

**GRANTOR TRUST ADOPTION AGREEMENT  
AND SCHEDULES**



**EMERITI®**  
RETIREMENT HEALTH SOLUTIONS

## ADOPTION AGREEMENT FOR EMERITI FULLY-INSURED RETIREE HEALTH MODEL PLAN

*This Adoption Agreement is designed to be used in conjunction with the Emeriti Fully-Insured Retiree Health Model Plan (hereinafter the "Plan Document") to establish a fully-insured plan for select Employees of the Plan Sponsor (hereafter the "Fully-Insured Plan" or "Plan"). Each institution (hereinafter the "Plan Sponsor") establishing a Fully-Insured Plan should review this document with the assistance of its own legal counsel prior to execution.*

### **Plan Design Elections**

*Each Plan Sponsor establishing a Fully-Insured Plan must complete and execute an Adoption Agreement defining its key provisions utilizing the Grantor Trust. The Adoption Agreement affords each Plan Sponsor the opportunity to tailor its Fully-Insured Plan, the terms of which are set forth in the Plan Document, to reflect institutional priorities, policies and practices.*

*Plan Sponsors should refer to the Plan Document for further elucidation of key provisions that the Plan Sponsor may elect as part of its Fully-Insured Plan. Capitalized terms used in the Adoption Agreement are defined in the Plan Document. Any ambiguities arising from the provisions or elections in this Adoption Agreement shall be resolved by reference to the Plan Document, and, to the extent there is a conflict between them, the provisions of the Plan Document shall prevail.*

*Please note that the Emeriti Fully-Insured Retiree Model Health Plan has rules that distinguish it from the Emeriti Retiree Health Model Plan (which is the VEBA Trust-based Plan). Some of the key distinctions are the following:*

- *The Fully-Insured Plan cannot be a stand-alone plan. It may be established only in conjunction with the Plan Sponsor's establishment of a VEBA Trust-based plan or Section 115 Trust-based plan utilizing the Emeriti Retiree Model Health Plan.*
- *The Plan's associated trust ("Grantor Trust") is funded solely by the Employer, and the assets contributed to the Trust remain owned by the Employer and subject to its general creditors. No Participant contributions are permitted.*
- *Amounts credited to accounts established under the Fully-Insured Plan for each Participant ("Insurance Premium Accounts") may be used to pay premiums for Health Insurance Coverage offered under the Emeriti Program and premiums for other fully-insured health coverage. The amounts credited to accounts cannot be used to reimburse the Participant for other medical expenses he or she may otherwise incur (such as out-of-pocket medical costs not covered by insurance).*
- *The Fully-Insured Plan provides an Employer with greater flexibility in determining which current and former employees are eligible to participate in this Plan.*



- *The Insurer may require that the Plan Sponsor make certain funding commitments into the Grantor Trust for insurance coverage for eligible Participants in this Fully-Insured Plan that are different from Employer Contributions into the VEBA Trust associated with the Emeriti Retiree Health Plan.*

### **Plan Amendment**

*The Plan Sponsor may amend the Adoption Agreement and accompanying Schedules of the Fully-Insured Plan at a later date. To do so, the Plan Sponsor must provide written notice to Emeriti certifying that the Plan Sponsor recognizes its responsibility for assessing the legality of amendments and ensuring their proper implementation, including the provision of notices to Participants to the extent required under ERISA, or any other applicable law. Proposed amendments must be reviewed and approved by Emeriti prior to their adoption.*

### **Other Required Documents**

*In addition to this Adoption Agreement, the following documents must also be completed and executed:*

- *Emeriti Program Membership Contract*
- *Insurer Joinder Agreement*
- *Grantor Trust Agreement*

*For assistance in completing this Adoption Agreement or for questions about the Emeriti Program generally, please call Emeriti at (866) 685-6565.*

## **I. BASIC PLAN INFORMATION**

- A. The name of the adopting Plan Sponsor (i.e. the Member Organization identified in the Emeriti Program Membership Contract) is:

Saint Mary's College of California

- B. The Plan Sponsor's Federal "Employer Identification Number" is:

94-1156599

- C. The three-digit Plan Identification Number shall be:

626

**Note:** *The Fully-Insured Plan is assigned its own Plan Identification Number, which should be 501 or higher based upon the Plan Sponsor's currently assigned plan identification numbers for its health and welfare benefit plans.*



- D. The name of the Plan shall be the Emeriti Fully-Insured Retiree Health Plan for **Emeriti Fully-Insured Retiree Health Model Plan for Saint Mary's College of California ("Grantor Trust Plan")**

[insert name of adopting Plan Sponsor listed in Section I.A above] (hereinafter referred to as the "Fully-Insured Plan").

