

REDDING RANCHERIA TRIBAL GOVERNMENT POLICIES

Chapter TP 7-400

Implementing Policies For Redding Rancheria Tribal Member Trust



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PURPOSE

The purpose of these policies is to provide implementing instructions and to delegate responsibilities and authority as appropriate for the effective implementation of trust distributions and related elections under the Redding Rancheria Distribution Ordinance (the “Distribution Ordinance”) and the Redding Rancheria Tribal Member Trust (the “Trust”). These policies implement the Trust provisions as most recently adopted by Tribal Council Resolution 109-11-08-22 and the Distribution Ordinance, as most recently adopted by General Council Resolution 006-11-07-22. These policies shall remain in force for subsequent changes to the Trust and Distribution Ordinance to the extent not in conflict therewith.

SECTION 2: BACKGROUND AND INTENT

The General Membership of the Redding Rancheria has made provisions within the Distribution Ordinance for the payment of per capita benefits to adults and for the establishment of a Trust for Minors, Legally Incompetent Adult Members and, optionally, for other Adult Members who elect to participate. The Distribution Ordinance also provides that the Tribal Council shall designate an amount each year that must be reserved within the Trust to be available for the current health, education and General Welfare needs of Minors, and authorizes the Tribal Council to reserve additional amounts to address General Welfare needs of Members from age 14 until a age of 18 at the election of parents or Guardians. The Distribution Ordinance further provides for the deferral or disclaimer of General Welfare Benefits and Per Capita Benefits that would otherwise be paid to Adult Members, provided that such elections comply with these implementing policies and any subsequent procedures designed for consistency with the Internal Revenue Code and the Redding Rancheria General Welfare Ordinance (the “General Welfare Ordinance”).

Initially adopted in 1994, the Distribution Ordinance has been amended by the General Council from time to time to reflect changes in the law and for consistency with changes to Tribal programs. . The provisions of the prior trusts were consolidated and restated as the Redding Rancheria Tribal Member Trust, which was adopted by the Tribal Council on November 8, 2022. Both the Distribution Ordinance and the Trust also reflect changes to the Tribe’s Revenue Allocation Plan, which was approved by the Secretary of the Interior by letter dated August 5, 2022. The Trust, as adopted, anticipates the adoption of these Trust Implementing Policies for the purpose of providing for the full implementation of the Trust and administration of both General Welfare and Deferred Per Capita Benefits thereunder.

The Trust allows for the Tribal Council to serve as Trustee with the authority to delegate specified Trustee duties and tasks through the adoption of Implementing Policies. . By this policy, the Tribal Council affirms its intent to retain the role of Trustee, subject to the

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delegation of specified duties and tasks set forth herein.

The provisions set forth in this Chapter are intended to provide standing instructions and delegations to ensure that the fiduciary responsibilities of the Tribal Council for the implementation and administration of the Trust are carried out effectively.

The Tribal Council provides major policy guidance for those decisions and actions delegated to the Chief Executive Officer, and others, to efficiently carry out the day-to-day administration of the Trust and associated General Welfare assistance.

The Tribal Council recognizes that the purpose of these plans, programs and the Trust is inclusive of the Redding Rancheria's stated strategic goals to promote the General Welfare of the Tribe, including the support of a high quality of life for Tribal Members, to increase Tribal Members' skills and capacity to be self-reliant, and to invest in the development and education of Tribal youth. Accordingly, the Tribal Council desires that a program of financial education be operated in conjunction with the administration of the plans, programs and the Trust.

SECTION 3: DELEGATED AUTHORITY

The Chief Executive Officer (CEO) is hereby delegated all administrative authority to carry out the day-to-day operations of the Trust, in accordance with the Distribution Ordinance, the General Welfare Ordinance, the Trust and the Implementing Policies set forth herein. Such delegated authority shall include but not be limited to:

- (a) To recommend to the Tribal Council, in its policy making role, such policy decisions necessary to assure the efficient and effective administration of the Trust, including recommended amendments to the Trust and these Implementing Policies.
- (b) To place before the Tribal Council, in its role as Trustee, such matters as shall require the deliberation and action by the Trustee and, to provide such information and recommendations as are deemed appropriate to assist the Trustee in carrying out its fiduciary role with respect to each Trust Beneficiary and in the administration of the overall Trust.
- (c) To make provision for the contribution to and disbursements from the Trust accounts of each Beneficiary, including appropriate withholding and payment of taxes on behalf of Beneficiaries, when required, in accordance with the Trust and these policies.
- (d) To research Member needs and data for the purpose of making recommendations to the Tribal Council for developing findings of fact in

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support of General Welfare Benefits.

