

**CITY CLERK
ORIGINAL**

C-8362
02/12/2013

ADOPTION AGREEMENT

EDUCATORS BENEFIT CONSULTANTS, LLC

RETIREE HEALTH SAVINGS ACCOUNT (RHSA)

Adopted By: City of Glendale, Arizona
Employer

City of Glendale Retiree Health Savings Account (RHSA)
Plan Name

- The Plan benefits active Employees only.
- The Plan benefits terminated Employees only.
- The Plan benefits both active Employees and terminated Employees.

MISCELLANEOUS

Name of Plan and Trust: City of Glendale Retiree Health Savings Account (RHSA)

Addendum(s) Attached: Yes No

The City has the ability to add or remove separate classes of employees via City Council Resolution. As each class of employee becomes eligible, the applicable Memorandum of Understanding or Personnel Policy that establishes participation rights in the RHSA shall become part of the Adoption Agreement. The most recent MOU or personnel policy shall prevail.

Joint Powers Agreement Attached: Yes No

ARTICLE I: INTRODUCTION

Original Effective Date: For City-wide RHS Plan 3/9/09, For FOP 7/1/08, for Fire Dept. 7/1/06.

Restatement Date (date Adoption Agreement is executed): _____
(month, day, year)

ARTICLE II: DEFINITIONS*

(*Paragraph numbers coincide with paragraph numbers of the Basic Document)

2.1 Adopting Employer means: City of Glendale

2.5 Claims Administrator means: Educators Benefit Consultants, LLC (EBC)

2.8 Dependent means:

- As provided in the Basic Document.
- Other (Describe): _____

Note: Dependent cannot be defined more broadly than “dependent” for purposes of Section 105 and 152 of the Internal Revenue Code.

If the definition is different for Participants once they terminate employment, complete again:

- N/A definition does not change.

As provided in the Basic Document

Other (Describe): _____

2.13 Entry Date means date employee becomes eligible to participate in the Plan.

Post-Employment Plan: Criteria established in the Collective Bargaining Agreement, Memorandum of Understanding or Personnel Policy for each class of employee.

Other (Describe): _____

2.16 Health Care Expense means:

As provided in the Basic Plan (e.g., premium and or out-pocket-medical expenses).

An expense which but for the deductible under a specified group medical coverage sponsored by the Adopting Employer, would have been paid by that group medical coverage.

The specified medical coverage is the _____

Other (Describe): _____

Note: Health Care Expense cannot be defined more broadly than the description in IRS Revenue Ruling 2002-41 and IRS Notice 2002-45, IRC 213(d).

If the definition is different for Participants once they terminate employment, complete again:

N/A – definition does not change.

As provided in the Basic Plan.

An expense which but for the deductible under a specified group medical coverage sponsored by the Adopting Employer, would have been paid by that group medical coverage.

The specified medical coverage is the _____

2.20 Managing Body means person or persons with authority to make decisions for the Adopting Employer. Check all that apply

Council if City or County or School Board if School District

Exec. Director of Human Resources and Risk Management

Other (Describe):_City Manager

2.24 Plan Administrator: City of Glendale and its delegates as contracted

2.25 Plan Year: July 1 through June 30
(month, day through month, day)

The initial "short" Plan Year: Not Applicable

2.30 Spouse means:

- As provided in the Basic Document.
 Other (Describe): _____

Note: Must be more restrictive than Code.

If the definition is different for Participants once they terminate employment, complete again:

- N/A – definition does not change.
 As provided in the Basic Document.
 Other (Describe): _____

2.32 Trustee means: City of Glendale

2.33 Trust Custodian: MG Trust Company, LLC

ARTICLE IV: ELIGIBILITY AND PARTICIPATION OF EMPLOYEES

4.1 Eligibility requirements are as follows (check and complete only those that apply).

- Age (Describe): _____
- Length of Service (Describe): Ten (10) years of service required for employees not subject to MOU with Adopting Employer.
- Employment Classification (e.g., union, part-time, full-time) (Describe): Regular status, non-sworn employees; Fire Department employees subject to MOU, and dues-paying members of the Fraternal Order of Police (must be sworn employees).
- Coverage under a specified group medical (Describe): _____

- Coverage sponsored by the Adopting Employer (Describe): _____

- Other (Describe): _____

Note: Other classes of employees may become eligible from time-to-time through employer Resolution process. These Resolutions shall become part of this Adoption Agreement by reference.

4.2 Participant Status (Describe): For all classes of employees, this is a post-employment plan and qualifying event is termination of employment: due to retirement and separation of employment for any reason. Again, please refer to most recent MOU or personnel policy.

ARTICLE V: BENEFITS UNDER THE PLAN

5.2 Claims time period:

As provided in Basic Document.
 Other (Describe): An eligible expense may be submitted any time after expense is incurred. This plan **does not** have a 365 day limit from time expense was incurred. .

