Muni Spreads

September 1, 2022 – October 30, 2025



Taxable muni spreads widened earlier in the year as headlines around federal funding have impacted the municipal market, particularly large issuers in the not-for-profit health and higher education sectors.

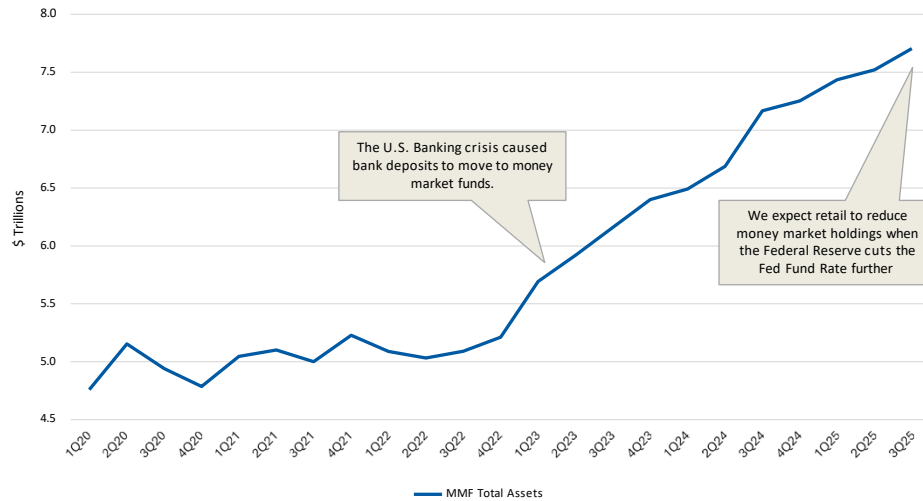
Intermediate paper could present an opportunity to increase allocation to the sector and pick up yield while moving higher in credit quality on average compared than corporate securities.

Source: Bloomberg L.P., As of 10/30/2025

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Money Market Funds – Total Financial Assets

January 1, 2020 – October 30, 2025



Money Market fund assets have grown substantially over a very short period and have yet to decline. Clearly there is substantial capital on the sidelines which, if deployed, could drive performance across various asset classes.

Source: U.S. Office of Financial Research, As of 10/30/2025

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ZFIM at Morgan Stanley Private Wealth Management

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Drew Zager
Managing Director
Private Wealth Advisor
(310) 788-2130
Drew.Zager@morganstanleypwm.com

Matthew Terhune
Executive Director
PWM Investment Consultant
(310) 788-2129
Matthew.Terhune@morganstanleypwm.com

Mary Masso
First Vice President
PWM Group Director
(310) 788-2135
Mary.Masso@morganstanleypwm.com

Anna Kiledjian
Assistant Vice President
Private Wealth Management Associate
(310) 788-2133
Anna.Kiledjian@morganstanleypwm.com

Nathalia Pulido
PWM Client Service Associate
(310) 788-2143
Nathalia.Pulido@morganstanley.com

Joe McCullough, CFA
Managing Director, Wealth Management
Private Wealth Advisor
(310) 788-2136
Joseph.McCullough@morganstanleypwm.com

Gregg Manjerovic, CFA
Senior Vice President
Director of Business Strategy
(310) 788-2139
Gregg.Manjerovic@morganstanleypwm.com

Luis Medina
Vice President
Portfolio Management Associate Director
(310) 788-2134
Luis.Medina@morganstanleypwm.com

Lyndae Hunter
Assistant Vice President
Private Wealth Management Associate
(310) 788-2131
Lyndae.Hunter@morganstanleypwm.com

Lindsey Wetzel
Managing Director, Wealth Management
PWM Investment Consultant
(415) 693-1370
Lindsey.Wetzel@morganstanleypwm.com

Eric Espino
First Vice President
Director of Business Strategy
(310) 788-2132
Eric.Espino@morganstanleypwm.com

Sophia Dion
Senior Registered Associate
(310) 788-2138
Sophia.Dion@morganstanleypwm.com

Jesus Rivera
Assistant Vice President
Private Wealth Management Analyst
(310) 788-2137
Jesus.Rivera@morganstanleypwm.com

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Memorandum

To: Personnel, Pension and Investment Committee
From: Michelle Childs, Chief Human Resources Officer
Date: November 7, 2025
Re: Recommendation for Board Approval – Approval of Amendments to the SVMHS 403(b) Retirement Plan, the 403(b) Tax Deferred Salary Reduction Plan and the 457(b) Retirement Plan

BACKGROUND

The SECURE 2.0 Act of 2022 (SECURE 2.0) made several changes to the catch-up contribution provisions under section 414(v) of the Internal Revenue Code (“Code”). To provide participants under the SVMHS 403(b) Retirement Plan, the 403(b) Tax Deferred Salary Reduction Plan, and the 457(b) Retirement Plan (“Plans”) with the maximum deferral opportunity, we recommend the adoption of amendments to the Plans.

SECURE 2.0 provided for increased catch-up contributions for participants who reach age 60 but not age 64 in a calendar year. The increased catch-up is 150% of the regular catch-up contribution (e.g., \$11,250 for 2025). The Plans will be amended to provide for increased catch-up contributions for this group of participants effective as of January 1, 2025.

SECURE 2.0 required that catch-up contributions for employees over age 50 in a calendar year must be Roth (post-tax) contributions for employees with more than \$145,000 of FICA wages in the previous calendar year. The effective date of this provision was previously extended until January 1, 2026. On September 16, 2025, the Internal Revenue Service issued final regulations that relate to catch-up contributions made by participants in Code section 401(k), 403(b) and 457(b) plans. The effective date for compliance with this provision of SECURE 2.0 was not further extended, but the final regulations provide for a reasonable good faith compliance through January 1, 2027.

For the Plans to provide high earners with the ability to make catch-up contributions, the Plans must provide for Roth deferrals. The 403(b) Retirement Plan was previously amended to provide for Roth deferrals, but the 403(b) Tax Deferred Salary Reduction Plan and the 457(b) Retirement Plan must be amended effective as of January 1, 2026 to provide for Roth deferrals.

Effective as of January 1, 2026, the Plans will be further amended to add the requirement under SECURE 2.0 that catch-up contributions for high earners will be classified as Roth deferrals. To use the correction options under the regulations, the Plans will state that any catch-up contributions for high earners will be deemed Roth deferrals. The regulations require that if high earners do not wish to have their catch-up contributions classified as Roth, they must be provided with the opportunity to change a prior election. Any Roth deferrals deferred in the calendar year

by a high earner may be used to satisfy the Roth catch-up requirement. In addition, if a plan provides for Roth catch-up contributions for high earners, all participants must be able to have their catch-up contributions classified as Roth deferrals.

