



HEALTH CARE SAVINGS PROGRAM UNIFORM RESOLUTION

(Participating Employer)

**Municipal Employees' Retirement System of Michigan
1134 Municipal Way
Lansing, MI 48917
517-703-9030**

Restated: March 13, 2007

(Adopted: May 14, 2003, amended
August 11, 2004, restated November
15, 2005)

**UNIFORM RESOLUTION ADOPTING THE MERS
HEALTH CARE SAVINGS PROGRAM**

(Excluding Plans Governed by Internal Revenue Code Section 401(h))

WHEREAS, the Municipal Employees' Retirement System ("MERS") Plan Document of 1996, effective October 1, 1996, authorized the Municipal Employees' Retirement Board ("Board") to establish additional programs including but not limited to defined benefit and defined contribution program (MERS Plan Document Section 36(2)(a)); MCL 38.1536(2)(a));

WHEREAS, the Board has authorized MERS' establishment of the health care savings program ("HCSP" or "Program"), which a participating municipality or court, or another eligible public employer that is a political subdivision of the State which constitutes a "municipality" under MERS Plan Document Section 2B(4); MCL 38.1502b(2) ("Eligible Employer"), may adopt for its Eligible Employees;

WHEREAS, MERS has been determined by the Internal Revenue Service to be a tax-qualified "governmental plan" and trust under section 401(a) of the Internal Revenue Code of 1986, and all trust assets within MERS reserves are therefore exempt from taxation under Code section 501(a) (IRS Letter of Favorable Determination dated June 15, 2005).

WHEREAS, the Board has established a governmental trust (the "Trust Fund") to hold the assets of the HCSP, which Trust Fund shall be administered under the discretion of the Board as fiduciary, directly by (or through a combination of) MERS or MERS' duly-appointed Program Administrator;

WHEREAS, 1999 PA 149, the Public Employee Health Care Fund Investment Act, MCL 38.1211 *et seq.* ("PA 149") provides for the creation by a public corporation of a public employee health care fund, and its administration, investment, and management, in order to accumulate funds to provide for the funding of health benefits for retirees and beneficiaries;

WHEREAS, a separate MERS health care trust fund created under PA 149 also constitutes a governmental trust established by a public corporation ("municipality") as an Eligible Employer, provided that all such employers shall be the State of Michigan, its political subdivisions, and any public entity the income of which is excluded from gross income under Section 115 of the Internal Revenue Code; provided further, that the PA 149 trust shall not accept assets from any defined benefit health account established under Section 401(h) of the Internal Revenue Code;

WHEREAS, the Board acts as investment fiduciary for the pooled assets of each MERS participating municipality and court enrolled in MERS defined benefit programs, Health Care Savings Program, the Retiree Health Funding Vehicle, and the Investment Services Pool Program, on whose behalf MERS performs all plan administration and investment functions, and such participating municipalities and courts have full membership, representation and voting rights at the Annual Meeting as provided under Plan Section 45; MCL 38.1545.

WHEREAS, the Board also acts as investment fiduciary for those participating employers who are non-MERS participating municipalities and courts that have adopted the

MERS Health Care Savings Program, Retiree Health Funding Vehicle, or Investment Service Pool Program, and such entities are not accorded membership, representation or voting rights provided to MERS participating municipalities and courts at the Annual meeting under Plan Section 45; MCL 38.1545.

WHEREAS, adoption of this Uniform Resolution and Participation Agreement (the “Uniform Resolution”) by each Eligible Employer is necessary and required in order that the benefits available under the MERS HCSP may be extended;

- It is expressly agreed and understood as an integral and nonseverable part of extension or continuation of coverage under this HCSP Resolution that Section 43B of the MERS Plan Document shall not apply to this Uniform Resolution Adopting MERS HCSP, the Participation Agreement, the Trust Plan Document, the Trust Agreement, and their administration or interpretation.
- In the event any alteration of the language, terms or conditions stated in this Uniform Resolution Adopting MERS HCSP is made or occurs, under MERS Plan Document Section 43B or other plan provision or other law, it is expressly recognized that MERS and the Board, as fiduciary of the MERS Plan and its trust reserves, and whose authority is nondelegable, shall have no obligation or duty: to administer (or to have administered) the Trust; or to continue administration by the Program Administrator or by MERS directly.

