

**THE TOWNSHIP OF METAMORA**

**ORDINANCE NO. 39**

**Adopted: Nov, 14, 2005**

**Effective: Dec 6, 2005**

An ordinance to amend Ordinance No. 39 of 1999 known and cited as the "Metamora Township Group Insurance Plan Ordinance" in order to amend and restate the township group insurance plan covering health, hospitalization, medical and surgical service and expense, of certain classes of township officers, employees and their spouses and dependents, and certain retirees and their spouses; to define eligibility and benefit entitlements of those classes of officers and employees who shall be covered by such group insurance plan; and to repeal all ordinances or parts of ordinances in conflict herewith.

**THE TOWNSHIP OF METAMORA**

**LAPEER COUNTY, MICHIGAN**

**ORDAINS:**

**SECTION I**

**Title**

The ordinance shall be known and cited as the "Metamora Township Medical Care Plan Ordinance."

**SECTION II**

**Purpose**

Pursuant to Act 77 of the Public Acts of 1989, as amended, the township continues to be authorized to provide a group insurance plan covering health, hospitalization, medical and surgical service and expense, for its officers and employees and their spouses and dependents and certain retirees and their spouses enumerated herein; and, for such purposes, also hereby continues to authorize the township supervisor and the township clerk to contract, in the name of the township board, with any company authorized to transact such business within the State of Michigan for such group insurance policy coverages. This ordinance hereby amends Ordinance No. 39 of 1999 to define eligibility and benefit entitlements for health, hospitalization, medical and surgical service and expense offered by the Township. It is intended to meet the requirements of Section 105 of the Internal Revenue Code of 1986, as amended, and is to be interpreted in a manner consistent with the requirements of that section.

SECTION III

The Amendment

**METAMORA TOWNSHIP  
MEDICAL CARE PLAN**

*Adopted November 14, 2005*

*Effective December 6, 2005*

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# **METAMORA TOWNSHIP MEDICAL CARE PLAN**

## **INTRODUCTION**

This amended and restated Plan was adopted by the Township on \_\_\_\_\_, and shall be effective on the Effective Date as provided herein. The Plan is offered by the Metamora Township (hereinafter referred to as the Township) as an effective way of satisfying the medical benefit and personal financial needs of certain Employees and their Spouses and Dependents and certain Retirees and their Spouses. This Plan is intended to meet the requirements of Section 105 of the Internal Revenue Code of 1986, as amended, and is to be interpreted in a manner consistent with the requirements of that section.

## ARTICLE I DEFINITIONS

Wherever used in the Plan, the following terms shall have the respective meanings set forth below unless otherwise expressly provided herein.

1.1 "**Administrator**" means the Township or such other person or committee as may be appointed from time to time by the Township to supervise the administration of the Plan.

1.2 "**Code**" means the Internal Revenue Code of 1986, as amended from time to time. Any reference to any section of the Code shall be deemed to include any applicable regulations and rulings pertaining to such sections and shall also be deemed a reference to comparable provisions of future laws.

1.3 "**Credited Service**" means "Credited Service" as determined under the Pension Plan.

1.4 "**Dependent**" means a Child of an Employee or other person (other than the Spouse of an Employee or Retiree) who qualifies for coverage as a "dependent") under the Plan's contract with a Health Care Organization for the provision of health care and medical benefits.

1.5 "**Dependent Child**" means the child of an Employee who qualifies as a Dependent and who is described in 42 USC § 300bb - 8(3)(A)(ii).

1.6 "**Effective Date**" means the later of (i) \_\_\_\_\_ and (ii) the date on which the selected Health Care Organization agrees to underwrite the medical benefits as documented in the Plan.

1.7 "**Employee**" means (a) Township Board Members, and (b) any other individual employed by the Township on a Full-Time basis, excluding (i) temporary employees, (ii) leased employees as described at Code Section 414(n), (iii) any employee covered by a collective bargaining agreement unless said agreement provides for his inclusion in the Plan and (iv) any individual who is paid for services as an independent contractor and whose payments thereof are reported on Form 1099, whether or not such person is actually performing services as a common law employee of the Township.

1.8 "**Fiduciary**" means, with respect to this Plan, the Township, the Administrator, or any individual, corporation, firm or other entity which assumes responsibilities of the Township or the Administrator respecting management of the Plan or the disposition of assets.

1.9 "**Full-Time**" means (a) a police Employee of the Township regularly scheduled to work 40 or more hours per week, or (b) any other Employee (excluding Board Members) regularly scheduled to work 30 or more hours per week. If an Employee simultaneously performs service for the Township in more than one job classification (example: Police and Fire) no

duplication of service shall result. Service will be counted for any period of time based on the job classification in which the larger amount of service is credited.

