



**Tuesday, October 10, 2023**

**Time:** 6:00 p.m. – 6:30 p.m.

**CHAIR:** Ms. Ruiz-Harrison

**MEMBERS:** Mr. Burg, Vice Chair  
Ms. Boehmer  
Dr. Hein

**Note:** This meeting will be held in the Superintendent's Conference Room

*\*Starting/ending times may vary*

*(A quorum of the Board may be present)*

The Finance and Budget Committee meeting will be held in the Superintendent's Conference Room, 3330 Stahl Road, Sheboygan, Wisconsin, on **Tuesday, October 10, 2023, at 6:00 p.m.** The following items will be presented for consideration at that time:

Please note some Board members may be participating in this Board meeting via teleconference or other remote access technology. Members of the public who attend the meeting will be able to hear any open session dialogue between such members and the Board members present in the Boardroom. In addition, the District is offering audio and video access to the meeting via phone connection by calling 1-312-626-6799 with Meeting ID: 831 7769 1861 and Passcode: 397487 or <https://us06web.zoom.us/j/83177691861?pwd=ZuQw5xOZLqLuj5AVh4JNiVJ0NBulgY.1> at the scheduled meeting time.

### **REPORT TO THE FINANCE & BUDGET COMMITTEE AGENDA**

1 min. **1. FUND 41 CAPITAL PROJECTS – Mr. Mark Boehlke** (Information)

No Fund 41 Capital Projects report until completion of the audit.

1 min. **2. STATEMENT OF CASH FLOW – Mr. Mark Boehlke** (Information)

No statement of cash flow report until completion of the audit.

1 min. **3. REVENUES & EXPENDITURES REPORTS – Mr. Mark Boehlke** (Information)

No revenue and expense reports until completion of the audit.

1 min. **4. BUDGET REVISIONS & TRANSFERS OF APPROPRIATIONS – Mr. Mark Boehlke** (Information)

No budget revisions and transfers of appropriations until approval of the original budget.

15 min. **5. FUND BALANCE DESIGNATION DISCUSSION – Mr. Mark Boehlke** (Information)

The administration will present updated fund balance amounts and recommendations regarding the June 30, 2023 fund balance. Final recommendations will be brought to the Finance Committee in November for possible action.

10 min. **6. CHANGES TO HEALTH REIMBURSEMENT ARRANGEMENT (HRA) PLAN – Mr. Mark Boehlke** (Information/Possible Action)

The administration will present recommended changes to the District's Health Reimbursement Plan (HRA).

1 min. **7. GIFTS – Mr. Mark Boehlke (Action)**

Administration presents the following list of gifts to the District, requesting approval for those \$2,500 and greater.

<u>Gift</u>	<u>Donor</u>	<u>Building/Program</u>	<u>Amount</u>
<u>For Information</u>			
Monetary	Sweet Escapes/Chad Coisman	Longfellow	78.00
Monetary	Crossroads Community Church	Longfellow	300.00
Monetary	Wallace Law Inc.	Cooper	1,000.00
Monetary	Ronald Mueller	Sheboygan Theatre Company	50.00
Monetary	Michael Rick	Sheboygan Theatre Company	1,410.00
Monetary	Rita Horstmeier	Sheboygan Theatre Company	210.00
Monetary	Mary Beth Martin	Sheboygan Theatre Company	100.00
Monetary	Amy Wilsnack	Sheboygan Theatre Company	20.00
Monetary	Jay Johnson	Sheboygan Theatre Company	25.00
Monetary	Kris/Travis Gross	Sheboygan Theatre Company	100.00
Monetary	Mary Berg	Sheboygan Theatre Company	60.00
Monetary	Heather Swart	Sheboygan Theatre Company	210.00
Monetary	Rae Green	Sheboygan Theatre Company	20.00
Monetary	Charlotte Liddicoat	Sheboygan Theatre Company	25.00
Monetary	Monica Mees	Sheboygan Theatre Company	35.00
Monetary	Lynn Klujeske	Sheboygan Theatre Company	35.00
Trumpet	Pat Schmidt	Pigeon River	450.00
<u>For Action</u>			
Monetary	Michael/Stephanie Larson	SASD Homeless Families Fund (to support homeless families in ways grant funds cannot be used)	6,000.00
Monetary	Kohler Company	Sheboygan Theatre Company	3,000.00

# EXECUTIVE SUMMARY

## FOR THE SHEBOYGAN AREA SCHOOL BOARD

**Topic:** Fund Balance Designation

**Date:** October 10, 2023

**Prepared by:** Mark Boehlke

- Recommended action:**
- Information only
  - Presentation/discussion
  - Discussion/action by committee
  - Discussion/action by Board of Education
  - Presentation/action next meeting

**Purpose:**

The purpose of this summary is to present information on the General Fund balance and to bring forward designation recommendations that are in alignment with the Board goals.

**How does this relate to the Principles of Equity:**

These recommendations align with Principles of Equity #7: All of our district policies, procedures and funding are aligned with the SASD Principles of Equity, as well as the alignment with federal and state legislation, to eliminate inequities.

**Recommendation:**

It is the recommendation of administration that the Board assign the following amounts of General Fund balance in November for the described purposes:

**Required Designations**

Non-Spendable Inventories.....\$76,530.38

Restricted – Self Insurance.....\$5,373,878.75  
 Restricted – Common School Funds.....\$15,957.00

**Balances Carried Over From Prior Designations**

Assigned – Subsequent Year’s Budget - Carryover..... \$4,430,180.00  
 Assigned – Future Software Purchase..... \$27,397.54  
 Assigned – Future Phone System Purchase..... \$65,063.43  
 Assigned – Future Land Acquisition.....\$2,000,000.00  
 Assigned – Marketing Initiative.....\$66,112.06  
 Assigned – Future Athletic/PE Facilities Upgrades.....\$1,028,157.87  
 Assigned – Administrative Services Building Remodel and Equipment.....\$500,536.95

**Additions To Prior Year Designations**

**Assigned – Staff Development Training**

Balance forward of \$194,659.47 plus a \$100,000 additional designation.....\$294,659.47  
 The additional designation is in anticipation of required staff training that will be required under Wisconsin Act 20

**Assigned – Staff Recruitment**

Balance forward of \$69,724.17 plus a \$100,000 additional designation.....\$169,724.17  
 The additional designation will be used for continued sign on bonuses for Special Education positions.

**Assigned – Student Safety and Security**

Balance forward of \$1,149,126.82 plus a \$700,000 additional designation.....\$1,849,126.82  
 This additional designation is in anticipation of upgraded fire alarm systems at North and South High Schools.

**Assigned – Teacher Credentialing and Lakeland Contract For CAPP Classes**

Balance forward of \$83,251.02 plus a \$300,000 additional designation.....\$383,251.02  
 This additional designation will be used to pay for a 3-year contract with Lakeland University to provide CAPP classes at our High Schools and pay for initial credentialing of staff to meet the requirements of the higher learning commission.

**Assigned – Network Infrastructure and Security**

Balance Forward of \$853,246.82 plus a \$100,000 additional designation.....\$953,246.82

This additional designation will be used for equipment and software needed for data backup, network security, and other network infrastructure needs.

**Assigned – Repair and Purchase of Musical Instruments**

Balance forward of \$4,314.79 plus a \$100,000 additional designation.....\$104,314.79

In past years, the Board has designated funds to help replace and repair musical instruments for the band and orchestra programs. Since this need remains, the administration recommends the designation of funds for this purpose.

**Assigned – Future Building Projects and Equipment Expenses**

Balance forward of \$10,538,394.25 plus a \$700,000.00 additional designation.....\$11,238,394.25

This additional designation is being recommended in anticipation of a potential future building project for new Farnsworth and Urban Middle Schools. These funds would reduce the amount needed to be borrowed and reduce the tax impact for residents of the District. The funds in this designation may also be used for any unforeseen building needs that were not part of the Capital Fund 41 budget.