WHEREAS, concurrent with this HCSP Uniform Resolution, and as a continuing obligation, this governing body has completed, approved, and submitted to MERS documents necessary for participation in and implementation of the HCSP. This obligation applies to any documents deemed necessary to the operation of the Trust by the Program Administrator;

NOW, THEREFORE, BE IT RESOLVED that the governing body adopts (or readopts) the MERS HCSP as provided below.

SECTION 1. HCSP PARTICIPATION

EFFECTIVE _____, 20____, the MERS HCSP is hereby adopted by the _____
(MERS municipality or court or other eligible employer)

CONTRIBUTIONS. Basic Employer contributions, Mandatory Salary Reduction Contributions, Mandatory Leave Conversion Contributions, and Post-tax Employee Contributions, shall be remitted pursuant to MERS by the Eligible Employer, and credited to the Eligible Employer’s separate fund within the MERS Trust Fund. Employer contributions may be made as a percentage of salary and/or by a specified dollar amount.

INVESTMENT of funds accumulated and held in the Health Care Savings Program Trust Fund shall be held in a separate reserve and invested on a pooled basis by MERS subject to

the Public Employee Retirement System Investment Act ("PERSIA"), 1965 PA 314, as provided by MERS Plan Document Section 39; MCL 38.1539, and PA 149.

THE ELIGIBLE EMPLOYER shall abide by the terms of the HCSP, including all investment, administration, and service agreements, and all applicable provisions of the Code and other law. It is affirmed that no assets from any defined benefit health account established under Section 401(h) of the Internal Revenue Code shall be transferred to, or accepted by, MERS.

SECTION 2. IMPLEMENTATION DIRECTIONS FOR MERS AS HCSP INVESTMENT FIDUCIARY AND TRUSTEE

- (A) The governing body of this Eligible Employer desires that all assets placed in its MERS HCSP Trust Fund (as a sub-fund within all pooled HCSP trust funds with MERS) be administered by MERS, which shall act as investment fiduciary with all powers provided under Public Employee Retirement System Investment Act, pursuant to PA 149, all applicable provisions of the Internal Revenue Code and other relevant law.
- (B) The governing body desires, and MERS upon its approval of this Resolution agrees, that all funds accumulated and held in the MERS HCSP Trust Fund shall be invested and managed by MERS within the collective and commingled investment of all HCSP funds held in trust for all Eligible Employers.
- (C) All monies in the MERS HCSP Trust Fund (and any earnings thereon, positive or negative) shall be held and invested for the sole purpose of paying health care benefits for the exclusive benefit of "Eligible Employees" who shall constitute "qualified persons" who have retired or separated from employment with the Eligible Employer, and for any expenses of administration, and shall not be used for any other purpose, and shall not be distributed to the State.
- (D) The Eligible Employer will fund on a defined contribution, individual account, basis its MERS HCSP Trust sub-fund to provide funds for health care benefits for "Eligible Employees" who shall constitute "qualified persons." Participation in and any coverage under HCSP shall not constitute nor be construed to constitute an "accrued financial benefit" under Article 9 Section 24 of the Michigan Constitution of 1963.
- (E) The Eligible Employer designates and incorporates as "Eligible Employees" who shall constitute "qualified persons" under this HCSP Resolution those who are "Eligible Employees as defined in the HCSP Participation Agreement under this HCSP.
- (F) _____ (Use title of official, not name) shall be the Eligible Employer's HCSP Coordinator; shall designate in writing the "qualified persons" on whose behalf trust fund monies shall be made available under any MERS (or non-MERS) retiree health care benefit program, including, but not limited to, MERS HCSP, or MERS Premier Health; receive necessary

reports, notices, etc.; shall act on behalf of the Eligible Employer; and may delegate any administrative duties relating to the Fund to appropriate departments.

- (G) Fees and Expenses for the MERS HCSP are contained in Addendum A to this Resolution.

SECTION 3. EFFECTIVENESS OF THIS HCSP UNIFORM RESOLUTION

This Resolution shall have no legal effect until a certified copy of this adopting Resolution shall be filed with MERS, and MERS determines that all necessary requirements under MERS Plan Document Section 36(2)(a), 1999 PA 149 and other relevant laws, and this Resolution have been met. Upon MERS' determination that all necessary documents have been submitted, MERS shall record its formal approval upon this Resolution, and return a copy to the Eligible Employer's HCSP Coordinator as identified above.

