Effective July 1, 2011 and as set forth below, Section 4 of the Wayne County Health and Welfare Benefit Plan (effective date December 1, 2006), is amended to reflect implementation of a Retiree Medical Savings Account Plan (RMSAP), and implementation and funding of a Trust for reimbursing eligible expenses pursuant to such Plan.

1. Section 4 of the Wayne County Health and Welfare Benefit Plan (effective December 1, 2006) is hereby amended and replaced with the following Section 4 (amendment denoted by italics):

**SECTION 4. POST-EMPLOYMENT HEALTH CARE**

A. Active employees, hired on or before the effective date of this Benefit Plan, who are eligible for health care benefits upon retirement shall, upon retirement, participate in the same medical benefit plan options at the same coverage levels, including deductibles and co-payments, as active employees covered under this benefit plan.

1. Eligible retirees shall make monthly contributions towards the cost of medical and prescription drug benefits until the retiree and all covered dependents are eligible for Medicare. If one or more covered members is not eligible for Medicare at the time the first person on the retiree’s policy becomes eligible for Medicare, then the applicable monthly rate for the purpose of applying the retiree contribution will be determined by the number of persons remaining on the retiree’s health insurance policy who are not eligible for Medicare. For example, a retiree who has a family contract with three (3) members, only one of which is Medicare-eligible, will pay the contribution based on the monthly rate for a two-person policy instead of a family policy.

   a. **PPO and HMO Plan Contributions:** Retirees electing to enroll in either a PPO or HMO plan option shall be required to make a monthly contribution in the amount of ten percent (10%) of the applicable monthly premium or illustrative rate.
i. The illustrative rates or premiums to be used as a basis for this computation will be those provided by the plan TPA or insurance carrier and published annually for the purpose of the annual policy rate renewal. Rates will become effective on first of October of each year. Published rates shall be made available for review upon written request to the Director of Benefit Administration.

ii. Contributions shall be assessed in the month prior to the month for which the contribution is being made. Where possible, the contribution amount shall be deducted from the retiree’s monthly pension payroll. In situations where there is no pension payroll due to the retiree, the contribution amount shall be billed directly to the retiree. Changes in enrollment resulting in a change in the amount of the contribution will commence with the payment due for the month in which the change becomes effective.

iii. Retirees failing to make a payment within thirty (30) days of the contribution being due shall be subject to cancellation of benefits effective on the first of the month for which the contribution is owed. Retirees who are unable to make payment due to hardship may make written request to the Director of Benefit Administration to make alternate payment arrangements.

b. Traditional Plan Contributions: Retirees electing to enroll in a Traditional Indemnity plan option shall be required to make a monthly contribution in the amount of ten percent (10%) of the average applicable monthly premium of the PPO and HMO plan options plus the monthly rate difference between the average cost of those plans and the Traditional plan option. Contributions will be assessed in accordance with the terms and procedures outlined in Section 4(A)(1)(a)(i) through (iii).

c. Prescription Drug Plan Contributions: Retirees electing to enroll in a prescription drug plan option shall be required to make a monthly contribution in the amount of ten percent (10%) of the applicable monthly premium or illustrative rate. Contributions will be assessed in accordance with the terms and procedures outlined in Section 4(A)(1)(a)(i) through (iii).

2. During an election period specified by the Employer that will be offered one time only, employees who become eligible for Post-Employment Health Care pursuant to Section 4(A) as in effect prior to the date of this amendment, will be given the opportunity to make a one-time irrevocable election to permanently waive any rights to retirement health benefits and to participate in the Retiree Medical Savings Account Plan and in the employee health care benefit trust described in Section 4(B)(1) below. Once waived, the employee shall not be allowed to regain retirement health benefits as described in Section 4(A), as in effect prior to the date of this amendment, at any time during the employee’s term of continuous service.

B. The provisions of Section 4(A), as in effect prior to the date of this amendment shall only apply to those employees employed by Employer prior to the applicable date in the collective bargaining agreement covering the employee as set forth in Appendix A or the Executive Exempt Benefit Plan covering the employee. Employees not eligible for retirement healthcare benefits as described in Section 4(A) above shall be subject to the employee healthcare benefit trust and Retiree Medical Savings Account Plan provisions described below.

The Employer shall establish an employee health care benefit trust known as the Wayne County Special Purpose Government Trust ("Trust") to be used for the purpose of paying for post-employment eligible health care expenses for those employees hired, rehired, reemployed or reinstated on or after the applicable date in the collective bargaining agreement covering the
employee as set forth in Appendix A or the Executive Exempt Benefit Plan covering the employee, as well as for the purpose of paying for post-employment eligible health care expenses of those employees opting in as permitted in Section 4(A)(2). The expenses to be paid from the Trust shall be in accordance with a Retiree Medical Savings Account Plan (“RMSAP”), as established by the Employer and as amended from time to time. Those employees hired, rehired, reemployed or reinstated on or after the applicable date in the collective bargaining agreement covering the employee as set forth in Appendix A or the Executive Exempt Benefit Plan covering the employee, and covered by a collective bargaining agreement or Executive Exempt Benefit Plan where the Trust is specified shall not be eligible for retirement medical care benefits as described in Section 4(A), as in effect prior to the date of this amendment, regardless of eligibility for any other retirement benefits. In the event of a conflict between this document and the Trust and/or the RMSAP, the Trust and/or the RMSAP control.