If errors occur, the amendments provide for the reclassification of pre-tax deferrals as Roth before the W-2s are issued. If W-2s have already been issued, pre-tax deferrals will be reclassified as Roth in an In-Plan Roth Conversion and reported on Form 1099R.

A participant in the 403(b) Tax Deferred Salary Reduction Plan with more than 15 years of service may also be eligible for the special Code section 403(b) catch-up contribution. A participant in the 457(b) Retirement Plan may also be eligible for the increased deferrals under the last three years of participation provision. The regulations provide that these increased deferrals will not be subject to the Roth catch-up requirement for high earners and will be considered before any age-based catch-up contributions.

The amendment to the 403(b) Tax Deferred Salary Reduction Plan was also revised to update the current providers to the Plan.

AMENDMENTS

Below is a summary of the attached amendments:

Amendment to the Salinas Valley Memorial Healthcare System 403(b) Retirement Plan:

This amendment addresses the following changes:

- (i) Effective as of January 1, 2025, added provisions to allow for the increased catch-up limit for Participants who would reach age 60 but not age 64 by the end of the calendar year;
- (ii) Effective as of January 1, 2026, as required under Code section 414(v)(7), added the requirement that catch-up contributions be classified as Roth Elective Deferrals for Participants whose wages for the preceding calendar year exceed \$145,000 as adjusted by the IRS for cost-of-living increases; and
- (iii) Effective as of January 1, 2026, added the allowed correction options for Code section 414(v)(7) failures.

Amendment to the Salinas Valley Memorial Healthcare System 403(b) Tax Deferred Salary Reduction Plan:

This amendment addresses the following changes:

- (i) Effective as of January 1, 2025, added provisions to allow for the increased catch-up limit for Participants who would reach age 60 but not age 64 by the end of the calendar year;
- (ii) Effective as of January 1, 2026, added provisions to allow Roth Elective Deferrals, Roth Rollovers, and In-Plan Roth Conversions;

- (iii) Effective as of January 1, 2026, as required under Code section 414(v)(7), added the requirement that catch-up contributions be classified as Roth Elective Deferrals for Participants whose wages for the preceding calendar year exceed \$145,000 as adjusted by the IRS for cost-of-living increases;
- (iv) Effective as of January 1, 2026, added the allowed correction options for Code section 414(v)(7) failures; and
- (v) Updated the current Providers under the Plan.

Amendment to the Salinas Valley Memorial Healthcare District 457(b) Retirement Plan:

This amendment addresses the following changes:

- (i) Effective as of January 1, 2025, added provisions to allow for the increased catch-up limit for Participants who would reach age 60 but not age 64 by the end of the calendar year;
- (ii) Effective as of January 1, 2026, added provisions to allow for Roth Deferred Compensation, Roth Rollovers, and In-Plan Roth Conversions;
- (iii) Effective as of January 1, 2026, as required under Code section 414(v)(7), added the requirement that catch-up contributions be classified as Roth Deferred Compensation for Participants whose wages for the preceding calendar year exceed \$145,000 as adjusted by the IRS for cost-of-living increases; and
- (iv) Effective as of January 1, 2026, added the allowed correction options for Code section 414(v)(7) failures.

RECOMMENDATION

Request that the Board of SVMHS approve the attached Amendments to the Plans.

**AMENDMENT TO THE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
403(b) RETIREMENT PLAN**

This Amendment (Amendment) to the Salinas Valley Memorial Healthcare System 403(b) Retirement Plan (Plan) is adopted by the Salinas Valley Memorial Healthcare System (Employer), to be effective as set forth below.

RECITALS

- A. The Employer adopted the Plan, effective as of June 1, 2011.
- B. The Employer now wishes to amend the Plan to add the following Plan provisions:
 - (i) As required under Code section 414(v)(7), the classification of catch-up contributions as Roth Elective Contributions for Participants whose wages as defined in Code section 3121(a) for the preceding calendar year from the Employer exceed one hundred forty-five thousand dollars (\$145,000) as adjusted for cost-of-living increases;
 - (ii) The correction options for Code section 414(v)(7) failures; and
 - (iii) The increased catch-up limit for Participants who would attain age sixty (60) but not age sixty-four (64) by the end of a calendar year.

OPERATIVE PROVISIONS

Now, therefore, the Employer hereby amends the Plan, effective as of January 1, 2026, except as otherwise indicated, as follows:

- 1. Subsection D, "Age Fifty Catch-Up Contributions," of section 4.01, "Employer Contributions – Elective Contributions," is amended in its entirety to read as follows:

D. Catch-Up Contributions.

- 1. *Each Participant who would attain age fifty (50) by the end of the calendar year shall be eligible to make catch-up contributions up to the dollar amount in effect under Code section 414(v)(2)(B)(i).*

2. *Effective as of January 1, 2025, each Participant who would attain age sixty (60) but does not attain age sixty-four (64) before the end of the calendar year shall be eligible to make catch-up contributions up to the greater of (i) ten thousand dollars (\$10,000) or one hundred fifty percent (150%) of the dollar amount in effect under Code section 414(v)(2)(B)(i).*
 3. *In accordance with the requirements of Code section 414(v)(7) and the Treasury Regulations thereunder, a Participant whose wages, as defined in Code section 3121(a) for the preceding calendar year from the Employer, exceed one hundred forty five thousand dollars (\$145,000) as adjusted for cost of living increases, is deemed to have irrevocably designated any Elective Contributions that are catch-up contributions under this subsection D as Roth Elective Contributions, not excludable from the Participant's gross income and held in the Participant's Roth Elective Account. If the Participant's wages are determined to exceed the above-wage limitation, the Employer shall provide the Participant with an effective opportunity to make a new election that is different than the deemed election.*
 4. *If a Participant who is subject to the requirements of paragraph 3, above, has made any Roth Elective Contributions during the calendar year, such Roth Elective Contributions may be included to satisfy the requirements of Code section 414(v)(7).*
 5. *In addition, any catch-up eligible Participant may elect to have catch-up contributions be Roth Elective Contributions.*
 6. *Catch-up contributions shall not be taken into account for purposes of the provisions of this Plan implementing the requirements of Code section 402(g) or Code section 415.*
2. Article 6, "Limitations On Contributions And Benefits," is amended by adding the following Section 6.05, "Correction Of Code Section 414(v)(7) Failure," at the end of the Article to read as follows:
- 6.05 Correction Of Code Section 414(v)(7) Failure.
- A. *If an Elective Contribution fails to be a catch-up contribution under Code section 414(v)(1) because the Pre-Tax Elective Contribution is not designated as a Roth Elective Contribution in accordance*

with the requirements of Code section 414(v)(7), the failure may be corrected in accordance with one of the following two methods:

- 1. Transferring the catch-up contribution (adjusted for earnings and losses in accordance with Treasury Regulations section 1.402(g)-1(e)(5)) from the Participant's Pre-Tax Elective Account to the Participant's Roth Elective Account and reporting the contribution (not adjusted for earnings and losses) as an Elective Contribution that is a designated Roth Elective Contribution on the Participant's Form W-2 for the calendar year in which the Pre-Tax Elective Contribution was originally excluded from the Participant's gross income. However, this correction may be used only if the Participant's Form W-2 for that Plan Year has not been filed or furnished to the Participant.*
 - 2. Directly rolling over the Elective Contribution that would be catch-up contributions as if they had been designated Roth Elective Contributions (adjusted for earnings and losses in accordance with Treasury Regulations section 1.402(g)-1(e)(5)) from the Participant's Pre-Tax Elective Account to the Participant's In-Plan Roth Conversion Account and reporting the direct rollover on Form 1099-R for the calendar year of the rollover.*
- B. The same correction method under subsection A must apply for similarly situated Participants, and the selection of which correction will apply may not be based on the investment returns earned in Participants' Accounts.*
- C. To use the correction methods in subsection A, the Employer must have in place practices and procedures to result in compliance with Code section 414(v)(7) at the time the Elective Contribution is made.*
- D. If the amount of the Participant's Pre-Tax Elective Contribution that was required to be designated as a Roth Elective Contribution does not exceed two-hundred fifty dollars (\$250) the Code section 414(v)(7) failure is not required to be corrected, and the Pre-Tax Elective Contribution is treated as a catch-up contribution under Code section 414(v).*
- 3. All Plan references to the "Age-Fifty Catch-Up Contributions section," are changed to "Catch-Up Contributions section."*

All other provisions of the Plan as in effect prior to this Amendment shall remain unchanged by this Amendment.

Executed this _____ day of _____, 2025.

SALINAS VALLEY MEMORIAL
HEALTHCARE SYSTEM

By: _____

Title: _____

**AMENDMENT TO THE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
403(b) TAX DEFERRED SALARY REDUCTION PLAN**

This Amendment (Amendment) to the Salinas Valley Memorial Healthcare System 403(b) Tax Deferred Salary Reduction (Plan) is adopted by the Salinas Valley Memorial Healthcare System (Employer), to be effective as set forth below.

RECITALS

- A. The Employer has previously established a retirement plan pursuant to section 403(b) of the Internal Revenue Code of 1986, as amended (Code), under which its eligible employees may defer a portion of their compensation pursuant to a cash or deferred arrangement.
- B. The Employer is a governmental employer under Code section 414(d) and also exempt from taxation under Code section 501(c)(3).
- C. Effective as of January 1, 2009, the Employer established a written plan in the form and operation that satisfies Code section 403(b) and the Treasury regulations thereunder.
- D. The Employer now wishes to amend the Plan to add the following Plan provisions:
 - (i) To allow for Roth Elective Contributions, Roth Rollovers, and In-Plan Roth Conversions;
 - (ii) As required under Code section 414(v)(7), the classification of catch-up contributions as Roth Elective Contributions for Participants whose wages as defined in Code section 3121(a) for the preceding calendar year from the Employer exceed one hundred forty-five thousand dollars (\$145,000) as adjusted for cost-of-living increases;
 - (iii) The correction options for Code section 414(v)(7) failures; and
 - (iv) The increased catch-up limit for Participants who would attain age sixty (60) but not age sixty-four (64) by the end of a calendar year.

OPERATIVE PROVISIONS

Now, therefore, the Employer hereby amends the Plan, effective as of January 1, 2026, except as otherwise indicated, as follows:

1. Subsection A, "Elective Account," of section 2.01, "Account," is amended to read as follows:

A. *Pre-Tax Elective Account.*

"Pre-Tax Elective Account" means the account maintained by a Provider for a Participant representing Pre-Tax Elective Contributions, if any, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

2. Section 2.01, "Account," is amended by adding the following subsections C, D and E to the end of the section to read as follows:

C. *Roth Elective Account.*

"Roth Elective Account" means the account maintained by a Provider for a Participant representing Roth Elective Contributions, if any, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

D. *Roth Rollover Account.*

"Roth Rollover Account" means the account maintained by a Provider for a Participant representing rollover contributions from a Roth elective account of another plan in accordance with the Rollover Contributions section, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

E. *In-Plan Roth Conversion Account.*

"In-Plan Roth Conversion Account" means the account maintained by a Provider for a Participant representing the amounts, if any, that the Participant has converted to Roth contributions described in Code section 402A pursuant to the In-Plan Roth Conversions section, below, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

3. Paragraph 1, "Includible Compensation In General," of subsection B, "Includible Compensation," of section 2.05, "Compensation And Includible Compensation," is amended by adding the following at the end of the paragraph to read as follows:

Any Roth contribution as described in Code section 402A is includible in the gross income of the Employee.

4. Section 2.08, "Elective Deferrals," is amended by adding the following subsection F at the end of the section to read as follows:

F. Any Roth contribution as described in Code section 402A.

5. Article 2, "General Definitions," is amended by adding the following sections 2.25 and 2.26 at the end of the Article to read as follows:

2.25 Pre-Tax Elective Contributions.

"Pre-Tax Elective Contributions" means those contributions made to the Plan by the Employer that were subject to the cash or deferred election under the Employer Contributions – Elective Contributions section, below, and were not designated as Roth Elective Contributions.

2.26 Roth Elective Contributions.

"Roth Elective Contributions" means those contributions made to the Plan by the Employer that were subject to the cash or deferred election under the Employer Contributions – Roth Elective Contributions subsection, below.

6. Subsection D, "Age Fifty Catch-Up Contributions," of section 4.01, "Employer Contributions – Elective Contributions," is amended in its entirety to read as follows:

D. Age Based Catch-Up Contributions.

1. *Each Participant who would attain age fifty (50) by the end of the calendar year shall be eligible to make catch-up contributions up to the dollar amount in effect under Code section 414(v)(2)(B)(i).*
2. *Effective as of January 1, 2025, each Participant who would attain age sixty (60) but does not attain age sixty-four (64) before the end of the calendar year shall be eligible to make catch-up contributions up to the greater of (i) ten thousand dollars (\$10,000) or one hundred fifty percent (150%) of the dollar amount in effect under Code section 414(v)(2)(B)(i).*
3. *In accordance with the requirements of Code section 414(v)(7) and the Treasury Regulations thereunder, a Participant whose wages, as defined in Code section 3121(a) for the preceding calendar year from the Employer, exceed one hundred forty five thousand dollars (\$145,000) as*

adjusted for cost of living increases, is deemed to have irrevocably designated any Elective Contributions that are catch-up contributions under this subsection D as Roth Elective Contributions, not excludable from the Participant's gross income and held in the Participant's Roth Elective Account. If the Participant's wages are determined to exceed the above-wage limitation, the Employer shall provide the Participant with an effective opportunity to make a new election that is different than the deemed election.