In the event an amendatory resolution or other action by the Eligible Employer is required by MERS, such Resolution or action shall be deemed effective as of the date of the initial Resolution or action where concurred in by this governing body and MERS (and the Program Administrator if necessary). Section 54 of the MERS Plan Document shall apply to this Resolution and all acts performed under its authority. The terms and conditions of this Resolution supersede and stand in place of any prior resolution, and its terms are controlling.

I hereby certify that the above is a true copy of the Uniform Resolution Adopting The MERS Health Care Savings Program, adopted at the official meeting held by the governing body of this municipality:

On _____, 20____ _____
(Signature of authorized official)

Please send MERS fully executed copy of:

1. This HCSP Uniform Resolution;
2. Participation Agreement;
3. Certified minutes stating Governing Body approval; and
4. Union contract language and/or personnel policy.

**RECEIVED AND APPROVED BY THE MUNICIPAL EMPLOYEES'
RETIREMENT SYSTEM OF MICHIGAN**

Dated: _____, 20____ _____
(Authorized MERS signatory)

S T A T E O F M I C H I G A N

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEGAN

March 11, 2010

AUTHORIZE SIGNATURES MERS HEALTH CARE SAVINGS PLAN DOCUMENTS

WHEREAS, the Allegan County Board of Commissioners has approved the Uniform Resolution Adopting the MERS Health Care Savings Program *(Excluding Plans Governed by Internal Revenue Code Section 401(h))*.

THEREFORE BE IT RESOLVED that the Allegan County Board of Commissioners approves Addendum A, fees and expenses for the MERS HSCP as presented; and

BE IT FINALLY RESOLVED that the Board Chairman and the County Administrator are authorized to sign the necessary documents on behalf of the County and that the Budget and Finance Director is authorized to make the necessary budget adjustments to complete this action.

S T A T E O F M I C H I G A N

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEGAN

March 11, 2010

**APPROVE MERS HSCP LETTER OF AGREEMENT AND PARTICIPATION
AGREEMENTS**

WHEREAS, the Allegan County Board of Commissioners has approved the Uniform Resolution Adopting the MERS Health Care Savings Program *(Excluding Plans Governed by Internal Revenue Code Section 401(h))*.

WHEREAS, a participating Employer may cover all of its employee groups, bargaining units or personnel/employee classifications ("covered Group), in the Health Care Savings Program; and

WHEREAS, if the Employer has varying coverage or contribution structures between groups, a separate agreement will need to be completed for each covered group; and

WHEREAS, the Police Officers' Labor Council (POLC) Road Command Officers has executed a Letter of Agreement to approve participation in the MERS Health Care Savings Program; and

WHEREAS, Police Officers' Labor Council (POLC) Deputies Unit has executed a Settlement Agreement which includes participation in the MERS Health Care Savings Program.

THEREFORE BE IT RESOLVED that the Allegan County Board of Commissioners hereby approves the Police Officers' Labor Council

(POLC) Road Command Officers Letter of Agreement as presented;
and,

BE IT ALSO RESOLVED that the Allegan County Board of Commissioners hereby approves the Police Officers' Labor Council (POLC) Road Command Officers and the Police Officers' Labor Council (POLC) Deputies Unit Participation Agreements as presented; and

BE IT FINALLY RESOLVED that the Board Chairman and/or the County Administrator are authorized to sign the necessary documents on behalf of the County and that the Budget and Finance Director is authorized to make the necessary budget adjustments to complete this action.

3/5/2010 3:18:49PM

Work Order **67045**

Summary	HR_MERS Health Care Savings Plan - approval of participation	Type	Admin / Board RFA
Requestor	Vickie Herzberg	Asset ID	
Requestor Call Back Number		Department Number	226
Department	Human Resources	Date Entered	12/28/2009 10:37:29AM
Location		Date Assigned	1/11/2010 3:26:51PM
Assigned Technician	Vickie Herzberg	Expected Completion Date	1/28/2010 3:26:54PM
Priority	3 - within 48 hours	Charge	
Date Completed		Hours	
Status	-		

Work Order Description

12/28/2009 10:37:30AM ALLEGANCOUNTYJNance

Request Board approval of participation in MERS Health Care Savings Plan.

Technician

3/5/2010 1:01:16PM JNANCE

Resolutions reviewed and approved by V. Herzberg and L. Shirey.

3/5/2010 12:59:30PM JNANCE

Per V. Herzberg, per IRS requirements MERS may change the Participation Agreements for an Employers employee groups, but the changes must be shown. (See the vacation to PTO items on our agreements.)

