



***The Board of Pensions of the Southwest Texas Conference
Group Health Benefit Plan***

16400 Huebner Rd, San Antonio TX 78248

2009 LOCAL CHURCH ADOPTION AGREEMENT FOR LAY EMPLOYEES

I. PARTICIPATION IN THE GROUP PLAN OF THE BOARD OF PENSIONS OF THE SOUTHWEST TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH: The Local Church or agency below (hereinafter referred to as the "Plan Sponsor") does hereby agree to participate in the Group Health Benefit Plan of the Board of Pensions of The Southwest Texas Conference of The United Methodist Church (hereinafter referred to as "The Plan") for eligible lay staff.

The Plan Sponsor does hereby agree that it will not offer any group benefit/insurance plans to eligible lay employees for life insurance, accident, medical (including PPO Preferred Provider Organizations and HMO Health Maintenance Organizations) or dental benefits other than the Group Health Benefit Plan of the Board of Pensions of The Southwest Texas Conference of The United Methodist Church.

CONDITIONS OF PARTICIPATION: The Plan Sponsor hereby agrees to follow the provisions of the Plan, the rules and regulations of the Plan which are from time to time adopted and revised by The Board of Pensions of The Southwest Texas Conference of The United Methodist Church, and the underwriting guidelines which are from time to time adopted and revised by The Board of Pensions of The Southwest Texas Conference of The United Methodist Church. For a complete Schedule of Benefits, Eligibility Requirements and General Provisions please refer to the Summary Plan Description or SPD.

It is the responsibility of the Plan Sponsor to maintain current information concerning the Plan and to provide training for the employee administering the Plan at the local church. The Southwest Texas Conference will provide assistance as needed.

It is the responsibility of the Plan Sponsor to become knowledgeable of the provisions of the Plan. The Conference will hold educational meetings and seminars from time to time regarding the administration of the Plan. It is the responsibility of the Plan Sponsor to send a representative to those meetings.

II. ELIGIBILITY REQUIREMENTS: All regular, full-time employees of the Plan Sponsor who work thirty (30) hours or more per week are eligible to enroll in the plan.

Local churches of the Southwest Texas Conference of The United Methodist Church that have Day Schools, Pre-schools or Day Care Centers on the premises of the church or under the auspices of the church **MUST OFFER** the plan to those employees on the same basis as all other full time employees. Unless the church can demonstrate definitively that the Day School or Pre-school is an entirely separate entity, the day school employees will be considered employees of the Plan Sponsor. The existence of a separate 503(C) Trust is not considered a demonstration of independence from the Plan Sponsor.

The eligibility date for new employees is the first day of the month following 30 days of employment or as a late entrant during the annual open enrollment period.

III. ENROLLMENT AND NOTIFICATION OF ELIGIBILITY: The Plan Sponsor agrees to notify each eligible employee that he/she is eligible to participate in The Plan.

The Plan Sponsor must keep a written record of acceptance or waiver of coverage for each eligible employee. A copy of all enrollment and/or waivers forms must be forwarded to the Conference Health Benefit Manager within 30 days of the employee's original eligibility date.

ANNUAL ENROLLMENT AND INFORMATION: Each Plan Sponsor hereby agrees to provide the Conference Health Benefit Manager with a list of all employees, eligibility for benefits notwithstanding, annually during the month of September. This list should include the following information for all employees, regardless of their eligibility or participation in the Plan:

Full Name

Date of Birth

Date of Hire

Position or Job Title

Annual Salary

Current Health Benefit Election (if dependent coverage is elected, provide names and dates of birth for each covered person).

IV. PREMIUM PAYMENTS: Each Plan Sponsor hereby agrees to provide at least the minimum level of contributions for the **BASE HEALTH BENEFIT PLAN** for each eligible employee. The amount is established by the Board of Pensions of The Southwest Texas Conference of The United Methodist Church annually by November 1st and is subject to change at discretion of the Board.

The Plan Sponsor may establish contributions greater than the minimum set by the Board as long as the contribution schedule is the same for all eligible employees.

The Plan Sponsor is responsible for making the premium payments of its employees. Billing will be directly to the Plan Sponsor by Board of Pensions of The Southwest Texas Conference of The United Methodist Church.

INDEMNIFICATION

Failure of the Plan Sponsor to notify any employee of his/her eligibility to participate in the Plan within the stated eligibility period, or failure to notify the Board of Pensions of the termination of a participant's coverage, may invalidate the Plan's reinsurance coverage. The Plan Sponsor hereby agrees to indemnify and hold The Board of Pensions of The Southwest Texas Conference of The United Methodist Church harmless against any and all losses that may result due to the Plan Sponsor's negligence in performing the agreed duties as Plan Sponsor. This negligence may be the result of acts of omission or commission.