**1.10 "Health Care Organization"** means an insurance company, a risk-shifted medical indemnity insurance policy, health maintenance organization, preferred provider organization, third party administrator or other similar health care organization for the provision of health care and medical benefits under the Plan as determined by the Township.

**1.11 "Participant"** means any Employee or Retiree who meets the eligibility requirements set forth in Section 2.1 or 2.2 (respectively) and who has properly elected to become a Participant as provided in Section 2.3.

**1.12 "Pension Plan"** means the Municipal Employees' Retirement System of Michigan Pension Plan.

**1.13 "Plan"** means the Metamora Township Medical Care Plan as set forth herein and as it may be amended from time to time.

**1.14 "Plan Year"** means the calendar year.

**1.15 "Retire", "Retired" or "Retirement"** means that a former Employee, at the time of termination of employment with the Township, is eligible for an unreduced pension benefit under the Pension Plan. Upon the adoption date of this Plan (\_\_\_\_\_), eligibility for such an unreduced Pension Plan benefit requires either 25 years of Credited Service, or attainment of age 60 with 10 years of Credited Service.

**1.16 "Retiree"** means a former Full-Time police officer Employee of the Township who was hired by the Township prior to April 1, 2004, who begins to receive an unreduced pension benefit under the Pension Plan immediately upon retirement from the Township, and who meets the requirements of (a), (b) or (c) below:

(a) Was hired by the Township prior to May 1, 1997 and Retired on or after age 60 with at least 10 years of Full-Time Credited Service earned for employment with the Township. A Retiree described in this Section 1.16(a) (and Spouse, if applicable) shall first be eligible to participate in this Plan as a Retiree on the date the Retiree reaches his or her 65<sup>th</sup> birthday.

(b) Was hired by the Township prior to January 1, 2003, has at least 25 years of continuous Full-Time Credited Service earned for employment with the Township on the date of Retirement. A Retiree who meets the requirements of this Section 1.16(b) (and Spouse, if applicable) shall first be eligible to participate in this Plan as a Retiree on the date of Retirement, regardless of the Retiree's age at that time.

(c) Was hired by the Township on or after January 1, 2003, has attained age 50 with at least 25 years of continuous Full-Time Credited Service earned for employment with the Township on the date of Retirement. A Retiree who meets the requirements of this Section

1.16(c) (and Spouse, if applicable) shall first be eligible to participate in this Plan as a Retiree on the date of Retirement, regardless of the Retiree's age at that time.

1.17 "**Spouse**" means a person of the opposite sex who is legally married to an Employee or Retiree in the state of the Employee's or Retiree's residence and not separated from him or her under a court decree of legal separation. A Spouse's right to a benefit under this Plan shall terminate upon the death of the Employee or Retiree. Only the Spouse who is continuously married to a Retiree on and after the date the Retiree terminated employment with the Township shall be eligible for benefits under the Plan as the Spouse of a Retiree.

1.18 "**Supplement**" means the Supplement attached to the Plan, which contains information about the medical coverage available under the Plan.

1.19 "**Township**" means Metamora Township in Michigan.





## ARTICLE II PARTICIPATION

**2.1 Eligibility -- Active Employee.** An Employee shall become a Participant in this Plan on the first day of the month immediately following completion of 90 days as an Employee and upon meeting the requirement of Section 2.3.

**2.2 Eligibility -- Retiree.** A Retiree shall become a Participant in this Plan upon meeting the requirements of Section 2.3.

**2.3 Participation.**

(a) Employees and Retirees shall elect to begin participation (and thus become Participants) by executing such enrollment forms as the Administrator may determine from time to time, and making required contributions. Participation begins as soon as is feasible after filing of the enrollment forms. An Employee and Retiree may elect to begin participation upon first meeting the applicable eligibility requirements, or may elect to commence participation at a later date. A Participant may terminate participation, and may thereafter elect to resume participation pursuant to this Section 2.3, and subject to such rules as the Township may reasonably promulgate from time to time.

Notwithstanding anything in this Plan to the contrary, Employees and Retirees shall be permitted to elect to participate in this Plan only if, and to the extent that, their participation is permitted by the contract with the Health Care Organization as in effect from time to time (as described in Section 3.1).

Employees may elect to cover their Spouse and Dependents while Retirees may only elect to cover a Spouse.

(b) Notwithstanding the foregoing, a Retiree who is eligible for employer-subsidized health coverage as an active employee of another employer is not eligible to participate in this Plan while such other coverage is available. An employer who offers a financial incentive to decline health benefit coverage under that employer's plan is considered to be employer-subsidized.

