



# Medicare Marketplace & HRA Program

Effective January 1, 2026

# Medicare Marketplace & HRA Program

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## Article 1 – General Purpose

**1.01 History.** This Plan is an amendment and restatement of the Medicare Marketplace and HRA Program (which was formerly called the Medicare Connector Program and contained within the HealthFlex Plan document), effective January 1, 2026. The Plan was most recently amended and restated to reflect the name change of The General Board of Pension and Health Benefits of The United Methodist Church to Wespath, the transfer of the Plan Trustee role from UMC Benefit Board, Inc. to Wespath, and other clarifying changes. On January 1, 2022, the Plan was previously amended and restated and spun off from the HealthFlex Plan to become a stand-alone plan.

### 1.02 Nature of Plan.

- (a) The Plan is intended to be a program of one or more church-sponsored employee welfare benefit plans within the meaning of ERISA §3(1), and an instrumentality of Wespath. Plan Sponsors may or may not be Affiliates of one another. For the purpose of Code §414(e), the Plan Sponsors are each intended to be a church, a convention or association of churches (within the meaning of Code §414(e)(3)(C)), or an organization controlled by or associated with a church or a convention or association of churches (within the meaning of Code §414(e)(3)(D)). Accordingly, the Plan Sponsors are intended to be one employer for the purpose of Code §414(e). Further, the Plan is intended to meet the requirements of a “church plan” as that term is defined in Code §414(e) and ERISA §3(33), and to be exempt from ERISA as a Church Plan to the extent permitted under Code §410(d) and ERISA §4(b)(2), and any other applicable law. As a Church Plan, the Plan is also intended to be exempt from COBRA continuation coverage requirements pursuant to Code §4980B(d) and Treasury Regulations §54.4980 B-2, Q. and A. No. 4.
- (b) The Medicare marketplace component of the Plan functions as a private exchange for retired Employees and other Medicare-eligible individuals associated with a Plan Sponsor, through which such individuals can purchase individual Medicare Supplement Plans or Medicare Advantage Plans. The Plan also allows Plan Sponsors to provide financial assistance through HRAs to their Participants for the payment of retiree health plan premiums, premiums for individual Medicare Supplement Plans or Medicare Advantage Plans, and out-of-pocket medical expenses. The HRA component of the Plan is intended to qualify as an employer-provided medical reimbursement plan under Code §105 and §106 and the Treasury Regulations issued thereunder, and as a health reimbursement arrangement as defined under IRS Notice 2002-45, and shall be interpreted to accomplish that objective. The Eligible Medical Care Expenses reimbursed under the HRA are intended to be eligible for exclusion from Participants’ gross income under Code §105(b).
- (c) Wespath shall not pay the fees related to the Patient-Centered Outcomes Research Institute (PCORI) established under §6301 of the PPACA related to any Participants of Plan Sponsors in the Plan; any such PCORI fees due related to Participants shall be paid by the applicable Plan Sponsor.

**1.03 Defined Terms.** As used in this Plan, capitalized terms, including acronyms, have the meanings set forth in Article II. When not set forth in that Article or another Article,

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capitalized terms have the meanings set forth in predecessor plans or the meanings given to them in *The Book of Discipline*, or applicable laws or regulations.

**1.04 Funding.** Contributions to fund the benefits provided under the Plan are made by the Plan Sponsors as provided in the Plan. The obligations of the Plan Sponsors and Salary-Paying Units under this Plan may be funded through contributions to a trust, but need not be, except to the extent required by law. Nothing contained in the Plan shall give a Participant any right, title or interest in any property of the Plan Sponsors and Salary-Paying Units. Wespath shall not be responsible for funding any benefits under the Plan (except in its role as a Plan Sponsor and only with respect to its covered Employees). The Plan Sponsor agrees to indemnify Wespath against any and all actions, causes of action, claims, demands, and liabilities incurred by any failure, actual or alleged, of the Plan Sponsor to fund benefits under the Plan.

### **1.05 Plan Sponsors.**

- (a) ***Eligible Entities.*** Subject to the limitations of Code §414(e)(2) and subsection (b) below, any of the following entities that is eligible to participate in an employee welfare benefit plan that is a Church Plan and is approved by Wespath is eligible to execute an Adoption Agreement to be a Plan Sponsor under the Plan:
- (i) An entity that is:
    - (A) controlled by or associated with The United Methodist Church or an autonomous affiliated church; and
    - (B) a Code §501(c)(3) organization or a self-employed minister within the meaning of Code §414(e)(5)(A)(i)(I).
  - (ii) An entity:
    - (A) that does not satisfy paragraph (a)(i); but:
    - (B) that pays one or more Clergypersons who are Under Episcopal Appointment, or appointed by a Disaffiliated Church, to such entity; and
    - (C) that sponsors the Plan with respect to any such Clergyperson who qualifies under Code §414(e)(3)(B)(i), even though The United Methodist Church or a Disaffiliated Church is deemed to be such Clergyperson's employer under Code §414(e)(3)(C). Notwithstanding the foregoing, any such Clergyperson will be treated as a Clergy Employee of the Plan Sponsor for the purposes of this Plan.
  - (iii) An entity described in Code §414(e)(2), provided that Wespath determines that the number of Participants covered by such Plan Sponsors meets the limits of Code §414(e)(2).

No other entity may be a Plan Sponsor of the Plan.

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- (b) ***Covered Employees.*** Plan Sponsors who qualify under Section 1.05(a) above may execute an Adoption Agreement with respect to the following types or classes of Employees:
- (i) Retired Employees;
  - (ii) Clergy Employees; and
  - (iii) Lay Employees.

Subject to rules adopted by Wespeth and the coverage and nondiscrimination requirements of the Code and Treasury Regulations, a Plan Sponsor may elect to cover only certain categories of Employees and/or may elect to provide different levels of HRA contributions to different categories of Employees.

- 1.06 Adoption of the Plan.** An eligible Plan Sponsor may adopt the Plan in accordance with Article VII and the terms of an Adoption Agreement. A Plan Sponsor may discontinue sponsoring the Plan in accordance with Article VII and the terms of its Adoption Agreement.

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## Article II – Definitions

Each word and phrase defined in this Article II shall have the following meaning whenever such word or phrase is capitalized and used herein, unless a different meaning is clearly required by the context of the Plan. The definition of any term herein in the singular may also include the plural.

- 2.01 Active Conference Member.** A Clergyperson who is not a terminated or retired Conference member.
- 2.02 Adoption Agreement.** An agreement executed by each Plan Sponsor and accepted by Wespath that is a part of this Plan and is the means by which a Plan Sponsor adopts the Plan and specifies eligibility provisions, which are a part of any Plan as to that Plan Sponsor.
- 2.03 Affiliate.** Any entity that is:
- (a) a corporation that is a member of the same controlled group of corporations, as defined in Code §414(b), as a Plan Sponsor;
  - (b) a trade or business, whether or not incorporated, that is under common control with a Plan Sponsor within the meaning of Code §414(c);
  - (c) a member of the same affiliated service group, as defined in Code §414(m), as a Plan Sponsor; or
  - (d) otherwise required to be aggregated with a Plan Sponsor pursuant to Regulations issued under Code §414(o), but that is not itself a Plan Sponsor.
- 2.04 Associate Member.** A person elected to associate membership in an Annual Conference within the meaning of ¶321 or ¶322 of *The Book of Discipline*.
- 2.05 Bishop.** A bishop of The United Methodist Church elected by a Jurisdictional Conference in accordance with ¶405 of *The Book of Discipline* and continuing to serve under Section III of Chapter Three of Part VI of *The Book of Discipline*.
- 2.06 The Book of Discipline.** *The Book of Discipline of The United Methodist Church 2020/2024*, the body of church law as established by General Conference, as amended and restated from time to time. Cited paragraphs or other subdivisions are deemed to refer to successor provisions when an amendment or restatement of *The Book of Discipline* causes a change in location or citation.
- 2.07 Church Plan.** An employee benefit plan established and maintained for its employees by a church or by a convention or association of churches as established in §414(e) of the Code and §3(33) of ERISA. Church plans are exempt from the requirements of Title I of ERISA by §4(b)(2) of ERISA and from COBRA continuation requirements by §4980B(d) of the Code and §54.4980 B-2, Q, and A. No. 4 of the Treasury Regulations.
- 2.08 Claim.** A Claim for HRA reimbursement is notification in a form acceptable to the Third-Party Administrator that a qualified service has been rendered or furnished to a Participant

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and a request for reimbursement of charges for the service has been made. The Claim must include a Participant's name, the name of the provider, an itemized statement of the service rendered or furnished, the date of service, the charge, and any other information that the Third-Party Administrator may request.

