

**TOWNSHIP OF SCHOOLCRAFT
COUNTY OF KALAMAZOO, STATE OF MICHIGAN
SCHOOLCRAFT TOWNSHIP ORDINANCE NO. 256**

ADOPTED: March 12, 2013

EFFECTIVE: April 1, 2013

GROUP INSURANCE AND CAFETERIA PLAN BENEFITS ORDINANCE

An Ordinance authorizing the Township Board to establish a group insurance/prepayment plan and/or a cafeteria plan as authorized pursuant to *MCL 41.110b* and *26 USCS §125* to provide specified benefits for designated classes of Township officers and dependents; to ratify and confirm any plan and related Board policies in existence on the effective date of this Ordinance and not inconsistent with this Ordinance; and to repeal Ordinance No. 147 adopted September 14, 1993.

**THE TOWNSHIP OF SCHOOLCRAFT
KALAMAZOO COUNTY, MICHIGAN**

ORDAINS:

SECTION I

TITLE

This Ordinance shall be known and cited as the Schoolcraft Township Group Insurance and Cafeteria Plan Benefits Ordinance.

SECTION II

**AUTHORIZATION TO ESTABLISH AND ADMINISTER A GROUP
INSURANCE/PREPAYMENT PLAN AND/OR CAFETERIA PLAN**

- A. Pursuant to *MCL 41.110b* and *26 USCS §125* the Schoolcraft Township Board is hereby authorized to:
- (1) make arrangements with a prepayment plan authorized to transact business within Michigan, insuring and covering the classes of officers/dependents as specified in Section III of this Ordinance under policies of group insurance or prepayment plan contracts, or both, covering life, accident, dental care, vision care, health, hospitalization, and medical and surgical service and expense insurance.
 - (2) establish a "cafeteria plan", as that term is defined in *26 USCS §125*, offering health care (which may include dental and/or vision) benefits and/or

other "qualified benefits" as defined in 26 USCS §125 to the classes of officers and their dependents as specified in Section III of this Ordinance.

B. A plan(s) established under this Ordinance may include one or more of the following benefit/cash options, as determined by the Township Board from time-to-time in its sole discretion, and allow the eligible participants (as specified in Section III) to choose one of the available options:

- (1) a Group Insurance Plan with a portion of the premium contributed by Schoolcraft Township as provided by Section IV of this Ordinance.
- (2) an Individual Insurance Plan with coverage as determined by the participant, and with Schoolcraft Township contributing to an associated health savings account an amount not greater than the amount determined pursuant to Section IV of this Ordinance.
- (3) a Reimbursement Plan providing only for reimbursement of health care expenses not covered by a benefits plan of the participant's spouse; provided that the amount of such reimbursed expenses shall not exceed the amount that would otherwise be contributed by Schoolcraft Township pursuant to Section IV of this Ordinance.
- (4) a Cash Payment Option in lieu of participating in any of the plans in preceding subparagraphs (1), (2) or (3); provided that the amount of such payment shall not exceed 50% of the amount that would otherwise be contributed by Schoolcraft Township pursuant to Section IV of this Ordinance.
- (5) other lawful plans and/or options; provided that the amount to be contributed by Schoolcraft Township for any such other plan and/or other option shall not exceed the amount that would otherwise be contributed by Schoolcraft Township pursuant to Section IV of this Ordinance [and, if applicable, Section II.B.(4)]

C. The Township Supervisor and Clerk are hereby authorized to execute in the name of Schoolcraft Township such plan contracts and other documents as may be approved by the Township Board.

D. The Township Board is hereby authorized to adopt by motion or resolution such policies, rules and regulations which may be necessary or advisable to facilitate the administration of any benefit plan(s) established pursuant to this Ordinance and to provide the intended benefits to the qualifying officers, to the extent such policies, rules and regulations are not inconsistent with the provisions of such plan(s) or this Ordinance, or any applicable law or administrative regulation.

SECTION III

ELIGIBLE PARTICIPANTS/QUALIFICATIONS

- A. The following classes of elected and appointed officers, and the spouse and dependent children of such officers, are eligible participants for any benefits provided pursuant to this ordinance:
 - (1) Class I officers, consisting of Supervisor, Clerk, Treasurer, and Trustees.
 - (2) Class II officers, consisting of Deputy Clerk, Deputy Treasurer, and Deputy Supervisor (if any).
- B. Any person serving as a Class I officer shall be a qualifying Class I officer for purposes of this Ordinance upon being administered the oath of office.
- C. Any person serving as a Class II officer shall be a qualifying Class II officer for purposes of this Ordinance upon completing at least five consecutive calendar years of service as a Class II officer and/or as a Class I officer.

SECTION IV

CONTRIBUTIONS FOR PREMIUMS AND CHARGES

- A. For each qualifying Class I officer Schoolcraft Township may contribute toward the premiums or charges for each such qualifying officer arising under the plan(s) established pursuant to Section II of this Ordinance an amount equal to not more than twenty-five percent (25%) of that officer's annual compensation.
- B. For each qualifying Class II officer Schoolcraft Township may contribute toward the premiums or charges for each such qualifying officer arising under the plan(s) established pursuant to Section II of this Ordinance an amount equal to not more than one percent (1%) of that officer's annual compensation multiplied by that person's complete years of service but not exceeding twenty-five (25) years; provided no such contribution shall exceed \$200.00 per month.
- C. The Township Board is hereby authorized to act by resolution to change the percentage of the Township's contribution for such premiums and charges specified in Section IV.A. and/or B. above.
- D. The portion of premiums and charges for each qualifying officer participating in the plan(s) not contributed by the Township shall be paid by the participating qualifying officer. The Township Clerk is hereby authorized to deduct the same from the Township compensation of each such participating qualifying officer.

SECTION V

EFFECTIVE DATE; REPEAL OF PRIOR ORDINANCE/RATIFICATION OF PLAN

- A. This Ordinance shall take effect the day after publication as provided by law, or on April 1, 2013, whichever occurs last.

- B. Ordinance No. 147 (Group Insurance Ordinance), adopted September 14, 1993, is hereby repealed in its entirety; provided that any group insurance plan/prepayment contract or related policy of the Township Board in existence at the time this Ordinance is adopted and becomes effective, including any plan/contract/policy authorized/adopted under Ordinance No. 147 and not inconsistent with this present Ordinance, is hereby ratified and confirmed. This Ordinance is not intended to repeal or otherwise affect any provision of Ordinance No. 134 (Deferred Compensation Plan Ordinance) adopted December 10, 1991, or Ordinance No. 211 (Retirement and Pension Plan Ordinance) adopted December 11, 2001.

Virginia Mongreig, Clerk
Schoolcraft Township