Upon the request of the Township, and in order to establish eligibility for participation in this Plan, a Retiree must provide a written certification stating

- (a) whether another employer contributes towards premiums for health benefit coverage,
- (b) whether the other employer offers a financial incentive to employees or former employees who decline health benefit coverage, or

- (c) that there is no health benefit coverage available from the other employer involving any employer subsidy as described above.

**2.4 Termination of Participation.** Employee Participants, the Spouse or Dependents, and Retiree Participants or their Spouses, will cease to be Participants as of the earlier of:

- (a) the date on which the Employee or Retiree dies, on which date participation shall end for the Employee or Retiree and his or her Spouse, and in the case of an Employee, shall end for his Dependents, or
- (b) the date on which he or she does not continue to make the contribution (if any) required for his or her continued participation, or
- (c) the date on which a Spouse Participant ceases being the Spouse of a Retiree or Employee, or is legally separated from the Retiree or Employee, or
- (d) the date on which a Dependent no longer qualifies as such.

Notwithstanding the foregoing, in the event of circumstances described below, termination of participation shall occur as follows:

- (e) In the event of layoff, the Township will pay the premium for one (1) month beyond the month in which the Employee was laid off.
- (f) In the event of absence due to illness, the Township will pay the premium during such absence, not to exceed three (3) months.
- (g) In the event of absence due to a worker's compensation illness or accident, the Township will pay the premium during such absence, not to exceed one (1) year.

**2.5 Continuation of Coverage for Spouse of Retiree.** Notwithstanding Section 2.4, if the "Qualifying Events" described in Section 2.5(a) occurs and the Spouse of a Retiree would lose coverage under this Plan as a result, continued coverage is available under this Section 2.5.

(a) The Retiree's Spouse ("covered individual") may purchase continuation coverage if the covered individual was a Participant but ceases to be covered under the Plan as a result of divorce or legal separation from the Retiree, or the Retiree's death.

(b) The covered individual must inform the Administrator of a divorce, legal separation or death within 60 days after the date of such occurrence.

(c) Within 14 days of the date the Administrator is notified of the occurrence of an event giving rise to the right to continuation coverage pursuant to this Section, the Administrator shall notify the covered individual of the right to elect continuation coverage. The covered

individual shall have 60 days from the later of (i) the date the notice is received, and (ii) the date such covered individual would otherwise lose coverage, to inform the Administrator of his or her intent to elect continuation coverage.

(d) Continuation coverage shall be available only if the covered individual pays the initial cost of continuation coverage, as well as any service charge permitted under the Code, no later than 45 days after the date the Administrator receives such covered individual's election to continue coverage. The cost of coverage shall be the Township's cost of providing health care to a single individual, based upon the covered individual's age. The cost of continuation coverage shall be determined for each Plan Year by the Township.

If the covered individual does not elect continuation coverage, his or her health coverage under the Plan shall terminate.

(e) If the covered individual chooses continuation coverage, the coverage shall be provided under the health care option elected by him or her prior to termination of his or her active Plan participation. Continuation coverage shall be available for 36 months.

(f) Notwithstanding the foregoing, continuation coverage shall terminate for a covered individual as a result of any of the following:

(1) the Township no longer provides group health coverage to any of its Retirees or its Employees;

(2) the covered individual fails to pay the required contribution for continuation coverage within 30 days after the due date (except for the initial premium payment as provided in (d), above);

(3) after electing continuation coverage, the covered individual becomes covered under another group health plan that either does not exclude pre-existing conditions or may not apply them as a result of the Health Insurance Portability and Accountability Act; or

(4) after electing continuation coverage, the covered individual becomes eligible for Medicare.

(g) If a covered individual elects continuation coverage and an enrollment period occurs while the covered individual is still receiving continuation coverage, the Township shall offer the covered individual the opportunity to elect any of the health care options then offered under the Plan.

**2.6 Continuation of Coverage for Employees and Spouses and Dependent Children of Employees.** Notwithstanding Section 2.4, an Employee Participant or Spouse or Dependent Child of an Employee Participant covered by one of the health care options offered

under the Plan may purchase continuation coverage under such option under this Section 2.6 as follows:

(a) Employees. If an Employee ceases to be a Participant because of a termination of employment (other than by reason of gross misconduct by the Participant) or because of a reduction in the hours of work of the Participant. Any period when a Participant is permitted to remain covered by the Plan without paying the full cost of such coverage after termination of employment shall reduce the available period of continuation coverage described in this Section.