- 4. If a Participant who is subject to the requirements of paragraph 3, above, has made any Roth Elective Contributions during the calendar year, such Roth Elective Contributions may be included to satisfy the requirements of Code section 414(v)(7).*
 - 5. In addition, any catch-up eligible Participant may elect to have age based catch-up contributions be Roth Elective Contributions.*
 - 6. Age based catch-up contributions shall not be taken into account for purposes of the provisions of this Plan implementing the requirements of Code section 402(g) or Code section 415.*
 - 7. Any catch-up amount contributed for a Plan Year by a Participant who is eligible for both the age based catch-up contributions under this subsection D and the special Code section 403(b) catch-up contributions under the Special Code Section 403(b) Catch-Up Contributions subsection, below, is treated first as an amount contributed as a special Code section 403(b) catch-up to the extent a special Code section 403(b) catch-up is permitted and then as an amount contributed as a catch-up contribution under this subsection D to the extent permitted.*
7. Paragraph 5 of subsection E, "Special Code section 403(b) Catch-Up Contributions," of section 4.01, "Employer Contributions – Elective Contributions," is amended to read as follows:
- 5. Any catch-up amount contributed for a Plan Year by a Participant who is eligible for both the special Code section 403(b) catch-up under this subsection E and the age based catch-up contribution under the Age Based Catch-Up Contributions subsection above, is treated first as an amount contributed as a special Code section 403(b) catch-up to the extent a special Code section 403(b)*

catch-up is permitted and then as an amount contributed under the Age Based Catch-Up Contributions section, above to the extent permitted.

8. Section 4.01, "Employer Contributions – Elective Contributions," is amended by adding the following subsection F to the end of the section to read as follows:

F. Roth Elective Contributions.

- 1. The Plan will accept Elective Contributions by the Employer that are Roth contributions described in Code section 402A (i.e., both (i) designated irrevocably by the Participant at the time of the cash or deferred election as a Roth Elective Contributions that is being made in lieu of all or a portion of the Pre-Tax Elective Contributions the Participant is otherwise eligible to make under the Plan, and (ii) treated by the Employer as includible in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made a cash or deferred election).*
- 2. A Participant's Roth Elective Contributions will be allocated to the Participant's Roth Elective Account. No contributions other than Roth Elective Contributions and no earnings other than earnings on Roth Elective Contributions shall be credited to a Participant's Roth Elective Account.*
- 3. Unless specifically stated otherwise, Roth Elective Contributions will be treated as Elective Contributions for all purposes under the Plan.*

9. Section 4.02, "Rollover Contributions," is amended to read as follows:

4.02 Rollover Contributions.

- A. To the extent provided in an Individual Agreement, there may be transferred to the Provider, subject to the approval of the Provider, by means of an Eligible Rollover Distribution, all or any of the assets held (whether by a trustee, custodian or otherwise) on behalf of an Eligible Retirement Plan that is maintained for the benefit of any person who is or is about to become a Participant in this Plan. Prior to accepting any such rollover contribution, the Provider may require that the Participant or Employee establish to the satisfaction of the Provider that the amount to be rolled over to the Plan is an Eligible Rollover Distribution from an Eligible Retirement Plan.*

B. *To the extent provided in an Individual Agreement, there may be transferred to the Provider, subject to the approval of the Provider, a direct rollover from another Roth elective deferral account under another plan as described in Code section 402A(e)(1); provided, however, that:*

1. *The rollover is permitted under the rules of Code section 402(c);*
2. *The other plan must provide to the Provider either (i) a statement indicating the first year of the five (5) taxable-year period described in Code section 402A(d)(2)(B) and the portion of the distribution that is attributable to investment in the contract under Code section 72 or (ii) a statement that the distribution is a qualified distribution as described in Code section 402A(d)(2); and*
3. *The direct rollover shall be held in the separate Roth Rollover Account.*

10. Section 5.03, "Allocation Of Elective Contributions," is amended to read as follows:

5.03. Allocation Of Elective Contributions.

- A. *Pre-Tax Elective Contributions shall be allocated among the Pre-Tax Elective Accounts of those Participants making the election for a contribution to this Plan under the Employer Contributions – Elective Contributions section, above, in the amount so elected by each Participant. Pre-Tax Elective Contributions, if any, will be allocated as soon as administratively feasible following the last day of each payroll period during the Plan Year.*
- B. *Roth Elective Contributions shall be allocated to the Roth Elective Accounts of those Participants electing to make Roth Elective Contributions to this Plan under the Employer Contributions – Elective Contributions section, above, in the amount so elected by each Participant. No contributions other than Roth Elective Contributions will be credited to a Participant's Roth Elective Account. Roth Elective Contributions, if any, will be allocated as soon as administratively feasible following the last day of each payroll period during the Plan Year.*

11. Paragraph 5 of subsection C of section 6.04, "Maximum Amount Of Elective Deferrals," is amended to read as follows:

5. *Notwithstanding any other provision of the Plan, Excess Elective Deferrals, plus any income and minus any loss also allocable thereto, shall be distributed no later than April 15 to any Participant to whose account Excess Elective Deferrals were assigned for the preceding year and who claims Excess Elective Deferrals for such taxable year. A Participant may designate the extent to which the distribution of the Excess Elective Deferrals is composed of Pre-Tax Elective Contributions and Roth Elective Contributions, but only to the extent such types of deferrals were made for the year. If a Participant does not designate which type of Elective Contributions is to be distributed, the Plan will distribute Pre-Tax Elective Contributions first.*

12. Paragraph 7 of subsection C of section 6.04, "Maximum Amount Of Elective Deferrals," is amended to read as follows:

7. *Excess Elective Deferrals that are distributed to the Participant for a taxable year shall be adjusted for any income or loss up to the end of such taxable year. The income or loss allocable to Excess Elective Deferrals is determined as follows:*

- a. *Income or loss allocable to the Participant's Pre-Tax Elective Account for the taxable year shall be multiplied by a fraction, the numerator of which is such Participant's Excess Elective Deferrals for the taxable year attributable to the Participant's Pre-Tax Elective Contributions for the taxable year, as determined under paragraph 5, above, and the denominator of which is the sum of (i) the Participant's Pre-Tax Elective Account as of the beginning of the taxable year plus (ii) any additional Pre-Tax Elective Contributions for the taxable year;*
- b. *Income or loss allocable to the Participant's Roth Elective Account for the taxable year shall be multiplied by a fraction, the numerator of which is such Participant's Excess Elective Deferrals for the taxable year attributable to the Participant's Roth Elective Contributions for the taxable year, as determined under paragraph 5, above, and the denominator of which is the sum of (i) the Participant's Roth Elective Account as of the beginning of the taxable year plus (ii) any additional Roth Elective Contributions for the taxable year; and*

