

Information Form

Please complete the first page and the information provided will appear where applicable throughout the remaining documents. Not every space will be filled in, so please review the documents. If there is a space for you to complete, you may type directly in that area or click on the boxes that pertain to your plan.

Employer Name: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Tax ID Number: _____

Effective Date: _____

Employer Representative: _____

Title: _____

Signature Date: _____

Contact: _____

Contact Title: _____

Contact Email: _____

Contact Phone: _____

Contact Fax: _____

Section 115 Employee Benefit Trust

IMPLEMENTATION BOOK



250 South Executive Drive, Suite 300, Brookfield, WI 53005-4273
262.785-9995 ♦ Toll Free: 800.627.3660 ♦ Fax 262.785.9269
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Table of Contents

	<u>Tab</u>
Overview.....	1
Sample Employer Agenda Item	1
Trust Adoption Agreement*	2
Trust*	3
Trust Administration Agreement	4
New Business Agreement*	5
GWN Investment Disclosure Form (variable business only)*	5
GWN Client Account Form (variable business only)*	5
Employer Contact Information*	6
Employer Administrative Procedures	7
Data Requirements.....	7

**Requires employer signature(s)/completion*

Overview

Current Situation

Many Employers provide other post-employment benefits (OPEB) such as continuing health care coverage for their Employees. When an Employee retires, these benefits are usually paid out of the Employer's current operational budget. Generally, Employers have not set aside funds while the Employee was actively employed to fund this liability.

The Concern

GASB, through Statement 45, requires the disclosure of this liability on the financial statement and recommends that the Employer begin funding this liability. Disclosure of this liability, absent an offsetting asset, can significantly impact the Employer's financial statements, adversely affecting the credit rating.

The Solution

Steps must be taken to minimize the impact of this liability, including funding. Funding sets aside assets to offset the liability on the financial statement. GASB recommends establishing an irrevocable Employee Benefit Trust for this purpose. The Trust is a legal entity. Trust funds are safe from the Employer's creditors and secure to pay for future benefits.

Why Fund Now?

The actuarial valuation assumes the liability is adequately funded on an annual basis and discounts the liability based on interest earnings. Failure to adequately fund reduces the projected earnings in the Plan and, therefore, will increase the liability. Trust deposits are considered an expense, not an investment, and may be eligible for general state, categorical and special project aid. Increased aid reduces the local effort necessary to finance the liability.

Our Program

We provide everything you need to establish a Trust including an employer resolution, implementation documents and Trust administration. Local, toll-free and on-line support is also provided. The Employer retains discretion as to the amounts and timing of deposits. A variety of investments is available including quality fixed investments with a guaranteed minimum rate of return.

Employee Benefit Trust is provided by:



Sample Employer Agenda Item

Action Item

Authorize the Administration to establish an Employee Benefit Trust in the name of the Employer. This Trust will allow the Employer to segregate funds for future post-employment benefit obligations for purposes of fulfilling the recommendations of GASB 43/45.

Supporting Information

Master contract agreements with various Employee groups and Employer Policy currently provide for retirement benefits to eligible retirees, including continuation on the Employer's health insurance plan. These benefits had previously been funded on a pay-as-you-go basis. The Administration recognizes that these obligations need to be recognized, funded and segregated from other funds.

GASB recommends the establishment of an irrevocable Employee Benefit Trust for this purpose. Contributions by the Employer into the Trust are discretionary and can be made in any amount at any time. Deposits can be made, anticipating variations in liability, from year to year and can also provide for budget expense stabilization. Trust deposits are expenses and may be eligible for general state, categorical and special project aid.

Documents necessary to establish the Trust and Trust Administration are available at no direct cost to the Employer. The Employer may discontinue the Plan, with no penalties, by discontinuing deposits and exhausting assets for the purposes the Plan was established. The Administration will select a Plan Administrator that best provides for the interests of the Employer. It is the intent of the Administration that the Trust be implemented to accommodate deposits this and subsequent fiscal years with National Insurance Services as the provider and administered by MidAmerica Administrative & Retirement Solutions, Inc.