- (e) To determine eligibility for General Welfare Benefits based upon findings of fact approved by the Tribal Council.
- (f) To coordinate with, obtain the assistance of, and provide administrative direction to third parties engaged by the Redding Rancheria to assist in the administration of the Trust and associated General Welfare Benefits, including, but not limited to, legal counsel, accountants, record keepers, investment advisors and custodians.
- (g) To implement such operating procedures as are required to assure effective day-to-day activities and services in the administration of the Trust and associated General Welfare Benefits.
- (h) To adopt and amend, on behalf of the Trustee, appropriate forms for elections, agreements, beneficiary designations and other documents anticipated by the Trust and otherwise necessary or appropriate for the proper administration of the plans, programs and Trust.
- (i) To adopt and amend, on behalf of the Trustee, appropriate forms for elections, agreements, Beneficiary designations and other documents anticipated by the Trust and otherwise necessary or appropriate for the proper administration and payment of Deferred Per Capital and/or General Welfare Benefits through the Trust.
- (j) To act as the designated plan representative or the “designated representative” of the Tribe and Trustee, as appropriate, for the purpose of accepting and executing deferral and disclaimer agreements, and all other elections permitted under the Trust.
- (k) To confirm Contingent Beneficiaries under the terms of the Trust and to determine when such determinations should be referred back to the Tribal Council for further deliberation.
- (l) To interpret all terms and definitions under the Trust and to determine when such determinations should be referred back to the Tribal Council for further deliberation.
- (m) To approve or reject both Minor and Adult Member elections on behalf of all plans, programs and the Trust.
- (n) To determine the optional deferrals, disclaimer, and distribution elections to

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be made available to Minors and Adults consistent with terms of the Trust, and to approve the form of deferrals, disclaimers, and elections under the Trust. The CEO shall consider flexibility permitted by the Distribution Ordinance and Trust, within reason, taking into account the cost of administering the Trust, the necessity for effective administration, the requirements for compliance with the General Welfare Ordinance, and the desire to avoid premature taxation of deferred taxable benefits through the Internal Revenue Service (IRS) doctrine of constructive receipt and economic benefit.

- (o) To provide information to Beneficiaries regarding their rights and options to defer General Welfare Benefits and Per Capita Benefits through the Trust, to disclaim Per Capita Benefits in favor of future General Welfare Benefits, and the timelines and deadlines for exercising such rights and options, under the Trust , both collectively and individually, as deemed appropriate.
- (p) To provide for all reporting and statements of accounts required for the proper administration of General Welfare and Deferred Per Capita accounts and as called for by the Trust to Beneficiaries, parents, legal guardians and others.
- (q) To provide for reports to the Tribal Council or others as required by the Distribution Ordinance and as required of the Trustee by the Trust.
- (r) To implement education and training programs that will assist Members in making full use of the Trust and the benefits it can provide.
- (s) To administer the Trust in such a manner that takes into consideration all flexibility available for administering “grandfather” provisions under the Distribution Ordinance and Trust with regard to accounts that were established under the terms of the Trust instrument that preceded the adoption of the current Tribal Member Trust.
- (t) To delegate to other officers and employees the authority to act and sign on behalf of the CEO for all delegations authorized under this Implementing Policy.
- (u) To refer back to the Tribal Council any delegated tasks that the CEO determines are in need of further input or direction, and to defer the timing of any such decisions pending review by the Tribal Council to the extent not prohibited under the Trust.

All references to the Tribal Council performing duties under the Trust as set forth in these

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Implementing Policies shall include the above delegations. In the event of a conflict between these Implementing Policies and the Trust, the Trust shall control. The Tribal Council shall determine the existence of a conflict.

SECTION 4: DEFINITIONS

All terms used within this Chapter shall have the same meaning as provided in the Distribution Ordinance, the General Welfare Ordinance and the Trust, as amended, which are hereby incorporated by reference, unless a different meaning is expressly provided by this Section:

- (a) [RESERVED]

SECTION 5: PAYMENT FOR AUTHORIZED PROGRAMS AND SERVICES

- (a) Payment of expenses associated with the following authorized programs, services, functions or activities of Trust administration shall be allocated to the General Fund or other fund as authorized by Tribal Budget.
 - (1) Day-to-day Trust administration services for the purpose of coordinating requests for distribution of Deferred Per Capita or General Welfare assistance provided through the Trust, the exercise of Trust options and elections, the designation of Contingent Beneficiaries, distribution of information and notices, including the cost of printing, postage and other communications, and other necessary or appropriate administrative activities called for under the Trust.
 - (2) A program of financial management and investment education for Minors and Adults, including full briefings regarding options, opportunities and limitations related to the Trust and related programs, irrespective of options exercised or Adult participation in the plans and Trust.
 - (3) Legal counsel and other professionals, except as authorized in subsection (b) of this section.
 - (4) Annual audit and financial statements rendered in conjunction with the annual audit of the Redding Rancheria primary government, and such other audits and reviews as shall be authorized by the CEO or Tribal Council.