(b) Spouse of Employee. The Spouse of an Employee Participant covered by one of the health care options offered under the Plan may purchase continuation coverage under that option if the Spouse ceases to be covered under the Plan as a result of any of the following "Qualifying Events":

- (1) The death of such Participant;
- (2) the termination of the employment or reduction in hours of work of such Participant (for reasons other than gross misconduct);
- (3) divorce or legal separation from such Participant; or
- (4) the Participant becomes eligible for Medicare.

(c) Dependent Child of a Participant. The Dependent Child of a Participant covered by one of the health care options offered under the Plan may purchase continuation coverage under that option if the Dependent Child ceases to be covered under the Plan as a result of any of the following "Qualifying Events":

- (1) the death of the Participant;
- (2) the termination of the employment or reduction in hours of work of the Participant (for reasons other than gross misconduct);
- (3) the divorce or legal separation of the parents of such Dependent Child;
- (4) the Participant becomes eligible for Medicare; or
- (5) the Dependent Child ceases to be a "Dependent" under the health care option elected by the Participant under the Plan.

A Dependent Child's birth or placement for adoption during a period of continuation coverage shall also be treated as a "Qualifying Event" for such child. Continuation coverage may be purchased for such child, effective as of the date of the child's birth or placement for adoption, for the remainder of such continuation period.

(d) The Participant, Spouse or a family member must inform the Administrator of a divorce, legal separation, or the loss of Dependent status by a Dependent Child, or any other event giving rise to continuation coverage pursuant to this Section within 60 days after the date of such occurrence. The Employer has the responsibility to notify the Administrator of the death, cessation of participation, or Medicare eligibility of the Participant within 30 days after the date of such occurrence.

Within 14 days of the date the Administrator is notified of the occurrence of one of the events giving rise to the right to continuation coverage pursuant to this Section, the Administrator shall notify the Participant, Spouse or Dependent Child of the right to elect continuation coverage. The Participant, Spouse or Dependent Child shall have 60 days from the later of (i) the date the notice is received, and (ii) the date such individual would otherwise lose coverage to inform the Administrator of his intent to elect continuation coverage.

Continuation coverage shall be available only if the Participant, Spouse or Dependent Child pays the initial cost of continuation coverage, as well as any service charge permitted under the Code, no later than 45 days after the date the Administrator receives such individual's election to continue coverage.

If the Participant, Spouse or Dependent Child does not elect continuation coverage, health coverage under the Plan shall terminate.

If the Participant, Spouse or Dependent Child chooses continuation coverage, the coverage shall be provided under the health care option elected by the Participant with respect to the Period of Coverage immediately prior to termination of Plan participation. Continuation coverage shall be available for 18 months if coverage is lost because of termination of the employment of the Participant or a reduction in the hours of work of the Participant. Such coverage shall be extended to 29 months if any covered individual is totally disabled, as defined under Title II or XVI of the Social Security Act, at the time of such termination of employment or reduction in hours of work (or within 60 days thereafter) and so notifies the Administrator within 60 days after the date of such determination or by the end of the initial 18-month coverage period, whichever occurs first. In the case of a second Qualifying Event which occurs with respect to a Spouse or Dependent Child while continuation coverage is in force for such Spouse or Dependent Child as a result of termination of employment or a reduction in hours of work of a Participant, coverage for such Spouse or Dependent Child shall be extended to 36 months from the date of such termination or reduction in hours. In the event that the Participant becomes entitled to Medicare, any continuation coverage to which his Spouse or Dependent Child subsequently becomes entitled shall in no event terminate before 36 months from the date of such entitlement to Medicare. In all other cases, continuation coverage shall be available for 36 months. Notwithstanding the foregoing, continuation coverage shall terminate for a covered individual as a result of any of the following:

- (1) The Employer no longer provides group health coverage to any of its Employees;

(2) the covered individual fails to pay the premium for continuation coverage within 30 days after the due date (except for the initial premium payment as provided herein);

(3) the covered individual becomes covered under another group health plan that either does not exclude pre-existing conditions, or is not permitted by law to apply such pre-existing condition exclusions; or

(4) the covered individual becomes eligible for Medicare.

In the case of a covered individual who is entitled to extended continuation coverage as a result of his total disability, as described above, coverage shall cease in any event on the first day of the month which begins more than 30 days after the date the individual is found to be no longer disabled.

If the Participant, Spouse or Dependent Child elects continuation coverage and an Annual Enrollment Period occurs while such individual is still receiving continuation coverage, the Employer shall offer such individual the opportunity to elect any of the health care options then offered under the Plan.

### **ARTICLE III BENEFITS AND REIMBURSEMENT**

**3.1 Benefits.** This Plan shall provide a Participant with medical benefits through a contract with a Health Care Organization selected by the Administrator for each Plan Year. The actual medical expenses covered, and the extent of coverage, depend solely upon the terms of that contract, as in effect from time to time. Retirees hired after May 1, 1995 (and their Spouses) shall not be eligible for dental and optical coverage.