**2.09 Claimant.** A Participant or Dependent who makes a Claim for benefits under the Plan or who appeals the denial of such a Claim, or such person's representative.

**2.10 Clergy Employee.** An Employee who is:

- (a) a Clergy person who is an Active Conference Member and Under Episcopal Appointment to, or on a Leave of Absence from, a Plan Sponsor;
- (b) a Bishop; or
- (c) a clergy person who is employed by a Disaffiliated Church.

**2.11 Clergy person.** One of the following persons who is not a Bishop:

- (a) an Elder in Full Connection;
- (b) a Deacon in Full Connection;
- (c) a Local Pastor;
- (d) a Provisional Member;
- (e) an Associate Member;
- (f) a clergy person of another denomination within the meaning of ¶346.1 or ¶346.2 of *The Book of Discipline*; or
- (g) a clergy person employed by a Disaffiliated Church.

With respect to such Clergy persons under section (g), the terms of the Plan will be interpreted by Wespath in a manner that it deems reasonable and appropriate under the circumstances; for example, definitions that apply only to Clergy persons of The United Methodist Church (such as "Under Episcopal Appointment", "Conference", or *The Book of Discipline* definitions) will be deemed inapplicable to Clergy persons of a Disaffiliated Church, and will instead be interpreted in a manner that is reasonable and appropriate in that context.

**2.12 Code.** The Internal Revenue Code of 1986, as amended from time to time, and any regulation, ruling, or other administrative guidance issued pursuant thereto by the Internal Revenue Service.

**2.13 Conference.** Any Annual Conference, Provisional Conference, or Missionary Conference that is described in *The Book of Discipline* and is located in a Jurisdictional Conference.

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**2.14 Deacon in Full Connection.** A member of the Order of Deacons within the meaning of ¶328-¶331 of *The Book of Discipline* who is a member of a Conference and not a Provisional Member.

**2.15 Dependent.** Any individual who qualifies as an eligible dependent of a Participant and who is eligible to participate in the Plan under the rules and policies of the Plan Sponsor. A Dependent may also be an HRA Dependent if he or she satisfies the eligibility rules of his or her Plan Sponsor. For purposes of an HRA, the HRA does not cover expenses of dependents defined in Code §152 who are not covered under the Plan.

**2.16 Disabled.** Any of the following with respect to an Employee:

- (a) determined to be disabled by the Social Security Administration;
- (b) being disabled under the terms of the Comprehensive Protection Plan, Basic Protection Plan or UMLifeOptions Plan, as those plans are amended from time to time, or a successor plan; or
- (d) being determined to be disabled by Wespath or its agents on the basis of objective medical evidence that the Employee is unable to perform the usual and customary duties of his or her employment by reason of bodily injury, disease, or mental or emotional disease or disorder which will presumably last for at least six months, exclusive of any disability resulting from: (1) service in the armed forces of any country, (2) warfare, (3) intentionally self-inflicted injury, or (4) participation in any criminal or unlawful act.

After having been covered as a Disabled Participant for 24 months, the Participant shall continue to be considered Disabled only if such Participant is unable to engage in any occupation for which such Participant is reasonably qualified by training, education, experience, or age. In order to continue coverage after 24 months as a Disabled Participant, the Participant will be required to submit medical evidence of such ongoing disability to Wespath.

**2.17 Disaffiliated Church.** A local church or group of churches that has disaffiliated from The United Methodist Church under the provisions of ¶2553 of *The Book of Discipline* (which became effective at the close of 2019 General Conference and expired on December 31, 2023) or has changed its connectional relationship pursuant to ¶2547, ¶2548, or ¶2549 of *The Book of Discipline* or otherwise but retains common religious bonds and convictions with The United Methodist Church based on shared Wesleyan theology and tradition and Methodist roots.

**2.18 Elder in Full Connection.** A member of the Order of Elders within the meaning of ¶332-¶336 of *The Book of Discipline* who is a member of a Conference and not a Provisional Member.

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- 2.19 Employee.** A person who is described as an employee of a church in §414(e)(3) or §7701(a)(20) of the Code, who is a Bishop of The United Methodist Church, who is a Clergy person serving The United Methodist Church or a Disaffiliated Church, or who is a common-law employee of a Salary-Paying Unit.
- 2.20 ERISA.** The Employee Retirement Income Security Act of 1974, as amended from time to time, and any regulation, ruling, or other administrative guidance issued pursuant thereto by the Internal Revenue Service or the Department of Labor.
- 2.21 Form.** Any means of recording and conveying an authenticated election or other authenticated information to Wespath, Third-Party Administrator, Salary-Paying Unit, or Plan Sponsor, including, but not limited to, the following:
- (a) A signed paper form;
  - (b) A form submitted by internet or extranet, that is authenticated in a manner acceptable to Wespath, Third-Party Administrator, Salary-Paying Unit or Plan Sponsor to which the form is directed;
  - (c) An interactive voice response selection that is authenticated in a manner acceptable to Wespath, Third-Party Administrator, Salary-Paying Unit or Plan Sponsor to which the selection is directed; and
  - (d) A recorded oral election or statement of information that is authenticated in a manner acceptable to Wespath, Third-Party Administrator, Salary-Paying Unit or Plan Sponsor to which the election or statement of information is directed.
- 2.22 General Agency.** A general agency of The United Methodist Church as defined in ¶701 of *The Book of Discipline*.
- 2.23 General Conference.** The General Conference of The United Methodist Church, the highest legislative body in the denomination, as described in Section I of Chapter Four of Part VI of *The Book of Discipline*.
- 2.24 HIPAA.** The Health Insurance Portability and Accountability Act of 1996.
- 2.25 HIPAA Regulations.** The regulations promulgated pursuant to the authority granted under HIPAA by the Secretary of the Department of Health and Human Services.
- 2.26 HRA.** A health reimbursement arrangement (account) as defined in *IRS Notice 2002-45* and described in Section 4.02 and 4.03 of the Plan.
- 2.27 Jurisdictional Conference.** One of the organizational units of The United Methodist Church, as described in Section II of Chapter Four of Part VI of *The Book of Discipline*.
- 2.28 Lay Employee.** Any Employee who is not a Clergy Employee. In addition, any Employee who is a Clergy person but who is not an Active Conference Member or Under Episcopal

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Appointment to a Plan Sponsor is a Lay Employee for the purposes of this Plan. This definition will not affect the fact that the Code treats certain Clergypersons (generally certain Deacons in Full Connection) as lay employees. Such Clergypersons and all Lay Employees may not be eligible for this Plan under §414(e) of the Code if they are employed by an entity that is not controlled by or associated with The United Methodist Church.

**2.29 Leave of Absence.** An Employee's period of absence from performing his or her duties for a Plan Sponsor:

- (a) in accordance with ¶352 of *The Book of Discipline* or any Plan Sponsor leave policy relating to sabbatical leaves;
- (b) in accordance with ¶354 and ¶355 of *The Book of Discipline* or any Plan Sponsor leave policy relating to leaves of absence;
- (c) in accordance with ¶356 of *The Book of Discipline* or any Plan Sponsor leave policy relating to maternity or paternity leaves;
- (d) because of a Medical Leave (under ¶357 of *The Book of Discipline*) or any Plan Sponsor leave policy relating to illness, injury, disability, medical or incapacity leaves (but not including any such leave for which salary continuance is offered);
- (e) that is covered by the Uniformed Services Employment and Re-employment Rights Act of 1994 (or applicable prior law); or
- (f) to which the Employee is entitled under the Family and Medical Leave Act of 1993 or any comparable applicable state law;

provided, however, that the Employee Retires or returns to at least one hour of paid service for the Plan Sponsor or its Affiliate within the time specified when his or her leave is approved, including any later adjustments thereto (or, if applicable, within the period during which his or her re-employment rights are protected by law).

**2.30 Local Pastor.** A person licensed in accordance with Section IV of Chapter Two of Part VI of *The Book of Discipline* (¶315-¶320).

**2.31 Medicare Advantage Plan.** An individual plan of insurance designed replace traditional Medicare (Part C Medicare PPO or HMO).

**2.32 Medicare Supplement Plan.** An individual plan of insurance designed to supplement and complement traditional Medicare Parts A and B, such as a Medigap plan, a Medicare Part D prescription drug plan or other Medicare supplement insurance policy. Medicare Supplement Plan also include vision, dental, and mental health insurance plans designed to supplement Medicare Parts A and B.