5.4 Timing of Reimbursement:

As provided in the Basic Document.
 Other (Describe): _____

5.5 Maximum Reimbursement:

As provided in the Basic Document
 Other (Describe): _____

5.6 Post-death Access by Spouse & Legal Dependents:

As provided in the Basic Document
 Other (Describe): _____

Revenue Ruling 2006-36 provides that funds cannot be left to a non-dependent beneficiary. If a Participant passes away with no spouse or legal dependents, the forfeiture rules shall apply after last and final health care expenses have been paid on behalf of deceased Participant.

5.8 Use of forfeiture:

- As provided in the Plan Document.
- Pay administrative costs which would otherwise be paid from the Trust but only for those Participants in the same classification at the time of the forfeiture.
- Funds will be used to cover future contributions into the Plan on behalf of eligible employees.
- Under no circumstances shall funds revert back to Adopting Employer to be placed in general assets.
- Other (Describe): _____

5.10 Which plan pays first.

- As provided in Basic Document.
- This Plan
- Other (Describe): _____

Note: The choice of which plan pays first cannot be left to the Participant.

5.11 Other Limitations, if any: _____

ARTICLE VI: CONTRIBUTIONS

6.1 Employer Contribution amount, timing, restrictions (check all that apply):

- Fixed dollar amount \$ _____
- Per pay period
- Per month
- Per quarter
- Per year
- Paid monthly only and only accessible to the extent the Participant has an account balance; or
- Paid monthly (or if needed sooner to pay an eligible expense, paid at the time the claim is made)

Note: If you choose the second option above, the employer will be required to “advance” payment to Participants, without discrimination, and will not be able to seek reimbursement for amounts advanced if a Participant terminates employment prior to the end of the Plan Year in which the sums are earned.

- Other (Describe): As established in MOU for Fire Department
- Restrictions, if any (Describe): _____

Fixed formula (Describe): _____

- Per pay period
- Per month
- Per quarter
- Per year
 - Paid monthly only and only accessible to the extent the Participant has an account balance; or
 - Paid monthly (or if needed sooner to pay an eligible expense, paid at the time the claim is made)

Note: If you choose the second option above, the employer will be required to “advance” payment to Participants, without discrimination, and will not be able to seek reimbursement for amounts advanced if a Participant terminates employment prior to the end of the Plan Year in which the sums are earned.

- Other (Describe): _____
- Restrictions, if any (Describe): _____

Contributions of Accumulated Paid Time off, Vacation, or Sick Leave Upon Termination of Employment (Describe): Please refer to current MOU or Personnel Policy for pay out calculations.

Availability for reimbursement of HC Account balance:

- As provided in the Basic Document (available as contributions are made to the Trust).
 - the balance of the Account at the time the claim is submitted; or
 - the Amount of the employer contribution available for the Plan Year.

Note: If you choose the second option above, the employer will be required to “advance” payment to Participants, without discrimination, and will not be able to seek reimbursement for amounts advanced if a Participant terminates employment prior to the end of the Plan Year in which the sums are earned.

Upon termination of employment.

In the event a Participant terminates employment after the age of 62 or age 55 with 10 years of service, the Account Balance shall not be subject to forfeiture, but shall be eligible for spend down until the Account is spent down to zero (\$0.00) dollars.

Other (Describe): _____

ARTICLE VII: CLAIMS DETERMINATIONS AND REVIEW OF DENIED CLAIMS

7.1 Alternative Claims and Review Procedures.

As provided in the Basic Document.

Other (Describe): _____

ARTICLE IX: PLAN ADMINISTRATION

9.7 Reasonable fees of claims Administrator shall be paid as follows:

As provided in the Basic Document.

Charged to the Plan and paid from the general assets of the Adopting Employer

Other (Describe): Optional serve fees, if any, shall be paid by the employer as established in the service agreement.

ARTICLE XII: DUTIES AND POWERS OF TRUSTEE

12.1 Indicate whether Trustee is directed Trustee under the Plan Yes No

12.5 Reasonable fees of the Trustees shall be paid as follows:

As provided in the Basic Document

Adopting Employer acting as Trustee is not paid from Plan assets.

Charged to the Plan and paid from the general assets of the Adopting Employer

Other (Describe): _____

12.6 Investment direction:

As provided in Basic Document.

Participant directed.

Other (Describe): _____

ARTICLE XIV: GENERAL PROVISIONS

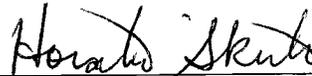
14.7 Governing law – State of: ARIZONA

ACKNOWLEDGEMENTS

- 1. Pursuant to Section 2.9(a), any collectively bargained Employees participating in this Plan participate because the collective bargaining agreement provides for coverage under this Plan.**
- 2. This Plan has been duly adopted or authorized to be adopted by the Adopting Employer's Managing Body.**
- 3. This Plan is a "covered entity" for purposes of the Privacy Rules under the Health Insurance Portability and Accountability Act (HIPAA).**
- 4. The Adoption Agreement may be signed in multiple parts.**

The foregoing approved and adopted this 12 day of February, 2013.

City of Glendale,
an Arizona municipal corporation



By: Horatio Skeete
Its: Acting City Manager

ATTEST:


City Clerk (SEAL)

APPROVED AS TO FORM:


City Attorney