**New Designation**

Assigned – Employee Stipends.....\$3,320,458.00

The Board approved a 4% stipend for employee groups at the September 12, 2023 Board meeting.

**Unassigned Fund Balance**

Unassigned Fund Balance – Working Capital Needs.....\$25,231,991.42

The unassigned fund balance is equal to 17.4% of the 2023-24 general budget. Board policy requires an unassigned balance of 15-20%. Unassigned fund balance is used for working capital and avoids the need for the District to borrow for cash flow purposes.

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**Total General Fund Balance.....\$57,128,980.74**

**Background:**

- **Who is affected?**

These designations will have a positive effect on our students, staff, and community members as programs and facilities are improved throughout the District.

- **What is the cost and budget impact?**

These are designations of cash on hand. There is no negative impact to the current budget since these are all one-time costs. The exception is the use of funds for the 3-year contract with Lakeland University for CAPP classes, but a plan is in place to move these expenses into the operating budget. Future budgets may be impacted if facility improvements require additional maintenance or reduce the required maintenance. By using designated fund balance, the general budget is not needed to fund these items, and money is available to support other priorities within the budget.

- **How will this be implemented and what is the timing?**

This will be brought back to the Finance Committee for possible action in November. Designations can be changed by the Board at any time during the year. Building or facility projects using these designated funds would be brought back to the Board for bid approval.

- **How will we assess if this is successful?**

The District will be able to move forward with these one-time expenses without the use of the general fund budget.

**Attachments:**

June 30, 2023 Fund Balance

ENDING FUND BALANCE FOR:	6/30/2022	6/30/2023 Bal.		6/30/2023 Proposed
NON-SPENDABLE-INVENTORIES	90,739.57	76,530.38	Restricted	76,530.38
RESTRICTED-SELF INSURANCE	5,168,350.00	5,373,878.75	Restricted	5,373,878.75
RESTRICTED-COMMON SCHOOL FUNDS	51,830.83	15,957.00	Restricted	15,957.00
ASSIGNED SUB YRS BUDGET-CARRYOVER	4,163,712.00	4,430,180.00	Balance Forward	4,430,180.00
652 ASSIGNED FUTURE SOFTWARE PURCHASE	33,157.54	27,397.54	Balance Forward	27,397.54
653 ASSIGNED-FUTURE PHONE SYSTEM	65,063.43	65,063.43	Balance Forward	65,063.43
933 ASSIGNED-FUTURE LAND ACQUISITION	2,000,000.00	2,000,000.00	Balance Forward	2,000,000.00
937 ASSIGNED-MARKETING INITIATIVE	72,102.06	66,112.06	Balance Forward	66,112.06
952 ASSIGNED-FUTURE ATHLETIC/PE FAC. UPGRADES	1,286,514.87	1,028,157.87	Balance Forward	1,028,157.87
945 ASSIGNED-ADMINISTRATIVE SERVICES BUILDING REMODEL AND EQUIPMENT	608,953.50	500,536.95	Balance Forward	500,536.95
ASSIGNED-STAFF RETENTION BONUS FROM COVID RELIEF FUNDS	1,314,315.00	-	Balance Spent	-
936 ASSIGNED-WARRINER BUILDING REMODEL	211,245.73	-	Balance Spent	-
943 ASSIGNED-ASPIRE PROGRAM REMODEL AND EQUIPMENT EXPENSES	245,906.05	-	Balance Spent	-
944 ASSIGNED-CENTRAL SERVICES BUILDING ADA UPGRADES	100,000.00	-	Balance Spent	-
942 ASSIGNED-ADMINISTRATIVE SERVICES BUILDING OPERATING EXPENSES	250,159.70	-	Balance Spent	-
939 ASSIGNED-TEACHER CREDENTIALING FOR CAPP CLASSES	100,000.00	83,251.02	+ 300,000	383,251.02
656 ASSIGNED-STAFF DEVELOPMENT TRAINING	194,659.47	194,659.47	+ 100,000	294,659.47
935 ASSIGNED-STAFF RECRUITMENT	129,483.93	69,724.17	+ 100,000	169,724.17
655 ASSIGNED-STUDENT SAFETY AND SECURITY	1,200,000.00	1,149,126.82	+ 700,000	1,849,126.82
651 ASSIGNED-NETWORK INFRASTRUCTURE AND SECURITY	1,005,876.69	853,246.82	+ 100,000	953,246.82
657 ASSIGNED-REPAIR AND PURCHASE OF MUSICAL INSTRUMENTS	116,114.64	4,314.79	+ 100,000	104,314.79
658 ASSIGNED FUTURE BUILDING PROJECTS AND EQUIPMENT EXPENSES	11,245,684.85	10,538,394.25	+ 700,000	11,238,394.25
ASSIGNED-EMPLOYEE STIPENDS			New Designation	3,320,458.00
UNASSIGNED-WORKING CAPITAL NEEDS	26,341,236.58	30,651,159.42		25,231,991.42
<b>10 Total GENERAL FUND</b>	<b>55,995,106.44</b>	<b>57,127,690.74</b>		<b>57,128,980.74</b>
		57,127,690.74		57,128,980.74
			2023-24 Estimated Original Budget:	144,925,010.15
Undesignated Fund Balance as a % of Subsequent Year Budgeted Expenditures:	<b>18.6%</b>	<b>(Board Policy 15% - 20%)</b>		<b>17.4%</b>
			1% =	1,449,250.10
			0.1% =	144,925.01
RESTRICTED-GIFTS				1,421,232.47
<b>21 Total SPECIAL REVENUE TRUST FUND</b>				<b>1,421,232.47</b>
RESTRICTED-RET LGTRM DEB				67,037.11
<b>38 Total NON-REFERENDUM DEBT SERVICE FUND</b>				<b>67,037.11</b>
RESTRICTED-RET LGTRM DEB				628,798.93
<b>39 Total REFERENDUM APPROVED DEBT SERVICE FUND</b>				<b>628,798.93</b>
RESTRICTED-CAPITAL PROJ				2,253,811.14
<b>41 Total CAPITAL EXPANSION FUND</b>				<b>2,253,811.14</b>
RESTRICTED-CAPITAL PROJ				7,607,053.34
<b>46 Total LONG TERM CAPITAL IMPROVEMENT TRUST FUND</b>				<b>7,607,053.34</b>
RESTRICTED-FOOD SERVICE				3,377,075.54
<b>50 Total FOOD SERVICE FUND</b>				<b>3,377,075.54</b>
RESTRICTED-OPEB				24,572,869.61
<b>73 Total EMPLOYEE BENEFIT TRUST FUND</b>				<b>24,572,869.61</b>
ASSIGNED-SUB YRS MIDDLE SCHOOL SPORTS				16,048.00
ASSIGNED-SUB YRS BUDGET				51,428.00
UNASSIGNED				876,325.93
<b>85 Total COMMUNITY SERVICE FUND</b>				<b>943,801.93</b>
ASSIGNED - SHEBOYGAN THEATRE COMPANY				280,600.45
<b>87 Total SHEBOYGAN THEATRE COMPANY FUND</b>				<b>280,600.45</b>
<b>ALL FUNDS</b>				<b>98,281,261.26</b>

# EXECUTIVE SUMMARY

## FOR THE SHEBOYGAN AREA SCHOOL BOARD

**Topic:** Changes to Health Reimbursement Arrangement (HRA) Plan

**Date:** October 10, 2023

**Prepared by:** Mark Boehlke

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**Recommended action:** Information only  
Presentation/Discussion  
X Discussion/Possible Action by Committee  
Discussion/Possible Action by Board of Education  
Presentation/Possible Action next meeting

**Purpose:**

Board approval for the changes to the Health Reimbursement Arrangement (HRA) Plan

**How does this relate to the Principles of Equity:**

This item relates to Principle #7: All of our district policies, procedures, and funding are aligned with the above SASD Principles of Equity, as well as the alignment of federal and state legislation, to eliminate inequities.