2/24/2010 4:32:00PM DSTAN

2/23 ET - VH has been waiting for POLC or should we go with just the one that we have ready. The master resolution is done. Road command; deputies and master agreement as three items on one agenda – make sure all together to get approved at once. POLC deputies is part of their TA. VH will get back with Denise on what date will be. John Stidman getting his group together to agree on TA (thinking BOC agenda of 3/11).

2/22/2010 11:21:01AM DSTAN

Placed on 2/23 ET agenda for discussion.

2/19/2010 9:36:35AM JNANCE

One original LOA signed by POLC Road Command representatives has been received and forwarded to B Blaine for the pending signature file. Copy attached to this workorder.

2/16/2010 4:33:02PM VHerzberg

We have designed Letters of Agreement with both POLC Road Command and Deputy Unions. They must take a union vote to decide if they want to accept the participation agreement as is, (see attached). I suggested that they take a vote before 2/18/2010. I am waiting for their response.

2/2/2010 3:59:55PM JNANCE

Lisa has questions regarding what information is pending for this item to go to the Board. I asked that she put her questions and concerns in an email and then we can determine the next step with this item.

2/2/2010 2:51:21PM DSTAN

Per Rob - removed from 1/14/10 BOC agenda. Need to finish up on paperwork prior to presenting to BOC. Assigned back to VHerzberg to formalize everything for a future BOC meeting.

1/11/2010 10:24:01AM JNANCE

Removed Uniform Resolution that was re-worked in our format. Per Denise, we will use their pdf version of that document.

1/8/2010 2:37:44PM BBLAINE

Placed on agenda for discussion 1/14/10.

1/8/2010 2:12:52PM JNANCE

All appropriate documentation is attached. Assign to B Blaine. This item to be 1/14/10 BOC agenda discussion item.

1/8/2010 2:03:27PM JNANCE

Attached HCSP Uniform Resolution changing only the font and the paragraph spacing. We may not add/modify the resolution with our standard final paragraph verbiage. We could include a separate resolution for that if necessary.

12/28/2009 10:59:53AM JNANCE

Please note the HCSP Uniform Resolution is a legal document approved by the IRS and is fillable, but not modifiable. We may not replace the phrase "the governing body of the Eligible Employer" with "the Allegan County Board of Commissioners."

Resolution**12/28/2009 10:37:30AM ALLEGANCOUNTYJNance**Administrative Time- .25 hours



ALLEGAN COUNTY
REQUEST FOR ACTION FORM

RFA#: 67-045

Date: 12/28/09

Request Type Routine Items
Department Requesting Human Resources
Submitted By Vickie Herzberg
Contact Information ext 2642

Description

Request Board approval for participation in MERS Health Care Savings Plan. Adopt Uniform Resolution and execute Participation Agreement and Addendum A documents.

ADDENDUM A

Fees and Expenses for the MERS HCSP are as follows:

(a) The administrative fee is \$25 per year and 50 basis points per year (50 hundredths of 1 percent). The basis point fee will be applied by MERS to the fair market value of assets determined as of the first business day of each month. The fees will be deducted from the individual's account. A quarterly statement will be provided following each quarter.

(b) The administrative fee is separate from and does not include underlying investment management expenses netted from all MERS trust funds under investment on a daily valuation basis.

Dated: _____, 20____

(Signature of authorized official)

(Title)

**RECEIVED AND APPROVED BY THE MUNICIPAL EMPLOYEES'
RETIREMENT SYSTEM OF MICHIGAN**

Dated: _____, 20____

(Authorized MERS HCSP signatory)

LETTER OF AGREEMENT
Between
THE COUNTY OF ALLEGAN
And the
POLICE OFFICERS' LABOR COUNCIL (POLC)
ROAD COMMAND OFFICERS
JANUARY 1, 2010 – DECEMBER 31, 2012

The County shall offer the MERS Health Care Savings Plan (HCSP). The plan shall be funded by the employee according to the Participation Agreement developed between MERS, The County and POLC.

Leave Conversions - The Participation Agreement stipulates Leave Conversions. Employees must elect on or before October 31st of each year and one month before the end of service (termination and/or retirement) if they want to receive a cash payment for their PTO Leave pay-out or cash payment of their annual Longevity. During this selection window an employee can decide if they want to receive any portion up to 100% of the pay-out in cash. If the employee has not elected to receive the pay-out in cash, 100% of the remaining balance must convert to the Health Care Savings Program (this is an IRS rule as a mandatory provision to allow the tax-free benefit). One month prior to the end of service, employees can elect a cash payment of any portion, up to 100% of their Compensatory Leave Bank. As of the end of service the remaining balance must convert to the Health Care Savings Program.