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- (5) Costs and expenses of the Tribal Council, officers and employees of the Redding Rancheria, incurred in carrying out the provisions of the Trust and general welfare accounts, including duties of the Trustee, as applicable.
- (b) Payment of expenses associated with the following authorized programs, services, functions or activities of Trust administration shall be allocated to the respective Trust Accounts.
 - (1) Investment expenses, including investment management consultants, custodial services and related money wire and trading costs, money management and mutual fund fees and any other costs generally related to the administration of investments.
 - (2) Portfolio and participant accounting and reporting as required by the Distribution Ordinance and/or the Trust.
 - (3) Other expenses specific to a particular Beneficiary or Beneficiary Account and not for the general benefit of the Trust.

SECTION 6: TRUST CONTRIBUTIONS FOR MINORS AND LEGALLY INCOMPETENT ADULTS

- (a) All Net Gaming Revenues allocated for distribution to Minor Members under age 18 and Legally Incompetent Adults shall be transferred directly into the Trust, where such amounts will be preserved and protected for the provision of future General Welfare Benefits, as set forth herein.
- (b) In the case of Legally Incompetent Adults, all amounts contributed to the Trust shall be allocated to the Adult's General Welfare Spending Account.
- (c) In the case of Minor Members, a standard amount will be allocated annually to each Minor's General Welfare Spending Account as established by the Tribal Council based upon the recommendation of the CEO. A standard amount will be established for Minors ages 0-13 and a separate amount will be established for minors ages 14-17.
- (d) Amounts allocated to the General Welfare Spending Account of a Minor are intended to be used for the health, education and welfare needs of the Minor Beneficiary with access available for such qualified purposes prior to the scheduled distribution dates otherwise provided for amounts allocated to the Minor's General Welfare Savings Account. The amount(s) allocated for contribution to a Minor's General Welfare Spending Account

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shall remain in force for future year allocations unless or until changed by the Tribal Council.

- (e) In addition to the standard amounts described above, optional contributions to each Minor's General Welfare Spending Account may be allowed for those Minors who will be at least 14 years old during the applicable year, as follows:
- (1) The Tribal Council shall determine the maximum annual amount that may be contributed to each Minor's General Welfare Spending Account above the standard amounts set forth in (c) above. This amount may in no event exceed the full amount of Net Gaming Revenues allocated to the Minor for a particular year. Amounts eligible for allocation as an optional contribution to a Minor's General Welfare Spending Account shall remain in force for future year allocations unless or until changed by the Tribal Council.
 - (2) Requests for an optional amount to be contributed to the respective General Welfare Spending Account of a Minor must be initiated by the Minor's parent or Guardian by completing forms approved by the CEO or designee for that purpose. Forms will not be accepted unless submitted and approved by the CEO or designee prior to the first day of the calendar year to which it applies. Optional contributions requested by a parent or Guardian cease upon the Minor's 18th birthday.
 - (3) Requests for an optional contribution to a Minor's General Welfare Spending Account received from non-Member parents or Guardians must be approved by the Tribal Council.
 - (4) Optional contributions based on a fixed amount shall be contributed after the standard General Welfare Spending Account allocation. If the optional contribution is for a specified percentage of the total annual Net Gaming Revenues allocated to a Minor, the percentage will be contributed evenly over the course of the year, but in no case will the total be less than the standard allocation established by the Tribal Council.
- (f) If a Minor is a ward of the Redding Rancheria Tribal Court or in the custody of the Redding Rancheria Child and Family Services Program, the Tribal Council may designate additional amounts for contribution into the Minor's General Welfare Spending Account to be used for the Minor's health, education or welfare needs.

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- (g) The Tribal Council may also designate additional amounts for contribution into a Minor's General Welfare Spending Account when the Tribal Council determines that a Minor's parent or Guardian is otherwise unable to act for the benefit of a Minor.
- (h) Requests for distribution from a Minor's General Welfare Spending account must be on forms approved by the CEO or designee and submitted by the Minor's parent or Guardian up to the Minor's 18th birthday. Upon reaching age 18, the former Minor may make all such requests on forms approved by the CEO or designee.
- (i) All contributions to the Trust each calendar year in excess of the amount allocated to a Minor's General Welfare Spending Account, as set forth above, and any amounts remaining as of the Beneficiary's 21st birthday, shall be allocated to the Minor's General Welfare Savings Account.
- (j) Any request for distribution may be rejected if the applicant has not complied with the Trust, including those requirements needed to satisfy Code Section 139E and / or the General Welfare Ordinance.