Section 115 Employee Benefit Trust

ADOPTION AGREEMENT

for

This Adoption Agreement is executed on this, the _____ day of _____, 20____, by and between _____, the Grantor, and _____ as the Trustee, and sets forth the designations required by the Trust.

1. Trust Administrator: **MidAmerica Administrative and Retirement Solutions, Inc.** is hereby designated as the Trust Administrator.
2. Custodian: **American United Life** is hereby designated as Custodian of the Trust assets.

By:

Grantor & Trustee*: _____

[* The Trustee may be a governmental employer if permitted under applicable local authority. This Adoption Agreement should be executed below by a duly authorized representative on behalf of the governmental employer. The employer representative is not the trustee and is merely signing for the employer, the trustee.]

Signature: _____
Print Name: _____
Title: _____
Date: _____

IRS Circular 230 Notice: We are required to advise you no person or entity may use any tax advice in this communication or any attachment to (i) avoid any penalty under federal tax law or (ii) promote, market or recommend any purchase, investment or other action.

Section 115 Employee Benefit Trust

for



Trust Table of Contents

<u>Paragraph</u>	<u>Page</u>
1. Name and Purpose	3
2. Compliance with Laws	3
3. Acceptance.....	3
4. Receipt of Contributions.....	3
5. Beneficiaries	3
6. Investment Powers.....	4
7. Administration	4
8. Custodian	4
9. Records and Statements	4
10. Fees and Expenses From Fund	4
11. Parties to Litigation	4
12. Professional Agents	4
13. Distribution of Cash or Property.....	4
14. Distribution Directions	4
15. Third Party / Multiple Trustees.....	5
16. Resignation	5
17. Removal.....	5
18. Interim Duties and Successor Trustee	5
19. Valuation of Trust.....	5
20. Records and Reports	5
21. Termination of Trust.....	5
22. Irrevocable	5
23. Successors and Assigns	6
24. Amendments	6
25. No Third Party Benefit	6
26. Incorporation of Adoption Agreement	6
27. Employer Representation.....	6
Signatures	7

EMPLOYEE BENEFIT TRUST

THIS TRUST AGREEMENT is made this _____ day of _____, 20____ by and between _____ (the "Employer") and _____ as Trustee ("Trustee").

W I T N E S S E T H:

WHEREAS, the Employer has adopted Benefit Plans and Programs for Employees and Former Employees of the Employer, and

WHEREAS, the Employer desires to establish a Trust to secure and hold funds that will be contributed by the Employer and held for the benefit of the employees and their eligible dependents under and in accordance with the Employer's Employee Benefit Plans and Programs, and

WHEREAS, the Employer desires the Trustee to hold and administer the Trust, and the Trustee is willing to hold and administer such Trust, pursuant to the terms of this Agreement, and

WHEREAS, the Employer, by action of its duly authorized officer or governing body, has designated the Trustees to serve as the trustees for the Trust,

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **NAME AND PURPOSE.** The name of this Trust, and the Trust Account established pursuant to this Trust, shall be the _____ Employee Benefit Trust Account. The exclusive purpose of this Trust is to provide a source of funds for the Employer's employee welfare benefit obligations.
2. **COMPLIANCE WITH LAWS.** This Trust is to be interpreted in accordance with the laws of the State in which the Employer is located.
3. **ACCEPTANCE.** The Trustee accepts the Trust and agrees to perform the obligations imposed on it by the terms and conditions set forth in this Trust document.
4. **RECEIPT OF CONTRIBUTIONS.** The Trustee is accountable to the Employer for the funds contributed to it by the Employer. The Trustee is not obliged to collect any contributions from the Employer.
5. **BENEFICIARIES.** The Trust assets, including any earnings accruing on them, shall be held solely for the purpose of providing funding for payment of the Employer's employee welfare benefit obligations and for payment of Trust expenses as provided for herein. It shall be impossible at any time for any part of the Trust to be used for or diverted to purposes other than to provide the benefits identified and contemplated under the Plans referenced herein for the exclusive benefit of covered employees and their dependents. No portion of the principal or income of this Trust shall revert to the Employer.