**3.2 Cost of Benefits.** The cost of health care and medical coverage shall be paid in whole or in part by the Township or by the Participant, as determined by the Township. Participants shall pay all co-pays and deductibles and Expenses not payable through the coverage described on the supplement, and such amounts shall not be reimbursable by the Plan. Participants who are Retirees (and Spouses) shall pay the cost of Medicare Part B.

**3.3 Coordination of Benefits.** No amounts shall be paid with respect to any medical expense for which the Participant, Dependent, Dependent Child or Spouse incurring the expense is reimbursed by insurance or any other source not provided by the Township (an "Other Source" as defined below.) If a Participant, Dependent, Dependent Child or Spouse receives benefits under this Plan and is reimbursed for the expense giving rise to such benefits from any Other Source at any time, he shall remit the amount of such reimbursement to the Township or to the Health Care Organization, as their interests may appear. The benefits provided by this Plan are secondary to any which a Participant, Dependent, Dependent Child or Spouse is entitled to under Medicare and Medicaid or other governmental sponsored program to the extent permitted by law, or under any other medical or health care plan or insurance contract, including any auto insurance contract unless there is a waiver of the auto insurance health benefit coverage. The Plan's benefits will be coordinated with Parts A and B of Medicare. If a Participant or Spouse fails to enroll in Part B, benefits shall be determined as if the Participant or Spouse were so enrolled. Participants and Spouses must pay their own Medicare premiums.

For purposes of this Section 3.3, "Other Source" means coverage under (i) any other medical or health care plan, including a medical reimbursement plan under Internal Revenue Code Section 105(h), (ii) insurance contract; (iii) "no fault" car insurance required by law unless there is a waiver of the auto insurance health benefit coverage, or (iv) any other coverage required by law.

In the event of any conflict between the provisions of this Section 3.3 and the contract with the Health Care Organization, the terms of the Health Care Organization contract shall prevail.

**3.4 Medical Care Expense Payment or Reimbursement.** Expenses provided through a Health Care Organization shall be paid to or for the benefit of Participants pursuant to the Health Care Organization's claims procedures.

**3.5 Pre-Existing Condition.** A pre-existing condition, i.e., an illness or injury for which medical advice, diagnosis, or treatment was received or sought prior to the effective date of Participation, is not excluded from coverage under the Plan.

**3.6 Non-alienation.** No interest of any person in, or right to receive benefits from, this Plan shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind; nor may such interest or right to receive benefits be taken, either voluntarily or involuntarily, for the satisfaction of the debts of, or other obligations or claims against, such person, including claims in bankruptcy proceedings. The preceding sentence shall not apply (a) to the extent required by applicable law, including, without limitation, the Michigan Public Employee Retirement Benefit Protection Act, MCL 38.1681-38.1689, (b) in the event of a forfeiture under the Michigan Public Employee Retirement Benefits Forfeiture Act, MCL 38.2701-38.2705, or (c) for payment of support for a Spouse or former Spouse of a Retiree.

**3.7 Incompetency.** Any elections which may be made by a Participant under this Plan may be made by a duly appointed attorney-in-fact pursuant to a valid power of attorney, or by a guardian or conservator appointed for the Participant by a court of competent jurisdiction, provided that such attorney-in-fact, guardian or conservator furnishes proof of appointment and continued qualification satisfactory to the Administrator. The Administrator's actions pursuant to such election, shall be a complete discharge of any liability of the Plan therefor.



## ARTICLE IV ADMINISTRATION

**4.1 Powers and Authority.** The Administrator shall have any and all power and authority which shall be necessary, advisable, desirable or convenient to enable it to carry out its duties under the Plan, including by way of illustration and not limitation, the powers and authority to make rules and regulations in respect of the Plan not inconsistent with the Plan, the Code, or other applicable law, to determine, consistently therewith, all questions that may arise as to the eligibility, benefits, status and right of any person claiming benefits under the Plan and to construe and interpret the Plan and correct any defect, supply any omissions, or reconcile any inconsistencies in the Plan, such action to be conclusive and binding on all persons claiming benefits under the Plan. Notwithstanding the foregoing, any insurer or contractual provider of benefits to be provided by the Plan retains the responsibility for administering the insurance contract.