SECTION 7: OPTIONAL TRUST CONTRIBUTIONS FOR ADULT MEMBERS

(a) Adult General Welfare Account:

- (1) Each Adult Beneficiary may elect to disclaim or defer all or a portion of the annual amount which would otherwise be made available to the Adult Beneficiary under the Revenue Allocation Plan into this Trust for the purpose of providing future General Welfare Benefits.
- (2) All elections must be made using forms approved by the CEO or designee and accepted by the CEO or designee prior to the first day of the calendar year to which it applies.
- (3) Amounts allocated to the Adult General Welfare Account shall be used solely for eligible General Welfare Benefits. Amounts shall carry over from year to year and remain available for eligible General Welfare purposes, as established by the Tribal Council, consistent with the General Welfare Ordinance, Tribal Council approved findings of fact, and Internal Revenue Code Section 139E, as applicable.
- (4) General Welfare Benefits shall not be available to the Beneficiary until the calendar year following the year in which they were

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disclaimed or deferred.

- (5) Eligible General Welfare Benefits shall be determined by the CEO or designee by applying findings of fact approved by the Tribal Council. In the event that a request does not fit within an approved findings of fact, such expenditure may be referred to and decided by the Tribal Council.
- (6) The Tribal Council shall establish maximum holding periods for which amounts may be retained for Deferred General Welfare Benefits taking into account the general welfare needs of the Tribe and its Members, as well as the purpose of the Trust, the General Welfare Ordinance and requirements of Code Section 139E. The Tribal Council may approve good cause exceptions for Members wanting to retain Deferred General Welfare Benefits beyond the standard holding period.

(b) Adult Deferred Per Capita Account:

- (1) Each Adult Member may elect to defer into the Trust all or a portion of their future Per Capita Benefits on an annual basis.
 - (i) Each Adult Beneficiary seeking to defer all or a portion of his or her Per Capita Benefits must enter into a deferral agreement prior to the first day of the calendar year to which the distribution relates, unless the Beneficiary turns 18 and is first offered participation in the Adult Deferral Plan mid-year. In that case, the agreement must be entered into within 30 days after becoming eligible, but may only relate to Per Capita Benefits accruing after the date of said election.
 - (ii) All elections must be made using forms approved by the Trustee, or its designated representative, and accepted by the Trustee, or its designated representative, prior to the first day of the calendar year for which it applies.
 - (iii) Nothing in this Section is intended to prevent the Trustee from allowing “evergreen elections” by Adult Members that shall continue year-to-year until the Member terminates the election. Any such termination shall not be effective until the calendar year after the Member notifies the Trustee in writing, via a form approved for this purpose, and after said form is approved by the Trustee, or its designee.

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- (iii) All annual deferral agreements and elections shall, except in the case of an Unforeseeable Emergency, be irrevocable and remain in effect throughout the entire calendar year for which they are effective.
- (iv) Each deferral agreement must be accompanied by a benefit distribution election to a date or dates certain, and in accordance with the Trust and these Implementing Policies. The distribution date or dates cannot be earlier than the calendar year following the year the funds were deferred.
- (v) Once a distribution date(s) is established, those benefits, except for an Unforeseeable Emergency, may not thereafter be accelerated. Further deferral elections may be made; provided that such deferral elections are made by the Member and accepted by the Trustee, or its designated representative, prior to the first day of the calendar year for which the distribution would otherwise commence.
- (vi) All elections and agreements referred to herein may be restricted as deemed necessary or appropriate for tax compliance and to prevent premature taxation.

SECTION 8: DISTRIBUTIONS FROM THE GENERAL WELFARE SPENDING ACCOUNT

(a) Distributions Prior to Age 21

- (1) All Trust distributions for Legally Incompetent Adults and those prior to a Minor's 21st birthday are limited to amounts available within each Beneficiary's General Welfare Spending Account and are restricted to qualified General Welfare Benefits.
- (2) General Welfare Spending Account payments made in accordance with programs authorized under the Redding Rancheria General Welfare Ordinance, and that also meet the requirements for general welfare purposes under Internal Revenue Code Section 139E, shall be treated as non-taxable Indian general welfare benefits per Code Section 139E(a).