**Recommendation:**

The administration recommends approval of a resolution to amend and restate the MidAmerica Administrative and Retirement Solutions Health Reimbursement Arrangement.

**Background:**

As part of the board approved 2023-24 preliminary budget, \$109,574 was allocated towards increases to employee HRA allocations. In addition to the contribution increases, the administration



recommends a new vesting schedule and other changes to the plan. Below is a summary of the recommended changes:

<b>CURRENT</b>			<b>REVISED</b>		
<b>Administrators</b>			<b>Administrators</b>		
Tier 2 Hired Prior to July 1, 2008	\$2,500	\$87,500 max	Tier 2 Hired Prior to July 1, 2008	\$2,500	\$87,500 max
Tier 3 Hired On or After July 1, 2008	\$1,500	\$52,500 max	Tier 3 Hired On or After July 1, 2008	<b>\$2,000</b>	<b>no max</b>
10 years/Age 55	100%	Vesting	10 years/Age 55	100%	Vesting
			<b>20 years</b>	<b>100%</b>	<b>Vesting</b>
			<b>10 years</b>	<b>75%</b>	<b>Vesting</b>
<b>Teachers</b>			<b>Teachers</b>		
Tier 2 Hired Prior to July 1, 2003	\$2,000	\$70,000 max	Tier 2 Hired Prior to July 1, 2003	\$2,000	\$70,000 max
Tier 3 Hired On or After July 1, 2003	\$1,000	\$35,000 max	Tier 3 Hired On or After July 1, 2003	<b>\$1,500</b>	<b>no max</b>
15 years/Age 55	100%	Vesting	15 years/Age 55	100%	Vesting
			<b>25 years</b>	<b>100%</b>	<b>Vesting</b>
			<b>15 years</b>	<b>75%</b>	<b>Vesting</b>
<b>Support Staff</b>			<b>Support Staff</b>		
Tier 2 Hired Prior to July 1, 1993	\$1,000	\$35,000 max	Tier 2 Hired Prior to July 1, 1993	\$1,000	\$35,000 max
Tier 3 Hired On or After July 1, 1993	\$500	\$17,000 max	Tier 3 Hired On or After July 1, 1993	<b>\$750</b>	<b>no max</b>
15 years/Age 60	100%	Vesting	<b>15 years/Age 55</b>	<b>100%</b>	<b>Vesting</b>
20 years/Age 55	100%	Vesting	<b>25 years</b>	<b>100%</b>	<b>Vesting</b>
			<b>15 years</b>	<b>75%</b>	<b>Vesting</b>
Self Direct After 10 Years			<b>Self Direct After 5 Years</b>		
Must retire before medicare eligibility			<b>Does NOT need to retire before medicare eligibility</b>		
			<b>Initial Contribution after 3rd year of service</b>		

- **Who is affected?**

Employees eligible for a HRA account.

- **What is the cost and budget impact?**

The cost is \$109,574 and is included in the board approved 2023-24 budget.

- **How will this be implemented and what is the timing?**

The new plan document would go into effect after approval by the full board on October 24, 2023. New contribution amounts would start with the 2023-24 year of service contribution made in July, 2024.

- **How will we assess if this is successful?**

These plan changes will contribute to District Goal, Pillar 2: Exceptional Staff – Provide extraordinary service to meet the needs of our students and community by recruiting and retaining exceptional staff.

**Attachments:** Resolution and HRA Plan Document

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## *Information Form*

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Please complete this first page and the information provided will appear where applicable throughout the remaining documents. Not every space will be filled in, so please review the documents. If there is a space for you to complete, you may type directly in that area or click on the boxes that pertain to your plan.

Employer Name: Sheboygan Area School District  
 Street Address: 3330 Stahl Road  
 City: Sheboygan State: WI Zip: 53081  
 Employer Phone: 920-459-3500  
 Employer Fax: 920-459-6487  
 Tax ID Number: 39-6004431  
 Effective Date: July 1, 2013  
 Plan Year End: December 31

### Employer Contact for Plan Document & Compliance Updates:

Contact Name & Title: Mark Boehlke Assistant Superintendent of Business and Operational Services  
 Contact Phone Number: 920-459-3955  
 Contact Email Address: mboehlke@sasd.net

### Employer Contact for Payroll (Contributions, Data Requirements and Billing)

Contact Name & Title: Pam Block Payroll Specialist  
 Contact Phone Number: 920-459-3528  
 Contact Email Address: pblock@sasd.net

### Employer Contact for Protected Health Information (HRA & FSA Only)

Contact Name & Title: Mark Boehlke Assistant Superintendent of Business and Operational Services  
 Contact Phone Number: 920-459-3955  
 Contact Email Address: mboehlke@sasd.net

Does Employer sponsor a FSA plan not administered by MidAmerica? Yes

If yes, please provide FSA Plan Administrator Contact Information below.

FSA Administrator Name: Employee Benefits Corporation  
 FSA Administrator Address: PO Box 44347, Madison, WI 53744-4347  
 FSA Administrator Phone: 800-346-2126  
 FSA Administrator Contact: Erin Wiery

**RESOLUTION TO AMEND AND RESTATE  
THE MIDAMERICA ADMINISTRATIVE & RETIREMENT SOLUTIONS  
HEALTH REIMBURSEMENT ARRANGEMENT**

WHEREAS, Sheboygan Area School District  
(the "Employer") has established and adopted the MidAmerica Administrative & Retirement Solutions Health Reimbursement Arrangement (the "Plan") for the benefit of its eligible employees and their dependents;

WHEREAS, the section of the Plan entitled "Plan Amendments" reserves the right of the Employer to amend the Plan, at any time and in whole or in part, so long as participants are notified and any amendment does not adversely affect the rights of existing participants, and to make changes imposed by the Internal Revenue Service, without notice to participants;

WHEREAS, the Employer wishes to amend and restate the Plan; and

WHEREAS, a copy of the amended and restated Plan document has been attached;

NOW, THEREFORE, BE IT RESOLVED that the Plan is amended and restated by adopting all of the terms of the amended and restated Plan document attached, effective on October 10, 2023.

\*\*\*\*\*

**This Resolution has been executed this** \_\_\_\_\_ **day of** \_\_\_\_\_ **, 20** \_\_\_\_\_.

\_\_\_\_\_  
**Signature**

Mark Boehlke, Asst Superintendent of Business & Operational Services

\_\_\_\_\_  
Name and Title

Sheboygan Area School District

\_\_\_\_\_  
Employer

# Health Reimbursement Arrangement for Retirees

## ADOPTION AGREEMENT

for

Sheboygan Area School District

**Employer Address:** 3330 Stahl Road  
Sheboygan WI 53081

**Employer Telephone Number:** 920-459-3500  
**Employer Identification Number:** 39-6004431



The undersigned Employer, by executing this Adoption Agreement, hereby adopts and implements the Health Reimbursement Arrangement for Retirees (hereinafter referred to as the "Plan" or the "HRA") and agrees to abide by the terms of the Plan. With this Adoption Agreement, and by its authorized signature below, the Employer hereby makes the following designations.

**Effective Date.** The Plan's Original Effective Date is July 1, 2013. The Plan's Restated Effective Date is October 10, 2023. The Plan is available to Retirees of the Employer effective July 1, 2013.

**Plan Year.** The Plan Year ends on December 31.

**Eligible Classes.** The class or classes of Retirees covered by this Plan are: *(See attached Class Specifications.)*

Class RetA: Administrators/Executive Assistants      Class RetB: Teachers  
Class RetC: Support Staff      Class RetD: \_\_\_\_\_  
Class RetE: \_\_\_\_\_      Class RetF: \_\_\_\_\_

**Designation of Plan Administrator.** The Employer hereby designates the following initial Plan Administrator: MidAmerica Administrative & Retirement Solutions, Inc.