**4.2 Administrator.** The Administrator shall supervise the administration of the Plan, except to the extent that benefits under the Plan are provided through a Health Care Organization. It shall be a principal duty of the Administrator to see that the terms of the Plan are carried out for the exclusive benefit of persons entitled to participate in the Plan without discrimination among such persons. The Administrator shall have full discretionary power to administer the Plan in all of its details. For this purpose, the powers and responsibilities of the Administrator shall include, but shall not be limited to, the following, in addition to all other powers and responsibilities provided by the Plan:

- (a) To make and enforce such rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;
- (b) to effect any Plan amendments necessary to prevent discriminatory utilization;
- (c) to interpret the Plan in good faith, such interpretation to be final and conclusive on all persons claiming benefits under the Plan;
- (d) to decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;
- (e) to compute the amount of benefits which shall be payable to any Participant in accordance with the provisions of the Plan, and to determine the person or persons to whom such benefits shall be paid;
- (f) to authorize the payment of benefits;
- (g) to appoint such agents, counsel, accountants, consultants and other persons as may be required to assist in administering the Plan; and

(h) to allocate and delegate the responsibilities of the Administrator under the Plan and to designate other persons to carry out any of such responsibilities, any such allocation, delegation or designation to be in writing.

(i) to correct any defect, supply any omissions or reconcile any inconsistencies in the Plan, such action to be conclusive and binding on all persons claiming benefits under the Plan.

**4.3 Examination of Records.** The Administrator shall make available to each Participant such records under the Plan as pertain to such Participant, for examination at reasonable times during normal business hours.

**4.4 Accounts and Records of the Plan.** The Administrator shall establish and maintain records necessary to determine eligibility and benefits under the Plan, and to reflect all benefits provided and all administrative actions. The Administrator shall maintain such records as long as necessary for proper administration of the plan, and at least for any period required by law.

**4.5 Reliance on Tables, Etc.** In administering the Plan, the Administrator shall be entitled to the extent permitted by law to rely conclusively on all tables, valuations, certificates, opinions and reports which are furnished by or in accordance with the instructions of accountants, counsel or other experts employed or engaged by the Administrator.

**4.6 Nondiscriminatory Exercise of Authority.** Whenever in the administration of the Plan any discretionary action by the Administrator is required, the Administrator shall exercise its authority in a nondiscriminatory manner so that all persons similarly situated will receive substantially the same treatment.


**4.7 Benefit Contracts.** The Township shall have the right (a) to enter into a contract with one or more Health Care Organizations for the purposes of providing any benefits under the Plan; and (b) to replace any of such contracts. Any dividends, retroactive rate adjustments, other refunds of any type, or demutualization payments that may become payable under any insurance contract shall be assets of the Plan.

**4.8 Indemnification.** The Administrator (if a party other than the Township, unless otherwise provided by contract) and all agents and representatives of the Township shall be indemnified by the Township and saved harmless against claims, and the expenses of defending against such claims, resulting from any action or conduct relating to the administration of the Plan except claims arising from gross negligence, willful neglect, or willful misconduct. The Township reserves the right to select and approve counsel and also the right to take the lead in any action in which it may be liable as an indemnitor.

**4.9 Claims and Appeals.** Claims for benefits under this Plan, or with respect to a Participant's right under the Plan, shall be administered in accordance with the claim procedures of the Health Care Organization providing medical benefits. Appeals from claims denied by a Health Care Organization shall be heard by the Administrator but only to the extent that such

appeals are not to be resolved by the Health Care Organization. Claims procedures are designed to provide a full and fair opportunity to obtain a review of any adverse benefit determination.

**4.10 Expenses of Administration.** Any proper expense incurred by the Township or the Administrator relative to the administration of the Plan shall be paid by the Plan if not paid directly by the Township. No person who is an employee of the Township shall receive any compensation for performing the duties of Administrator under the Plan, provided that the Plan or Township may reimburse such employee for any reasonable expenses of administration of the Plan paid for by such employee.



## ARTICLE V CHANGES IN THE PLAN

**5.1 Amendment and Termination of the Plan.** The Township may make any modifications or amendments to the Plan that are necessary or appropriate to qualify or maintain the Plan as a plan meeting the requirements of the applicable sections of the Code or other applicable law. The Township reserves the right to amend, modify or terminate the Plan, by resolutions approved by the Township Board, at any time, provided that any benefits due a Participant prior to the time of such amendment, modification or termination shall be paid in accordance with the Plan and any contract with a Health Care Organization. Notwithstanding the preceding sentence, with respect to the Township's former Police Chief ("Chief") who Retired on August 31, 2002 (and his Spouse):

(a) Benefits shall be maintained pursuant to this Plan which are similar to benefits for active Employees of the Township, consistent with benefits which are available on a Medicare-complimentary basis through a Health Care Organization;

(b) The benefits described in (a) above shall be maintained for the duration of the Chief's life, so long as the Township is able to obtain a contract from a Health Care Organization for that purpose; and

(c) In the event this Plan is terminated with respect to all Retirees other than the Chief, or as to all active Employees and Retirees other than the Chief, the Chief (and Spouse) shall thereafter continue to pay the same percentage of the total premium to the Health Care Organization as he (and Spouse) paid immediately prior to such termination.