**2.33 Notice.** Any means of officially conveying Plan-related information to an Employee, a Participant, a Dependent, Wespah, Third-Party Administrator, a Salary-Paying Unit, a Plan

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Sponsor, or any other entity related to the Plan, including, but not limited to, the following:

- (a) A paper communication;
- (b) An internet or extranet communication;
- (c) An e-mail or other electronic communication;
- (d) An interactive voice response recorded statement; and
- (e) An oral communication that is recorded and, when reasonably required, otherwise verifiable as to the originator of the communication.

When a communication would reasonably be acceptable only if signed, notarized, or otherwise authenticated, it must be signed, notarized, or otherwise authenticated. An unrecorded oral communication will not qualify as a Notice unless Wespath has established a rule allowing such an oral communication to qualify as a Notice.

- 2.34 Participant.** An individual who is eligible to participate in the Plan in accordance with the provisions of Article III. As elected by a Plan Sponsor, not all Participants may be eligible for the HRA.
- 2.35 Period of Coverage.** The Plan Year, generally, and may mean the period from the date of enrollment in the Plan to the end of the then-current Plan Year for a Participant who becomes eligible during a Plan Year.
- 2.36 Plan.** Medicare Marketplace and HRA Program, an employee welfare benefit plan of The United Methodist Church, as further described in Section 1.02, as amended.
- 2.37 Plan Sponsor.** An entity specified in Section 1.05 that has executed an Adoption Agreement with respect to those of its Employees who are permitted to be covered under Section 1.05(b); and specified by type or class of Employee in the Adoption Agreement.
- 2.38 Plan Year.** The 12-month period ending on December 31 of each calendar year.
- 2.39 PPACA.** The Patient Protection and Affordable Care Act of 2010 (Public Law 111-148) (including the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152)), also known as the Health Care Reform Act, the Affordable Care Act, and the ACA, which substantially amended the Code, ERISA and the Public Health Service Act (Public Law 78-410), and which affects the Plan through various group health plan reforms.
- 2.40 Privacy Rule.** The Standards for Privacy of Individually Identifiable Health Information at 45 Code of Federal Regulations (CFR) parts 160 and 164, subparts A and E.
- 2.41 Protected Health Information.** Protected Health Information or “PHI” shall have the same meaning as the term “protected health information” at 45 CFR §160.103, limited to the information created or received by Wespath and Plan.

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- 2.42 Provisional Member.** A person elected to provisional membership in an Annual Conference within the meaning of ¶324 of *The Book of Discipline*.
- 2.43 Retired Employee.** A Clergy Employee or Lay Employee who has retired, as determined by the Plan Sponsor's policy.
- 2.44 Salary-Paying Unit.** One of the following units associated with The United Methodist Church and located in the United States of America:
- (a) the General Conference;
  - (b) a General Agency of The United Methodist Church;
  - (c) a Jurisdictional Conference;
  - (d) a Conference located in a Jurisdictional Conference;
  - (e) a Conference board, agency, or commission located in a Jurisdictional Conference;
  - (f) a local church located in a Conference;
  - (g) any other organization located in a Jurisdictional Conference which is eligible to participate in a Church Plan in accordance with the provisions of ERISA and the Code; or
  - (h) a Disaffiliated Church.
- 2.45 Security Rule.** The standards for the security of electronic protected health information at 45 CFR 164, Subpart C.
- 2.46 Spouse.** An individual who is legally married to an HRA Participant as determined under applicable state law (and who is treated as a spouse under the Code or is otherwise permitted to be covered in an HRA under *IRS Notice 2002-45* and other IRS guidance). To be eligible under the HRA for claims reimbursement, the HRA Participant's Spouse must also be covered under the Plan.
- 2.47 Third-Party Administrator.** The third-party administrator, i.e., the connector or exchange operator and HRA claims administrator, chosen and engaged by Wespath. Wespath may change the Third-Party Administrator at any time without notice to Participants.
- 2.48 Treasury Regulation.** Any applicable regulation, including proposed and temporary regulations, issued by the Department of the Treasury or Internal Revenue Service that is codified at Title 26 of the Code of Federal Regulations. Where a reference is made to temporary or proposed regulations, such reference will include any permanent regulations, modified proposed regulations, or temporary regulations issued in lieu thereof.

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**2.49 Under Episcopal Appointment.** The condition of a Clergyperson who has been appointed by a Bishop to a ministry pursuant to ¶425 through ¶430, Section VIII of Chapter Three of *The Book of Discipline*.

**2.50 Wespeth.** An administrative general agency of The United Methodist Church.

### Article III – Eligibility

**3.01 Eligibility to Participate.** An individual is eligible to participate in the Plan if his or her Plan Sponsor has elected to sponsor the Plan through an Adoption Agreement, and he or she has satisfied the eligibility requirements to become a Participant or Dependent established by his or her Plan Sponsor in its own policies and rules and as indicated in its Adoption Agreement. Once Wespath and the Third-Party Administrator have determined that a retired Employee or other individual has met the Plan's eligibility requirements, and the Employee has enrolled as provided herein, the Employee's coverage in the Plan will commence.

- (a) **Medicare Parts A and B.** Notwithstanding anything else to the contrary, to become a Participant an individual must be eligible for and enrolled in Medicare Parts A and B.
- (b) **Retired Employees.** Retired Employees who are eligible for Medicare and satisfy the eligibility rules to become Participants established by their Plan Sponsor and elected on its Adoption Agreement are eligible to participate in the Plan.
- (c) **Disabled Former Employees.** Employees who are Disabled and eligible for Medicare and who satisfy the eligibility rules of the Plan Sponsor are eligible to participate in the Plan.
- (d) **Individuals Who Have Opted-Out of Social Security.** Individuals who have opted out of Social Security under Code Section 1402(e), or who have accumulated too few credited quarters under Social Security, and are ineligible for Medicare, may be able to become Participants if they electively enroll in Medicare Parts A and B and pay the required premiums for both programs and otherwise satisfy the eligibility requirements of their Plan Sponsor.
- (e) **Medicare-Eligible Dependents.** Spouses and other Dependents of Participants may be eligible for coverage through the Plan, if such Spouses and other Dependents are age 65 and over and eligible for Medicare and if they satisfy the eligibility rules of their Plan Sponsor. Spouses and Dependents of Participants who are Medicare-eligible due to disability may be eligible for coverage through the Plan, if such disabled Spouses and Dependents satisfy the eligibility rules of the Participant's Plan Sponsor.
- (f) **HRA Participation.** A Participant or Dependent will be eligible for the HRA described in Article IV if his or her Plan Sponsor has elected to sponsor an HRA in its Adoption Agreement, and if he or she satisfies the eligibility criteria established by his or her Plan Sponsor for contributions to the HRA. Such contributions, if the Plan Sponsor provides them, are typically based upon years of employment or service with the Plan Sponsor and other rules and requirements established by the Plan Sponsor.

Any additional Plan Sponsor requirements must be established and maintained pursuant to a written policy that is distributed to Employees and a copy of which is provided to Wespath upon request. Plan Sponsors have a duty to submit copies of such policies in a timely manner to Wespath, upon request.

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- 3.02 Effective date of Participation.** An Employee who first becomes eligible to participate in the Plan may commence participation and become covered on the first day after the eligibility requirements have been satisfied. Once enrolled, the Employee's participation will continue year-to-year until the Employee's participation ceases pursuant to Section 3.03.
- 3.03 Termination of Participation.** A Participant will cease to be a Participant upon the earliest of:
- (a) the termination of the Plan;
  - (b) the date on which the Participant's Plan Sponsor ceases to sponsor the Plan;
  - (c) the date on which the Participant elects to discontinue participation in the Plan;
  - (d) the date on which a Participant returns to active employment [unless he or she qualifies to participate in the Plan under Appendix A] with his or her Plan Sponsor or Salary-Paying Unit; or
  - (e) the date on which the Participant fails to pay the applicable premium for coverage under the Medicare Advantage Plan or Medicare Supplement Plan he or she chose through the Plan.
- 3.04 Qualified Medical Child Support Orders.** Wespeth may determine that the Plan may provide benefits in accordance with the applicable requirements of any qualified medical child support order (a "QMCSO"), as defined in §609 of ERISA or other medical support order, including a National Medical Support Notice issued pursuant to the Child Support Performance and Incentive Act of 1998, that Wespeth reasonably determines apply to the Plan, relating to the child of a Participant. Wespeth or its agent shall pay benefits payable to a child covered by a QMCSO or other applicable support order directly to the child or to such child's parent or legal guardian, as Wespeth determines is appropriate.