**Designation of Individuals to Have Access to Protected Health Information ("PHI").** The following Employees, classes of Employees, or other persons shall be given access to the PHI to be disclosed:  
Business Office Personnel

**The Employer hereby agrees to the provisions of the Plan and has executed this Adoption Agreement on this** \_\_\_\_\_ **day of** \_\_\_\_\_, 20\_\_\_\_\_.

Name of Employer: Sheboygan Area School District

**Signature:** \_\_\_\_\_  
Print Name: Mark Boehlke  
Title: Assistant Superintendent of Business and Operational Services

Employer CONTACT (print): Pam Block  
Title: Payroll Specialist  
E-Mail: pblock@sasd.net  
Telephone: 920-459-3528      Ext. \_\_\_\_\_  
Fax: 920-459-6487

IRS Circular 230 Notice: We are required to advise you no person or entity may use any tax advice in this communication or any attachment to (i) avoid any penalty under federal tax law or (ii) promote, market or recommend any purchase, investment or other action.

**Employer Representations**

- The Employer intends to reduce its Retirees' medical expenses by providing reimbursement of such expenses, in a limited capacity. The Employer anticipates that participation in the HRA will encourage prospective Retirees to retire earlier, as they will be better able to afford quality health care prior to the age at which they are Medicare eligible.
- The Employer may allow Retirees to participate in both the HRA and the Special Pay Plan (403(b)).
- Retirees are not permitted to make any election or choice between cash, the HRA, and/or the Special Pay Plan, or any other tax deferred program.
- The Employer will base HRA allocations on its estimates of the costs required to provide a certain amount of medical reimbursements to its Retiree population as that population approaches Medicare age.
- The Employer has discretion in determining classes of Employees eligible to participate in the Retiree HRA. Once determined, Retirees in the class shall be treated uniformly and be provided a uniform allocation to the HRA. Such class shall remain in effect for the Employer's entire fiscal year for all affected Retirees in such year and for all future contributions to such class. Each year, the Employer may reevaluate allocations and classes for new Retirees only.
- The Employer may gather information from the Retiree to determine the appropriate allocation to the HRA, but individual Participants are not allowed to elect or to determine their allocation.
- The Employer will monitor all re-hires to ensure that less than two employees are in the Retiree HRA Plan.
- The Employer acknowledges that it has received the Plan document for the HRA and agrees with all the terms therein.
- The Employer understands that whether a contribution to the HRA is non-elective for tax purposes is a facts and circumstances determination, and the Employer is responsible for whether the contribution is truly non-elective or not. The Employer understands that MidAmerica Administrative & Retirement Solutions, Inc. and its agents and employees are not tax or legal advisors. They may provide general information regarding the tax treatment of health reimbursement arrangements, but the Employer should consult with its own tax or legal advisors as to how tax and other rules may apply to its own facts and circumstances.
- The Employer will not provide any information or forms or enter into any contracts inconsistent with the preceding.

**Effective Date** July 1, 2013      **Employer Initials** \_\_\_\_\_

Health Reimbursement Arrangement for Retirees

**Eligible Class RetA:** Administrators/Executive Assistants

**Defined as:** Tier 2 hired prior to July 1, 2008 - receive \$2,500/year; Tier 3 hired on or after July 1, 2008 - receive \$2,000/year; Initial contributions start after 3rd year of service

**Employment Status** Upon the initial contribution to the Plan, Participant employment status shall be:

- Retiree
- Active with no access to benefit until retirement or separation of service

**Contribution Types** All funds for the Plan shall come exclusively from the Employer and shall be determined in accordance with the following formula:

- Dollar Amount
- Percentage of Compensation or Retirement Pay

**Contribution Frequency**

- One Time
- Annually
- Quarterly
- Semi-Annually
- Monthly
- Other \_\_\_\_\_

**Vesting Schedule** Participants shall own their account balance in accordance with the following vesting schedule:

- 100% Immediate
- 100% upon Retirement, meeting the Employer's eligible requirements for retirement
- 100% upon Separation of Service
- Other 75% after 10 years of service; 100% after 20 years of service or 10 years of service and age 55
- 100% upon death (can be selected in addition to "other" above)

**Forfeitures** Employees who are not 100% vested under the Vesting Schedule at the time of termination shall forfeit their unvested funds. In the event of the death of the Participant, the Participant's spouse, and all of the Participant's qualifying dependents, any vested funds remaining in the account shall be forfeited. In the event that the Participant opts out of participation in the Plan, all vested and unvested funds shall be forfeited. Forfeitures shall:

- Reduce future Employer contributions
- Be redistributed pro-rata at the end of each Plan Year to all Plan Participants who are actively employed as of the end of the Plan Year

**Run-off Times** Participants will be allowed 0 (zero) days to continue incurring expenses after the date that their Participation in the Plan ends. The Run-off time for Participants to submit claims for reimbursement from funds that shall be forfeited will be 90 (ninety) days. The Run-off time for funds that shall be forfeited due to death will be one year.

**Reimbursements** Reimbursements shall be for:

- All eligible Medical Expenses specified in section 213(d) of the Internal Revenue Code
- Limited Purpose \_\_\_\_\_
- Post Deductible
- Premium Only Medical Expenses

**HRA/FSA Ordering**

- The Employer maintains a Flexible Spending Account (FSA) plan in which Participants may elect to participate.
- The Plan permits reimbursements for expenses eligible to be reimbursed by the FSA plan and therefore the HRA shall not reimburse before expenses exceeding the dollar amount of any FSA have been paid.
- The Plan permits reimbursements for Limited Purpose, Deductible or Premium Only expenses which are not eligible to be reimbursed by the FSA plan and therefore the HRA shall reimburse before the Participant's FSA account is exhausted.

**Administration Fees:** Administrative Fees are paid by either the Employer or Participant. Platform Fees (reimbursement eligible only) are paid by the Participant.

Admin Fees: \$5.00 per active EE per quarter with less than 10 yrs of service paid by the ER; \$5.00 per active EE per quarter with more than 10 yrs of service paid by EE / Platform Fees: \$1.00 per participant per month

**Manual Claim Fees:** A reimbursement processing fee of \$5.00 for each hard copy claim form submitted shall be paid by the Participant.

**Reimbursement Eligibility** A Participant shall be eligible for reimbursement of medical expenses at the time selected below.

- Immediate
- Upon becoming 100% vested
- Upon Retirement or Separation of Service

**Investment Selection**      **Investment Provider:** American United Life Insurance Company

- Type of Investment:**  Fixed annuity only       Variable annuities – Default I2      Forfeiture Default I2
- Employer directed
  - Participant directed; restrictions are:
    - None
    - 100% vested
    - At Retirement
    - Account balance in excess of \$ \_\_\_\_\_
    - Other Self-direct after 5 years of service \_\_\_\_\_
    - Funds limited (see attachment)

**Effective Date** July 1, 2013      **Employer Initials** \_\_\_\_\_

**Eligible Class RetB:** Teachers

**Defined as:** Tier 2 hired prior to July 1, 2003 - receive \$2,000/year; Tier 3 hired on or after July 1, 2003 - receive \$1,500/year;

Initial contributions start after 3rd year of service

**Employment Status** Upon the initial contribution to the Plan, Participant employment status shall be:

- Retiree                                       Active with no access to benefit until retirement or separation of service

**Contribution Types** All funds for the Plan shall come exclusively from the Employer and shall be determined in accordance with the following formula:

- Dollar Amount                                       Percentage of Compensation or Retirement Pay

**Contribution Frequency**

- One Time                                       Annually                                       Quarterly  
 Semi-Annually                                       Monthly                                       Other \_\_\_\_\_

**Vesting Schedule** Participants shall own their account balance in accordance with the following vesting schedule:

- 100% Immediate  
 100% upon Retirement, meeting the Employer's eligible requirements for retirement  
 100% upon Separation of Service  
 Other 75% after 15 years of service; 100% after 25 years of service or 15 years of service and age 55  
 100% upon death (can be selected in addition to "other" above)

**Forfeitures** Employees who are not 100% vested under the Vesting Schedule at the time of termination shall forfeit their unvested funds. In the event of the death of the Participant, the Participant's spouse, and all of the Participant's qualifying dependents, any vested funds remaining in the account shall be forfeited. In the event that the Participant opts out of participation in the Plan, all vested and unvested funds shall be forfeited. Forfeitures shall:

- Reduce future Employer contributions  
 Be redistributed pro-rata at the end of each Plan Year to all Plan Participants who are actively employed as of the end of the Plan Year

**Run-off Times** Participants will be allowed 0 (zero) days to continue incurring expenses after the date that their Participation in the Plan ends. The Run-off time for Participants to submit claims for reimbursement from funds that shall be forfeited will be 90 (ninety) days. The Run-off time for funds that shall be forfeited due to death will be one year.