6. INVESTMENT POWERS. Subject to applicable State law and its fiduciary responsibility, the Trustee has full discretion and authority with regard to the investment of the Trust assets, except with respect to an asset under the control or direction of a properly appointed investment manager, or with respect to an asset subject to Employer direction of investment.
7. ADMINISTRATION. The administration of the Trust shall be provided by the Trust Administrator designated by the Employer in the Adoption Agreement for this Trust. By its agreement to serve as Trustee, the Trustee accepts the Employer's designation of the Trust Administrator. The Employer may designate another Trust Administrator at any time, with proper notice to the Trustee and subject to the Trustee's approval. The Trust Administrator shall be responsible for all administrative aspects of the Trust, including the filing of all reports and tax returns, if any, required of the Trust.
8. CUSTODIAN. The Employer shall appoint a Custodian of the Trust Assets. The Custodian shall be designated and appointed in the Adoption Agreement. The Custodian shall invest the Trust assets as directed by the Trustee. The Custodian shall not have any discretion as to the investment of the Trust assets and shall at all times follow the direction and instruction of the Trustee. So long as the Custodian invests the Trust assets pursuant to the instructions of the Trustee, the Custodian shall not have any liability for following the Trustee's instructions.
9. RECORDS AND STATEMENTS. The records of the Trustee, Custodian, and Trust Administrator, pertaining to the Trust, must be open to the inspection of the Employer at all reasonable times and may be audited from time to time by any person or persons as the Employer may specify in writing.
10. FEES AND EXPENSES FROM FUND. The Trustee and Trust Administrator may receive reasonable annual compensation as may be agreed upon from time to time between the Employer and the Trustee and the Trust Administrator. The Trustee will pay, from the Trust Fund, all fees and expenses reasonably incurred by the Trust to the extent such fees and expenses are for the ordinary and necessary administration and operation of the Trust unless the Employer pays such fees and expenses directly. The above notwithstanding, the Trustee shall not be entitled to compensation if the Trustee is also the Employer.
11. PARTIES TO LITIGATION. Any final judgment entered in any court proceeding involving the Trust will be binding on the Employer, Trustee, Trust Administrator, and the Custodian.
12. PROFESSIONAL AGENTS. The Trustee may employ and pay from the Trust Fund reasonable compensation to, agents, attorneys, accountants and other persons, to advise the Trustee as in its opinion may be necessary. The Trustee may delegate to any agent, attorney, accountant, or other person selected by it, any non-Trustee power or duty vested in it by the Trust, and the Trustee may act or refrain from acting on the advice or opinion of any agent, attorney, accountant or other person so selected.
13. DISTRIBUTION OF CASH OR PROPERTY. The Trustee may make distributions from the Trust in cash or property, or partly in each, at its fair market value as determined by the Trustee. No distributions shall be made from this Trust other than for the payment of benefits identified under the Plans, except that payments of reasonable expenses for the administration of the Trust shall be permitted in accordance with paragraph 10 above.
14. DISTRIBUTION DIRECTIONS. If no one claims a payment or distribution made from the Trust, the Trustee shall return the payment to the corpus of the Trust.