### Article IV - Benefits

- 4.01 Medicare Marketplace.** Health coverage and accident and health benefits for Participants are not provided directly from the Plan. Instead, coverage and health benefits are provided under the terms of the Medicare Advantage Plan or Medicare Supplement Plan that the Participant chooses through the Third-Party Administrator's Medicare marketplace. Claims for health benefits by Participants, other than specifically provided under the HRA as described in Section 4.02, will not be paid by the Plan.
- 4.02 HRA Benefits.** The HRA will reimburse Participants who are eligible for an HRA for Eligible Medical Care Expenses described in this Section 4.02 up to the amount in the Participant's HRA, as set forth and adjusted under Section 4.02(c).
- (a) **Eligible Medical Care Expenses.** Under the HRA, an HRA Participant may receive reimbursement for the Participant or qualified Spouse's or Dependent's share of Eligible Medical Care Expenses incurred during a Period of Coverage.
- (i) *Incurred.* An Eligible Medical Care Expense is incurred at the time the medical care or service giving rise to the expense is furnished, and not when the individual incurring the expense is formally billed for, is charged for, or pays for the medical care. Medical care expenses incurred before an individual becomes an HRA Participant are not Eligible Medical Care Expenses.
  - (ii) *Eligible Medical Care Expenses Generally.* "Eligible Medical Care Expenses" means expenses incurred by a Participant for medical care, as defined in Code §213(d) (without regard to the limitations contained in §213(a) of the Code) and applicable Treasury Regulations and Internal Revenue Service guidance, including, but not limited to, health insurance premiums for Medicare Supplement Plans, Medicare Advantage Plans, dental and vision insurance policies, long-term care insurance policies, and Medicare Part B. Medical Care Expenses incurred for a Spouse or Dependent will be Eligible Medicare Care Expenses if the Spouse or Dependent, as applicable, is eligible for the HRA under the Plan, as determined by the Plan and the Plan Sponsor's rules. Final determination of eligible expenses is at the discretion of the Third-Party Administrator or the Plan Sponsor, as applicable.
  - (iii) *Expenses Cannot Be Reimbursed or Reimbursable from Another Source.* Eligible Medical Care Expenses can only be reimbursed to the extent that the HRA Participant or other eligible person incurring the Eligible Medical Care Expense is not reimbursed for the expense (or the expense is not reimbursable) through Medicare, insurance, or an accident or health plan. If only a portion of an Eligible Medical Care Expense has been reimbursed elsewhere (e.g., because the insurance or accident or health plan imposes co-payment, coinsurance or deductible limitations), the HRA can reimburse the remaining portion of such Eligible Medical Care Expense if it otherwise meets the requirements of this Section 4.02.

**(b) *Maximum Benefits.***

- (i) *Maximum Contributions.* The maximum annual dollar amount that may be credited to an HRA account for a Participant for an entire Period of Coverage shall be as determined under the applicable policy established by the Plan Sponsor annually before the beginning of each Plan Year. The applicable policy shall be in writing and uniform and nondiscriminatory among the Plan Sponsor's Participants.
- (ii) *Changes.* For each Plan Year, the maximum dollar limit may be changed by the Plan Sponsor and shall be communicated to eligible Participants.

**(c) *Establishment of Account.*** The Third-Party Administrator will establish and maintain an HRA with respect to each Participant who is eligible for an HRA but will not create a separate fund or otherwise segregate assets for this purpose. The Plan Sponsor also is not required to create a separate fund or assets for this purpose. The HRA so established will merely be a recordkeeping account with the purpose of keeping track of contributions and available reimbursement amounts.

- (i) *Crediting of Accounts.* At the beginning of each Plan Year (or each month, if elected by the Plan Sponsor), the Participant will receive a contribution, as determined by the Plan Sponsor, to his or her HRA.
- (ii) *Debiting of Accounts.* A Participant's HRA will be debited during each Period of Coverage for any reimbursement of Eligible Medical Care Expenses incurred during the Period of Coverage.
- (iii) *Available Amount.* The amount available for reimbursement of Eligible Medical Care Expenses is the amount credited to the Participant's HRA under Section 4.02(c)(i) reduced by prior reimbursements debited under Section 4.02(c)(ii).

**(d) *Carryover of Accounts.*** If any balance remains in the Participant's HRA after all reimbursements have been made for a Period of Coverage, such balance shall be carried over to reimburse the Participant for Eligible Medical Care Expenses incurred during a subsequent Period of Coverage. Unless a Plan Sponsor's policy provides otherwise, there is no limit on amounts which may be rolled over from year to year as long as the Participant remains eligible for the HRA; there also is no maximum limit on an accumulated balance in an HRA.

**(e) *Reimbursement Procedure.***

- (i) *Timing.* Generally, within 30 days after receipt by the Third-Party Administrator of a reimbursement Claim, the Third-Party Administrator will reimburse the Participant or Dependent for Eligible Medical Care Expenses or the Third-Party Administrator will notify the Claimant that the Claim has been

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denied (*see* Section 4.04 regarding procedures for claim denials and appeals procedures). This time period may be extended for an additional 15 days for matters beyond the control of the Third-Party Administrator, including in cases where a reimbursement Claim is incomplete. The Third-Party Administrator will provide written notice of any extension, including the reasons for the extension, and will allow the Claimant 45 days, after notice from the Third-Party Administrator, in which to complete an incomplete Claim for reimbursement.

(ii) *Claims Substantiation.* A Participant or Dependent who seeks reimbursement from the HRA may apply for reimbursement by submitting a claim in writing to the Third-Party Administrator in such form as the Third-Party Administrator may prescribe, setting forth:

- (A) the person or persons on whose behalf expenses have been incurred;
- (B) the nature and date of the expenses so incurred;
- (C) the amount of the requested reimbursement; and
- (D) a statement that such expenses have not otherwise been reimbursed and are not reimbursable through any other source and that health care flexible spending account coverage, if any and if applicable, for such expenses has been exhausted.

The application shall be accompanied by bills, invoices, explanations of benefits, or other statements from an independent third party showing that the expenses have been incurred and the amounts of such expenses, together with any additional documentation that the Third-Party Administrator may reasonably request.

The Third-Party Administrator may also electronically verify the eligibility of expenses through the use of a “Benefits Card,” e.g., an electronic debit card pursuant to IRS guidance for such transactions.

(iii) *Claims Denied.* Claims for reimbursement that are denied are subject to the appeals procedure in Section 4.04.

(f) ***Coordination of Benefits.*** The HRA is intended to pay benefits solely for Eligible Medical Care Expenses not previously reimbursed or reimbursable elsewhere. To the extent that an otherwise Eligible Medical Care Expense is payable or reimbursable from another source, that other source shall pay or reimburse prior to payment or reimbursement from the HRA. In addition, if a Participant, Spouse, or Dependent is also a Retired HRA Participant (or Spouse or Dependent thereof) under the HealthFlex Plan administered by Wespeth, the individual may choose whether to have a particular Eligible Medical Care Expense reimbursed from the HRA or the Retiree HRA in

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accordance with the procedures and rules established by Wespath and the Third-Party Administrator.

**4.03 Cessation of HRA Contributions and Reimbursements.** A Participant or Dependent may be reimbursed from his or her HRA for Eligible Medical Care Expenses as described in Section 4.02 until such HRA is exhausted.

- (a) ***Death of HRA Participant, Spouse, or Dependent.*** Upon the death of a Participant, contributions to his or her HRA will cease. If a Plan Sponsor makes contributions to an HRA for a Spouse or Dependent, the contributions will cease upon the death of the Spouse or Dependent.

Upon the death of a Participant, if such deceased Participant has an eligible surviving Spouse or eligible surviving Dependents, the eligible survivors may be reimbursed from the HRA of the deceased individual for Eligible Medical Care Expenses until such HRA is exhausted or until such survivors die. If a Participant dies with a balance in his or her HRA and has no eligible surviving Spouse or Dependents, the balance of such HRA is forfeited to the Plan Sponsor. If a surviving Dependent dies with a balance in his or her HRA and there are no other eligible surviving Dependents associated with the same account, the balance of such HRA is forfeited to the Plan Sponsor. Unused funds in the HRA of a deceased individual will be forfeited 180 days after his or her death. During the 180 days, reimbursement for Eligible Medical Care Expenses incurred by the deceased individual prior to his or her death may be made to the decedent's estate from the HRA.