**Reimbursements** Reimbursements shall be for:

- All eligible Medical Expenses specified in section 213(d) of the Internal Revenue Code  
 Limited Purpose \_\_\_\_\_  
 Post Deductible  
 Premium Only Medical Expenses

**HRA/FSA Ordering**

- The Employer maintains a Flexible Spending Account (FSA) plan in which Participants may elect to participate.  
 The Plan permits reimbursements for expenses eligible to be reimbursed by the FSA plan and therefore the HRA shall not reimburse before expenses exceeding the dollar amount of any FSA have been paid.  
 The Plan permits reimbursements for Limited Purpose, Deductible or Premium Only expenses which are not eligible to be reimbursed by the FSA plan and therefore the HRA shall reimburse before the Participant's FSA account is exhausted.

**Administration Fees:** Administrative Fees are paid by either the Employer or Participant. Platform Fees (reimbursement eligible only) are paid by the Participant.

Admin Fees: \$5.00 per active EE per quarter with less than 10 yrs of service paid by the ER; \$5.00 per active EE per quarter with more than 10 yrs of service paid by EE / Platform Fees: \$1.00 per participant per month

**Manual Claim Fees:** A reimbursement processing fee of \$5.00 for each hard copy claim form submitted shall be paid by the Participant.

**Reimbursement Eligibility**

- Immediate  
 Upon becoming 100% vested  
 Upon Retirement or Separation of Service

**Investment Selection**                      **Investment Provider:** American United Life Insurance Company

- Type of Investment:**  Fixed annuity only                       Variable annuities – Default I2 \_\_\_\_\_ Forfeiture Default I2 \_\_\_\_\_  
 Employer directed  
 Participant directed, restrictions are:  
 None  
 100% vested  
 At Retirement  
 Account balance in excess of \$ \_\_\_\_\_  
 Other Self-direct after 5 years of service  
 Funds limited (see attachment)

**Effective Date** July 1, 2013                      **Employer Initials** \_\_\_\_\_



## Health Reimbursement Arrangement for Retirees

**Eligible Class RetC:** Support Staff

**Defined as:** Tier 2 hired prior to July 1, 1993 - receive \$1,000/year; Tier 3 hired on or after July 1, 1993 - receive \$750/year;  
Initial contributions start after 3rd year of service

**Employment Status** Upon the initial contribution to the Plan, Participant employment status shall be:

- Retiree                                       Active with no access to benefit until retirement or separation of service

**Contribution Types** All funds for the Plan shall come exclusively from the Employer and shall be determined in accordance with the following formula:

- Dollar Amount                                       Percentage of Compensation or Retirement Pay

**Contribution Frequency**

- One Time     Annually     Quarterly  
 Semi-Annually                                       Monthly     Other \_\_\_\_\_

**Vesting Schedule** Participants shall own their account balance in accordance with the following vesting schedule:

- 100% Immediate  
 100% upon Retirement, meeting the Employer's eligible requirements for retirement  
 100% upon Separation of Service  
 Other 75% after 15 years of service; 100% after 25 years of service or 15 years of service and age 55  
 100% upon death (can be selected in addition to "other" above)

**Forfeitures** Employees who are not 100% vested under the Vesting Schedule at the time of termination shall forfeit their unvested funds. In the event of the death of the Participant, the Participant's spouse, and all of the Participant's qualifying dependents, any vested funds remaining in the account shall be forfeited. In the event that the Participant opts out of participation in the Plan, all vested and unvested funds shall be forfeited. Forfeitures shall:

- Reduce future Employer contributions  
 Be redistributed pro-rata at the end of each Plan Year to all Plan Participants who are actively employed as of the end of the Plan Year

**Run-off Times** Participants will be allowed 0 (zero) days to continue incurring expenses after the date that their Participation in the Plan ends. The Run-off time for Participants to submit claims for reimbursement from funds that shall be forfeited will be 90 (ninety) days. The Run-off time for funds that shall be forfeited due to death will be one year.

**Reimbursements** Reimbursements shall be for:

- All eligible Medical Expenses specified in section 213(d) of the Internal Revenue Code  
 Limited Purpose \_\_\_\_\_  
 Post Deductible  
 Premium Only Medical Expenses

**HRA/FSA Ordering**

- The Employer maintains a Flexible Spending Account (FSA) plan in which Participants may elect to participate.  
 The Plan permits reimbursements for expenses eligible to be reimbursed by the FSA plan and therefore the HRA shall not reimburse before expenses exceeding the dollar amount of any FSA have been paid.  
 The Plan permits reimbursements for Limited Purpose, Deductible or Premium Only expenses which are not eligible to be reimbursed by the FSA plan and therefore the HRA shall reimburse before the Participant's FSA account is exhausted.

**Administration Fees:** Administrative Fees are paid by either the Employer or Participant. Platform Fees (reimbursement eligible only) are paid by the Participant.

Admin Fees: \$5.00 per active EE per quarter with less than 10 yrs of service paid by the ER; \$5.00 per active EE per quarter with more than 10 yrs of service paid by EE / Platform Fees: \$1.00 per participant per month

**Manual Claim Fees:** A reimbursement processing fee of \$5.00 for each hard copy claim form submitted shall be paid by the Participant.

**Reimbursement Eligibility** A Participant shall be eligible for reimbursement of medical expenses at the time selected below.

- Immediate  
 Upon becoming 100% vested  
 Upon Retirement or Separation of Service

**Investment Selection**                      **Investment Provider:** American United Life Insurance Company

- Type of Investment:**  Fixed annuity only                       Variable annuities – Default I2 \_\_\_\_\_ Forfeiture Default I2 \_\_\_\_\_  
 Employer directed  
 Participant directed; restrictions are:  
 None  
 100% vested  
 At Retirement  
 Account balance in excess of \$ \_\_\_\_\_  
 Other Self-direct after 5 years of service \_\_\_\_\_  
 Funds limited (see attachment)

**Effective Date** July 1, 2013                      **Employer Initials** \_\_\_\_\_

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# Health Reimbursement Arrangement for Retirees

## PLAN DOCUMENT

The Plan's Original Effective Date is July 1, 2013. The Plan's Restated Effective Date is October 10, 2023. The Plan is available to Employees of the Employer effective July 1, 2013.

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 Health Reimbursement Arrangement for Retirees
 

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**Health Reimbursement Arrangement for Retirees**

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***Introduction***

The Employer has established and adopted the MidAmerica Administrative & Retirement Solutions, Inc. Health Reimbursement Arrangement for Retirees (the "Plan") to enable eligible former employees and their dependents to be reimbursed tax-free for eligible medical and dental expenses. Contributions to the Plan shall be made by the Employer and credited to Participants' accounts. Claims for reimbursement shall be processed and reimbursements paid out on a tax-free basis for medical expenses in accordance with Internal Revenue Service Guidelines for Health Reimbursement Agreements, IRS Publication 502, Internal Revenue Code (the "Code") Sections 213(d), 105 and 106 as described in Revenue Ruling 2002-41 and IRS Notice 2002-45.