- E. Participating Affiliates.

The definition of "Employer" under the Fully-Insured Plan includes the Plan Sponsor and any participating Affiliates identified below. (See Section 2.13 of the Plan Document for the definition of the term "Employer" and Section 2.2 of the Plan Document for the definition of the term "Affiliate.")

**Please check one box:**

- No affiliate of the Plan Sponsor shall participate in this Fully-Insured Plan as an Affiliate.

OR

- The Affiliates identified (*please complete Schedule A*) shall participate in the Fully-Insured Plan, and each shall be considered an Employer under this Plan.

- F. The Effective Date of the Fully-Insured Plan shall be: January 1, 2017

## II. EMPLOYEE ELIGIBILITY CRITERIA

In this section, the Plan Sponsor must specify which current and former Employees are eligible to participate in the Fully-Insured Plan. Only those Employees identified below and listed individually or by classification on Schedules C or D of this Adoption Agreement shall be considered Eligible Employees. (See Plan Document section 2.9 defining "Eligible Employee" and section 2.26, defining "Participant.")

**Please check all applicable boxes:**

- Current Employees who satisfy the criteria set forth in Schedule C (or who are otherwise identified or named in Schedule C) and who retire after the Effective Date of the Fully-Insured Plan are Eligible Employees, who may obtain Health Insurance Coverage upon satisfaction of Retirement Eligibility criteria. (*If this Box is checked, please complete Section III and Schedule C.*)

- Former retired Employees who satisfy the criteria set forth in Schedule D (or who are otherwise identified or named in Schedule D) and who retired on or before the Effective Date of this Fully-Insured Plan are Participants in the Plan. (*If this Box is checked, please complete Schedule D.*)



### III. BENEFIT ELIGIBILITY CRITERIA FOR CURRENT EMPLOYEES

Eligible Employees who satisfy Retirement Eligibility criteria elected below are eligible to obtain fully-insured Health Insurance Coverage under this Plan.

A. "Retirement Eligibility" means the following:

**Please check one box and complete required information:**

- Refer to Schedule C
- the attainment of age 55 and performance of 10 or more Years of Continuous Service.

**OR**

- performance of 5 (enter 5 or a greater number) Years of Continuous Service.

B. Late Hire Provision of Retirement Eligibility

Employers may include an expanded definition of Retirement Eligibility for those Employees who may not be able to fulfill the minimal Years of Continuous Service established in the standard definition above by first eligibility for Medicare. This provision enables "late hires" to more readily qualify for post-65 Health Insurance Coverage under this Fully-Insured Plan.

**Please check one box:**

- The Fully-Insured Plan does not utilize an expanded definition of Retirement Eligibility for late hires.

**OR**

- The Fully-Insured Plan utilizes an expanded definition of Retirement Eligibility for late hires.

**Note:** *Prior to making this election, the Plan Sponsor should review the joinder agreement of the Insurer(s) to understand the Insurer's subsidy rules and underwriting requirements.*

#### IV. EMPLOYER OPTIONS FOR HEALTH INSURANCE COVERAGE

##### A. Optional Health Insurance Coverage For Domestic Partners

The Plan Sponsor may elect to provide coverage to the Domestic Partners of Eligible Employees and former Employees (identified on Schedules C and D).

**Note:** *All Domestic Partners (i.e., Dependent Domestic Partners and Non-Dependent Domestic Partners) may be eligible for Health Insurance Coverage (see Plan Document sections 2.7 and 2.8), if the Plan Sponsor so elects. However, Health Insurance Premiums paid for Non-Dependent Domestic Partner coverage from the Grantor Trust may be treated as income to the Participant and trigger tax-reporting obligations for which the Employer is responsible.*

Please check the appropriate boxes.