- (b) ***Divorce.*** If a Participant divorces, depending upon the eligibility rules of his or her Plan Sponsor, contributions to an HRA for the former Spouse may terminate.
- (c) ***Return to Active Employment.*** If a Participant returns to active employment or service with a Plan Sponsor (or Salary-Paying Unit) and is no longer eligible for an HRA under the Plan or becomes eligible for the active HealthFlex Plan, unused funds (i.e., the then-current balance) in his or her HRA may be frozen such that no new contributions and no reimbursements for Eligible Medical Care Expenses incurred during the return to service can be made. During that time, the HRA may make reimbursements for Eligible Medical Care Expenses incurred while the individual was covered through the Plan. The HRA will unfreeze when the individual resumes eligibility for the HRA under the Plan.

**4.04 Appeals Procedure.** If a Claim for reimbursement under the HRA is wholly or partially denied, appeals shall be administered in accordance with the following procedures. The Plan Sponsor, in adopting the Plan, agrees to be responsible for appeals of Claims under the HRA. If a Claimant is denied benefits or eligibility hereunder, the Claimant shall have the right to appeal the decision in accordance with the following procedures:

- (a) ***Appeal Procedure.*** The Plan Sponsor shall establish an appeals procedure containing no more than a two-level process.

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- (b) ***Procedure Published.*** The established appeal procedure shall be published for HRA Participants and Dependents.
  - (c) ***Plan Sponsor Decision Final.*** The Plan Sponsor's decision, with respect to appeals that it is authorized to hear and decide, shall be final and not subject to action of Wespath or the Third-Party Administrator.
  - (d) ***PPACA.*** To the extent they may be applicable, the Plan Sponsor's appeals procedures hereunder shall incorporate the appeals procedures set forth in the PPACA and the regulations promulgated thereunder.
  - (e) ***Evidence.*** The Claimant or his or her duly authorized representative may submit evidence to the Plan Sponsor with respect to the Claim, subject to conditions and time limitations set by the Plan Sponsor, but the expenses related to such submission will not be borne by the Plan Sponsor, Wespath, or Plan.
  - (f) ***Notice.*** The Plan Sponsor, or its agent, shall provide written Notice of the decision resulting from an appeal to the Claimant. Such Notice shall include specific reasons for the decision, written in a manner calculated to be understood by the Claimant, and such Notice shall be mailed to the Claimant by the Plan Sponsor or its agent within a reasonable time following the action by the Plan Sponsor.
  - (g) ***Appeal a Condition Precedent to Civil Action.*** No cause of action in civil law with respect to any alleged violation of the terms and conditions of the Plan or any contract hereunder shall be commenced or maintained by any Claimant in state or federal court unless and until such Claimant shall have initiated and completed the process of an appeal as set forth in this Section 4.04. Any such cause of action with respect to this Plan must be commenced by the Claimant within twelve (12) months of the date of the written Notice sent by the Plan Sponsor or its agent to the Claimant regarding the final denial of the appeal.
- 4.05 Reduction of Contributions and Benefits.** Wespath or a Plan Sponsor may reduce the amount of HRA contributions or nontaxable benefits to the extent Wespath or the Plan Sponsor, as applicable, deems necessary to assure that the Plan does not discriminate in violation of any applicable provision of law. Any reduction of HRA contributions or benefits shall be made by Wespath and Plan Sponsors on a reasonable and nondiscriminatory basis. Contributions that may not be paid out because of benefit reductions imposed by this Section 4.05 shall be forfeited to the Plan Sponsor.
- 4.06 Prohibition of Discrimination.** Any discretionary acts to be taken under the terms and provisions of this Plan by the applicable Plan Sponsor shall be uniform in their nature and application; no discretionary acts shall be taken that would be discriminatory under the provisions of the Code relating to the Plan as such provisions now exist or may from time to time be amended.

## Article V – Use and Disclosure of Protected Health Information

The Plan is a “hybrid entity” as that term is defined in the HIPAA Regulations. This Article V shall apply only with respect to benefits under the Plan that constitute a “Health Plan” as defined in Section 5.01(a).

**5.01 Definitions.** For purposes of this Article V, the following special definitions shall apply whenever such word or phrase is capitalized and used herein:

- (a) “Health Plan” shall have the same meaning as the term “health plan” in 45 CFR §160.103.
- (b) “Plan Administrative Functions” shall have the same meaning as the term “plan administrative functions” in 45 CFR §164.504(a).
- (c) “Protected Health Information” or “PHI” shall have the same meaning as the term “protected health information” in 42 CFR §164.501.
- (d) “Secretary” shall mean the Secretary of the U.S. Department of Health and Human Services or his or her designee.
- (e) “Summary Health Information” shall have the same meaning as the term “summary health information” in 45 CFR §164.504(a).

**5.02 Permitted Uses and Disclosure of Summary Health Information.** The Plan, or a health insurance issuer or HMO with respect to the Plan, may disclose Summary Health Information to a Plan Sponsor, provided that the Plan Sponsor requests the Summary Health Information for the purpose of:

- (a) Obtaining premium bids from Health Plans for providing health insurance coverage under the Plan; or
- (b) Modifying, amending or terminating its participation in the Plan.

**5.03 Permitted Disclosure of Enrollment Information.** The Plan, or a health insurance issuer or HMO with respect to the Plan, may disclose to a Plan Sponsor whether an individual is participating in the Plan, or is enrolled in or has disenrolled from a health insurance issuer or HMO offered by the Plan.

**5.04 Permitted and Required Uses and Disclosure of PHI for Plan Administration.** Unless otherwise prohibited by law, and subject to the conditions described in Section 5.05 and obtaining written certification pursuant to Section 5.07, the Plan (or a health insurance issuer or HMO with respect to the Plan) may disclose PHI to a Plan Sponsor, provided that the Plan Sponsor uses or discloses such PHI only to carry out Plan Administrative Functions for the Plan. Notwithstanding the provisions of the Plan to the contrary, in no event shall Wespath be permitted to use or disclose PHI in a manner that is inconsistent with 45 CFR §164.504(f).

**5.05 Conditions of Disclosure for Plan Administrative Functions.** Each Plan Sponsor agrees

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that with respect to PHI disclosed to it by the Plan or a health insurance issuer or HMO with respect to the Plan (other than enrollment information and Summary Health Information, which are not subject to the restrictions of Section 5.05), the Plan Sponsor shall:

- (a) not use or disclose the PHI other than as permitted or required by the Plan or as required by law;
- (b) ensure that any agents, including a subcontractor, to whom the Plan Sponsor provides PHI received from the Plan agree to the same restrictions and conditions that apply to the Plan Sponsor with respect to such information;
- (c) not use or disclose the PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Plan Sponsor;
- (d) report to the Plan any use or disclosure of the information that is inconsistent with the uses or disclosures provided for herein of which the Plan Sponsor is aware;
- (e) make available PHI in accordance with 45 CFR §164.524; make available PHI for amendment and incorporate any amendments to PHI in accordance with 45 CFR §164.526; and make available the information required to provide an accounting of disclosures in accordance with 45 CFR §164.528;
- (f) make its internal practices, books and records relating to the use and disclosure of PHI received from the Plan available to the Secretary upon request for purposes of determining compliance by the Plans with subpart E of 45 CFR §164;
- (g) if feasible, return or destroy all PHI received from the Plan that the Plan Sponsor still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made—except that if such return or destruction is not feasible, Plan Sponsor shall limit further uses and disclosures to those purposes that make the return or destruction of the information impossible;
- (h) ensure that there is adequate separation between the Plan and Plan Sponsor in accordance with 45 CFR §504(f)(2)(iii) and Section 5.06; and
- (i) to the extent that the Plan Sponsor creates, receives, maintains, or transmits electronic PHI:
  - (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI;
  - (ii) ensure that the adequate separation between the Plan and Plan Sponsor as set forth in 45 CFR §164.504(f)(2)(iii) (and described in Section 5.06 below) is supported by reasonable and appropriate security measures;

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- (iii) ensure that any agent to whom it provides this electronic PHI agrees to implement reasonable and appropriate security measures to protect the information; and
- (iv) report to the Plan any security incident of which it becomes aware; provided, however, that the Plan and Plan Sponsor acknowledge and agree that this provision constitutes notice by the Plan Sponsor to the Plan of the ongoing existence and occurrence of attempted or unsuccessful security incidents for which no additional notice to the Plan shall be required (“unsuccessful security incidents” shall include, but not be limited to, pings and other broadcast attacks on the Plan Sponsor’s firewall, unsuccessful log-on attempts, denials of service, and any combination of the above, so long as no such incident results in unauthorized access, use, or disclosure of electronic PHI).