Severance Pay – If severance pay is offered by the employer an employee may elect one month prior to the end of service a cash payment of any portion, up to 100% of their severance pay. As of the end of service the remaining balance must convert to the Health Care Savings Program.

Mandatory Deduction Amounts – Participation is mandatory. The amount established by an employee as a Pre-Tax deduction will not be reduced for any reason even if considered catastrophic in nature. Employees will contribute a set minimum per pay period, specified in the MERS HCSP Participation agreement, with the ability to elect up to 100% of salary after all mandatory deductions. The amount may be increased at any time. Voluntary Post-Tax contributions are allowed and may be started and stopped at any time.

Fees and Expenses for the MERS HCSP - The administrative fees will be deducted from the individual's account. The employee shall pay all fees established by MERS. The administrative fee is separate from and does not include underlying investment management expenses netted from all MERS trust funds under investment on a daily valuation basis. The County has no control over the cost of the administrative fee and expenses. Increases or decreases to the fee and/or changes in the calculation method are at the sole discretion of MERS. The County assumes no responsibility for these costs.

IN WITNESS WHEREOF, the parties hereto have caused this language to be executed.

POLICE OFFICERS' LABOR COUNCIL (POLC) DEPUTY UNIT OF

By:  Date: 2/19/2010

By:  Date: 2-19-10

BOARD OF COMMISSIONERS

By: _____ Date: _____

By: _____ Date: _____



HEALTH CARE SAVINGS PROGRAM PARTICIPATION AGREEMENT

Allegan County

(Participating Employer)

**Municipal Employees' Retirement System of Michigan
1134 Municipal Way
Lansing, MI 48917
517-703-9030**

**Restated: November 15, 2005
(Approved May 14, 2003 and
amended August 19, 2004)**

HEALTH CARE SAVINGS PROGRAM EMPLOYER

Effective Date of this Participation Agreement March 1, 2010

Health Care Savings Program Coordinator (Name and title) Robert Sarro,
County Administrator

Address 3283 122nd Avenue Allegan, MI 49010

Phone (269) 673 _0451 Facsimile (269) 673 _0367

E-mail rsarro@allegancounty.org

COVERED EMPLOYEE GROUPS

A participating Employer may cover all of its employee groups, bargaining units or personnel/employee classifications ("Covered Group"), in Health Care Savings Program or select from the listing below. **Contributions shall be made on the same basis within each Covered Group identified by this agreement, and remitted as directed by the Program Administrator.** If the Employer has varying coverage or contribution structures between groups, a separate agreement will need to be completed for each covered group. This agreement encompasses the group(s) listed below:

All Eligible Employees within the following bargaining unit(s) or personnel/employee classification(s) (must specify below, e.g., MERS Division 1; All Police & Fire; or Police Command): Police Officers' Labor Council (POLC) Road Command Officers

ELIGIBLE EMPLOYEES

Only Employees of a "municipality" may be covered by the Health Care Savings Program Participation Agreement. Independent contractors may not participate in the Health Care Savings Program. Subject to other conditions in the Trust Document and this Participation Agreement, the following Covered Group of Employees are deemed to be "qualified persons" eligible to participate in the Health Care Savings Program:

Check one or both:

- With respect to Covered Groups, this Participation Agreement covers all employees who are in a collective bargaining unit, subject to the terms of the collective bargaining agreement.
- With respect to Covered Groups, this Participation Agreement covers all employees who are subject to the same personnel policy, according to the terms of the policy.

The Employer shall provide MERS with the name, address, Social Security Number, and date of birth for each Eligible Employee, as defined by the Participation Agreement on Employee Enrollment and Beneficiary Designation forms to be provided by MERS Health Care Savings Program.

**EMPLOYER CONTRIBUTIONS
TO THE HEALTH CARE SAVINGS PROGRAM**

The Participating Employer hereby elects to make contributions to the Trust. Once you have determined the contribution structure, language should be added in the appropriate area below. Contributions shall be made on the same basis within each Covered Group specified in this agreement, and remitted to MERS as directed by the Program Administrator along with the Participation Report, to be credited to the individual accounts of Eligible Employees as follows:

Check one or more, as applicable:

- Basic Employer (Before-Tax) Contributions**

These employer contributions may be made as a percentage of salary and/or by a specified dollar amount. Identify below the basic employer contribution formula to be applied to the covered groups within the Health Care Savings Program identified in this agreement.