Domestic Partners may enroll in Health Insurance Coverage provided the Participant satisfies all Retirement Eligibility and other criteria for his or her own coverage, and the Domestic Partner is properly designated by the Participant.

OR

The Fully-Insured Plan does not permit the Domestic Partner of a Participant to enroll in Health Insurance Coverage.

##### B. Coverage for Early Retirement of Eligible Employees

The Employer may elect, as part of its Fully-Insured Plan, pre-65 health insurance coverage for Eligible Employees from age 60 to Medicare eligibility, subject to the Insurer's subsidy requirements.

**Note:** *The Plan Sponsor must have elected to provide pre-65 coverage in the Emeriti Retiree Health Model Plan (VEBA Trusts) in order to provide pre-65 coverage under the Fully-Insured Plan*

Please check one box:

The Plan Sponsor elects employer-subsidized, pre-65 retiree Health Insurance Coverage under the Fully-Insured Plan.

OR

The Plan Sponsor does not elect pre-65 retiree Health Insurance Coverage under the Fully-Insured Plan.



**V. PLAN SPONSOR'S EXECUTION OF ADOPTION AGREEMENT**

Having made the elections described in this Adoption Agreement, the Plan Sponsor hereby adopts the Fully-Insured Plan (consisting of this Adoption Agreement, including Schedules, and the attached Plan Document for the Emeriti Fully-Insured Retiree Health Model Plan). The Plan Sponsor acknowledges that the Fully-Insured Plan shall become effective only if the accompanying Membership Contract and Grantor Trust Agreement are executed by the parties thereto.

The Plan Sponsor also acknowledges its obligations to conduct an annual plan audit and to submit annual reports and other filings that may be required under ERISA and the Internal Revenue Code, or any other law, such responsibilities to be carried out at its own expense.

If the Plan Sponsor has elected to provide Non-Domestic Dependent Partners with access to Health Insurance Coverage under this Fully-Insured Plan, the Plan Sponsor acknowledges its tax obligations arising from the provision of this benefit and the tax limitations on the availability of the benefit under current IRS rulings.

The Plan Sponsor, on its own behalf and on behalf of each Participating Affiliate, will fully comply with the obligations set forth in Article XII of the Plan Document, Health Privacy and the Privacy Rule, in accordance with Section 164.504(f) of the Standards for Privacy of Individually Identifiable Health Information, 45 CFR Part 160 and Part 164 (the "Privacy Rule") and will be subject to the breach notifications under the Health Information Technology for Economic and Clinical Health Act (HITECH) of 2009.

The Plan Sponsor has reviewed the foregoing Adoption Agreement and the aforementioned documents and consulted with its own legal counsel prior to their execution.

**FOR THE PLAN SPONSOR AND AFFILIATES:**

Signature: Susan H. Wallace

Name: Susan H. Wallace

Title: Vice-President for Finance and Administration

Date: 4/15/17

**ACCEPTED BY EMERITI:**

Signature: R. Montgomery

Name: R. MONTGOMERY

Title: V.P. FINANCE

Date: April 06, 2017

# GRANTOR TRUST SCHEDULES



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**SCHEDULE A**  
**PARTICIPATING AFFILIATES OF THE PLAN SPONSOR**  
 (Reference: Section I.E)

The organizations identified below, shall be Participating Affiliates under the Plan. The Plan Sponsor warrants that it has determined with its legal counsel that the Plan Sponsor and such Participating Affiliates are under "common control" within the meaning of Section 414(c) of the Internal Revenue Code and any applicable Internal Revenue Service guidance there under. The Plan Sponsor assumes full responsibility for such designation.