***Legal Status***

This Plan is intended to qualify as an employer-provided medical reimbursement plan under Code Sections 105 and 106 and regulations issued thereunder, as a health reimbursement arrangement as described in IRS Notice 2002-45 and Revenue Ruling 2002-41, and to comply with IRS Notice 2013-54 and shall be interpreted to accomplish those objectives. The expenses reimbursed under the Plan are intended to be eligible for exclusion from Participants' gross income under Code Section 105(b).

Notwithstanding anything to the contrary, the portion of the Plan that reimburses Highly Compensated Individuals, as defined in Code Section 105(h), for premiums paid under an insured plan shall be treated as a separate plan that is not subject to the requirements of Code Section 105(h), pursuant to Treasury Regulation Section 1.105-11(b)(2).

***Participation***

Eligible former employees of the class or classes set forth by the Employer in the Plan Adoption Agreement will be Participants in the Plan. Notwithstanding any election in the Plan Adoption Agreement to the contrary, eligible former employees of the class or classes set forth by the Employer in the Plan Adoption Agreement who are Highly Compensated Individuals, as defined in Code Section 105(h), and whose benefits exceed those of other Plan Participants, will be Participants only in that portion of the Plan that reimburses Participants for "premium only medical expenses," as described below. Under no circumstances are such individuals eligible for reimbursements of any medical and dental expenses other than premium expenses. For purpose of this section, a retiree who was a Highly Compensated Individual prior to his or her retirement from the Employer shall be treated as a Highly Compensated Individual thereafter and during retirement.

***Participation Opt Out***

At least once per Plan Year, Participants shall be entitled to permanently opt out of participation in the Plan. Any such opt out will result in the forfeiture of the Participant's account balance, including any vested funds, and the waiver of any future reimbursements from the Plan. The Participant may, however, continue to submit claims for reimbursement of expenses incurred prior to the opt out date, pursuant to the Run-Off Times section of the Plan Adoption Agreement. Any forfeited amount shall be applied as elected by the Employer in the Plan Adoption Agreement.

In the event that the Participant is reemployed as an active employee of the Employer and terminates employment with the Employer, the Participant shall be entitled to permanently opt out of participation in the Plan at the time of termination. In addition to the forfeiture of unvested funds as provided for in the Forfeiture section of the Plan Adoption Agreement, any such opt out will result in the forfeiture of any vested funds and the waiver of any future reimbursements from the Plan. The Participant may, however, continue to submit claims for reimbursement of expenses incurred prior to the opt out date, pursuant to the Run-Off Times section of the Plan Adoption Agreement. Any forfeited amount shall be applied as elected by the Employer in the Plan Adoption Agreement.

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 Health Reimbursement Arrangement for Retirees
 

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***Benefits and Eligibility for Benefits***

A Participant shall be entitled to reimbursements of eligible medical and dental expenses upon the occurrence of the event selected in the Plan Adoption Agreement, but in no event until after expenses exceeding the dollar amount of any flexible spending arrangement ("FSA") in which the Participant shall also participate have been paid, or, if the medical or dental expense is reimbursable from a health savings account ("HSA"), amounts shall only be available from this Plan in accordance with paragraph 9 of the Administration section herein.

If the Employer indicates in the Adoption Agreement that Reimbursements shall be for "all eligible section 213(d) medical expenses," eligible medical and dental expenses for purposes of this Plan are those expenses that are:

- a. incurred by the Participant, spouse or tax dependent (as defined in paragraph 9 of the "Administration" section);
- b. incurred for Medical Care - "Medical Care" shall have the same meaning as in section 213(d) of the Code, and shall include all amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body, as interpreted from time to time through regulations and guidance released by the Internal Revenue Service and other applicable regulatory authorities. For purposes of the Plan, Medical Care may include premiums for medical and dental coverage, including premiums under part B and part D of title XVIII of the Social Security Act (relating to supplementary medical insurance for the aged and prescription drug coverage, respectively); and
- c. not compensated through insurance and not paid for with a tax-free distribution from a Medical Savings Account (MSA), Health Savings Account (HSA), or Health Flexible Spending Arrangement and not attributable to a deduction allowed under Code section 213(d) for any prior taxable year.

If the Employer indicates in the Adoption Agreement that reimbursements shall be for "premium only medical expenses," eligible medical and dental expenses for purposes of this Plan are those expenses that are:

- a. incurred by the Participant, spouse or tax dependent (as defined in paragraph 9 of the "Administration" section);
- b. premiums for medical and dental coverage, including premiums under part B and part D of title XVIII of the Social Security Act (relating to supplementary medical insurance for the aged and prescription drug coverage, respectively); and
- c. not paid for with a tax-free distribution from a Medical Savings Account (MSA) or Health Savings Account (HSA) and not attributable to a deduction allowed under Code section 213(d) for any prior taxable year.

***Funding***

All funds for the Plan shall come exclusively from the Employer and shall constitute either a specified dollar amount and/or a specific percentage of the former employees' compensation or retirement pay as the Employer shall from time to time determine. The amount or percentage to be determined by the Employer shall be subject to, and not in contravention of, the Employer's obligations to its former employees. Subject to any vesting schedule which may be elected in the Plan Adoption Agreement, all funds in the Plan belong to the individual Participants as allocated to their accounts. Also subject to any vesting schedule which may be elected in the Plan Adoption Agreement, once funds are allocated to the Plan, the Employer relinquishes all right, title, control, and interest to such funds.

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**Health Reimbursement Arrangement for Retirees**

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***Interest Credit***

Interest shall be credited on a daily basis to Participant accounts based on the rate credited by the underlying AUL fixed annuity investment option. If variable annuity investments are allowed pursuant to the Adoption Agreement, earnings and losses shall be credited on a daily basis based on the investment funds selected.

***Vesting***

Funds in a Participant's account shall vest and be available to pay eligible medical expenses in accordance with the vesting schedule elected by the Employer in the Plan Adoption Agreement. If a Participant is not fully vested in his account balance when participation hereunder of the Participant and his surviving spouse and/or dependents ends as described in the section hereof entitled "Death Benefit," any forfeited amount shall be applied as elected by the Employer in the Plan Adoption Agreement.

***Continuation Coverage***

***COBRA continuation coverage ("COBRA coverage").*** COBRA coverage shall be available on the same terms and conditions as described herein with respect to Participants upon payment of the applicable COBRA premium. Each qualified beneficiary (i.e., the Participant's former spouse and former eligible dependents) shall be entitled to COBRA coverage for a period of 36 months upon the qualifying events of death of Participant, divorce from Participant, or a dependent reaching an age under which he/she is ineligible under the terms of the Plan. The level of coverage will be the Participant's account balance at the time of the qualifying event (adjusted for investment earnings and losses), plus Employer contributions, and minus reimbursements for claims paid from the account. Contributions shall be made at the same times as they are made for similarly situated Participants who have not experienced a qualifying event. The balance of the Participant's account shall be available to all qualified beneficiaries electing continuation coverage on an aggregate basis.

The COBRA premium shall be a single premium regardless of the number of qualified beneficiaries electing COBRA coverage. That premium shall be as determined annually by the Employer. The Employer shall have no obligation to pay any portion of the COBRA premium.

***Coverage in lieu of COBRA.*** As an alternative to COBRA continuation coverage, qualified beneficiaries may choose to continue to access the Participant's account via coverage in lieu of COBRA. No additional contributions will be made to the Participant's account during the coverage in lieu of COBRA period and no premium will be charged for the coverage. Administrative fees as indicated herein will be applied. The balance of the Participant's account shall be available to all qualified beneficiaries electing coverage in lieu of COBRA on an aggregate basis. Furthermore, if some qualified beneficiaries elect COBRA and others select coverage in lieu of COBRA, all qualified beneficiaries will have access to the Participant's account on an aggregate basis.

***Plan Investments***

Plan investments will be made in accordance with the Employer's elections in the Plan Adoption Agreement, and will consist of investments in either fixed or variable annuities.

***Plan Administrator***

The Employer designates as the initial Plan Administrator the entity named in the Plan Adoption Agreement. The initial Plan Administrator shall serve as Plan Administrator until such time as a new Plan Administrator is appointed.