- c. *Income or loss allocable to the period between the end of the taxable year and the date of distribution shall be disregarded in determining income or loss.*
- 13. Article 6, "Limitations On Contributions And Benefits," is amended by adding the following Section 6.05, "Correction Of Code Section 414(v)(7) Failure," at the end of the Article to read as follows:

6.05. Correction Of Code Section 414(v)(7) Failure.

- A. *If an Elective Contribution fails to be a catch-up contribution under Code section 414(v)(1) because the Pre-Tax Elective Contribution is not designated as a Roth Elective Contribution in accordance with the requirements of Code section 414(v)(7), the failure may be corrected in accordance with one of the following two methods:*
 - 1. *Transferring the catch-up contribution (adjusted for earnings and losses in accordance with Treasury Regulations section 1.402(g)-1(e)(5)) from the Participant's Pre-Tax Elective Account to the Participant's Roth Elective Account and reporting the contribution (not adjusted for earnings and losses) as an Elective Contribution that is a designated Roth Elective Contribution on the Participant's Form W-2 for the calendar year in which the Pre-Tax Elective Contribution was originally excluded from the Participant's gross income. However, this correction may be used only if the Participant's Form W-2 for that Plan Year has not been filed or furnished to the Participant.*
 - 2. *Directly rolling over the Elective Contribution that would be catch-up contributions as if they had been designated Roth Elective Contributions (adjusted for earnings and losses in accordance with Treasury Regulations section 1.402(g)-1(e)(5)) from the Participant's Pre-Tax Elective Account to the Participant's In-Plan Roth Conversion Account and reporting the direct rollover on Form 1099-R for the calendar year of the rollover.*
- B. *The same correction method under subsection A must apply for similarly situated Participants, and the selection of which correction will apply may not be based on the investment returns earned in Participants' Accounts.*

C. *To use the correction methods in subsection A, the Employer must have in place practices and procedures to result in compliance with Code section 414(v)(7) at the time the Elective Contribution is made.*

D. *If the amount of the Participant's Pre-Tax Elective Contribution that was required to be designated as a Roth Elective Contribution does not exceed two-hundred fifty dollars (\$250) the Code section 414(v)(7) failure is not required to be corrected, and the Pre-Tax Elective Contribution is treated as a catch-up contribution under Code section 414(v).*

14. Section 7.01, "Full Vesting," is amended to read as follows:

A Participant shall be fully Vested at all times in the Participant's Pre-Tax Elective Account, Roth Elective Account, Rollover Account, Roth Rollover Account, and In-Plan Roth Conversion Account, if applicable.

15. Subsection E, "Eligible Rollover Distributions," of section 10.02, "Method Of Payment Of Benefits," is amended by adding the following paragraph 4 at the end of the subsections to read as follows:

4. *Notwithstanding any of the provisions of this Eligible Rollover Distributions subsection, a direct rollover of a distribution from a Roth Elective Account under the Plan will be made only to another Roth elective deferral account under an applicable retirement plan described in Code section 402A(e)(1) or to a Roth IRA (as defined below) and only to the extent the rollover is permitted under the rules of Code section 402(c). For purposes of this provision, a "Roth IRA" is defined as an individual retirement plan described in Code section 7701(a)(37) which is designated as a Roth IRA at the time of establishment in such manner as required by the Code and the regulations thereunder.*

16. Article 10, "Payment Of Benefits," is amended by adding the following section 10.10, "Distribution Of Designated Roth Accounts," to read as follows:

10.10. Distributions Of Designated Roth Accounts.

A. *Any Qualified Distribution, as defined below, from a Participant's Roth Elective Account or Roth Rollover Account, other than a distribution of any excess deferral under Code section 402(g)(2), and any income on the excess deferral or*

contribution, shall not be includible in such Participant's gross income.

B. A "Qualified Distribution" is a distribution in accordance with Code section 408A(d)(2)(A) (without regard to clause (iv) thereof). A payment or distribution from a Roth Elective Account or Roth Rollover Account shall not be treated as a qualified distribution if such payment or distribution is made within the five (5) taxable year period beginning with the earlier of

1. The first taxable year for which the individual made a Roth Elective Contribution to the Participant's Roth Elective Account under the Plan, or

2. If a rollover contribution was made to the Participant's Roth Rollover Account from a designated Roth account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth contribution to such previously established account.

17. Article 10, "Payment Of Benefits," is amended by adding new section 10.11, "In-Plan Roth Conversions," to read as follows:

10.11. In-Plan Roth Conversions.

A Participant may convert, in an "In-Plan Roth Conversion," any portion of the Participant's Account, other than a Roth Elective Account or Roth Rollover Account, to an In-Plan Roth Conversion Account pursuant to Code section 402A(c)(4) and the following:

A. This section shall apply to a deceased Participant's beneficiary if the beneficiary is the Participant's surviving spouse and to an alternate payee who is a spouse or a former spouse of the Participant, as if such an individual were the Participant.

B. A Participant loan may not be distributed as part of an In-Plan Roth Conversion.

C. A Participant must include in gross income the taxable amount of an In-Plan Roth Conversion in the taxable year when the conversion occurs.

- D. The distribution restrictions normally applicable to a Participant's Roth Elective Account do not apply to the extent that the In-Plan Roth Conversion is from a contribution source that is not otherwise subject to the distribution restrictions applicable to a Participant's Roth Elective Account.*
- E. Any distribution restrictions that otherwise apply with respect to a specific contribution source will continue to apply if such contribution source is converted as part of an In-Plan Roth Conversion.*
- F. Any election to make an In-Plan Roth Conversion may not be changed after the In-Plan Roth Conversion is completed.*
18. All Plan references to the "Age-Fifty Catch-Up Contributions," are changed to "Age Based Catch-Up Contributions."
19. The attachment to the Plan listing the Providers is revised to read as follows:

**Providers to
The Salinas Valley Memorial Healthcare System
403(b) Tax Deferred Salary Reductions Plan**

ASpire Financial Services
Corebridge Financial (formerly AIG Retirement Service-VALIC)
Lincoln National Life Insurance Company
Metropolitan Life Insurance Company
National Life Group
Security Benefit Group

All other provisions of the Plan as in effect prior to this Amendment shall remain unchanged by this Amendment.

Executed this _____ day of _____, 2025.