**5.06 Adequate Separation.** Wespath shall allow access to PHI (including PHI received from a health insurance issuer with respect to the Plan) to the workforce members in certain departments or functions, who are under the control of and specified by Wespath, including certain individuals in Benefit Plans, Customer Service, Human Resources, Compliance, Plan Sponsor Relations, Communications, Finance, Legal Services, Project Management Office, Church Relations, and Office Services who are responsible for or support Plan Administrative Functions, members of the Appeals Committee, and individuals in Information Technology who provide technical support to the foregoing. In addition, the workforce includes individuals who perform human resources functions at a Plan Sponsor and are responsible for certain, limited Plan Administrative Functions. Wespath shall only permit disclosures to workforce members under the control of Wespath or a Plan Sponsor, as applicable, who shall have access to PHI relating to payment under, health care operations of, or other matters pertaining to the Plan in the ordinary course of business. The permitted employees, classes of employees, or other workforce members shall only have access to and use PHI to the extent necessary to perform the Plan Administrative Functions that Wespath or a Plan Sponsor, as applicable, provides for the Plan. In the event that any of the workforce members do not comply with the provisions of this Article V, that workforce member shall be subject to disciplinary action and sanctions by Wespath or Plan Sponsor, as applicable, for non-compliance pursuant to Wespath’s or Plan Sponsor’s disciplinary and termination policies and procedures.

**5.07 Certification of Plan Sponsor.** The Plan, or a health insurance issuer or HMO with respect to the Plan, shall disclose PHI to Wespath or another Plan Sponsor only upon the receipt of a certification by Wespath or the Plan Sponsor, as applicable, that the Plan has been amended to incorporate the provisions of 45 CFR §164.504(f)(2)(ii), and that Wespath or the Plan Sponsor agrees to the conditions of disclosure set forth in Section 5.05.

**5.08 Restrictions on Disclosure.** Notwithstanding the provisions of this Article V or the Plan to the contrary, neither the Plan, nor a health insurance issuer or HMO with respect to the Plan shall disclose PHI to Wespath or another Plan Sponsor:

- (a) unless a statement required by 45 CFR §164.520(b)(1)(iii)(C) is included in the appropriate notice; or

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- (b) for the purpose of employment-related actions or decisions or in connection with any other benefit or employee benefit plan of Wespath or Plan Sponsor.

### Article VI – Administration of the Plan

**6.01 Powers and Duties of Wespeth.** The administration of the HRA shall be under the supervision of Wespeth. It is the principal duty of Wespeth to see that this HRA is carried out, in accordance with its terms, for the exclusive benefit of persons entitled to participate in this HRA. Wespeth shall have the power to take all actions required to carry out the provisions of the Plan. Wespeth has the power and discretion to construe the terms of the Plan and to determine all questions arising with the administration, interpretation and application of the Plan, other than appeals determinations as described in Section 4.04 and this Article VI. Any such determination by Wespeth will be conclusive and binding upon all persons. Wespeth, in addition to all the powers and authorities under common law, statutory authority and other provisions of the Plan and without limiting the generality of the foregoing, shall further have the following powers and duties, which shall be exercised in Wespeth's discretion to:

- (a) construe and interpret Plan provisions, including all possible ambiguities, inconsistencies and omissions in the Plan;
- (b) establish procedures, correct any defect, supply any information or reconcile any inconsistency in such manner and to such extent as may be deemed necessary or advisable to carry out the purpose of the Plan;
- (c) obtain from the Plan Sponsors and Employees such information as shall be necessary to the proper administration of the Plan;
- (d) contract with such Third-Party Administrators or other service providers as may be necessary to provide for benefits, including administration of HRA Claims;
- (e) prepare and distribute information explaining the Plan or an amendment to the Plan;
- (f) appoint or employ advisors including legal and actuarial counsel to render advice with regard to any responsibility of Wespeth under the Plan;
- (g) adopt reasonable procedures for determining whether any order, judgment or decree constitutes a QMCSO or other applicable support order;
- (h) settle, compromise, or submit to arbitration any claims, debts or damages due or owing to or from the Plan, to commence or defend suits or legal or administrative proceedings, and to represent the Plan in all suits and legal and administrative proceedings, and to comply with judicial and administrative orders, decrees, judgments, summons, subpoenas, levies, and other writs or instruments of judicial or administrative process, without regard to their potential vulnerability to challenge on jurisdictional or other legal grounds, all within the sole discretion of Wespeth; and
- (i) do such other acts as it deems reasonably required to supervise administration of the Plan in accordance with its provisions, or as may be provided for or required by law.

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Notwithstanding anything herein to the contrary, Wespath may delegate any of its powers and duties to the Third-Party Administrator in its discretion.

### **6.02 Fiduciary Duties.**

- (a) The Plan Sponsor is the named fiduciary for the HRA.
- (b) *The Book of Discipline* is the sole source of the Plan Sponsor and Wespath's fiduciary duties. *The Book of Discipline* provides that the Plan Sponsor and Wespath shall discharge their duties, as applicable, under the Plan:
  - (i) for the primary purposes of providing benefits to Participants and their Dependents and beneficiaries, and defraying reasonable expenses of administering the Plan;
  - (ii) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and
  - (iii) in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with the provisions of *The Book of Discipline*.

The foregoing is a Church law standard and not intended to incorporate or memorialize any secular law standard.

### **6.03 Allocation or Delegation of Duties and Responsibilities.** In furtherance of its duties and responsibilities under the Plan, Wespath may:

- (a) employ agents including, but not limited to, Third-Party Administrators, to carry out non-fiduciary responsibilities;
- (b) employ agents including, but not limited to, Third-Party Administrators, to carry out fiduciary responsibilities; and
- (c) consult with counsel who may be of counsel to Wespath.

### **6.04 Duties of the Plan Sponsor.** The Plan Sponsor shall assume the following duties with respect to the Plan:

- (a) determine all questions relating to the eligibility of an individual to participate or remain a Participant hereunder and to receive benefits under the Plan;
- (b) maintain records of Participants' enrollment and HRA contribution levels;
- (c) remit required contributions to the Third-Party Administrator as determined by Wespath;
- (d) determine the amount of HRA contributions hereunder;

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- (e) provide Wespath with Notice of an individual's eligibility or loss of eligibility;
- (f) provide Wespath with statistical data and other information satisfactory in form and accuracy to Wespath within a reasonable time after a request by Wespath and in a manner sufficient to enable Wespath to discharge its duties under the Plan;
- (g) file or cause to be filed all such annual reports, returns, schedules, descriptions, financial statements and other statements as may be required by any federal or state statute, agency or authority, as appropriate;
- (h) comply with applicable federal and state laws and regulations including, but not limited to, nondiscrimination requirements;
- (i) properly notify Employees of their rights and obligations under the Plan, including giving Notices required under the Plan or applicable law, and of a change in any benefits available under the Plan;
- (j) comply with the terms of HIPAA including, but not limited to, the Privacy Rule and the Security Rule; and
- (k) execute an Adoption Agreement indicating any elections regarding optional Plan provisions and any other information called for by the Adoption Agreement.

The Plan Sponsor may be deemed to satisfy its duties through actions by a Salary-Paying Unit or other entity, but the Plan Sponsor remains responsible for the duties if they are not carried out in a timely fashion.

**6.05 Reliance on Participant, Experts, etc.** Wespath and Plan Sponsor may rely upon the information submitted by an HRA Participant as being proper under the HRA and shall not be responsible for any act or failure to act because of a direction or lack of direction by an HRA Participant. Wespath and Plan Sponsor will also be entitled, to the extent permitted by law, to rely conclusively on all tables, valuations, certificates, opinions and reports that are furnished by accountants, attorneys, or other experts employed or engaged by Wespath or Plan Sponsor.

**6.06 Provision for Third-Party Plan Service Providers.** Wespath and Plan Sponsor may employ the services of such persons as they may deem necessary or desirable in connection with the operation of the HRA. Unless otherwise provided in the service agreement, obligations under this Article shall remain the obligations of Wespath, the Plan Sponsor, or the Plan.