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- (3) To the extent permitted under the Trust, expenditures that do not satisfy treatment as non-taxable General Welfare Benefits under the Code, but considered eligible health, education or welfare (HEW) payments for purposes of IGRA, shall be reported as taxable and have taxes withheld and paid as appropriate in tandem with such expenditures. For Minors enrolled prior to 2018 and Legally Incompetent Adults, any such expenditures shall be made first from the Beneficiary's post-tax Custodial Trust Account, if such an account is available.
- (4) In addition to existing Redding Rancheria general welfare programs, purposes authorized for non-taxable general welfare treatment from the Account, subject to such authorization and limitations that the Tribal Council may establish from time to time, and that are not available from Tribal and other sources, shall be set forth in a findings of fact adopted by the Tribal Council and reviewed and updated as necessary.
- (5) All requests for distributions from a General Welfare Spending Account must be made on forms approved by the Trustee, or its designated representative.
 - (A) Requests for minors age 13 and younger may be made by the parent or Guardian alone.
 - (B) Request for minors ages 14-17 may be made by the parent or Guardian, but must also be signed by the Minor Beneficiary.
 - (C) Requests for Beneficiaries age 18 and up may be made only by the Beneficiary.
 - (D) Requests made on behalf of a Legally Incompetent Adult may be made only by the legal Guardian or conservator.
- (6) The Chief Executive Officer (CEO) may act on behalf of the Trustee in approving distributions from the General Welfare Spending Account that are requested on behalf of a Minor by the Member parent who is also the custodial parent unless:

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- (A) The request is for a purpose that has not been clearly authorized as a General Welfare Benefit under Tribal policies, findings of fact, or other actions of the Tribal Council.
 - (B) The request is for a benefit that the CEO believes should be determined by the Tribal Council, as Trustee.
 - (C) The CEO is unable to determine if the requested benefit is in the best interest of the Minor.
 - (D) If it is known that the requesting parent has previously been found not to comply with provisions of the Trust, these Implementing Policies, or the intent of the program.
- (7) Requests made on behalf of Minors by non-Member parents, Member parents who are not the custodial parent, or by legal Guardians (whether of a Minor or Legally Incompetent Adult) shall be presented to the Tribal Council for approval.
- (A) Requests that require Tribal Council approval shall be placed on the Tribal Council agenda by Member Benefits Office staff for consideration in Executive Session.
 - (B) Requests are generally considered by the Tribal Council the second Tuesday of each month. Exceptions may be made at the discretion of the Tribal Council for compelling reasons.
 - (C) In order to be placed on the agenda, the complete request, along with required backup, must be received in the Member Benefits Office no later than ten (10) days in advance of the meeting. Exceptions may be made at the discretion of the Tribal Council for compelling reasons.
 - (D) If the non-custodial Tribal Member parent is reachable, a letter notifying him or her of the request and inviting input for the Tribal Council to consider will be mailed no later than seven (7) days in advance of the Tribal Council meeting, whenever possible.

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- (8) Once either the CEO or the Tribal Council has rendered a decision on a request, the requesting parent or Guardian will be contacted by Member Benefits Office staff to inform them of the decision and, if approved, as to when to expect payment or purchase, as applicable.
 - (9) If a request is denied by the Tribal Council, as Trustee, the decision is considered a final administrative decision. If a request is denied by the CEO, the requesting parent or Guardian may appeal the denial to the Tribal Council. After a final administrative decision is issued, additional recourse under the Trust shall be limited to the procedures set forth in Trust Section 8.1. Disputes under the Distribution Ordinance, the General Welfare Ordinance or the Revenue Allocation Plan must be reviewed under the respective procedures therein.
- (b) Distributions After Age 21
- (1) With the exception of Legally Incompetent Adults, no further distributions from the General Welfare Spending Account will be made after the Beneficiary's 21st birthday.
 - (2) As soon as practicable after the Minor Beneficiary's 21st birthday, the Trustee, or its designee, will transfer the balance of the Account into the Beneficiary's General Welfare Savings Account where it will become subject to the distribution rules for that Account, per Section 9 below.
 - (3) The process for distributions on behalf of Legally Incompetent Adults will remain unchanged unless or until the Adult Member is declared competent by a Court of appropriate jurisdiction, as described in the Trust.
 - a. A judicial determination that a Beneficiary is no longer Legally Incompetent must be clear and, to be accepted under the Trust, must be consistent with the RAP and the intent of IGRA.
 - b. In the event of uncertainty whether a judicial determination meets the foregoing criteria, the Tribal Council reserves the right to seek judicial clarity before changing the status of a Legally Incompetent Adult for purposes of the Trust and

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corresponding requirements under the Revenue Allocation Plan.

