

**EMPLOYER VANTAGECARE RETIREE HEALTH SAVINGS (RHS)
PLAN ADOPTION AGREEMENT**

Plan Number: 80-0056

Employer Retiree Health Savings Plan Name: City of Rochester Hills Retiree
Health Savings Plan

I. Employer Name: City of Rochester Hills **State:** Michigan

II. The Employer hereby attests that it is a unit of a state or local government or an agency or instrumentality of one or more units of a state or local government.

III. The Effective Date of the Plan: March 12, 2001 and as amended January 1, 2003,
January 1, 2004 and January 1, 2008.

IV. The Employer intends to utilize the Trust to fund only welfare benefits pursuant to the following welfare benefit plan(s) established by the Employer:

City of Rochester Hills Retiree Health Benefit Program.

V. Eligible Groups and Participant Eligibility Requirements

A. Eligible Groups

- All Employees
- All Full-Time Employees
- Non-Union Employees
- Public Safety Employees – Police
- Public Safety Employees – Firefighters
- General Employees
- Collectively-Bargained Employees (Specify Unit) AFSCME Local 1917.28
- Other (Specify groups)

The Employee group specified must correspond to a group of the same designation that is defined in the statutes, ordinances, rules, regulations, personnel manuals or other material in effect in the state or locality of the Employer.

B. Participation

Mandatory Participation: All Employees in the covered group are required to participate in the Plan and shall receive contributions pursuant to Section VI.

C. Participant Eligibility Requirements

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1. Minimum period of service required for participation is a probationary period of 6 months or as otherwise modified by the City.
2. Minimum age required for eligibility to participate is N/A. (Write N/A if no minimum age is required.)

VI. Contribution Sources and Amounts

A. Definition of Earnings

The definition of Earnings will apply to all RHS Contribution Features that reference "Earnings", including Direct Employer Contributions (Section VI.B.1.) and Mandatory Employee Compensation Contributions (Section VI.B.2):

Definitions of earnings: Wages as defined in IRC Section 3401(a) and all other payments of compensation by the Employer for a Program year for which the Employer is required to furnish the Participant a written statement under Code Sections 6041(d), 6051(a)(3) and 6052.

1. Direct Employer Contributions

The Employer shall contribute on behalf of each Participant:

5% of Earnings

___ \$ each Plan Year

___ A discretionary amount to be determined each Plan Year

___ Other (describe):

2. Mandatory Employee Compensation Contributions

The Employer will make mandatory contributions of Employee compensation as follows:

X Reduction in Salary – 2% of Earnings or \$___ will be contributed for the Plan Year.

___ Decreased Merit or Pay Plan Adjustment – All or a portion of the Employees' annual merit or pay plan adjustment will be contributed as follows: _____ (N/A)

An Employee shall not have the right to discontinue or vary the rate of Mandatory Contributions of Employee Compensation.

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3. Mandatory Leave Contributions

The Employer will make mandatory contributions of accrued leave as follows (provide formula for determining Mandatory Employee Leave contributions):

Accrued Sick Leave* none

Accrued Vacation* none

Other (specify type of leave) Accrued Leave none

An Employee shall not have the right to discontinue or vary the rate of accrued leave contributions.

C. Limits on Total Contributions (check one box)

The total contribution on behalf of each Participant (including both Mandatory and Elective Contributions) for each Plan Year shall not exceed the following limit(s):

 X There is no Plan-defined limit on the percentage or dollar amount of earnings that may be contributed.

 % of earnings*

*Definition of earnings: Same as Sec VI.A. Other

 \$ for the Plan year.

\$

Limits on individual contribution types are defined within the appropriate section above.

See Section V.B. for a discussion of nondiscrimination rules that may apply to non-collectively bargained self-insured Plans.

VII. Vesting for Direct Employer Contributions

A. Vesting Schedule (check one box)

 The account is 100% vested at all times, unless specified otherwise in B. below.

 X* The following vesting schedule shall apply to Direct Employer Contributions as outlined in Section VI.A.1.:

<u>Year of Service Completed</u>	<u>Specified Percent Vesting</u>
<u> </u>	<u> </u> %
<u> </u>	<u> </u> %

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_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

*A Participant's account will be 100% vested upon separation of employment if the Participant has achieved a combined age and years of service of 70 or has attained the age of 55 with 5 years of service.

B. The account will become 100% vested upon the death, disability, retirement, or attainment of benefit eligibility (as outlined in Section IX) by a Participant.

*Definition of Retirement (check one box):

Retirement as defined in the primary retirement of the Employer

Separation from service

Other: Separation of employment when the Participant has achieved a combined age and years of service of 70 or attained age 55 with 5 years of service.

C. Any period of service by a participant prior to rehire shall count toward vesting upon completion of the rehired employee's probationary period.

VIII. Forfeiture Provisions

Upon separation from the service of the Employer prior to attainment of benefit eligibility (as outlined in Section IX), or upon reversion to the Trust of a Participant's account assets remaining upon the Participant's death (as outlined in Section XI), a Participant's non-vested funds shall (check one box):

Remain in the Trust to be reallocated among all Plan Participants as Direct Employer Contributions for the next and succeeding contribution cycle(s).

Remain in the Trust to be reallocated on an equal dollar basis among all Plan Participants.

Remain in the Trust to be reallocated among all Plan Participants based upon Participant account balances.

Revert to the Employer.