### Article VII – Adoption, Amendment and Termination

- 7.01 Adoption of Plan.** This Plan may be adopted by any Plan Sponsor described in Section 1.05 with the consent of Wespath.
- 7.02 Adoption Agreement.** Any Plan Sponsor adopting this Plan shall file an Adoption Agreement with Wespath. The Adoption Agreement for the Plan will be in a form prescribed by Wespath. An adopting Plan Sponsor must complete an Adoption Agreement which, once completed, must be acceptable to Wespath. The effective date of the Adoption Agreement cannot be any earlier than the first day of the current Plan Year unless Wespath approves an earlier date after considering any relevant circumstances.
- 7.03 Plan Sponsor Termination.** A Plan Sponsor's sponsorship of the Plan may be terminated as follows:
- (a) Upon written notice to Wespath 180 days in advance of the date of such termination, a Plan Sponsor may terminate its sponsorship of the Plan as established with Wespath. In such a case, unless all Plan Sponsors terminate sponsorship of the Plan, the Plan will continue in operation as to all non-terminating Plan Sponsors. As a condition precedent to its right to terminate sponsorship of the Plan, a Plan Sponsor must provide written notice of its intent to its Participants at least 60 days in advance of the proposed date of such termination and must provide to Wespath evidence of such written notice to the affected Participants. In its discretion, Wespath may waive the required 180 days' notice that a Plan Sponsor ordinarily must provide in order to terminate sponsorship of the Plan and may allow the termination to become effective as soon as administratively practicable. Wespath may only waive such notice in circumstances that it reasonably determines would cause significant hardship to the Plan Sponsor if termination were delayed, and such immediate termination would not prejudice the Plan (e.g., financially, contractually, actuarially, or otherwise), its remaining Plan Sponsors, or Participants. The Plan Sponsor's indemnification obligations under Sections 1.04 and 8.15 of the Plan shall survive such termination.
  - (b) Upon written notice to a Plan Sponsor at least 90 days in advance of the date of such termination, Wespath may terminate a Plan Sponsor's sponsorship of the Plan for breach of the Plan's provisions. In addition, if a Plan Sponsor fails to pay any required amounts, including administrative fees and HRA contributions, on a timely basis, the Third-Party Administrator may restrict access to HRAs for Participants of that Plan Sponsor until such time as the required amounts have been paid. In addition, Wespath may also terminate the Plan Sponsor's sponsorship of the Plan.
- 7.04 Amendment of Plan.** Wespath may amend prospectively or retroactively any or all provisions of this Plan or the Adoption Agreement at any time by written instrument identified as an amendment of the Plan, effective as of a specified date. Wespath may amend prospectively or retroactively any and all administrative and non-substantive provisions of an Adoption Agreement.

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- (a) Subject to the discretion of Wespath, a Plan Sponsor may amend any elective provisions of its Adoption Agreement at any time, with an effective date no earlier than the effective date of the applicable Adoption Agreement, to any extent that it may deem advisable without the consent of any Participant. In addition, a Plan Sponsor may amend any rules or policies it maintains with respect to the Plan at any time. However, no amendment under this Section may be retroactive without the consent of Wespath.
- (b) No amendment may, without written consent of Wespath, deprive Wespath, respectively, of any of its exemptions and immunities; nor may such amendment change the duties, responsibilities, rights or privileges of Wespath or the provisions of any contract. If any amendment by the Plan Sponsor affects the rights, duties, responsibilities or obligations of Wespath hereunder, such amendment may be made only with the consent of Wespath.
- (c) If the Plan (including the Adoption Agreement) is amended in a manner deemed materially unacceptable to a Plan Sponsor, that Plan Sponsor may terminate its participation in the Plan in accordance with Section 7.03. If the Plan Sponsor gives Notice of such termination within 30 days after it learns of a Plan amendment that it deems materially unacceptable, then either:
  - (i) Wespath may withdraw or revise such amendment or re-amend the Plan so that the unacceptable elements of such amendment will not become effective as to such Plan Sponsor, or
  - (ii) the Plan Sponsor's participation in the Plan may terminate pursuant to Section 7.03.

However, Wespath is authorized to amend any or all provisions of this Plan at any time by such written instrument in order to ensure the Plan complies with any applicable law or regulation. However, the Plan Sponsor shall not have a right to terminate its participation in the Plan on account of such regulatory amendments.

**7.05 Termination of Plan by Wespath.** Wespath has the right to terminate the Plan at any time by giving 90 days advance written notice to all Plan Sponsors. The disposition of assets remaining in the Plan, if any, after all obligations of the Plan have been satisfied, will be at the discretion of Wespath.

## Article VIII – Miscellaneous

**8.01 Facility of Payment.** If the Plan Sponsor or Third-Party Administrator, as applicable, deems any person entitled to receive any amount under the provisions of this Plan incapable of receiving or disbursing the same by reason of being a minor, illness or infirmity, mental incompetency, or incapacity of any kind, the Plan Sponsor or Third-Party Administrator, as applicable, may, in its discretion, take the following actions:

- (a) apply such amount directly for the comfort, support, and maintenance of such person; and
- (b) pay such amount to a legal representative or guardian or any other person selected by the Plan Sponsor or Third-Party Administrator to disburse the amount for such comfort, support, and maintenance, including without limitation any relative who had undertaken, wholly or partially, the expense of such person's comfort, care, and maintenance, or any institution in whose care or custody the person entitled to the amount may be. The Plan Sponsor or Third-Party Administrator may, in its discretion, deposit any amount due to a minor to his or her credit in any savings or commercial bank of the Plan Sponsor's choice.

Any payment by the Plan Sponsor or its agent, or Third-Party Administrator, as applicable, in accordance with this Facility of Payment section will discharge the Plan Sponsor, Third-Party Administrator, and Wespath from all further liability to the extent of the payment made.

**8.02 Lost Payee.** Any amount due and payable to a Participant shall be forfeited to the Plan Sponsor if the Plan Sponsor or Third-Party Administrator, as applicable, after reasonable effort is unable to locate the Participant to whom payment is due.

**8.03 Titles and Headings.** The titles and headings of the Articles and Sections of this instrument are placed herein for convenience of reference only, and in the case of any conflicts, the text of this instrument rather than the titles or headings, shall control.

**8.04 Number.** Wherever used herein, the singular shall include the plural and the plural shall include the singular, except where the context requires otherwise.

**8.05 Applicable Law.** The Plan and each of its provisions shall be construed according to, and its and their validity determined by, the laws of the State of Illinois, other than its laws respecting choice of law, to the extent such laws are not pre-empted by any federal law, and in accordance with applicable federal law, and to the extent that *The Book of Discipline* is not the applicable governing law. The Plan is intended to be:

- (a) an employee welfare benefit plan under ERISA §3(1); and
- (b) a Church Plan under Code §414(e) and ERISA §3(33) exempt from Title I of ERISA by ERISA §4(b)(2) and shall be construed accordingly.

In addition, state insurance laws and regulations shall not apply to the Plan to the extent they:

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- (c) are pre-empted by federal law, including, but not limited to, ERISA, the Code, HIPAA, the Church Plan Parity and Entanglement Prevention Act of 1999 (Public Law No: 106-244), and *State ex rel. Farmer v. Monsanto Company*, 517 S.W.2d 129 (Mo. 1974); and
  - (d) are made inapplicable by state laws, regulations, or case law that exempt self-insured Church Plans from the applicability of state insurance statutes and regulations.
- 8.06 Conformance with Applicable Law.** Wespath may alter any Plan provision or interpret such to conform and comply with applicable law. In addition, unless the context clearly indicates to the contrary, a reference to a Plan provision, statute, regulation, or document shall be construed as referring to any subsequently enacted, adopted, or executed counterpart.
- 8.07 Continuation of Benefits Not Guaranteed.** Nothing contained in this Plan shall be construed to guarantee the continuation of benefits.
- 8.08 Assignment.** Employees and Dependents covered under this Plan may not assign, alienate, anticipate or commute any payments under this Plan (except as specifically provided in this section). Further, except as prescribed by law, payments under this Plan will not be subject to the debts, contracts or engagements of any person, nor to any judicial process to levy upon or attach the same for payment.
- 8.09 Overpayments.** If an overpayment has been made under the Plan, Wespath will have the right to recoup and recover any such overpayment from the person to whom such overpayment was made or from any person who received such overpayment through whatever means are necessary, including, without limitation, deduction of the overpayment amount from future claims and/or legal action.
- 8.10 No Guarantee of Employment.** Neither the creation of the Plan nor anything contained in the Plan gives any Employee any right to remain in the employ of Wespath or any Plan Sponsor; or any equity or other interest in the assets, business or affairs of Wespath or any Plan Sponsor.
- 8.11 Waiver of Claims.** Neither the creation of the Plan nor any modification of the Plan nor the payment of any benefits under the Plan will give any Employee or any other person any legal or equitable right against Wespath, any Plan Sponsor, or any service agent (or any employee of Wespath, any Plan Sponsor, or of any service agent) unless such right is specifically provided for in the Plan.
- 8.12 Severability.** If any provision of this Plan is held to be illegal for any reason, that illegality or invalidity will not affect the remaining provisions of this Plan. In such case, this Plan will be construed and enforced as if the illegal or invalid provision or section were not included in the Plan.
- 8.13 Workers' Compensation Unaffected.** This Plan is not in lieu of and does not affect any requirements for coverage under workers' compensation laws of any state.
- 8.14 Limitation of Liability.** Wespath, Third-Party Administrator, their officers, employees, contractors or agents will not be personally responsible or otherwise liable for the payment

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of any benefits hereunder. Officers and employees of a Plan Sponsor will not be personally responsible or otherwise liable for the payment of any benefits hereunder.