- c. The Tribal Council may also choose to engage the services of a qualified mental health professional to advise the Tribal Council on Trust matters of legal competency.
- d. Legally competency decisions may be deferred pending review under the Revenue Allocation Plan.

SECTION 9: DISTRIBUTIONS FROM THE MINORS GENERAL WELFARE SAVINGS ACCOUNT

Scheduled Distributions

- (a) The CEO shall distribute funds to each Beneficiary as set forth within the Trust at ages 21, 22, 23, and 24, unless a valid deferral election has been made with respect to each distribution. The standard scheduled distributions are as follows:
 - (1) Thirty (30) days following the Beneficiary's 21st birthday, 25% shall be distributed for the Beneficiary's health, education and welfare, unless the Beneficiary elects to defer amounts into the Adult General Welfare Account and/or the Adult Deferred Per Capita Account prior to the end of the calendar year preceding the Beneficiary's 21st birthday.
 - (2) Thirty (30) days following the Beneficiary's 22nd birthday, 33% of shall be distributed for the Beneficiary's health, education and welfare, unless the Beneficiary elects to defer amounts into the Adult General Welfare Account and/or the Adult Deferred Per Capita Account prior to the end of the calendar year preceding the Beneficiary's 22nd birthday.
 - (3) Thirty (30) days following the Beneficiary's 23rd birthday, 50% of shall be distributed for the Beneficiary's health, education and welfare, unless the Beneficiary elects to defer amounts into the Adult General Welfare Account and/or the Adult Deferred Per Capita Account prior to the end of the calendar year preceding the Beneficiary's 23rd birthday.

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- (4) Thirty (30) days following the Beneficiary's 24th birthday, the remaining balance in the Beneficiary's General Welfare Savings Account will be distributed for the Beneficiary's health, education and welfare, unless the Beneficiary elects to defer amounts into the Adult General Welfare Account and/or the Adult Deferred Per Capita Account prior to the end of the calendar year preceding the Beneficiary's 24th birthday.
- (b) Amounts not deferred or transferred into an Adult General Welfare Account and distributed pursuant to the scheduled age 21-24 distributions set forth above shall be considered taxable HEW benefits subject to tax reporting and withholding. The Chief Executive Officer shall make provision for withholding of both federal and California income tax on trust distributions at a rate of 28% and 10% respectively, unless the Beneficiary applies for and receives a waiver of state withholding from the Tribal Council on the basis of the Beneficiary's income being exempt from state tax. Beneficiaries can elect to have withholding at a higher rate, but not lower. For distributions of \$30,000 or less, however, the Beneficiary can choose a lower withholding rate as long as it is equal to or higher than the federal rate mandated in Internal Revenue Service Publication 15-A and the equivalent California publication.
- (c) Amounts allocated to a Minor's General Welfare Savings Account may not be paid to a Beneficiary prior to the scheduled distribution date(s).
- (c) Senior Benefits Account
- (1) The Trustee shall set aside a portion of the amount contributed to the Trust on behalf of a Minor within the Beneficiary's Senior Benefits Account for the payment of Senior Benefits beginning at age 50. The amount set aside for the payment of Senior Benefits shall be determined by the Trustee, based on investment and life expectancy projections, which may be adjusted from time to time, necessary to fund Senior Benefits in an amount established by a vote of the General Council.
- (2) If at any time up until a Beneficiary's 18th birthday, the Trustee determines that the amount set aside for a Beneficiary's Senior Benefit is anticipated to be insufficient, the Trustee may transfer additional amounts from the Minor's General Welfare Savings Account, as needed, for consistency with the then current investment and life expectancy projections.

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- (3) The monthly amount payable starting at age 50 will be an amount established by the General Council during its approval of each annual Tribal Programs budget. The Tribal Council shall establish, of that amount, the portion of Senior Benefits that will be restricted for use for General Welfare Benefits.
- (4) The funds in each Beneficiary's Senior Benefits Account shall not be accessible by the Beneficiary. The Tribal Council will determine the timing and manner of distributions from this Account to fund the Senior Benefits of each Beneficiary subject to the terms of the Trust.