***Administrative Fees***

An administration fee shall be payable by the Employer. Participants may be charged a distribution fee by the Plan's administrative services provider in such amount as shall be agreed to by the Employer.

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**Health Reimbursement Arrangement for Retirees**

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***Administration***

1. Health reimbursement requests may be made monthly with no minimum reimbursement dollar amount for recurring claims. There is a \$100 minimum claim amount for all other claims unless the participant account balance is less than \$100. Additionally, a reimbursement request can only be made for expenses incurred subsequent to the date the Participant first becomes enrolled in the Plan.
2. Participants are entitled to request reimbursements from their accounts as soon as the accounts are funded by the Employer, but only for medical expenses incurred subsequent to the date the Participant first becomes enrolled in the Plan. Hardship withdrawals or loans are not permitted under this Plan and Plan funds may only be used to reimburse Participants and their dependents for qualified medical expenses.
3. In order to receive reimbursement for eligible medical expenses, Participants shall provide the Plan Administrator with whatever information is reasonably required. This Plan shall not and cannot reimburse for any claims other than those allowed under Code Section 213(d) and the regulations thereunder, as generally described in IRS Publication 502.
4. When a request is approved it shall be scheduled for disbursement. Disbursements shall be made not later than the fifteenth (15<sup>th</sup>) day of each month for all reimbursement requests received by the Plan Administrator prior to the end of the preceding month.
5. Subject to the Claims Procedures rules below, decisions of the Plan Administrator shall be final on the issue of eligible expenditures and such decisions shall be based on Code Section 213(d) and the regulations thereunder, as interpreted by the IRS or court rulings or directives concerning the deductibility of medical expenses for Federal Income Tax purposes, which interpretations shall be controlling for purposes of determining reimbursement eligibility under this Plan.
6. Other than establishing this Plan and providing funding for the Plan, the Employer does not assume any responsibility for any aspect of any Participant's health care. Participant questions shall be directed to the Plan Administrator.
7. Each Participant shall be notified by the Plan Administrator of his or her account balance at the time a deposit is made to his or her account. The Plan Administrator shall provide each Participant with a quarterly statement setting forth the Participant's account balance and earnings and disbursements for the quarter. Additionally, the Plan Administrator shall provide a Participant with a statement of account balance in conjunction with each reimbursement distribution.
8. Funds in a Participant's account at the end of each year shall be rolled into the following year.
9. Reimbursement is available for the Participant, the Participant's spouse, the Participant's tax dependents as defined in Internal Revenue Code Section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof, and any child (as defined in Code Section 152(f)(1)) of the Participant who as of the end of the taxable year has not attained age twenty-seven (27). For purposes of this Plan, such qualified tax dependents and children shall collectively be referred to as "dependents." Submission of a request for reimbursement on behalf of someone other than the Participant shall be deemed a representation by the Participant that the request for reimbursement is made on behalf of a spouse or dependent.

***Death Benefit***

If a Participant dies prior to exhausting his vested account balance, the Participant's surviving spouse and/or dependents are eligible to be reimbursed under this Plan for their eligible medical expenses until the vested account balance is exhausted. In the event of the death of the Participant, the Participant's spouse, and all of

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## Health Reimbursement Arrangement for Retirees

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the Participant's qualifying dependents, any funds remaining in the account shall be forfeited. Forfeitures shall be applied as elected by the Employer in the Plan Adoption Agreement.

### ***Plan Amendments***

The Employer has the authority to amend this Plan at any time, in whole or in part. Participants will be notified of any Plan changes. Any amendment to the Plan shall not adversely affect the rights of existing Participants. Changes imposed by the Internal Revenue Service, either by law change, regulations, or rulings, will be effective immediately and without notice.

### ***Involuntary Access to Funds***

Funds in a Participant's Plan account are not assignable by a Participant, either in law or in equity, or subject to estate tax, or to execution, levy, attachment, garnishment, or any other legal processes.

### ***Plan Termination***

In the event the Employer elects to terminate this Plan, which it may do, in its sole discretion, at any time and for any reason, amounts credited to Participants' accounts will remain in the Participants' accounts and Participants will continue to utilize their accounts as set forth in this Plan Document until their accounts are exhausted.

### ***HIPAA Compliance***

#### 1. Disclosure of Summary Health Information to the Employer

In accordance with the Standards for Privacy of Individually Identifiable Health Information (the "Privacy Standards") issued and pursuant to the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), the Plan may disclose Summary Health Information to the Employer, if the Employer requests the Summary Health Information for the purpose of (a) obtaining premium bids from health plans for providing health insurance coverage under this Plan or (b) modifying, amending or terminating the Plan.

"Summary Health Information" may be individually identifiable health information and it summarizes the claims history, claims expenses or the type of claims experienced by individuals in the Plan, but it excludes all identifiers that must be removed for the information to be de-identified, except that it may contain geographic information to the extent that it is aggregated by five-digit zip code.

#### 2. Disclosure of Protected Health Information ("PHI") to the Employer for Plan Administration Purposes

In order that the Employer may receive and use a Participant's individually identifiable health information or PHI (including electronic PHI) for "Plan Administration" purposes, the Employer agrees to:

- a. Not use or further disclose PHI other than as permitted or required by the Plan Documents or as Required by Law (as defined in the Privacy Standards);
- b. Ensure that any agents, including a subcontractor, to whom the Employer provides PHI received from the Plan agree to the same restrictions and conditions that apply to the Employer with respect to such PHI;
- c. Not use or disclose PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer, except pursuant to an authorization which meets the requirements of the Privacy Standards;



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 Health Reimbursement Arrangement for Retirees
 

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- d. Report to the Plan any PHI use or disclosure that is inconsistent with the uses or disclosures provided for of which the Employer becomes aware, including any security incident or actual or suspected breach that may compromise PHI.;
- e. Make available PHI in accordance with Section 164.524 of the Privacy Standards (45 CFR 164.524);
- f. Make available PHI for amendment and incorporate any amendments to PHI in accordance with Section 164.526 of the Privacy Standards (45 CFR 164.526);
- g. Make available the information required to provide an accounting of disclosures in accordance with Section 164.528 of the Privacy Standards (45 CFR 164.528);
- h. Make its internal practices, books and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of the U.S. Department of Health and Human Services ("HHS"), or any other officer or employee of HHS to whom the authority involved has been delegated, for purposes of determining compliance by the Plan with Part 164, Subpart E, of the Privacy Standards (45 CFR 164.500 et seq);
- i. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of PHI;
- j. If feasible, return or destroy all PHI received from the Plan that the Employer still maintains in any form and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the PHI infeasible; and
- k. Ensure that adequate separation between the Plan and the Employer, as required in Section 164.504(f)(2)(iii) of the Privacy Standards (45 CFR 164.504(f)(2)(iii)), is established as follows:
  - i. The employees, or classes of employees, or other persons under control of the Employer who are identified in the Plan Adoption Agreement, shall be given access to the PHI to be disclosed.
  - ii. The access to and use of PHI by the individuals described in subsection (i) above shall be restricted to the Plan Administration functions that the Employer performs for the Plan.
  - iii. In the event any of the individuals described in subsection (i) above do not comply with the provisions of the Plan Documents relating to use and disclosure of PHI, the Plan Administrator shall impose reasonable sanctions as necessary, in its discretion, to ensure that no further non-compliance occurs. Such sanctions shall be imposed progressively (for example, an oral warning, a written warning, time off without pay and termination), if appropriate, and shall be imposed so that they are commensurate with the severity of the violation.

"Plan Administration" activities are limited to activities that would meet the definition of payment or health care operations, but do not include functions to modify, amend or terminate the Plan or solicit bids from prospective issuers. "Plan Administration" functions include quality assurance, claims processing, auditing, monitoring and management of carve-out plans, such as vision and dental. It does not include any employment-related functions or functions in connection with any other benefit or benefit plans.