1. Trust Funding and Vesting

a. Employee Contributions:
   
i. **Collective Bargaining Unit Employees**: Employees covered under a collective bargaining agreement and by this Section 4(B) shall have their bi-weekly wage rate reduced by two percent (2%) and contributed to the Trust on a bi-weekly basis. Funds shall be withheld on a pre-tax basis to the extent it is permitted under the Internal Revenue Code of 1986, as amended, (“IRC”), and applicable regulations promulgated thereunder.

   ii. **Non-Collective Bargaining Unit Employees**: Employees covered under a benefit plan for executive / exempt employees and by this Section 4(B) shall have their bi-weekly wage rate reduced by an amount specified in the appropriate Executive Exempt Benefit Plan and contributed to the Trust on a bi-weekly basis. The amount of the contribution shall be a flat rate and may be reviewed and adjusted from time to time at the Employer’s discretion. All participants in the Trust shall be assessed the same rate regardless of wages. Funds shall be withheld on a pre-tax basis to the extent it is permitted under IRC, and applicable regulations promulgated thereunder.

   iii. **Employees Opting into the Trust**: Employees opting out of retiree medical benefits described in Section 4(A), as in effect prior to the effective date of this amendment, and who irrevocably elect to participate in the Trust shall have their bi-weekly wage rate reduced pursuant to Section 4(B)(1)(a)(i) for collective bargaining unit employees and Section 4(B)(1)(a)(ii) for non-collective bargaining unit employees. Funds shall be withheld on a pre-tax basis to the extent it is permitted under IRC, and applicable regulations promulgated thereunder.

b. Employer Contributions:
   
i. **Collective Bargaining Unit Employees**: With respect to Employees covered by Section 4(B)(1)(a)(i), the Employer shall contribute funds into the Trust on a bi-weekly basis in an amount equal to five percent (5%) of each employee’s base wage rate for all participants covered under a collective bargaining agreement.

   ii. **Non-Collective Bargaining Unit Employees**: With respect to Employees covered by Section 4(B)(1)(a)(ii), the Employer shall contribute funds into the Trust on a bi-weekly basis in an amount specified in the appropriate Executive Exempt Benefit Plan. The amount of the Employer’s contribution shall be a flat rate and may be reviewed and adjusted from time to
time at the Employer's discretion. All non-collective bargaining unit participants in the Trust shall be credited with the same amount regardless of wages.

iii. Employees Opting into the Trust: With respect to Employees opting into the Trust pursuant to Section 4(B)(1)(a)(iii). Employer contributions shall be made pursuant to Section 4(B)(1)(b)(i) for collective bargaining unit employees and Section 4(B)(1)(b)(ii) for non-collective bargaining unit employees.

iv. Retroactive Contributions: Retroactive Employer Contributions, if any, will be made in accordance with the RMSAP and shall qualify as a One Time Employer Contribution subject to the Employer Contribution vesting schedule set forth in Section 4(B)(1)(d).

c. All funds contributed by the Employee and the Employer and all investment earnings shall be accounted for on an individual basis.

d. Employees shall be credited with one hundred percent (100%) of the funds contributed by the Employer at such time as the employee has attained thirty (30) years of credited service. If the employee fails to attain thirty (30) years of credited service, the following terms shall apply.

i. Employees with less than ten (10) years of participation in the Trust shall only be credited with one hundred percent (100%) of the employee's own contributions.

ii. Employees with at least ten (10) years of participation in the Trust shall be credited with one hundred percent (100%) of the employee's own contributions plus fifty percent (50%) of the Employer's contribution including any investment earnings.

iii. Employees with more than ten (10) years of participation in the Trust shall be vested as noted in Section 4(B)(1)(d)(ii) plus an additional two and one-half percent (2.5%) of the Employer's contribution including any investment earnings on this additional amount for each full year of participation in the Trust exceeding ten (10) years to a maximum of one hundred percent (100%).

e. Upon separation from the Employer, all funds for which the employee is credited as described in Section 4(B)(1)(d) above shall be segregated and made available as set forth under Section 4(B)(1)(f) below. Participants with vested account balances may seek reimbursement for qualifying medical expenses as defined by IRC §213, and as provided in the RMSAP.

f. Upon separation from the Employer, participants must submit a Disbursement Request to the Plan Administrator and/or Trustee for payment of eligible retiree benefits, as provided in the RMSAP. Payments under the RMSAP shall be made only for eligible retiree costs on behalf of eligible participants. The Plan Administrator and Trustee shall be permitted to rely on the written direction of the participants. The participant represents, warrants and understands that any disbursement shall be made solely for purposes of post-employment health insurance benefits as described in the GASB 43 Section 115 Trust. The Plan Administrator and/or Trustee may, in its sole discretion, inspect any documentation and/or circumstances surrounding any such distribution. Under no circumstances can monies paid into the Trust revert to the participants other than to pay for permissible medical expenses as defined by IRC §213 as provided in the Retiree Medical Savings Account Plan.

g. All unvested and vested but unclaimed funds will revert back to the Trust.
h. The Employer shall allow Trust participants who leave Employer service and who would be otherwise eligible for retirement to enroll in any health insurance plan available to retirees of the Employer. Trust participants will be responsible for paying the full monthly premium cost or illustrative rate for the plan(s) in which the participant elects to enroll.

2. Except as altered and amended by virtue of the provisions hereof, the provisions of the December 1, 2006 Wayne County Health and Welfare Benefit Plan as currently in effect are hereby ratified and confirmed.

Georgetta Kelly, Personnel/Human Resources Director