15. THIRD PARTY / MULTIPLE TRUSTEES. No person dealing with the Trustee is obligated to see to the proper application of any money paid or property delivered to the Trustee, or to inquire whether the Trustee has acted pursuant to the terms of this Trust. Each person dealing with the Trustee may act upon any notice, request, or representation in writing by the Trustee, or by the Trustee's duly authorized agent, and is not liable to any person in so acting. If two persons act as Trustee and reach a deadlock, the Grantor shall appoint a third person as temporary Trustee to cast a vote in order to break the deadlock. A decision of the majority of the Trustees shall control with respect to any decision regarding the administration or investment of the Trust Fund or of any portion of the Trust Fund with respect to which such persons act as Trustees. However, the signature of only one Trustee is necessary to effect any transaction on behalf of the Trust.
16. RESIGNATION. The Trustee may resign its position at any time by giving 30 days written notice in advance to the Employer. If the Employer fails to appoint a successor Trustee within 60 days of its receipt of the Trustee's written notice of resignation, the Trustee will treat the Employer as having appointed itself as Trustee and as having filed its acceptance of appointment with the former Trustee.
17. REMOVAL. The Employer, by giving 30 days' written notice in advance to the Trustee, may remove any Trustee. In the event of the resignation or removal of a sole Trustee, the Employer must appoint a successor Trustee if it intends to continue the Trust. If multiple persons hold the position of Trustee and one or more, but less than all, are removed as Trustee, in the event of the removal of one such person, the remaining person or persons shall act as Trustee.
18. INTERIM DUTIES AND SUCCESSOR TRUSTEE. Each successor Trustee succeeds to the title to the Trust vested in his predecessor by accepting in writing his appointment as successor Trustee and by filing the acceptance with the former Trustee and the Employer without the signing or filing of any further statement. The resigning or removed Trustee, upon receipt of acceptance in writing of the Trust by the successor Trustee, must execute all documents and do all acts necessary to vest the title of record in any successor Trustee. Each successor Trustee has and enjoys all of the powers, discretionary and ministerial, conferred under this Agreement upon his predecessor. A successor Trustee is not personally liable for any act or failure to act of any predecessor Trustee, except as required under applicable law. With the approval of the Employer, a successor Trustee, with respect to the Plan, may accept the account rendered and the property delivered to it by a predecessor Trustee without incurring any liability or responsibility for so doing.
19. VALUATION OF TRUST. The Trustee must value the Trust Fund as of each Accounting Date to determine the fair market value of the Trust. The Trustee also must value the Trust Fund on such other valuation dates as directed in writing by the Employer. Accounting Date shall mean the last day of the Employer's fiscal year.
20. RECORDS AND REPORTS. The Trustee and the Trust Administrator shall create and maintain records that are appropriate to the administration of the Trust.
21. TERMINATION OF TRUST. This Trust shall terminate when all Trust funds have been expended for the fulfillment of the Employer's welfare benefit obligations to its employees, and the Employer notifies the Trustee and all other interested parties that the Employer will not be providing any additional funds to the Trust.
22. IRREVOCABLE. This Trust is irrevocable by the Employer.

23. SUCCESSORS and ASSIGNS. This Trust Agreement and the rights and duties hereunder shall not be assignable by either of the parties hereto. The assets held under this Trust shall not be subject to the rights of the creditors of the Employer, the Trustees, or the Custodian, and shall be exempt from execution, attachment, prior assignment, or any other judicial relief or order for the benefit of creditors or other third persons.
24. AMENDMENTS. This Trust Agreement may be amended from time to time by an instrument in writing executed by duly authorized officers of the Employer and Trustee.
25. NO THIRD PARTY BENEFIT. This Agreement is intended for the exclusive benefit of the parties to this Agreement and nothing contained in this Agreement shall be construed as creating any rights or benefits in or to any other party.
26. INCORPORATION OF ADOPTION AGREEMENT. The Trust Adoption Agreement, any Appendix thereto, and any future modifications, are incorporated in this Trust Document and made a part thereof as though specifically set forth herein.
27. EMPLOYER REPRESENTATION. The Employer represents and warrants that:
- (A) it is a State or political subdivision of a State or agency or instrumentality of the foregoing within the meaning of Code Section 414(d);
 - (B) it has authority under State law to enter into, maintain, and establish this Trust and the Plan(s).
 - (C) the funding of the Trust is from employer contributions or contributions of employees of the Employer;
 - (D) the Trust is exempt from taxes under Code Section 115; and
 - (E) the Trust and Plan is a governmental plan as defined in Code Section 414(d), established for the exclusive benefit of the employees of the Employer.

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be SIGNED, SEALED, and DELIVERED on _____ day of _____, 20____.

By:

Grantor & Trustee*: _____

[* The Trustee may be a governmental employer if permitted under applicable local authority. This Adoption Agreement should be executed below by a duly authorized representative on behalf of the governmental employer. The employer representative is not the trustee and is merely signing for the employer, the trustee.]

Signature: _____

Print Name: _____

Title: _____

Date: _____

IRS Circular 230 Notice: We are required to advise you no person or entity may use any tax advice in this communication or any attachment to (i) avoid any penalty under federal tax law or (ii) promote, market or recommend any purchase, investment or other action.