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 Health Reimbursement Arrangement for Retirees
 

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## 3. Disclosure of Certain Enrollment Information to the Employer

Pursuant to Section 164.504(f)(1)(iii) of the Privacy Standards (45 CFR 164.504(f)(1)(iii)), the Plan may disclose to the Employer information on whether an individual is participating in the Plan or is enrolled in or has disenrolled from a health insurance issuer or health maintenance organization offered by the Plan to the Employer.

## 4. Disclosure of PHI to Obtain Stop-loss or Excess Loss Coverage

The Employer hereby authorizes and directs the Plan, through the Plan Administrator or its third party administrator, to disclose PHI to stop-loss carriers, excess loss carriers or managing general underwriters (MGUs) as directed by the Employer for underwriting and other purposes in order to obtain and maintain stop-loss or excess loss coverage related to benefit claims under the Plan, provided that genetic information will not be used for underwriting purposes. Such disclosures shall be made in accordance with the Privacy Standards. The Employer certifies that such disclosures are for Plan administration purposes and that any third party to whom the Employer directs disclosure from the Plan has agreed to also comply with this amendment, as set out in Section 2.b.

## 5. Other Disclosures and Uses of PHI

With respect to all other uses and disclosures of PHI, the Plan shall comply with the Privacy Standards.

***Claims Procedure***

A Participant, spouse or dependent (the "Claimant") shall apply for Plan benefits in writing on a form provided by the Plan Administrator, or in such other manner as prescribed by the Plan Administrator. A communication regarding benefits that is not made in accordance with these procedures will not be treated as a claim under these procedures. Claims shall be evaluated by the Plan Administrator or such other person or entity designated by the Plan Administrator and shall be approved or denied in accordance with the terms of the Plan and Plan Adoption Agreement. All references to the Plan Administrator shall include any such delegate. No Claimant shall be entitled to benefits unless the Plan Administrator or its delegate determines in its discretion that the Claimant is entitled to benefits.

## 1. Claims

The Plan Administrator shall make a determination within a reasonable period of time, but not later than 30 days after receipt of the claim. This period may be extended one time by the Plan for up to 15 days, provided that the Plan Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies the Claimant, prior to the expiration of the initial 30-day period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If such an extension is necessary due to a failure of the Claimant to submit the information necessary to decide the claim, the notice of extension shall specifically describe the required information, and the Claimant shall be afforded at least 45 days from receipt of the notice within which to provide the specified information and the period for making the benefit determination shall be tolled from the date on which the notice of extension is sent to the Claimant until the date on which the Claimant responds to the request for additional information, or the deadline to submit the additional information, if earlier.

## 2. Notice of Denial

If the claim is denied in whole or in part, the Claimant will receive a written notice that includes:

- a. The specific reason or reasons for the denial;

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 Health Reimbursement Arrangement for Retirees
 

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- b. Reference to the specific Plan provision(s) on which the denial is based;
- c. A description of any additional material or information needed from the Claimant in connection with the claim and the reason such material or information is needed;
- d. An explanation of the claims review procedures and the applicable time limits, including a statement concerning the Claimant's right to bring a civil action following an adverse determination on review;
- e. A statement regarding any internal rule, guideline, protocol or other criterion that was relied upon in making the adverse determination (or a statement that a copy will be provided free upon request);
- f. If the denial is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment that led to this determination (or a statement that a copy will be provided free upon request);
- g. Any other information required by law.

### 3. Right to Request Review: Internal Appeal

The Claimant must make a written request for review to the Plan Administrator within 180 days of the initial denial of the claim. If a written request for review is not made within such 180- day period, the Claimant shall forfeit his or her right to review. The Claimant's written request for review may (but is not required to) include issues, comments, documents, and other records the Claimant wants considered in the review. All the information the Claimant submits will be taken into account on review, even if it was not reviewed as part of the initial decision. The appeal will be conducted by a person different from the person who made the initial decision. No deference will be given to the initial decision. The Claimant may ask to examine or receive free copies of Plan documents, records, and other information relevant to the claim by asking the Plan Administrator.

The Claimant will be given the identity of medical or vocational experts if requested, whose advice was obtained by the Plan in connection with the Claimant's initial claim denial, if any, even if their advice was not relied upon in making the initial decision. Where an adverse determination is based in whole or in part on a medical judgment, including determinations with regard to whether a particular treatment, drug or other item is experimental, investigational, or not medically necessary or appropriate, the Plan will consult with a health care professional who has experience in the field of medicine involved in the medical judgment to decide the Claimant's appeal. The Plan Administrator reserves the right to delegate its authority to make decisions.

### 4. Decision Upon Review: Internal Appeal

The Plan Administrator shall make a determination within a reasonable period of time, but not later than 60 days after receipt by the Plan of the Claimant's request for review of adverse determination.

### 5. Notice of Denial of Internal Appeal

If the decision on the appeal is denied, the Claimant will receive a written notice that includes:

- a. The specific reason or reasons for the denial;
- b. Reference to the specific Plan provisions on which the denial is based;

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- c. A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits;
  - d. A statement explaining any voluntary appeal procedures offered by the Plan and the Claimant's right to bring a civil action;
  - e. A statement regarding any internal rule, guideline, protocol or other criterion that was relied upon in making the adverse determination (or a statement that a copy will be provided free upon request);
  - f. If the denial is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment that led to this determination (or a statement that a copy will be provided free upon request);
  - g. Any other information required by law.
6. External Appeal Process

Where required by law, a Claimant may be able to file an external appeal with an independent review organization. The independent review organization may overturn the Plan's decision, and the independent review organization's decision will be binding on the Plan. A Claimant must file a claim for external review within four (4) months of the date the Claimant receives the internal appeal denial notice. Filing a request for external review will not affect a Claimant's ability to bring a legal claim in court. When a Claimant files a request for external review, the Claimant will be required to authorize release of any medical records that may be required to be reviewed for the purpose of reaching a decision on the external review. Additional information on the external review process, where applicable, will be included in the internal appeal determination notice, or the Claimant may contact the Plan Administrator to request such additional information.

**IN WITNESS WHEREOF**, this Plan has been executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by **MidAmerica Administrative & Retirement Solutions, Inc.**

**MIDAMERICA ADMINISTRATIVE &  
RETIREMENT SOLUTIONS, INC.**

By: \_\_\_\_\_

Its: SVP Business Development

IRS Circular 230 Notice: We are required to advise you no person or entity may use any tax advice in this communication or any attachment to (i) avoid any penalty under federal tax law or (ii) promote, market or recommend any purchase, investment or other action.



# Sheboygan Area School District

## Gift Acknowledgement Form for Gifts with a Value of \$2500 or More

*Gifts valued at \$2500 or more cannot be accepted in any manner without Board approval*

Description of Gift: **\$3,000.00; Check**

Conditions of Acceptance (if any): \_\_\_\_\_  
 \_\_\_\_\_

If there are any expenses or budgetary considerations as a result of acceptance of this gift, please describe:

\_\_\_\_\_

\_\_\_\_\_

Please include the following, if applicable:

Unit Value: \$3,000.00      Make: \_\_\_\_\_      Model: \_\_\_\_\_

Total Value: \$3,000.00      Serial No: \_\_\_\_\_

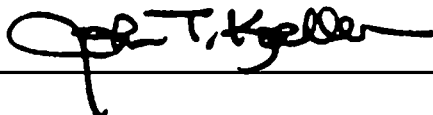
Quantity Received: 1      Original Purchase Price: \_\_\_\_\_

Date Received: 9/20/2023

Donor Information - Organization or Name of Donor: Kohler

Donor Address: 444 Highland Drive, Kohler, WI 53044

How/Where gift will be used: Into the Woods Show Sponsorship 23-24

Acceptance recommended by:       Date: 9/29/2023

Date of Board Acceptance: \_\_\_\_\_

**SUBMIT FORM TO SUPERINTENDENT'S OFFICE**

**Central Office Use Only**

Sup't. Office     

Business Svcs.     

FMS