

# MERS Health Care Savings Program Participation Agreement



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## I. PARTICIPATING EMPLOYER

Employer Name: City of Pontiac  
(Name of municipality or court)

Municipality Number: \_\_\_\_\_ Division Number: \_\_\_\_\_

## II. EFFECTIVE DATE

1. If this is the initial Participation Agreement relating to the MERS Health Care Savings Program for this covered group, the effective date of the program here adopted shall be:

August 1, 2015  
(Date)

2. If this is an amendment and restatement of an existing Participation Agreement relating to the MERS Health Care Savings Program for this covered group, the effective date of this amendment and restatement shall be effective: \_\_\_\_\_  
(Date)

This Participation Agreement is intended to replace and serve as an amendment of the Employer's preexisting program, which was originally effective: \_\_\_\_\_  
(Date)

## III. 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. **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 following group(s):

All full-time employees of the City and 50th District Court hired as full-time after January 1, 2011 and not a member in GERS

(Name/s of HCSP covered group/s)

provided the employee has chosen not to accept health insurance.

## IV. 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.



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**REINSTATEMENT OF FORFEITURES.** If a Participant experiences Forfeiture, but is re-employed by the same employer within a defined period assets may be reinstated to the Participant's HCSP account.

**Check only one:**

Yes, reinstate all Forfeitures for participants re-employed within \_\_\_\_\_ period.  
(Time period)

No, do not reinstate Forfeitures.

- B.  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):

- C.  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.)*

**Check one or more:**

- As of \_\_\_\_\_, \_\_\_\_\_ % of \_\_\_\_\_  
Annual date or X weeks before termination      Percentage      Type of Leave Conversion (sick, vacation, etc.)  
must be contributed to the HCSP.
- As of \_\_\_\_\_, \_\_\_\_\_ % of \_\_\_\_\_  
Annual date or X weeks before termination      Percentage      Type of Leave Conversion (sick, vacation, etc.)  
must be contributed to the HCSP.
- As of \_\_\_\_\_, \_\_\_\_\_ % of \_\_\_\_\_  
Annual date or X weeks before termination      Percentage      Type of Leave Conversion (sick, vacation, etc.)  
must be contributed to the HCSP.
- As of \_\_\_\_\_, \_\_\_\_\_ % of \_\_\_\_\_  
Annual date or X weeks before termination      Percentage      Type of Leave Conversion (sick, vacation, etc.)  
must be contributed to the HCSP.

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**Post-Tax Employee Contributions.** Post-tax Employee Contributions made by Eligible Employees within the Covered Group(s) 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.

## VI. 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 Agreement and Plan Document have been implemented.

## VII. STATE LAW

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

## VIII. TERMINATION OF THE PARTICIPATION AGREEMENT

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

## IX. EXECUTION BY GOVERNING BODY OF MUNICIPALITY

The foregoing Participation Agreement is hereby adopted and approved on the 17 day of June, 2015 at the official meeting held by City of Pontiac

(Name of approving employer)

Authorized Signature: \_\_\_\_\_

Joseph M. Achita, M.P.A.

Title: \_\_\_\_\_

City Administrator

Witness Signature: \_\_\_\_\_

[Handwritten Signature]

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: July 23rd, 2015

[Handwritten Signature]

(Authorized MERS signatory)