## ARTICLE VI MISCELLANEOUS PROVISIONS

**6.1 Information to be Furnished.** Participants shall provide the Township and Administrator with such information and evidence, and shall sign such documents, as may reasonably be requested from time to time for the purpose of administration of the Plan.

**6.2 Limitation of Rights.** Neither the establishment of the Plan nor any amendment thereof, nor the payment of any benefits, will be construed as giving to any Participant or other person any legal or equitable right against the Township, Township Board, or the Administrator, except as provided herein.

**6.3 Illegality of Particular Provision.** The illegality of any particular provision of this Plan shall not affect the other provisions, but the Plan shall be construed in all respects as if such invalid provisions were omitted.

**6.4 Effect of Mistake.** In the event of a mistake as to the eligibility or participation of a Participant, or the benefits payable with respect to any Participant, the Administrator shall, to the extent it deems feasible, correct such mistake.

**6.5 Applicable Laws.** The Plan shall be governed and construed according to the laws of the State of Michigan, the Code, and any other applicable federal laws, rules, or regulations, and all the provisions hereof, shall be administered in accordance therewith.

**6.6 Construction.** The headings and subheadings contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge or describe the scope or intent of the Plan nor in any way shall affect the Plan or the construction of any provision thereof. In any necessary construction, the masculine shall include the feminine and the singular the plural, and vice versa.

**SUPPLEMENT TO METAMORA TOWNSHIP  
MEDICAL CARE PLAN**

*Effective on the initial Effective Date*

The contracts with Health Care Organizations providing benefits are (a) an insurance contract with Community Blue PPO which provides optical and medical benefits, and (b) an insurance contract with also above providing dental benefits.

Covered medical expenses shall be as prescribed in the contract, and will not be paid by the Plan other than through the contract.

**SECTION IV**

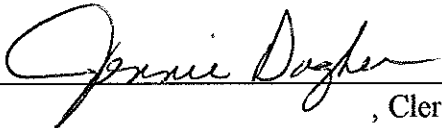
The township hereby ratifies and confirms the validity of any health, hospitalization, medical and surgical service and expense, coverage, or any one or more of such forms of insurance in existence on the effective date of this ordinance.

**SECTION V**

**Effective Date; Publication**

This ordinance shall take effect on the date of its publication. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

**METAMORA TOWNSHIP**

  
\_\_\_\_\_, Clerk

Township Board ordered notice of adoption to be published in Lapeer County Press on December 6, 2015. A true and complete copy of the above ordinance may be purchased or inspected at the office of the Township Clerk, 730 West Dryden Road, Metamora, Michigan 48455, Mondays through ~~Fridays~~ Thursdays, except holidays, during regular Township business hours.

***Summary of Metamora Township Ordinance No. 39, known as the "Metamora Township Medical Care Plan," amending Ordinance No. 39 of 1999, known as the "Metamora Township Group Insurance Plan Ordinance."***

***Purpose of Ordinance***

The "Metamora Township Group Insurance Plan Ordinance" is being amended in order to restate the Township group insurance plan covering health, hospitalization, medical and surgical service and expense, of certain classes of township officers, employees and their spouses and dependents, and certain retirees and their spouses; to define eligibility and benefit entitlements of those classes of officers and employees who shall be covered by the group insurance plan; and to repeal all ordinances or parts of ordinances in conflict herewith. This Ordinance reaffirms and amends the Township's Medical Care Plan (hereinafter the "Plan") as set forth in Ordinance No. 39 and as it may be amended from time to time. The Plan shall provide a Participant with medical benefits through a contract with a Health Care Organization selected by the Administrator for each Plan Year. The actual medical expenses covered, and the extent of coverage, depend solely upon the terms of that contract, as in effect from time to time.

***Plan Costs***

The cost of health care and medical coverage shall be paid in whole or in part by the Township or by the Participant, as determined by the Township. Participants shall pay all co-pays and deductibles and Expenses not payable through the coverage described on the supplement, and such amounts shall not be reimbursable by the Plan. Participants who are Retirees (and Spouses) shall pay the cost of Medicare Part B.