SALINAS VALLEY MEMORIAL
HEALTHCARE SYSTEM

By: _____

Title: _____

**AMENDMENT TO THE
SALINAS VALLEY MEMORIAL HEALTHCARE DISTRICT
457(b) RETIREMENT PLAN**

This Amendment (Amendment) to the Salinas Valley Memorial Healthcare District Section 457 Deferred Compensation Plan (Plan) is adopted by the Salinas Valley Memorial Healthcare System (Employer), to be effective as set forth below.

RECITALS

- A. The Employer is a governmental employer that is an eligible employer within the meaning of section 457(e)(1)(A) of the Internal Revenue Code of 1986, as amended (Code).
- B. As of July 1, 2005, the Employer established a deferred compensation plan that is an eligible deferred compensation plan pursuant to Code section 457(b), under which the Employer's eligible employee may defer a portion of their compensation.
- C. The Employer now wishes to amend the Plan to add the following Plan provisions:
 - (i) To allow for Roth Deferred Compensation, Roth Rollovers, and In-Plan Roth Conversions;
 - (ii) As required under Code section 414(v)(7), the classification of catch-up contributions as Roth Deferred Compensation for Participants whose wages as defined in Code section 3121(a) for the preceding calendar year from the Employer exceed one hundred forty-five thousand dollars (\$145,000) as adjusted for cost-of-living increases;
 - (iii) The correction options for Code section 414(v)(7) failures; and
 - (iv) The increased catch-up limit for Participants who would attain age sixty (60) but not age sixty-four (64) by the end of a calendar year.

OPERATIVE PROVISIONS

Now, therefore, the Employer hereby amends the Plan, effective as of January 1, 2026, except as otherwise indicated, as follows:

- 1. Subsection A, "Deferred Compensation Account," of section 2.01, "Account," is amended to read as follows:

A. Pre-Tax Deferred Compensation Account.

"Pre-Tax Deferred Compensation Account" means the account maintained by the investment provider for each Participant representing Pre-Tax Deferred Compensation, if any, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

2. Section 2.01, "Account," is amended by adding the following subsections C, D and E to the end of the section to read as follows:

C. Roth Deferred Compensation Account.

"Roth Deferred Compensation Account" means the account maintained by the investment provider for a Participant representing Roth Deferred Compensation, if any, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

D. Roth Rollover Account.

"Roth Rollover Account" means the account maintained by the investment provider for a Participant representing rollover contributions from a Roth elective account of another plan in accordance with the Rollover Contributions section, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

E. In-Plan Roth Conversion Account.

"In-Plan Roth Conversion Account" means the account maintained by the investment provider for a Participant representing the amounts, if any, that the Participant has converted to Roth contributions described in Code section 402A pursuant to the In-Plan Roth Conversions section, below, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

3. Paragraph 1, "Includible Compensation In General," of subsection B, "Includible Compensation," of section 2.05, "Compensation And Includible Compensation," is amended by adding the following at the end of the paragraph to read as follows:

Any Roth contribution as described in Code section 402A is includible in the gross income of the Employee.

4. Section 2.06, "Deferred Compensation," is amended by adding the following at the end of the Section to read as follows:

Deferred Compensation could consist of Pre-Tax Deferred Compensation and Roth Deferred Compensation.

5. Article 2, "General Definitions," is amended by adding the following sections 2.26 and 2.27 at the end of the Article to read as follows:

2.26 Pre-Tax Deferred Compensation.

"Pre-Tax Deferred Compensation" means those contributions made to the Plan by the Employer that were subject to the cash or deferred election under the Employer Contributions – Deferred Compensation section, below, and were not designated as Roth Deferred Compensation.

2.27 Roth Deferred Compensation.

"Roth Deferred Compensation" means those contributions made to the Plan by the Employer that were subject to the cash or deferred election under the Roth Deferred Compensation subsection below.

6. Section 4.01, "Employer Contributions – Deferred Compensation," is amended by adding the following subsection D to the end of the section to read as follows:

D. Roth Deferred Compensation.

1. *The Plan will accept Deferred Compensation by the Employer that are Roth contributions described in Code section 402A (i.e., both (i) designated irrevocably by the Participant at the time of the cash or deferred election as Roth Deferred Compensation that is being made in lieu of all or a portion of the Pre-Tax Deferred Compensation the Participant is otherwise eligible to make under the Plan, and (ii) treated by the Employer as includible in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made a cash or deferred election).*
2. *A Participant's Roth Deferred Compensation will be allocated to the Participant's Roth Deferred Compensation Account. No contributions other than Roth Deferred Compensation and no earnings other than earnings on Roth*

Deferred Compensation shall be credited to a Participant's Roth Deferred Compensation Account.

3. *Unless specifically stated otherwise, Roth Deferred Compensation will be treated as Deferred Compensation for all purposes under the Plan.*

7. Section 4.02, "Rollover Contributions," is amended to read as follows:

4.02 Rollover Contributions.

- A. *There may be transferred to the Trustee, subject to the approval of the Trustee, and, if deemed advisable by the Administrator by means of an Eligible Rollover Distribution, all or any of the assets held (whether by a trustee, custodian or otherwise) on behalf of an Eligible Retirement Plan that is maintained for the benefit of any person who is or is about to become a Participant in this Plan. Prior to accepting any such rollover contribution, the Administrator may require that the Participant or Employee establish to the satisfaction of the Administrator that the amount to be rolled over to the Plan is an Eligible Rollover Distribution from an Eligible Retirement Plan.*
- B. *This Plan will accept a direct rollover from another Roth elective deferral account under another plan as described in Code section 402A(e)(1); provided, however, that:*
 1. *The rollover is permitted under the rules of Code section 402(c);*
 2. *The other plan must provide to the Administrator either (i) a statement indicating the first year of the five (5) taxable-year period described in Code section 402A(d)(2)(B) and the portion of the distribution that is attributable to investment in the contract under Code section 72 or (ii) a statement that the distribution is a qualified distribution as described in Code section 402A(d)(2); and*
 3. *The direct rollover shall be held in the separate Roth Rollover Account.*

8. Section 5.03, "Allocation Of Deferred Compensation," is amended to read as follows:

5.03. Allocation Of Deferred Compensation.

- A. Pre-Tax Deferred Compensation shall be allocated among the Pre-Tax Deferred Compensation Accounts of those Participants making the election for a contribution to this Plan under the Employer Contributions – Deferred Compensation section, above, in the amount so elected by each Participant. Pre-Tax Deferred Compensation, if any, will be allocated as soon as administratively feasible following the last day of each payroll period during the Plan Year.*
- B. Roth Deferred Compensation shall be allocated to the Roth Deferred Compensation Accounts of those Participants electing to make Roth Deferred Compensation to this Plan under the Employer Contributions – Deferred Compensation section, above, in the amount so elected by each Participant. No contributions other than Roth Deferred Compensation will be credited to a Participant's Roth Deferred Compensation Account. Roth Deferred Compensation, if any, will be allocated as soon as administratively feasible following the last day of each payroll period during the Plan Year.*

