

HealthFlex Plan Sponsor Adoption Agreement

Plan Sponsor name _____

HealthFlex # _____ UMC ID # _____

- Whereas, Wespath Benefits and Investments administers the HealthFlex Plan (the Plan);
- Whereas, the Plan includes a group health plan that includes several group health benefit options, a group dental benefit plan, a group vision benefit plan, a premium conversion plan, flexible spending accounts, a health reimbursement account (HRA), a health savings account (HSA) and various other programs;
- Whereas, Wespath administers the Plan generally, with respect to active clergy and lay employees, as a cafeteria plan, under §125 of the Internal Revenue Code of 1986 (the Code), which includes a premium conversion plan for all required contributions and premiums (Required Contributions) related to group health, dental and vision benefits, and reimbursement accounts for health care expenses and dependent care expenses;
- Whereas, under the terms of the Plan, a Plan Sponsor may, by execution of a proper Adoption Agreement, adopt the Plan for the benefit of all eligible clergy and eligible lay employees of all eligible Salary-Paying Units located within the jurisdiction of such Plan Sponsor, which shall be limited to those Salary-Paying Units specified in the Plan materials and in *Exhibit A* attached hereto and incorporated herein by reference (the Salary-Paying Units); and
- Whereas _____, (hereinafter the Plan Sponsor under the terms of this Adoption Agreement), is eligible for and wishes to adopt the Plan.

Now, therefore, by this instrument, effective as of _____, the Plan Sponsor hereby adopts the Plan for all eligible employees of the eligible Salary-Paying Units that have executed appropriate documents regarding their participation in the Plan in accordance with the following:

- 1.a) The Plan Sponsor agrees to be bound by all the terms, provisions, administrative policies and guidelines of the Plan including, but not limited to, the plan document, trust agreement and this Adoption Agreement as administered by Wespath that are pertinent to any Plan Sponsor with respect to the eligible employees of the eligible Salary-Paying Units.
- 1.b) The Plan Sponsor agrees to comply fully with all financial, actuarial, legal and administrative policies, guidelines and procedures of the Plan as requested or directed by Wespath, including, but not limited to, Wespath's decisions with respect to trust assets (e.g., performance dividends).
- 2.a) The Plan Sponsor shall elect in *Exhibit A* attached hereto the optional categories of coverage that will be provided under the Plan, as adopted by the Plan Sponsor.
- 2.b) The Plan Sponsor agrees to offer Plan coverage to all of the eligible clergy and eligible employees of the participating Salary-Paying Units (Eligible Persons). The Plan Sponsor must offer coverage under the Plan to these Eligible Persons and then, to the extent that the Plan allows elective participation by such Eligible Persons, these enrolled Eligible Persons will proceed to elect whether to participate in the Plan. The Plan Sponsor agrees to make any necessary records and data available to Wespath in order to determine the eligibility of all eligible and potentially eligible employees, spouses and other dependents pursuant to the terms of the Plan and this Adoption Agreement.
- 2.c) The Plan Sponsor agrees to cover 100% of all eligible clergy of the Salary-Paying Units.