MidAmerica Administrative & Retirement Solutions, Inc.

TRUST ADMINISTRATION AGREEMENT

for

On the ____ day of _____, 20____, _____, as Grantor, established a Trust and designated MidAmerica Administrative & Retirement Solutions, Inc. as the Trust Administrator. By its authorized signature below, MidAmerica accepts the designation as Trust Administrator and agrees to provide the functions and services set forth below.

1. Assist with establishing the custodian account with American United Life Insurance Company.
2. Provide all record keeping for and on behalf of the Trust.
3. Prepare quarterly statements.
4. Maintain a toll free 800# to facilitate communications.
5. Provide confidential internet access to Trust activity.
6. Adhere to the provisions of the Trust document.
7. Arrange for the disbursement of Trust assets as instructed by the Trustee.
8. Notify the Trustee of any changes in the law that would necessitate changes in the Trust documents or structure.
9. Comply with all requests and instructions of the Trustee in accordance with the terms and conditions of the Trust.

MidAmerica Administrative & Retirement Solutions, Inc.

By: J. Wesley Compton, CPA, CEBS
President

Employer Contact Information

Name of Primary contact person: _____

Title: _____

Phone number: _____ Ext. _____

Fax number: _____

E-mail address: _____

Name of Secondary contact person: _____

Title: _____

Phone number: _____ Ext. _____

Fax number: _____

E-mail address: _____

(You may also attach a business card(s) below.)

Administrative Procedures

Please mail the signed Implementation Binder to **MidAmerica Administrative & Retirement Solutions, Inc.**
Once MidAmerica has reviewed the documents, the binder will be mailed back to you.

Please make checks payable to: AUL. Please ensure that the Data Requirements accompany the check and the total contributions listed equals the check amount. **Note: Contributions can only be posted to the account if the Data Requirements are supplied with the contribution check.**

Data Requirements (with each contribution submission) should always be MAILED TO:

MidAmerica Administrative & Retirement Solutions, Inc.
211 E. Main Street, Suite 100
Lakeland, FL 33801
Attn: Contribution Processing

Send a copy of the check and Data Requirements to:

National Insurance Services
Retirement Income Division
250 S. Executive Drive, Suite 300
Brookfield, WI 53005-4273
Attn: Debbie Holewinski

Premiums may be ACH or wired, as follows:

ROUTING NUMBER: 026009593 (for wires only)
ROUTING NUMBER: 063100277 (for ACH only)
ACCOUNT NUMBER: 005561906347
TITLE ON ACCOUNT: AUL Health Benefit Trust / MidAmerica Administrative
& Retirement Solutions, Inc
BANK NAME: Bank of America, N.A.
BANK BRANCH: Lakeland, FL
BANK PHONE NUMBER: (863) 616-5318
REFERENCE: (Employer Name) AUL Policy Number

(A copy of the wire confirmation must be sent to MidAmerica with data requirements.)

Contribution deduction registers (data requirements) can be submitted the following ways:

- An Excel file can be submitted through an attachment via email to contributions@midamerica.biz. Please reference your Employer name and the total deposit amount being submitted.
- You may also upload your contribution data file via FTP. Just type in the following website address: <http://www.midamerica.biz>, select *Forms*, and select *Contribution Data for all other plans*. Populate the required fields, attach your data file and click submit!
- Enclose a hardcopy deduction register with the contribution check and mail directly to MidAmerica.

Please contact Tara Scianimanico, Director of Account Services, at MidAmerica's toll free number 1-800-430-7999, ext. 101 (for Employers and Agents only) for questions concerning submitting contributions.

Data Requirements



District Name: _____ **Total Trust Deposit \$** _____

OPEB Portion of Deposit (Retiree healthcare (medical, dental, vision, long-term care) and life insurance benefits)

\$ _____

Non-OPEB Portion of Deposit (Retiree stipend and other cash payments not included in state pension)

\$ _____

Please ensure that the Data Requirements accompany the check and the total contributions listed equal the check amount.