9. Section 6.03, "Limitations – Age Fifty Catch-Up Contributions," is amended to read as follows:

6.03. Limitations – Catch-Up Contributions.

- A. If a Participant (i) would be at least age fifty (50) by the end of a calendar year and (ii) cannot make any other elective deferral, as defined in Code section 414(u)(2)(C), for the year by reason of any limitation or restriction set forth in Code section 414(v)(3) or comparable limitation or restriction contained in the Plan, the Participant may defer additional Deferred Compensation in excess of the limitation specified in the Limitations In General section, above, not in excess of the lesser of:*
 - 1. Seven thousand five hundred dollars (\$7,500) or such larger amount as may be permitted by the Secretary of the Treasury pursuant to Code section 414(v)(2)(C); or*

2. *The excess (if any) of (i) one hundred percent (100%) of the Participant's Includible Compensation for the year over (ii) any other elective deferrals, as defined in Code section 414(u)(2)(C), for the year that is made without regard to Code section 414(v).*
- B. *Effective as of January 1, 2025, each Participant who would attain age sixty (60) but does not attain age sixty-four (64) before the end of the calendar year shall be eligible to make catch-up contributions up to the greater of (i) ten thousand dollars (\$10,000) or one hundred fifty percent (150%) of the dollar amount in effect under Code section 414(v)(2)(B)(i).*
 - C. *In accordance with the requirements of Code section 414(v)(7) and the Treasury Regulations thereunder, a Participant whose wages, as defined in Code section 3121(a) for the preceding calendar year from the Employer, exceed one hundred forty five thousand dollars (\$145,000) as adjusted for cost of living increases, is deemed to have irrevocably designated any Pre-Tax Deferred Compensation that are catch-up contributions under this Limitations – Catch-Up Contributions section as Roth Deferred Compensation, not excludable from the Participant's gross income and held in the Participant's Roth Deferred Compensation Account. If the Participant's wages are determined to exceed the above-wage limitation, the Employer shall provide the Participant with an effective opportunity to make a new election that is different than the deemed election.*
 - D. *If a Participant who is subject to the requirements of subsection C, above, has made any Roth Deferred Compensation during the calendar year, such Roth Deferred Compensation may be included to satisfy the requirements of Code section 414(v)(7).*
 - E. *In addition, any catch-up eligible Participant may elect to have catch-up contributions be Roth Deferred Compensation.*
 - F. *Catch-up contributions shall not be taken into account for purposes of the provisions of this Plan implementing the requirements of Code section 457(e)(15).*

- G. *Notwithstanding the above, the provisions of this section shall not apply if (i) the limitations under the Limitations – Last Three Years Of Participation section, above, apply to the Participant for the year and (ii) the sum of the Participant's limitations under the Limitations In General section, above, and this Limitations – Catch-Up Contributions section do not exceed the limitation under the Limitations – Last Three Years Of Participation section, above.*
10. Subsection B of section 6.04, "Distribution Of Excess Deferred Compensation," is amended by adding the following paragraph 4 at the end to read as follows:
4. *A Participant may designate the extent to which the distribution of the Excess Deferred Compensation is composed of Pre-Tax Deferred Compensation and Roth Deferred Compensation, but only to the extent such types of deferred compensation were made for the year. If a Participant does not designate which type of Deferred Compensation is to be distributed, the Plan will distribute Pre-Tax Deferred Compensation first.*
11. Article 6, "Limitations On Contributions And Benefits," is amended by adding the following Section 6.05, "Correction Of Code Section 414(v)(7) Failure," at the end of the Article to read as follows:
- 6.05 Correction Of Code Section 414(v)(7) Failure.
- A. *If elective Deferred Compensation fails to be a catch-up contribution under Code section 414(v)(1) because the Pre-Tax Deferred Compensation is not designated as a Roth Deferred Compensation in accordance with the requirements of Code section 414(v)(7), the failure may be corrected in accordance with one of the following two (2) methods:*
1. *Transferring the catch-up contribution (adjusted for earnings and losses in accordance with Treasury Regulations section 1.402(g)-1(e)(5)) from the Participant's Pre-Tax Deferred Compensation Account to the Participant's Roth Deferred Compensation Account and reporting the contribution (not adjusted for earnings and losses) as Deferred Compensation that is designated Roth Deferred Compensation on the Participant's Form W-2 for the calendar year in which the Pre-Tax*

Deferred Compensation was originally excluded from the Participant's gross income. However, this correction may be used only if the Participant's Form W-2 for that Plan Year has not been filed or furnished to the Participant.

2 Directly rolling over the Deferred Compensation that would be catch-up contributions as if they had been designated Roth Deferred Compensation (adjusted for earnings and losses in accordance with Treasury Regulations section 1.402(g)-1(e)(5)) from the Participant's Pre-Tax Deferred Compensation Account to the Participant's In-Plan Roth Conversion Account and reporting the direct rollover on Form 1099-R for the calendar year of the rollover.

B. The same correction method under subsection A must apply for similarly situated Participants, and the selection of which correction will apply may not be based on the investment returns earned in Participants' Accounts.

C. To use the correction methods in subsection A, the Employer must have in place practices and procedures to result in compliance with Code section 414(v)(7) at the time the Deferred Compensation is made.

D. If the amount of the Participant's Pre-Tax Deferred Compensation that was required to be designated as a Roth Deferred Compensation does not exceed two-hundred fifty dollars (\$250), the Code section 414(v)(7) failure is not required to be corrected, and the Pre-Tax Deferred Compensation is treated as a catch-up contribution under Code section 414(v).

12. Subsection D, "Eligible Rollover Distributions," of section 10.02, "Method Of Payment Of Benefits," is amended by adding the following paragraph 4 at the end of the subsections to read as follows:

4. Notwithstanding any of the provisions of this Eligible Rollover Distributions subsection, a direct rollover of a distribution from a Roth Deferred Compensation Account under the Plan will be made only to another Roth elective deferral account under an applicable retirement plan described in Code section 402A(e)(1) or to a Roth IRA (as defined below) and only to the extent the rollover is permitted under the rules of Code section 402(c). For purposes of this provision, a "Roth IRA" is defined as an individual retirement

plan described in Code section 7701(a)(37) which is designated as a Roth IRA at the time of establishment in such manner as required by the Code and the regulations thereunder.