- 8.15 Indemnification.** The Plan Sponsor agrees to indemnify Wespath against any and all actions, causes of action, claims, demands, damages and liabilities incurred or occasioned by any act or omission of Wespath undertaken in good faith in administration of the Plan. Each Participant agrees to indemnify the Plan Sponsor and Wespath against and reimburse the Plan Sponsor and Plan Administrator for any benefit paid or provided erroneously to or on behalf of such Participant or his or her Spouse or Dependents. Each Participant agrees to indemnify Wespath against any and all actions, causes of action, claims, demands, damages, and liabilities incurred or occasioned by any act or omission of Wespath undertaken in good faith in administration of the Plan. If any HRA Participant receives one or more payments or reimbursements under this Plan on a tax-free basis, and such payments do not qualify for such treatment under the Code, such HRA Participant shall indemnify and reimburse Wespath, the Plan, and/or his or her Plan Sponsor or Salary-Paying Unit for any liability they may incur for failure to withhold federal income taxes, Social Security taxes, or other taxes from such payments or reimbursements.
- 8.16 Alternative Dispute Resolution.** If a dispute arises out of or related to the relationship between any Plan Sponsor and Wespath that is not resolved by the parties themselves, the parties agree first to try in good faith to settle the dispute by mediation through the American Arbitration Association, or another mediation or arbitration service mutually agreed upon by the parties, before resorting to arbitration. Thereafter, any remaining unresolved controversy or claim arising out of or relating to the relationship between the Plan Sponsor and Wespath will be settled by binding arbitration through the American Arbitration Association, or the other mediation or arbitration service mutually agreed upon by the parties.
- (a) The site of the mediation or arbitration will be in a city mutually agreed upon by the parties.
  - (b) The laws of the State of Illinois will apply in situations where federal law is not applicable. The applicable rules of the selected arbitration service will apply. If the service allows the parties to choose the number of arbitrators, unless another number is mutually agreed to, any arbitration hereunder will be before three arbitrators. The award of the arbitrators, or a majority of them, will be final. Judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.
  - (c) The fees and costs for mediation will be borne equally by the parties. The fees and costs of arbitration will be allocated to the parties by the arbitrators.
- 8.17 Participant and Beneficiary Duties.** Each person entitled to benefits under the Plan must file with Wespath and Plan Sponsor from time to time such person's post office address and each change of post office address. Failure to do so may result in the forfeiture of benefits otherwise due under the Plan.
- 8.18 Adequacy of Evidence.** Evidence that is required of anyone under the Plan must be executed or presented by proper individuals or parties and may be in the form of certificates, affidavits,

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documents or other information that the person acting on such evidence considers pertinent and reliable.

- 8.19 Notice to Other Parties.** A notice mailed first class, postage prepaid, to a Participant at his or her last address filed with Wespeth will be binding on the Participant for all purposes of the Plan and will be deemed given on the date indicated on the notice or letter. A Claim for benefits, an election, or other Notice mailed first class, postage prepaid, from a Participant to Wespeth will be deemed given on the date of the postmark. Any party may also give a Notice as otherwise permitted under the Plan, and Wespeth may establish rules relating to Notices, including when and how they may be given. Notices may be addressed to Wespeth at the following address (or such other address as Wespeth may designate from time to time):

Medicare Marketplace and HRA Program  
Wespeth Benefits and Investments  
1901 Chestnut Avenue  
Glenview, IL 60025

- 8.20 Waiver of Notice.** Any notice under the Plan (including any Notice) may be waived by the person entitled to such notice. Acknowledgement of receipt of a notice will be deemed a waiver of any failures relating to the Plan-required means of giving such notice (but will not necessarily be deemed a waiver of the timeliness of such notice). Waiver of notice in one instance, however, will not be deemed to be a waiver in a later instance.
- 8.21 Successors.** This Plan is binding on the Plan Sponsors, and on all persons entitled to benefits hereunder, and their respective successors, heirs, and legal representatives.
- 8.22 No Vested Interest.** Except for the right to receive any benefit payable under the Plan in regard to a previously incurred claim, no person shall have any right or interest in or to the assets of the Plan, Wespeth, or any Plan Sponsor.
- 8.23 Compliance with Applicable Laws.** The HRA shall be provided in compliance with HIPAA, the Code, the Social Security Act, PPACA, and other federal laws governing accident and health plans to the extent applicable and required by such laws. It is intended that the HRA meets all applicable requirements of the Code and requirements of all Treasury Regulations issued thereunder and any other applicable IRS guidance, including guidance implementing the PPACA that may apply to the Plan. This HRA shall be construed, operated, and administered accordingly. In the event of any conflict between any part, clause or provision of this Plan and the Code, the provisions of the Code shall be deemed controlling, and any conflicting part, clause or provision of this Plan shall be deemed superseded to the extent of the conflict.
- 8.24 No Guarantee of Tax Consequences.** Although the HRA is designed to comply with Code §105 and §106 and *IRS Notice 2002-45* and be a tax-exempt employer-provided health benefit, neither Wespeth nor any Plan Sponsor makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under this HRA will be excludable from the Participant's gross income for federal, state, or local income tax purposes. It shall be the obligation of each Participant to determine whether each payment under the HRA is

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excludable from his or her gross income for federal, state, or local income tax purposes, and to notify Wespath or Plan Sponsor if he or she has any reason to believe that such payment is not so excludable.

- 8.25 Exclusion of Liability.** To the extent permitted by law, Wespath or Plan Sponsor shall not incur any liability for any acts or failure to act except for its own willful misconduct.
- 8.26 Effect of Mistake.** In the event of a mistake as to the eligibility or participation of an Employee, or the allocations made to the account of any Participant, or the amount of HRA reimbursements paid or to be paid to a Participant or other person, Wespath or Plan Sponsor shall cause to be allocated or cause to be withheld or accelerated, or otherwise make adjustment of, such amounts as are necessary in its judgment to correct such HRA to the extent that it deems administratively possible and otherwise permissible under Code §105, the Treasury Regulations issued thereunder, and other applicable law.

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**IN WITNESS WHEREOF**, pursuant to the authority delegated to Wespath staff, by resolutions of the Board of Directors thereof adopted on February 26, 2021 and July 16, 2021, the foregoing Medicare Marketplace and HRA Program is hereby adopted on December 16, 2025, with effect as of January 1, 2026.

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



**Martin Bauer**  
Senior Managing Director, Benefit Plans  
Wespath

## Appendix A

### Medicare Secondary Payor Small Employer Exception

The Plan is intended to be a program for eligible retired or inactive (disabled) Employees and their eligible Spouses or Dependents. However, as provided in this Appendix A, certain actively working Employees of a Plan Sponsor or Salary-Paying Unit that has qualified under the “small employer exception” to the Medicare Secondary Payer Rules [§1862 of the Social Security Act at 42 U.S.C. §1395y(b)(1)(A)(iii)] (“MSPSEE”) may participate.

**A.1 Eligibility to Participate - MSPSEE.** An actively working Employee of a Plan Sponsor who is age 65 or older and eligible for Medicare (“Working Aged”) may participate in the Plan provided he or she and his or her Plan Sponsor or Salary-Paying Unit has qualified under the MSPSEE. Once a Working Aged Employee has been approved by the Centers for Medicare and Medicaid Services for the MSPSEE, he or she may become a Participant, and, to the extent applicable, an HRA Participant.

**A.2 Termination of Participation - MSPSEE.** In addition to the reasons for termination of participation under Section 3.03, a Participant under this Appendix A will cease to be a Participant upon the date on which such individual no longer qualifies for the MSPSEE due to a change in appointment.

**A.3 HRA Freeze - MSPSEE.** The provisions of Section 4.03(c) shall apply if an individual who qualifies for the Plan under this Appendix A is assigned to an employer that does not qualify for the MSPSEE. The HRA will unfreeze when the individual resumes eligibility for the HRA under the Plan.

**A.4 Application of Plan Provisions.** Unless provided otherwise, all provisions of the Plan shall apply to an individual who qualifies for the Plan under this Appendix A.