Contribution structure (**specify**): _____

Vesting Cycle For Basic Employer Contributions Only

The employer contributions identified in this Participation Agreement are subject to the following vesting cycle.

Years of Service	Percentage Vested
_____	_____
_____	_____
_____	_____
_____	_____
_____	100%

FORFEITURE PROVISION. Upon separation from the service with the Employer prior to meeting required vesting schedule set out above, or upon Death of the Participant, prior to meeting the required vesting schedule, a Participant's account assets shall:

Check only one, as applicable:

- Remain in the HCSP sub-trust to be reallocated among all Plan Participants on an equal dollar basis
- Remain in the HCSP sub-trust to be used to offset future Employer Contributions
- Be transferred to the Retiree's Health Funding Vehicle ("RHFV").

Mandatory Salary Reduction (Before-Tax) Contributions

Before-tax Employer Contributions to the Health Care Savings Program Sub-Trust shall be made that represent a mandatory salary reduction resulting from collective bargaining or the establishment of a personnel policy. These reductions may be made as a percentage of salary or a specific dollar amount.

Contribution structure (**specify**): Employees will contribute \$5 per regular bi-weekly
pay, with the ability to elect up to 100% of their regular bi-weekly pay.

Employees can increase their contributions but never decrease them.

Mandatory Leave Conversion (Before-Tax) Contributions

Before-tax Employer Contributions to the Health Care Savings Program Sub-Trust shall be made that represent a mandatory conversion of accrued leave including, but not limited to vacation, holiday, sick leave, or severance amounts otherwise paid out, to a cash contribution. These contributions may be calculated as a percentage of accrued leave or a specific dollar amount representing the accrued leave. Leave conversions may be made on an annual basis or at separation from service, or at such other time as the Employer indicates. (*Note: The leave conversion program shall not permit employees the option of receiving cash in lieu of the employer contribution.*)

The following type of leave shall be converted to an employer cash contribution to Health Care Savings Program:

Check one or more, as applicable:

Vacation Leave Conversion Contribution Structure:

As of date of termination, 100 % of vacation leave must be contributed to HCSP.
(Annual Date or X weeks prior to termination)

Other (specify): As of Oct. 31, 100% of the remaining PTO must be
contributed to the HCSP.

Sick Leave Conversion Contribution Structure:

As of date of termination, 100 % of sick leave must be contributed to HCSP.
(Annual Date or X weeks prior to termination)

Other (specify): As of Oct. 31, 100% of the remaining Longevity must
be contributed to the HCSP.

Personal Leave Conversion Contribution Structure:

As of _____, _____ % of personal leave must be contributed to HCSP.
(Annual Date or X weeks prior to termination)

Other (specify): As of date of termination, 100% of remaining Comp must
be contributed to the HCSP.

Severance Pay Conversion Contribution Structure:

As of date of termination, 100 % of severance pay must be contributed to HCSP.
(Annual Date or X weeks prior to termination)

Other (specify): _____

Post-Tax Employee Contributions

The Participating Employer hereby elects to permit post-tax Employee Contributions to be made by Eligible Employees within the Covered Group(s), which shall be remitted as directed by the Program Administrator, to be credited to the individual accounts of Eligible Employees. All Employee Contributions must be remitted to MERS along with the Participation Report.

INVESTMENT DEFAULT FUND. An investment default fund is required under the Program. Consistent with the MERS Board September 30, 2008 amendment to Section 2.03(e) of the **Restated Trust Agreement for HCSP and RHFV**, Rule 2.03(e) affirming that the MERS Total Market Fund is the default option for a Participant (or Dependent) who does not have a valid investment direction on file, **MERS' recommends the MERS Total Market Fund as the default fund.** The Participating Employer hereby elects the following fund to be the default fund for the Covered Group:

- MERS Total Market Fund
- MERS Established Market Fund
- MERS Diversified Bond Fund
- MERS Short Term Managed Income Fund

**MODIFICATION OF THE TERMS
OF THE PARTICIPATION AGREEMENT**

If a Participating Employer desires to amend any of its previous elections contained in this Participation Agreement, including attachments, the Governing Body by official action must adopt a new Participation Agreement and forward it to the Board for approval. The amendment of the new Participation Agreement is not effective until approved by the Board and other procedures required by the Trust Plan Document have been implemented.