13. Article 10, "Payment Of Benefits," is amended by adding the following section 10.13, "Distribution Of Designated Roth Accounts," to read as follows:

10.13. Distributions Of Designated Roth Accounts.

- A. Any Qualified Distribution, as defined below, from a Participant's Roth Deferred Compensation Account or Roth Rollover Account, other than a distribution of any excess deferred compensation under Code section 402(g)(2), and any income on the excess deferred compensation, shall not be includible in such Participant's gross income.*
- B. A "Qualified Distribution" is a distribution in accordance with Code section 408A(d)(2)(A) (without regard to clause (iv) thereof). A payment or distribution from a Roth Deferred Compensation Account or Roth Rollover Account shall not be treated as a qualified distribution if such payment or distribution is made within the five (5) taxable-year period beginning with the earlier of*
 - 1. The first taxable year for which the individual made Roth Deferred Compensation to the Participant's Roth Deferred Compensation Account under the Plan, or*
 - 2. If a rollover contribution was made to the Participant's Roth Rollover Account from a designated Roth account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth contribution to such previously established account.*

14. Article 10, "Payment Of Benefits," is amended by adding new section 10.14, "In-Plan Roth Conversions," to read as follows:

10.14 In-Plan Roth Conversions.

A Participant may convert, in an "In-Plan Roth Conversion," any portion of the Participant's Account, other than a Roth Deferred Compensation Account or Roth Rollover Account, to an In-Plan

Roth Conversion Account pursuant to Code section 402A(c)(4) and the following:

- A. This section shall apply to a deceased Participant's beneficiary if the beneficiary is the Participant's surviving spouse and to an alternate payee who is a spouse or a former spouse of the Participant, as if such an individual were the Participant.*
- B. A Participant loan may not be distributed as part of an In-Plan Roth Conversion.*
- C. A Participant must include in gross income the taxable amount of an In-Plan Roth Conversion in the taxable year when the conversion occurs.*
- D. The distribution restrictions normally applicable to a Participant's Roth Deferred Compensation Account do not apply to the extent that the In-Plan Roth Conversion is from a contribution source that is not otherwise subject to the distribution restrictions applicable to a Participant's Roth Deferred Compensation Account.*
- E. Any distribution restrictions that otherwise apply with respect to a specific contribution source will continue to apply if such contribution source is converted as part of an In-Plan Roth Conversion.*
- F. Any election to make an In-Plan Roth Conversion may not be changed after the In-Plan Roth Conversion is completed.*

15. All Plan references to "Age-Fifty Catch-Up Contributions," are changed to "Catch-Up Contributions."

All other provisions of the Plan as in effect prior to this Amendment shall remain unchanged by this Amendment.

Executed this _____ day of _____, 2025.

SALINAS VALLEY MEMORIAL
HEALTHCARE SYSTEM

By: _____

Title: _____

**RESOLUTION NO. 2025-03
OF THE BOARD OF DIRECTORS OF
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**APPROVAL OF AMENDMENTS TO THE
403(b) RETIREMENT PLAN, 403(b) TAX DEFERRED SALARY REDUCTION PLAN
AND 457 DEFERRED COMPENSATION PLAN**

WHEREAS, Salinas Valley Memorial Healthcare System is a public health care district organized and operated pursuant to Division 23 of the California Health and Safety Code (“District”); and

WHEREAS, the District’s Board of Directors previously adopted the Salinas Valley Memorial Healthcare System 403(b) Retirement Plan (“403(b) Retirement Plan”), the Salinas Valley Memorial Healthcare System 403(b) Tax Deferred Salary Reduction Plan (“403(b) TD Plan”), and the Salinas Valley Memorial Healthcare District 457 Deferred Compensation Plan (“457 Plan”), (collectively referred to as the “Plans”); and

WHEREAS, Internal Revenue Code section 414(v)(7) as added by the SECURE 2.0 Act of 2022 (SECURE 2.0) required that effective as of January 1, 2026, catch-up contributions for participants over age 50 in a calendar year must be Roth after-tax contributions for employees with more than \$145,000 of FICA wages in the previous calendar year; and

WHEREAS, the District’s Board of Directors has been advised that the Plan must be amended to comply with certain provisions of SECURE 2.0 to continue to provide age based catch-up contributions under the Plans for certain high-earner participants; and

WHEREAS, the 403(b) TD Plan and the 457 Plan do not currently provide Roth after-tax contributions and certain high earner participants will no longer be able to make age-based catch-up contributions to these plans unless Roth after-tax contributions are added to the plans; and

WHEREAS, effective as of January 1, 2025, SECURE 2.0 further provided for increased catch-up contributions for participants who reach age 60 but not age 64 in a calendar year.

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND DIRECTED THAT:

1. The 403(b) Retirement Plan shall be amended to:
 - (i) Effective as of January 1, 2025, allow for the increased catch-up limit for Participants who would reach age 60 but not age 64 by the end of the calendar year;
 - (ii) Effective as of January 1, 2026, require that catch-up contributions be deemed Roth after-tax elective deferrals for Participants whose wages for the preceding calendar year exceed \$145,000 as adjusted by the IRS for cost-of-living increases; and
 - (iii) Effective as of January 1, 2026, add the allowed correction options for Code section 414(v)(7) failures.

2. The 403(b) TD Plan shall be amended to:
 - (i) Effective as of January 1, 2025, allow for the increased catch-up limit for Participants who would reach age 60 but not age 64 by the end of the calendar year;
 - (ii) Effective as of January 1, 2026, allow Roth Elective Deferrals, Roth Rollovers, and In-Plan Roth Conversions;
 - (iii) Effective as of January 1, 2026, require that catch-up contributions be deemed Roth after-tax elective deferrals for Participants whose wages for the preceding calendar year exceed \$145,000 as adjusted by the IRS for cost-of-living increases;
 - (iv) Effective as of January 1, 2026, add the allowed correction options for Code section 414(v)(7) failures; and
 - (v) Update the current Providers under the Plan.
3. The 457 Plan shall be amended to:
 - (i) Effective as of January 1, 2025, allow for the increased catch-up limit for Participants who would reach age 60 but not age 64 by the end of the calendar year;
 - (ii) Effective as of January 1, 2026, allow for Roth Deferred Compensation, Roth Rollovers, and In-Plan Roth Conversions;
 - (iii) Effective as of January 1, 2026, require that catch-up contributions be deemed Roth after-tax deferred compensation for Participants whose wages for the preceding calendar year exceed \$145,000 as adjusted by the IRS for cost-of-living increases; and
 - (iv) Effective as of January 1, 2026, add the allowed correction options for Code section 414(v)(7) failures.
4. The President and Secretary of the Board of Directors of the District are authorized to execute any and all amendments and documents and to take any and all other actions deemed necessary or appropriate to effectuate the intent of this Resolution, including notifying employees of the District of the adoption of amendments to the Plans.

This Resolution was adopted at a Regular Meeting of the Board of Directors of the District on November ___, 2025, by the following vote.

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Board Secretary
Salinas Valley Memorial Healthcare System

ADJOURNMENT