SECTION 10: ADULT DEFERRAL PLAN

- (a) The Adult Deferral Plan is intended to allow Adult Members the option of deferring the receipt of Net Gaming Revenues for future Per Capita or disclaiming Net Gaming Revenues in favor of future General Welfare Benefits.
- (b) Amounts subject to deferral elections under the Minor's General Welfare Savings Account shall also be accounted for within the Beneficiary's Adult Deferred Per Capita Account and/or the Beneficiary's Adult General Welfare Account, as elected. , subject to the Trust and the rules set forth in these Implementing Policies.
- (c) Adults may enter into a deferral agreement to defer a portion of available General Welfare and/or Per Capita Benefits into an Adult General Welfare Savings Account and/or an Adult Deferred Per Capita Account, subject to the Trust and the rules set forth in these Implementing Policies. .
- (d) Elections to participate, and the level of participation, shall generally be made by the Member each year. Once an election is made for the year, it is irrevocable and shall remain in effect the entire year except in the case of an Unforeseeable Emergency, pursuant to Paragraph (d) below. Elections must be made by the Member and accepted by the Trustee, or its designee, prior to the first day of the Calendar Year to which it applies.
- (e) The CEO may establish forms and procedures for the processing of Unforeseeable Emergency requests with respect to optional deferral amounts taking into account IRS restrictions.
- (f) All elections must be made on forms approved by the Trustee or its designee.

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- (g) While the elections are generally made annually, the Trustee may allow for “evergreen” elections that continue from year-to-year until the Member elects to discontinue or modify such election. In order to discontinue or modify an election, the Member must indicate such on a form approved by the Trustee, and the change will be effective the first day of the calendar year after the form is received and accepted by the Trustee or its designee.
- (h) All elections and agreements referred to herein may be restricted as deemed necessary or appropriate for tax compliance and to prevent premature taxation.
- (i) Adult General Welfare Savings Accounts
 - (1) Benefits deferred into an Adult General Welfare Savings Account shall be available only for the purpose of providing General Welfare Benefits allowable under Section 139E of the Internal Revenue Code, as authorized by the Tribal Council.
 - (2) Allowable benefits shall also be available only for approved Adult General Welfare programs established specifically for the use of funds accumulated in the Trust pursuant to the General Welfare Ordinance and supported by a findings of fact adopted by the Tribal Council.
 - (3) Once amounts are disclaimed or deferred to the Account, they shall remain in the account unless or until used for allowable General Welfare benefits, except as described in Paragraph 4 below.
- (j) The Tribal Council may establish a maximum holding period during which the General Welfare Savings Account benefits must be used for General Welfare Benefits. At the end of the maximum holding period, if any, the Trustee may, at its sole discretion, distribute the benefits to the Member for his or her General Welfare. If not substantiated for compliance with Code section 139E, such distributions shall be treated as a taxable health, education and welfare (HEW) distribution. In such a case, the Trustee will direct that federal income taxes be withheld and paid at the time of distribution at a rate not lower than the rate mandated in Internal Revenue Service Publication 15-A. Also, the Beneficiary may elect to have California income tax withheld.
 - (4) Notwithstanding the above, the Trustee may also provide for the deferral or extension of the maximum holding period, for good cause shown by the Member.

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- (k) Adult Deferred Per Capita Account
 - (1) Amounts deferred into an Adult Deferred Per Capita Account are reported as taxable upon distribution and subject to federal and state withholding, as applicable.
 - (2) Annual deferral agreements are subject to timing and other rules set forth in Sections 5.3(b) and Article VII of the Trust.
- (l) The CEO may establish forms and procedures for the processing of Unforeseeable Emergency payments with respect to a Beneficiary's Adult Deferred Per Capita Account taking into account IRS restrictions.
- (m) Taxable distributions shall be subject to reporting and the following minimum tax withholding requirement. The Chief Executive Officer shall make provision for withholding of federal income tax at a rate equal to the federal rate mandated in Internal Revenue Service Publication 15-A.. The Beneficiary may choose a higher rate, but not lower. Also, the Beneficiary may elect to have California income tax withheld.
- (n) Notwithstanding the foregoing rules, the CEO may implement grandfather rules to transition prior Trust Accounts per the Tribe's Revenue Allocation Plan as approved by the Secretary of the Interior, August 5, 2022, and Trust Section 5.4, subject to all limitations set forth therein.
- (o) All deferral and disclaimer elections are subject to Article VII of the Trust.

SECTION 11: NOTICES REGARDING OPTIONAL ELECTIONS

- (a) The Administrator shall endeavor to provide notice to parents, Beneficiaries, Guardians and Adult Members, as applicable, at reasonable intervals and prior to the expiration dates for optional elections available under the plans, including options to further defer distributions from the Adult Deferral Plan.
- (b) The responsibility, however, to make timely optional elections under the plans shall rest with parents, Beneficiaries, Guardians or Adult Members as the case may be. The Redding Rancheria will not take responsibility for the failure of any Member, Beneficiary, parent or Guardian to make a desired election prior to the expiration of election deadlines set forth within the Trust.