***Creation of Retiree Segment***

The ordinance adds important new language regarding the creation of a "retiree segment," and extends coverage to those employees defined as a retiree under the plan. A "retiree" means a former Full-Time police officer Employee of the Township who was hired by the Township prior to April 1, 2004, who begins to receive an unreduced pension benefit immediately upon retirement from the Township, and who meets the eligibility requirements as specified in the ordinance. Retirees hired after May 1, 1995 (and their Spouses) shall not be eligible for dental and optical coverage.

***Continuation Coverage***

The Retiree's Spouse or dependent children may purchase "continuation coverage" under the ordinance if the covered individual was a Participant but ceases to be covered under the Plan as a result of divorce or legal separation from the Retiree, or the Retiree's death, so long as the requirements are met and the Township continues to provide health care coverage.

***Medical Care Plan Administrator***

The Ordinance establishes the new title of "Administrator" of the Plan. The Administrator shall be appointed by the Township and the Administrator shall supervise the administration of the Plan, except to the extent that benefits under the Plan are provided through a Health Care Organization. No person who is an employee of the Township shall receive any compensation for performing the duties of Administrator under the Plan, provided that the Plan or Township may reimburse such employee for any reasonable expenses of administration of the Plan paid for by such employee. It shall be a principal duty of the Administrator to see that the terms of the Plan are carried out for the exclusive benefit of persons entitled to participate in the Plan without discrimination among such persons. The Administrator shall have full discretionary power to administer the Plan in all of its details.

***Reservation of Authority to Modify or Terminate***

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or terminate the Plan, by resolutions approved by the Township Board, at any time, provided that any benefits due a Participant prior to the time of such amendment, modification or termination shall be paid in accordance with the Plan and any contract with a Health Care Organization.

*This is a Summary of the Ordinance, Only*

This is a summary of Ordinance 39, as allowed by operation of MCL 41.184; the actual Ordinance is much longer. A copy of the entire Ordinance may be obtained from the Township Clerk by request at the Metamora Township offices located at 730 W. Dryden Road, Metamora, Michigan, M-Th, 9:00 a.m.- 5:00 p.m.



730 W. Dryden Rd.  
Metamora, MI 48455  
810-678-2237  
810-678-3209  
[Web address]

From the Desk of Jennie Dagher  
Metamora Township Clerk



# Fax

To: County Press - Stacie From: Jennie  
Fax: 6676309 Pages: 1  
Phone: \_\_\_\_\_ Date: 12/5/05  
Re: Publication of <sup>amendment to</sup> Tap Ord #39

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

• **Comments:** If you have received this fax in error please notify the sender immediately by phone.  
Any dissemination, distribution, or duplication of this communication is strictly prohibited.

*Please Publish on Dec 6, 2005*

*Thanks  
Jennie*

TRANSMISSION VERIFICATION REPORT

TIME : 12/05/2005 14:38  
NAME : METAMORA TWP  
FAX : 8106783209  
TEL : 8106782237  
SER.# : BROF5J291496

DATE, TIME  
FAX NO./NAME  
DURATION  
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MODE

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*extra Copies of  
Twp Ord #39  
Summary*

KOHL, HARRIS, NOLAN & McCARTHY, P.C.

ATTORNEYS AND COUNSELORS AT LAW  
4000 S. Oak Street, Suite 200  
P.O. Box 70  
Metamora, Michigan 48455-0070

Telephone (810) 678-3645  
Facsimile (810) 678-3510

KONRAD D. KOHL  
MALCOLM A. HARRIS  
MICHAEL J. NOLAN  
DENIS J. McCARTHY  
WILLIAM M. OGDEN

OF COUNSEL:  
RICHARD D. SULLIVAN  
KATHALEEN SULLIVAN-BROWN

December 5, 2005

Jennie Dagher  
Metamora Township  
730 W. Dryden Road  
Metamora, MI 48455

RE: Summary of Ordinance 39 for Publication

Dear Ms. Dagher:

Enclosed please find three copies of the proposed Summary of Ordinance Number 39 for publication purposes. You may only need one; the extras are for your file. Reduction from its 22 pages to 1 1/4 page was the best I could do and still have any flavor of the actual ordinance left.

If it would be beneficial to you to have this summary sent to you via email, just let us know. If you have any questions or concerns in this matter, please contact me at your convenience.

Very truly yours,

KOHL, HARRIS, NOLAN & McCARTHY, P.C.

  
Michael J. Nolan

MJN/av  
Enclosures

cc: Dave Best, Supervisor  
file

KOHL, HARRIS, NOLAN & McCARTHY, P.C.

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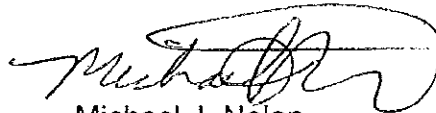
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