

**FRENCHTOWN CHARTER TOWNSHIP
GROUP HEALTH INSURANCE PLAN ORDINANCE
Ord. No. 217; Date of Adoption: May 22, 2012**

An Ordinance regarding and providing for Group Health Fringe Benefits Plan(s) for certain employees and officers of Frenchtown Charter Township.

THE CHARTER TOWNSHIP OF FRENCHTOWN HEREBY ORDAINS:

Section 1. Title.

This Ordinance shall be known as the Frenchtown Charter Township Group Health Insurance Plan Ordinance.

Section 2. Purpose; Authority.

The Township Board established Group Health Insurance Plans for its various classes of employees and officers prior to June 20, 1989 and the Township has funded such plans annually ever since their establishment. Employees and officers of the Township who receive such benefits rely upon receiving such coverage. Pursuant to Section 110b of Public Act 77 of 1989, as amended, (MCL 41.110(b)) a township may contract for insurance coverage for employees, officers and their dependents or classes thereof. MCL 41.110(b)(5) provides that a township may exercise the powers granted by that section by ordinance.

In order to formally satisfy the requirements of MCL 41.110(b), and to establish its commitment to uniformity of coverage for the various classes of officers and employees including those employees subject to collective bargaining agreements, the Township desires to confirm its establishment and maintenance of Group Health Insurance Plan(s) covering life, health, hospitalization, medical, prescription, dental and vision insurance coverage for certain of its officers and employees as set forth in this Ordinance. The Township also hereby authorizes the Township Supervisor and Township Clerk to contract in the name of the Township Board, with any company authorized to transact such business within the State of Michigan for such group insurance policies.

Section 3. Eligibility for Plan Benefits.

Provided that eligibility requirements of the Township's respective Plans for Benefits and Coverage are met, the Group Health Insurance Plan(s) created, established and contracted for by the Township shall cover each person within the following classes of officers and employees:

- A. Supervisor, Clerk and Treasurer
- B. Trustees elected or appointed on or before December 31, 1999 and who are serving as Trustees as of the date of adoption of this Ordinance
- C. Full-Time Township Hall Employees
- D. Full-Time Water Department Employees
- E. Full-Time Firefighters

F. Persons eligible pursuant to Township Ordinance 169 as amended in accordance with the terms and requirements of Township Ordinance 169 as amended.

The Township Group Health Insurance Plan(s) also provides coverage for the spouses and dependents of the officers and employees who meet the eligibility requirements of the Township's Plan(s) for Benefits and Coverage. Submission of satisfactory documentation that there is no other coverage available to the officer's spouse or the employee's spouse, or the officer's dependents or employees dependents through any other plan must be provided to the Township as a condition of eligibility for spouses or dependents of employees hired or officers elected or appointed after the year 1999.

Employees and officers shall notify the Township immediately of any change in status for his or her spouse or dependents which may affect their eligibility for benefits under the Township Plan(s). Further, the Township shall annually require completion of a Township Eligibility Form and proof of continued eligibility of spouses and dependents from its employees and officers. In the event that an employee or officer fails to timely notify the Township of a change in status which affects the eligibility of the employee's spouse or dependents or the officer's spouse or dependents, the employee or officer shall be responsible for all such costs and fees incurred by the Township from the date of the change in the status of eligibility.

An employee may choose to purchase at their own cost, the Township health insurance plan for their spouse and/or dependents if permitted by the Plan.

Amended by Ordinance No. 217-1, December 15, 2015.

Section 4. Township Contribution.

The Township shall contribute that portion of the premium or charges arising under such group insurance contracts for each eligible person within the classes enumerated in Section 3 as approved by the Board annually and in accordance with Public Act 152 of 2011, as amended. Such Township contribution shall be secured from the appropriate funds of the Township applicable to the respective employees. Each person within such class shall be responsible for the remainder of the premium or charges, if any, not approved to be paid for by the Township, and the Township Treasurer is hereby authorized to deduct the same from such person's pay, salary or compensation to apply to such person's share of the premium. Any person required to make contributions to the coverage who desires not to be so covered shall give written notice to the Township Clerk and/or Treasurer that he or she desires not to be insured or covered and if the notice is received before the person has become insured or covered under the contract, he or she shall not be covered under the contract. If the notice is received after the individual has become insured or covered, his or her coverage under the contract shall cease as provided for in the contract.

Section 5. Plan Coverage.

The Plan year will commence on January 1st of each year. To be eligible to participate in a Plan, an enrollment application must be completed and submitted by the employee or officer along

with any other documents and forms required by the Township insurer and must meet the eligibility requirements of the Township Plan. Benefits provided under the Plan are set forth in and governed by the Insurance Contracts and explanation materials provided by the Township's various insurers as are applicable exclusions, limitations, coordination of benefits provisions and procedures for filing claims and appeals of denials of coverage. Subject to COBRA, coverage under the Township Plan will be terminated as to employees and officers and any covered dependents upon termination of employment by the Township.

Section 6. Uniformity of Coverage.

It is the Township's goal and desire that the same plan coverage be offered and provided to all eligible Township employees and officers as defined in Section 3. The Township hereby ratifies and confirms its commitment to all eligible and covered employees and officers that it will with the cooperation of its respective classes of employees and officers including its collective bargaining unit, work toward a single plan for coverage for life, health, hospitalization, medical, dental and vision insurance for all employees subject to collective bargaining agreements in existence on the effective date of this Ordinance.

Section 7. Ratification.

The Township hereby ratifies and confirms the validity of all life, health, hospitalization, medical, dental and vision insurance coverage, or any one or more of such forms of insurance in existence on the effective date of this Ordinance.

Section 8. Reservation of Rights.

Although the Township intends to continue to provide coverage for its eligible officers and employees, the Township necessarily reserves the right to amend, suspend and/or terminate its Group Health Insurance Plan(s) and the benefits offered by the Township pursuant to this Ordinance and otherwise at any time, subject to binding requirements of any collective bargaining agreements or employment contracts. This Ordinance and the Plan shall not create any right to have the benefits contemplated hereunder continued.

Notice of a proposed amendment to a Plan which would substantially affect the rights of covered employees and officers and/or termination of the Plan and/or the benefits offered pursuant to this Ordinance shall be provided to each employee or officer receiving coverage, personally or by certified mail return receipt requested. Such notice shall be provided to the last known address of the insured, no less than 30 days prior to action by the Board as to the proposed amendment and/or termination of the Plan or the benefits offered.

Section 9. Repeal.

All Ordinances in conflict with this Ordinance are to the extent of such conflict hereby repealed.

Section 10. Severability.

This Ordinance and the various parts, sentences, paragraphs, sections, subsections, phrases and clauses thereof are declared to be severable and if any of them are adjudged unconstitutional or invalid, it is hereby provided that the remainder of the Ordinance shall not be affected.

Section 11. Effective Date.

This Ordinance shall become effective immediately after adoption and publication in a newspaper having general circulation in Frenchtown Charter Township, Monroe County, Michigan.

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