



Salary-Paying Unit Sub-Adoption Agreement

Plan sponsor name _____

HealthFlex # _____ UMC ID # _____

- Whereas the _____ Annual Conference of The United Methodist Church (Plan Sponsor) or Employer Plan Sponsor sponsors the Hospitalization and Medical Expense Program (the Plan) known as HealthFlex for the benefit of all eligible deacons, lay employees or both 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 the HealthFlex Plan Sponsor Adoption Agreement and its Exhibits executed by the Plan Sponsor; and
- Whereas, the Plan includes a group health plan, a premium conversion plan, a medical reimbursement account, a dependent care reimbursement account, a health reimbursement account (HRA) and a health savings account (HSA); and
- Whereas, the General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois (Wespath), administers the Plan with the assistance of the Plan Sponsor; and
- Whereas _____ (hereinafter the "Salary-Paying Unit" under the terms of this Sub-Adoption Agreement) is eligible to participate in the Plan as sponsored by the Plan Sponsor and wishes to participate in the Plan.

Now, therefore, by this instrument, effective as of _____ (Effective Date), the Salary-Paying Unit hereby agrees to participate in the Plan for all of its eligible deacons, lay employees or both, in accordance with the following:

- 1.a) The Salary-Paying Unit agrees to be bound by all the terms, provisions, administrative policies and guidelines of the Plan and the Plan Sponsor's HealthFlex Plan Sponsor Adoption Agreement.
- 1.b) The Salary-Paying Unit agrees to comply fully with all eligibility, participation, underwriting, financial, actuarial, legal and administrative policies, guidelines and procedures of the Plan, as amended.
- 2.a) The Salary-Paying Unit agrees to offer Plan coverage to all of its eligible deacons (if the Conference Plan Sponsor has not elected to cover deacons at the Conference level), lay employees or both as specified below, on a nondiscriminatory basis.

Optional Coverage for the Salary-Paying Unit's Deacons and Lay Employees

To the extent that Part 2, Section 3 and Part 6 of *Exhibit A* of the Plan Sponsor's Adoption Agreement allows the Salary-Paying Unit to make choices on the following points, the Salary-Paying Unit must proceed to make these choices.

- ☐ Deacons in eligibility categories selected by the Plan Sponsor in Part 2, Section 3 of *Exhibit A*.
 - ☐ Lay employees of the Salary-Paying Unit who are normally scheduled to work 30 hours or more per week and who have met the waiting period established at the Conference level in Part 5 of *Exhibit A*, excluding seasonal employees.
 - ☐ Lay employees of the Salary-Paying Unit whose active service has ended and have retired pursuant to and under the terms of the employer's (the Salary-Paying Unit's) retirement policy.
 - ☐ A surviving spouse or a dependent of an active lay employee.
 - ☐ A surviving spouse or a dependent of a retired lay employee.
- 2.b) The Salary-Paying Unit agrees to make any necessary records and data available to the Plan Sponsor and Wespath in order to determine the eligibility of all eligible and potentially eligible deacons, lay employees, spouses and other dependents.

- 2.c) The Salary-Paying Unit shall offer Plan coverage to the deacons, lay employees or both. Then, to the extent that the Plan provides for elective participation by such persons, these persons will proceed to elect whether to participate in the Plan.
- 2.d) The Salary-Paying Unit agrees to cover at least 75%¹ of all of its eligible lay employees, deacons or both.
- 2.e) In the event the Salary-Paying Unit has fewer than 12 lay employees or deacons, the Salary-Paying Unit satisfies the percentage requirements¹ in 2.e) if the number of covered lay employees or deacon corresponds to the number in the chart below:

Total Number of Eligible Lay Employees or Deacons	Required Number of Covered Lay Employees or Deacon
1 or 2	1
3	2
4 or 5	3
6	4
7	5
8 or 9	6
10	7
11	8

- 3.a) The Plan Sponsor shall send the Salary-Paying Unit a monthly or quarterly invoice (as decided upon by the Plan Sponsor) regarding all benefit options (i.e., group medical plan, medical reimbursement account and dependent care reimbursement account) provided to participants under the Plan maintained by the Plan Sponsor.
- 3.b) The Salary-Paying Unit shall promptly remit the entire invoiced amount to the Plan Sponsor for those covered.
- 4.a) This Sub-Adoption Agreement shall become effective as of the Effective Date and continue in effect unless terminated as provided for in the Plan Document [including, for example, Section 3.06(f)] and the *HealthFlex Plan Sponsor Manual*, (including its HealthFlex Termination Policy). The “Initial Plan Year” shall mean the period of time commencing on the Effective Date and ending on December 31 of that same year. Thereafter, this Sub-Adoption Agreement shall automatically renew on the first day of each Plan Year for an additional Plan Year until terminated by either the Plan Sponsor or the Salary-Paying Unit, or unless the Plan Sponsor or Wespeth terminates the Plan Sponsor’s Adoption Agreement. The “Plan Year” shall mean the calendar year (i.e., the 12-month period commencing on January 1 and ending on December 31).

In witness thereof, the undersigned have caused this Sub-Adoption Agreement to be executed as of the date indicated below:

Plan Sponsor:

Print name of authorized representative _____

Title _____

Authorized signature _____ Date _____

Salary Paying Unit:

Print name of authorized representative _____

Title _____

Authorized signature _____ Date _____

¹ Individual with a *Mandatory Waiver* form approved by the adopting Plan Sponsor are not subject to the percentage and/or employee requirement.