SECTION 12: DISCONTINUED CUSTODIAL TRUST

- (a) Spend Down of Discontinued Trusts

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Amounts contributed prior to 2018 to the discontinued Custodial Trust of each minor Beneficiary shall be distributed under the same procedures as the General Welfare Spending Account, per Section 8 above until all benefits under the Custodial Trust are exhausted, within the provisions of this policy.

(b) Order of Payment

Health, education and welfare payments that meet the requirements for tax exemption under Code Section 139E shall be paid first from available General Welfare Spending Account funds. Payments from the Custodial Trust shall be made only for health, education and welfare needs that do not meet the requirements for tax exemption under Code Section 139E or when general welfare spending account funds are unavailable.

SECTION 13: ADMINISTRATION OF BENEFITS UPON DEATH OF A BENEFICIARY

In the event of the death of a Beneficiary who has funds or benefits remaining in one or more Trust accounts, the Trust assets shall be distributed or provided to a Contingent Beneficiary or Contingent Beneficiaries, as set forth below:

Contingent Beneficiaries:

- (a) A Contingent Beneficiary shall not become entitled to receive a distribution, or to exercise any other rights other than to disclaim or defer a future contingent interest until the Contingent Beneficiary's status as such is reviewed and confirmed by the Tribal Council or its designee.
- (b) The Contingent Beneficiary of a Minor shall be the Minor's Member parent(s), if any, unless the Member parent(s) have designated another Contingent Beneficiary or Beneficiaries by filing a written, notarized designation with the Trustee prior to the Minor's 18th birthday. If the Minor Beneficiary is survived by two Member parents, and they have not made a designation to the contrary, the Trust assets shall be divided equally between them. The Contingent Beneficiary rules and designations referred to herein expire upon the Beneficiary's 18th birthday.
- (c) A Beneficiary who is 18 years or older may designate a Contingent Beneficiary or Contingent Beneficiaries by filing a written, notarized designation with the Trustee.
- (d) If a Beneficiary dies without a surviving Contingent Beneficiary under the preceding rules, the Trust assets shall be transferred in accordance with the

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provisions of the Tribe's probate laws or, in the absence of such laws, under the California Probate Code.

- (e) The elections set forth herein shall be construed to avoid unintended disinheritances (e.g., birth of child, marriage, or divorce following designation of Contingent Beneficiaries). In such event, Trust distributions may be postponed pending resolution by the Trustee taking into account the probate laws, traditions and customs of the Tribe.

Payment of Accounts Upon Beneficiary's Death.

(a) Payment to Minors:

- (1) If the Contingent Beneficiary is a Minor Member, all death benefits are paid into the Minor's General Welfare Savings Account.
- (2) If the Contingent Beneficiary is a non-Member Minor, all death benefits shall be retained in Trust until the minor reaches the age of 21. Distributions shall thereafter be paid in the form of four annual installments commencing within 30 days of the date the Contingent Beneficiary reaches the age of 21.

(b) Payment to Adults:

- (1) If Contingent Beneficiary is an Adult, amounts will be distributed in four annual installments commencing after the Contingent Beneficiary's status as such is reviewed and confirmed by the Tribal Council or its designee, unless the Beneficiary elected an optional form prior to his/her death.
- (2) If the Contingent Beneficiary is a Member, he or she may elect to defer or disclaim death benefits if the election is made prior to the date he/she has been reviewed and confirmed as a Contingent Beneficiary by the Tribal Council or its designee.
- (3) All elections shall comply with applicable Code requirements, Article VII of the Trust, and applicable Implementing Policies.

(c) Small Account Rules:

Notwithstanding (a) or (b), the Tribal Council may direct a lump sum distribution for any amounts less than \$75,000.

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Prior Elections.

In the event that a Beneficiary has completed a death benefit election form prior to the date of the amended and restated Trust, and the election has not been replaced, the election shall remain in force.

SECTION 14: REVIEW

The CEO shall review this policy each year and shall such make recommendations for its amendment, as appropriate, for the effective administration of the plans and trusts.

Legislative History:

Originally Adopted by Tribal Council Resolution #020-04-12-07, dated April 12, 2007.

Amended by Tribal Council Resolution #088-11-04-08, dated November 4, 2008.

Amended by Tribal Council Resolution #033-06-08-10, dated June 8, 2010.

Amended by Tribal Council Resolution #041-06-09-15, dated June 9, 2015.

Amended by Tribal Council Resolution #037-09-06-16, dated September 6, 2016.

Amended by Tribal Council Resolution #093-12-05-17, dated December 5, 2017.

Amended by Tribal Council Resolution #049-08-15-23, dated August 15, 2023.