This indemnification includes, but is not limited to: Any premiums which would have been payable from the original eligibility date of the employee; any premiums or fees which would have been payable by the Conference for administration of the Plan from the original eligibility date of the employee; any losses due to claims if they are in excess of the premiums and fees stated above; any legal and court costs which the Conference might incur as a result of negligence on the part of the Plan Sponsor; any claims above the reinsured level if they are not covered by the reinsurance company due to negligence of the Plan Sponsor.

V. LOSS OF ELIGIBILITY: The Plan Sponsor is responsible for notifying The Board of Pensions of The Southwest Texas Conference of The United Methodist Church when an employee has lost eligibility due to termination of employment, reduction in the number of hours worked, or any other event which causes a loss of eligibility according to the Plan Document.

VI. TERMINATION/AMENDMENT:

1. **Termination by Plan Sponsor:** This agreement, and the Plan Sponsor's participation in the Plan, may be terminated by the Plan Sponsor at any time, provided that the effective date of such termination is the first day of the plan year following a 60-day period after a written notice of such termination is received by the Board of Pensions of The Southwest Texas Conference of The United Methodist Church.
2. **Amendment/Termination in Accordance With The Plan:** No provision of this agreement shall prevent the Plan and the rules and regulations promulgated thereunder from being amended or terminated in accordance with the Plan.
3. **Failure to Meet Underwriting Guidelines:** The Board of Pensions of The Southwest Texas Conference of The United Methodist Church reserves the right to terminate the Plan Sponsor's participation in the Plan on the effective date or on the first day of the plan year following the plan year in which the Plan Sponsor fails to meet the underwriting guidelines established for The Plan provided that reasonable notification is provided to the Plan Sponsor.
4. The Conference reserves the right to cancel coverage immediately in the event of any of the following conditions:
 - Failure of the Plan Sponsor to pay the required premiums for its employees within the month they are due.
 - Failure to provide Plan information to all eligible employees within their initial eligibility period.
 - Failure to provide the Conference with copies of all employee enrollments and waiver/forms.
 - Failure to provide contributions for all eligible employees as determined by the Board of Pensions.

VII. SPECIAL PROVISIONS: Participants who lose coverage due to the negligence of the Plan Sponsor will be eligible to continue their coverage at their own expense for a period of up to one year. If the Plan Sponsor terminates coverage for the entire organization, no *Continuation of Coverage* will be available to participants.

VIII. REINSTATEMENT: Once the Plan Sponsor terminates this agreement, the Board of Pensions will not allow the Sponsor to reinstate participation for a period of three (3) years.

IX. RESERVATIONS: The Board of Pensions reserves the right to refuse participation to any Plan Sponsor on the grounds that they have failed to exercise their responsibilities under this agreement.

The Board of Pensions reserves the right to change the plan design and or terminate the plan to any Plan Sponsor on the grounds that they have failed to exercise their responsibilities under this agreement.

The Board of Pensions of The Southwest Texas Conference of The United Methodist Church further reserves the right to amend this agreement in part or in full from time to time as shall become necessary. Amended agreements must be signed by the pastor and or other officer of the Plan Sponsor and returned as required by the Conference Treasurer.

IN WITNESS WHEREOF, the undersigned have caused this Adoption Agreement to be executed as of the date indicated below:

On Behalf of _____ **United Methodist Church/District**

ADDRESS _____ **CITY** _____

DISTRICT _____

BY: _____ DATE: _____ Administrative Board Chair
 CHURCH OFFICIAL

 PRINT NAME PPR Chair
 Finance Chair

BY: _____ DATE: _____
 SENIOR PASTOR

 PRINT NAME

On Behalf of the Board of Pensions of The Southwest Texas Conference of The United Methodist Church.

BY: _____ DATE: _____

We have reviewed the attached document and have decided

- TO TERMINATE OUR PARTICIPATION** in the Conference Health Insurance Plan effective December 31, 2008. We understand that coverage will be cancelled for all current participants effective December 31, 2008. All current and future lay employees will not be eligible to participate in program for a period of three years.

In addition we understand Continuation of Coverage will not be offered to those participants. Our church will not be eligible to sponsor the Conference Health Benefit Program for three years from the date of cancellation of our participation.

- NOT TO PARTICIPATE** in the Conference Health Plan at this time. In addition we understand that our church will not be eligible to participate in the Conference Health Benefit Program for current and future lay employees for three years from the date of this declination.

IN WITNESS WHEREOF, the undersigned respectfully decline this Adoption Agreement as of the date indicated below:

On Behalf of _____ **United Methodist Church/District**

ADDRESS _____ CITY _____

DISTRICT _____

BY: _____ DATE: _____ Administrative Board Chair

PPR Chair

PRINT NAME Finance Chair

BY: _____ DATE: _____

SENIOR PASTOR

PRINT NAME

On Behalf of the Board of Pensions of the Southwest Texas Conference of the United Methodist Church.

BY: _____ DATE: _____