STATE LAW

To the extent not preempted by federal law, this agreement shall be interpreted in accordance with Michigan law.

TERMINATION OF THE PARTICIPATION AGREEMENT

This Participation Agreement may be terminated only in accordance with the Trust Plan Document.

EXECUTION BY GOVERNING BODY OF MUNICIPALITY

The foregoing Participation Agreement is hereby adopted and approved on the ____ day of _____, 20____.

GOVERNING BODY

Name of Employer

Signed _____

Printed Name _____

Title _____

Date of Signature _____

MERS APPROVAL

The Participation Agreement is approved by MERS. Contributions shall first be remitted beginning with the month of _____, 20____.

Dated: _____, 20____

By _____
(Authorized MERS signatory)

Title _____



HEALTH CARE SAVINGS PROGRAM PARTICIPATION AGREEMENT

Allegan County

(Participating Employer)

**Municipal Employees' Retirement System of Michigan
1134 Municipal Way
Lansing, MI 48917
517-703-9030**

**Restated: November 15, 2005
(Approved May 14, 2003 and
amended August 19, 2004)**

HEALTH CARE SAVINGS PROGRAM EMPLOYER

Effective Date of this Participation Agreement March 1, 2010

Health Care Savings Program Coordinator (Name and title) Rob Sarro,
County Administrator

Address 3283 122nd Avenue Allegan, MI 49010

Phone (269) 673 _0451 Facsimile (269) 673 _0367

E-mail rsarro@allegancounty.org

COVERED EMPLOYEE GROUPS

A participating Employer may cover all of its employee groups, bargaining units or personnel/employee classifications ("Covered Group"), in Health Care Savings Program or select from the listing below. **Contributions shall be made on the same basis within each Covered Group identified by this agreement, and remitted as directed by the Program Administrator.** If the Employer has varying coverage or contribution structures between groups, a separate agreement will need to be completed for each covered group. This agreement encompasses the group(s) listed below:

All Eligible Employees within the following bargaining unit(s) or personnel/employee classification(s) (must specify below, e.g., MERS Division 1; All Police & Fire; or Police Command): Police Officers' Labor Council (POLC) Deputy Unit

ELIGIBLE EMPLOYEES

Only Employees of a "municipality" may be covered by the Health Care Savings Program Participation Agreement. Independent contractors may not participate in the Health Care Savings Program. Subject to other conditions in the Trust Document and this Participation Agreement, the following Covered Group of Employees are deemed to be "qualified persons" eligible to participate in the Health Care Savings Program:

Check one or both:

- With respect to Covered Groups, this Participation Agreement covers all employees who are in a collective bargaining unit, subject to the terms of the collective bargaining agreement.
- With respect to Covered Groups, this Participation Agreement covers all employees who are subject to the same personnel policy, according to the terms of the policy.

The Employer shall provide MERS with the name, address, Social Security Number, and date of birth for each Eligible Employee, as defined by the Participation Agreement on Employee Enrollment and Beneficiary Designation forms to be provided by MERS Health Care Savings Program.

**EMPLOYER CONTRIBUTIONS
TO THE HEALTH CARE SAVINGS PROGRAM**

The Participating Employer hereby elects to make contributions to the Trust. Once you have determined the contribution structure, language should be added in the appropriate area below. Contributions shall be made on the same basis within each Covered Group specified in this agreement, and remitted to MERS as directed by the Program Administrator along with the Participation Report, to be credited to the individual accounts of Eligible Employees as follows:

Check one or more, as applicable:

- Basic Employer (Before-Tax) Contributions**

These employer contributions may be made as a percentage of salary and/or by a specified dollar amount. Identify below the basic employer contribution formula to be applied to the covered groups within the Health Care Savings Program identified in this agreement.

Contribution structure (**specify**): _____

Vesting Cycle For Basic Employer Contributions Only

The employer contributions identified in this Participation Agreement are subject to the following vesting cycle.

Years of Service	Percentage Vested
_____	_____
_____	_____
_____	_____
_____	_____
_____	100%

FORFEITURE PROVISION. Upon separation from the service with the Employer prior to meeting required vesting schedule set out above, or upon Death of the Participant, prior to meeting the required vesting schedule, a Participant's account assets shall:

Check only one, as applicable:

- Remain in the HCSP sub-trust to be reallocated among all Plan Participants on an equal dollar basis
- Remain in the HCSP sub-trust to be used to offset future Employer Contributions
- Be transferred to the Retiree's Health Funding Vehicle ("RHFV").