Name of Participating Affiliate	Federal Employer Identification Number
N/A	

**Note:** *The Plan Sponsor must complete Schedule B with respect to Membership Status Verification for each Participating Affiliate added to the Plan and provide proof of its tax-exempt status under Section 501(c)(3) or other provision of the Internal Revenue Code.*

**SCHEDULE B**  
**MEMBERSHIP STATUS VERIFICATION**

(Reference: Section I.E)

Each Plan Sponsor and each Affiliate identified in Schedule A of this Adoption Agreement must satisfy membership criteria established by the Emeriti Consortium.

**I. Please check the applicable boxes and, as necessary, complete the statements below. You must complete a separate Schedule B for each Affiliate, as well as one for the Plan Sponsor.**

A. The name of the adopting Plan Sponsor is:

Saint Mary's College of California

B. Plan Identification Number:

626

C. This Verification is for:

Plan Sponsor

OR

Following Affiliate:

D. The organization identified in I.C. above is the following type of organization:<sup>1</sup>

College or University     Elementary or Secondary School     Museum or Library

Research Organization     Member Association     Charitable Foundation

**II. Please identify the tax status of the organization.**

A.  The organization  [is]    OR     [is not] a Section 501(c)(3) organization.

B. If the organization is not a Section 501(c)(3) organization, please identify tax status:

C. Please enclose documentary verification of the organization's tax status with this Schedule.

<sup>1</sup> Please note that in order to satisfy requirements of the Securities and Exchange Commission under an applicable no-action letter issued to Emeriti, certain types of organizations will also be required to demonstrate a specified level of budgetary expenditures on education-related activities

**SCHEDULE C**  
**CURRENT EMPLOYEES ELIGIBLE TO PARTICIPATE IN THE FULLY-INSURED PLAN**  
(Reference: Section II)

The following individual Employees or classes of Employees shall be considered Eligible Employees under the Plan. An account shall be established in each such individual's name and to which the Employer will credit an amount determined in the Plan Sponsor's sole discretion, subject to any requirements established by Emeriti and/or the Health Insurer, including, but not limited to, any contracts entered into between the Plan Sponsor and Emeriti or the Plan Sponsor and the Health Insurer (see Plan Document Article III).

**Please identify each Eligible Employee or each class of Eligible Employees below. If an Affiliate of the Plan Sponsor participates in this Plan, clearly indicate the name of the Affiliate for whom the Employee(s) works.**

1. Employees entering into written separation agreements with the College providing for contributions to the Grantor Trust. \_\_\_\_\_  
\_\_\_\_\_
2. Same-sex and opposite-sex Domestic Partners of Eligible Employees may be eligible provided they are registered as a domestic partnership under California Family Code Section 297 ("Registered Domestic Partners"). A Registered Domestic Partner may be either a Dependent Domestic Partner or a Non-Dependent Domestic Partner under the Plan. Domestic partners who are not Registered Domestic Partners or who are not eligible to become Registered Domestic Partners are not eligible for benefits under the Plan. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_
4. \_\_\_\_\_  
\_\_\_\_\_
5. \_\_\_\_\_  
\_\_\_\_\_

**Attach additional copies of this form (or a list of additional Eligible Employees or classes of Eligible Employees), if necessary.**

**SCHEDULE D**  
**FORMER RETIRED EMPLOYEES ELIGIBLE FOR HEALTH INSURANCE COVERAGE**  
(Reference: Section II)

The following former retired Employees, or classes of former retired Employees, each of whom has retired on or before the Effective Date shall be eligible for Health Insurance Coverage under the Plan. An account shall be established in each such individual's name to which the Employer will credit an amount determined in the Plan Sponsor's sole discretion, subject to any requirements established by Emeriti and/or the Insurer, including, but not limited to, any contracts entered into between the Plan Sponsor and Emeriti or the Plan Sponsor and the Insurer (see Plan Document Article III and section 6.1(m)).

Please identify below each former retired Employee, or class of former retired Employees participating in the Plan. If an Affiliate of the Plan Sponsor participates in this Plan, clearly indicate the name of the Affiliate that had employed the Participant(s) at the time her or she retired.

1.      N/A    
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2.    \_\_\_\_\_  
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5.    \_\_\_\_\_  
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\_\_\_\_\_

**Attach additional copies of this form (or a list of additional individual former retired Employees or classes of former retired Employees), if necessary.**

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