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IX. Eligibility Requirements to Receive Medical Benefit Payments from the VantageCare Retiree Health Savings Plan.

A. A Participant is eligible to receive benefits:

At retirement only (also complete Section B.)

Definition of retirement:

Same as Section VII.B.

Other _____

At separation from service with the following restrictions:

No restrictions

Other _____

At age only

At retirement and age (also complete Section B)

Definition of retirement:

Same as Section VII.B.

Other _____

At retirement or age

Definition of retirement:

Same as Section VII.B.

Other _____

Other, specified as follows (also complete Section B if applicable): _____

B. Termination prior to general benefit eligibility: In the case where the general benefit eligibility as outlined in Section IX.A. includes a retirement component, a Participant who separates from the service of the Employer prior to retirement will be eligible to receive benefits based on employee contributions:

Immediately upon separation from service.

At age _____

C. A Participant who becomes totally and permanently disabled

as defined by the Social Security Administration

as defined by the Employer's primary retirement plan

_____ other _____

will become immediately eligible to receive medical benefit payments from his/her VantageCare Retiree Health Savings Plan account.

D. Upon the death of the Participant, all benefits shall become payable as outlined in Section XI.

X. Permissible Medical Benefit Payments

Benefits eligible for payment consist of:

All Medical Expenses eligible under IRC Section 213* other than direct long-term care expenses, and including non-prescription medications allowed under IRS guidance.

_____ The following Medical Expenses eligible under IRC Section 213(select only the expenses you wish to cover under the VantageCare Retiree Health Savings Plan):

- _____ Medical Insurance Premiums
- _____ Medical Out-of-Pocket Expenses*
- _____ Medicare Part B Insurance Premiums
- _____ Medicare Part D Insurance Premiums
- _____ Medicare Supplement Insurance Premiums
- _____ Prescription Drug Insurance Premiums
- _____ COBRA Insurance Premiums
- _____ Dental Insurance Premiums
- _____ Dental Out-of-Pocket Expenses*
- _____ Vision Insurance Premiums
- _____ Vision Out-of-Pocket Expenses*
- _____ Qualified Long Term Care Insurance Premiums
- _____ Non-Prescription medications allowed under IRS guidance*
- _____ Other qualifying medical expenses (describe)*

**Nondiscrimination rules may apply to non-collectively bargained, self-insured Plans.*

XI. Benefits After the Death of the Participant

In the event of a Participant's death, the following shall apply:

A. Surviving Spouse and/or Surviving Dependents

The surviving spouse and/or surviving eligible dependents (as defined in Section XII.D.) of the deceased Participant are immediately eligible to maintain the account and utilize it to fund eligible medical benefits specified in Section X above.

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Upon notification of a Participant's death, the Participant's account balance will be transferred into the Vantagepoint Money Market Fund* (or another fund selected by the Employer). The account balance may be reallocated by the surviving spouse or dependents.

**Please read the current Vantagepoint Mutual Funds prospectus carefully prior to investing. An investment in this fund is neither insured nor guaranteed and there can be no assurance that the Fund will be able to maintain a stable net asset value of \$1.00 per share. Vantagepoint Mutual Funds are distributed by ICMA-RC Services, LLC, a wholly-owned broker-dealer affiliate of ICMA Retirement Corporation. Member NASD/SIPC.*

If a Participant's account balance has not been fully utilized upon the death of the eligible spouse, the account balance may continue to be utilized to pay benefits of eligible dependents. Upon the death of all eligible dependents, the account will revert to the Plan to be applied as specified in Section VIII.

B. No Surviving Spouse or Surviving Dependents

If there are no living spouse or dependents at the time of death of the Participant, the account will revert to the Plan to be applied as specified in Section VIII.

XII. The Plan will operate according to the following provisions:

A. Employer Responsibilities

1. The Employer will submit all VantageCare Retiree Health Savings Plan contribution data via electronic submission.
2. The Employer will submit all VantageCare Retirement Health Savings Plan Participant status updates or personal information updates via electronic submission. This includes but is not limited to termination notification and benefit eligibility notification.

B. Participant account administration and asset-based fees will be paid through the redemption of Participant account shares, unless agreed upon otherwise in the Administrative Services Agreement.

C. Assignment of benefits is not permitted. Benefits will be paid only to the Participant, his/her Survivors, the Employer, or an insurance provider (as allowed by the claims administrator). Payments to a third-party payee (e.g., medical service provider) are not permitted with the exception of reimbursement to the Employer or insurance provider (as allowed by the claims administrator).

D. An eligible dependent is the Participant's lawful spouse and any other individual who is a person described in IRC Section 152(a), as clarified by Internal Revenue Service Notice 2004-79.

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G. The employer will be responsible for reporting and remitting any applicable taxes for payments which are deemed to be discriminatory under IRC Section 105(h), as outlined in the VantageCare Retiree Health Savings Plan Employer Manual.

XIII. Employer Acknowledgements

- A. The Employer hereby acknowledges it understands that failure to properly fill out this Employer VantageCare Retiree Health Savings Plan Adoption Agreement may result in the loss of tax exemption of the Trust and/or loss of tax-deferred status for Employer contributions.

- B. Check this box if you are including supporting documents that include plan provisions.

EMPLOYER SIGNATURE

By: _____ Date: _____

Title: Mayor _____

Accepted: VANTAGETRUST TRANSFER AGENTS, L.L.C.

By: _____ Date: _____
Assistant Secretary