Mandatory Salary Reduction (Before-Tax) Contributions

Before-tax Employer Contributions to the Health Care Savings Program Sub-Trust shall be made that represent a mandatory salary reduction resulting from collective bargaining or the establishment of a personnel policy. These reductions may be made as a percentage of salary or a specific dollar amount.

Contribution structure (**specify**): Employees will contribute \$5 per regular bi-weekly
pay, with the ability to elect up to 100% of their regular bi-weekly pay.

Employees can increase their contributions but never decrease them.

Mandatory Leave Conversion (Before-Tax) Contributions

Before-tax Employer Contributions to the Health Care Savings Program Sub-Trust shall be made that represent a mandatory conversion of accrued leave including, but not limited to vacation, holiday, sick leave, or severance amounts otherwise paid out, to a cash contribution. These contributions may be calculated as a percentage of accrued leave or a specific dollar amount representing the accrued leave. Leave conversions may be made on an annual basis or at separation from service, or at such other time as the Employer indicates. (*Note: The leave conversion program shall not permit employees the option of receiving cash in lieu of the employer contribution.*)

The following type of leave shall be converted to an employer cash contribution to Health Care Savings Program:

Check one or more, as applicable:

Vacation Leave Conversion Contribution Structure:

As of date of termination, 100 % of vacation leave must be contributed to HCSP.
(Annual Date or X weeks prior to termination)

Other (specify): As of Oct. 31, 100% of the remaining PTO must be
contributed to the HCSP.

Sick Leave Conversion Contribution Structure:

As of date of termination, 100 % of sick leave must be contributed to HCSP.
(Annual Date or X weeks prior to termination)

Other (specify): As of Oct. 31, 100% of the remaining Longevity must
be contributed to the HCSP.

Personal Leave Conversion Contribution Structure:

As of _____, _____ % of personal leave must be contributed to HCSP.
(Annual Date or X weeks prior to termination)

Other (specify): As of date of termination, 100% of remaining Comp must
be contributed to the HCSP.

Severance Pay Conversion Contribution Structure:

As of date of termination, 100 % of severance pay must be contributed to HCSP.
(Annual Date or X weeks prior to termination)

Other (specify): _____

Post-Tax Employee Contributions

The Participating Employer hereby elects to permit post-tax Employee Contributions to be made by Eligible Employees within the Covered Group(s), which shall be remitted as directed by the Program Administrator, to be credited to the individual accounts of Eligible Employees. All Employee Contributions must be remitted to MERS along with the Participation Report.

INVESTMENT DEFAULT FUND. An investment default fund is required under the Program. Consistent with the MERS Board September 30, 2008 amendment to Section 2.03(e) of the **Restated Trust Agreement for HCSP and RHFV**, Rule 2.03(e) affirming that the MERS Total Market Fund is the default option for a Participant (or Dependent) who does not have a valid investment direction on file, **MERS' recommends the MERS Total Market Fund as the default fund.** The Participating Employer hereby elects the following fund to be the default fund for the Covered Group:

- MERS Total Market Fund
- MERS Established Market Fund
- MERS Diversified Bond Fund
- MERS Short Term Managed Income Fund

**MODIFICATION OF THE TERMS
OF THE PARTICIPATION AGREEMENT**

If a Participating Employer desires to amend any of its previous elections contained in this Participation Agreement, including attachments, the Governing Body by official action must adopt a new Participation Agreement and forward it to the Board for approval. The amendment of the new Participation Agreement is not effective until approved by the Board and other procedures required by the Trust Plan Document have been implemented.

STATE LAW

To the extent not preempted by federal law, this agreement shall be interpreted in accordance with Michigan law.

TERMINATION OF THE PARTICIPATION AGREEMENT

This Participation Agreement may be terminated only in accordance with the Trust Plan Document.

EXECUTION BY GOVERNING BODY OF MUNICIPALITY

The foregoing Participation Agreement is hereby adopted and approved on the ____ day of _____, 20____.

GOVERNING BODY

Name of Employer

Signed _____

Printed Name _____

Title _____

Date of Signature _____

MERS APPROVAL

The Participation Agreement is approved by MERS. Contributions shall first be remitted beginning with the month of _____, 20____.

Dated: _____, 20____

By _____
(Authorized MERS signatory)

Title _____