- 2.d) The Plan Sponsor agrees to cover at least 75% of all eligible lay employees of the participating Salary-Paying Units.
- 2.e) The Plan Sponsor may amend *Exhibit A* each year, effective as of the first day of the calendar year (Plan Year) that follows the execution date of such amendment; provided, however, that, to be so effective, the Plan Sponsor must provide Wespath with such amended *Exhibit A* no later than six months before the first day of the Plan Year in which the amendment is to be effective.
- 3.a) The Plan Sponsor may amend *Exhibit B* each year, effective as of the first day of the Plan Year that follows the execution date of such amendment; provided, however, that, to be so effective, the Plan Sponsor must provide Wespath with such amended *Exhibit B* no later than six months before the first day of the Plan Year in which the amendment is to be effective (and the Plan Sponsor must provide appropriate notice to the other Salary-Paying Units, as directed by Wespath).
- 3.b) The Plan Sponsor acknowledges that Wespath has the authority to modify the Plan benefit options at any time. Wespath agrees that it will, in good faith, use its best efforts to provide notice to the Plan Sponsor of any material modifications with respect to any Plan benefit option noted in *Exhibit B* at least six months before the effective date of such modification.
- 3.c) The Plan Sponsor may elect, in *Exhibit D*, incorporated herein by reference, to offer Civil Partner HealthFlex coverage. The Plan Sponsor may elect to offer this coverage on *Exhibit D*, effective as of the first day of the Plan Year that follows the execution date of such election; provided, however, that, to be so effective, the Plan Sponsor must provide Wespath with *Exhibit D* no later than six months before the first day of the Plan Year in which the election is to be effective (and the Plan Sponsor must provide appropriate notice to the other Salary-Paying Units, as directed by Wespath).
- 4.a) Wespath shall send the Plan Sponsor a monthly invoice of Required Contributions for all Plan benefit options (e.g., medical plan, dental plan, vision plan and reimbursement accounts) provided to participants under the Plan as maintained by the Plan Sponsor. If the Premium Credit selected in Exhibit B exceeds the Required Contributions for medical, dental, and vision, the Premium Credit will be included on the invoice in lieu of the Required Contributions.
- 4.b) The Plan Sponsor shall remit the entire amount of Required Contributions (as noted on the invoice) for the benefit options described in Section 4.a) herein by the due date established by Wespath.
- 4.c) In the event a Plan Sponsor wishes to have Wespath provide services by which Wespath withholds the cost of participants' Required Contributions from a benefit payment due to such participants from other employee benefit plans administered by Wespath, such as the Clergy Retirement Security Program or Comprehensive Protection Plan, such Plan Sponsor agrees to provide Wespath with a benefit withholding authorization form from each affected participant. The Plan Sponsor agrees that if any amounts withheld from any participant's benefit are insufficient to cover the cost of the Required Contributions, the Plan Sponsor shall be responsible for remitting the remainder of such Required Contribution to Wespath.
- 5.a) The Plan Sponsor agrees to abide by all laws and regulations applicable to the Plan and its participating employers including, but not limited to, the Health Insurance Portability and Accountability Act (HIPAA) and the Internal Revenue Code, where applicable.
- 5.b) The Plan Sponsor agrees to offer coverage under this Plan on a nondiscriminatory basis in accordance with applicable laws to all clergy and employees within any category the Plan Sponsor elects on *Exhibit A*.
- 6.a) This Adoption Agreement shall become effective as of the date first noted above, and continue in effect for an initial term of three Plan Years from such effective date (Initial Term). Thereafter, a new Adoption Agreement must be re-executed annually along with any exhibits or the terms of this Adoption Agreement shall automatically renew on the first day of each Plan Year for an additional Plan Year or until terminated, pursuant to Sections 6.b), 6.c), 6.d) or 6.e), below, by either the Plan Sponsor or Wespath.
- 6.b) After the Initial Term has expired, this Adoption Agreement may be terminated by the Plan Sponsor effective as of the end of the last day of the then-current Plan Year; provided, however, that the Plan Sponsor must provide written notice of such termination to Wespath and its Salary-Paying Units at least six months before the effective date of such termination.
- 6.c) After the Initial Term has expired, Wespath may terminate this Adoption Agreement effective as of the end of the last day of the then-current Plan Year by giving the Plan Sponsor written notice of such termination at least 90 days before the effective date of such termination.

- 6.d) Section 6.c) notwithstanding, Wespath may terminate this Adoption Agreement immediately if the Plan Sponsor fails to pay any Required Contribution (as described in Section 4 above) upon the due date established by Wespath pursuant to the Plan and applicable policies. In the event Wespath seeks to terminate the Adoption Agreement with the Plan Sponsor due to nonpayment of Required Contributions, Wespath shall provide the Plan Sponsor written notice of its intent to terminate. Wespath shall provide such written notice to the Plan Sponsor no less than 15 days prior to the effective date of termination. In the event of such termination, the Plan Sponsor will continue to be liable for any unpaid Required Contributions.
- 6.e) Wespath reserves the right to terminate the Plan Sponsor's participation in the Plan if the Plan Sponsor fails to abide by the terms the Plan or this Adoption Agreement. Wespath will provide written notice to the Plan Sponsor of such noncompliance and Wespath's intent to terminate this Adoption Agreement (and thereby the Plan Sponsor's participation in the Plan). Wespath will allow the Plan Sponsor the opportunity to correct such noncompliance and continue participation in the Plan if the noncompliance is corrected within 30 days of the written notice. If such noncompliance is not corrected within the 30-day period, Wespath will terminate this Adoption Agreement. In the event of termination, the Plan Sponsor will continue to be liable for any unpaid Required Contributions.
- 6.f) The Plan Sponsor remains obligated to pay Required Contributions for coverage of all participants under the benefit options provided under the Plan through the effective date of termination.

In witness whereof, the undersigned, a duly authorized representative of the Plan Sponsor, hereby declares the Plan Sponsor's desire and intent to adopt the Plan by causing this Adoption Agreement to be executed as of the date indicated below:

Plan Sponsor _____
 Authorized representative _____ Date _____
 Title _____
 Authorized representative _____ Date _____
 Title _____
 Authorized representative _____ Date _____
 Title _____

In witness whereof, Wespath Benefits and Investments accepts the Adoption Agreement submitted by the Plan Sponsor as of the date indicated below:

General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois (d/b/a Wespath Benefits and Investments)

Authorized signatory _____ Date _____
 Authorized signatory _____ Date _____