



# CALIFORNIA'S VALUED TRUST

Healthcare Benefits for the Education Community

## **PARTICIPATION AGREEMENT**

### **(Collective Bargaining Unit)**

THIS PARTICIPATION AGREEMENT ("Agreement"), is entered into by and between the CALIFORNIA'S VALUED TRUST FUND, a tax exempt trust under Internal Revenue Code, Section 501(c)(9) (the "Trust"), the **XYZ School District of ABC** County(ies), California (the "District"), and the **XYZ School District (Certificated/Classified) Unit** (the "Union").

#### **RECITALS:**

Certain public school districts and public school employee unions have established the Trust to provide health and welfare benefits for members of public school bargaining units and for management and confidential employees of districts, school board members and retirees.

The District and the Union have entered into a collective bargaining agreement which provides for contributions to the Trust for the provision of health and welfare benefits for employees of the District represented by the Union.

#### **AGREEMENT:**

In consideration of the mutual promises and covenants to be observed, kept and performed by the parties hereto, it is agreed as follows:

1. **Term**

The term of this Agreement shall commence 12:01 a.m. **October 1, 2004**, and shall continue in effect until terminated pursuant to Section 9.

2. **Employee**

The term "employee" as used herein refers to all persons in employment classifications designated on the Election Form as eligible to participate in the Trust.

3. **Election Form**

The benefit plan(s) (the "Plan(s)") selected by the District are set forth in the signed Benefit Plan Election Form (the "Election Form") attached to and made a part of this Agreement by this reference.

A. The District and the Union agree to the uniform eligibility rules of the Trust which are marked as Exhibit "A" and attached hereto and made a part of this Agreement by reference.

B. A full contribution must be paid for each employee for each of the medical, dental and vision plans elected in Section 3 of the Election Form. If the collective bargaining agreement between the District and the Union provides for employees who work between thirty (30) and forty (40) hours or more per week to pay a portion of the contribution, such bargaining agreement shall, by execution of this Agreement, be deemed to require each employee to authorize the District to withhold the required employee portion of the contribution monthly during the term of this agreement from each such employee's compensation and to require the District to remit that amount together with the District's portion in one aggregate payment to the Trust.

C. The contribution rates and the terms of the Plans specified in the Election Form and the Trust eligibility rules may be changed by the Trust effective not earlier than October 1 of each school year. The Union and the District will be notified in writing of applicable rates and benefit and eligibility rules changes at least thirty (30) days prior to their effective date. If the revised contribution rate is not paid, the Trust may terminate this Agreement in accordance with Section 9.B.

#### 4. Contributions and Reports

A. The District shall prepare and submit to the Trust monthly or tenthly by such date as the Trust prescribes a current list on a form to be supplied by the Trust, of all employees who are covered under each Plan annotated to add newly enrolling employees and to delete employees who are no longer eligible.

B. Contributions for employees covered pursuant to each respective Plan shall be paid by the District on a monthly or tenthly basis in the amount per employee specified in the Election Form for each employee included on the monthly list referred to in Section 4.A.

C. Contributions shall be made promptly in advance to the Trust at the beginning of each calendar month. The District's contribution shall be considered delinquent if not received by the 10th of the month unless the District has deposited with the Trust an amount equal to one month's estimated monthly contribution or unless the Trust excuses such delinquency for good cause. Any prepayment shall be held for the District by the Trust and the District shall have a thirty (30) day extension on the aforementioned delinquency. Unless waived by the Trust, the District shall pay to the Trust the sum of ten percent (10%) of the amount of the delinquent contribution or contributions due and payable in a month. This amount shall become due and payable to the Trust by the District as liquidated damages and not as a penalty, at the place where the contribution is payable upon the day immediately following the date on which the contribution or contributions become delinquent, which payment shall be in addition to the delinquent contribution or contributions. Interest shall be charged on delinquent contributions at the interest rate prescribed under Section 6621 of the Internal Revenue Code, but in no event shall the interest rate charged be more than 10% per annum. All contributions paid into the Trust shall first be applied to any delinquent payments, liquidated damages and/or interest charged in the order and amount as determined by the Trust. In the event, the Trust determines it is necessary to consult legal counsel with respect to the District's delinquent payments, there shall be added to the obligations of the District reasonable attorney's fees, court costs and all other reasonable expenses incurred by the Trust in connection with collection of such delinquency, provided the Trust prevails in such litigation.

#### 5. Collective Bargaining Agreement

The Participation Agreement shall not be effective until the District and the Union provide the Trust a copy of their current collective bargaining agreement and the provisions of such agreement for participation in the Trust are approved by the Trust. The District and the Union shall promptly provide the Trust with copies of any changes in their collective bargaining agreement relative to participation in the Trust. The provisions of this Agreement and the Agreement and Declaration of Trust establishing the

California's Valued Trust Fund shall govern and shall be deemed to supersede any conflicting provisions of the collective bargaining agreement between the District and the Union.

6. Financial Statement

An annual financial statement of the Trust will be submitted to the District and the Union.

7. Distribution of Materials

The District agrees to cooperate and assist in the distribution to employees of enrollment forms, benefit descriptions, benefit certificates, provider directories, claim forms and other forms or documents usually supplied in connection with the enrollment process.

The Trust will be responsible for administering COBRA continuation benefits for employees and eligible dependents. The District shall notify the Trust of the termination, reduction in hours or death of any employee as required by law.

8. Amendment of Plans

The Trust reserves the right to amend or modify the benefit plans specified on the Election Form if contributions and reserves of the Trust are not adequate in the judgment of the Directors of the Trust to provide benefits, pay administration expenses, and maintain reasonable reserves; provided that such action shall not be taken until after the District and the Union are provided at least 60 days advance written notice of such changes and notice if any additional contribution could avoid such changes.

9. Termination

A. The District may terminate participation in the Trust as of September 30th of any year by a jointly executed notice of termination delivered to the Trust on or before the preceding August 10th. This Participation Agreement shall continue in effect annually from October 1st of one year to September 30th of the following year until properly terminated.

B. The Trust may terminate this Agreement at any time if the District fails or refuses to make all payments required hereunder for the Plans shown on the Election Form within 20 days after service of a written notice from the Trust demanding payment. Any such notice shall be sent to the District and the Union.

C. The Trust may amend this Participation Agreement as of any October 1st upon notice in writing delivered to the District and the Union on or before the preceding July 1st.

D. Following termination of this Agreement, it is understood and agreed that the Trust shall be responsible for payment of eligible claims of covered employees and/or officers incurred on or before the termination date only in accordance with the terms and specifications of the Agreement and Declaration of the Trust establishing the California's Valued Trust Fund and each applicable Plan. The parties acknowledge that after termination of participation, neither the employees and/or employee representatives nor the District shall retain any right or interest in the Fund or any of its assets and shall not be entitled to any share of the reserves maintained by the Fund upon their withdrawal from participation.

10. Binding Effect of Trust Agreement

The parties hereto agree to be bound by the terms and provisions of the Agreement and Declaration establishing the California's Valued Trust.

11. Waiver of Claims

The District and the Union hereby waives any claim against the Directors, agents or employees of the Trust for any loss, cost or expenses, including attorneys' fees, alleged to arise from or relate to the Directors', agents or employees' good faith discharge of responsibilities hereunder or under the Trust Agreement.

12. Notice

Any written notice required by or pertaining to this Agreement shall be sent to such party by prepaid first class mail or telegram, at the address listed below:

If to the Trust:

David B. Vaughn, Ed.D  
Executive Director  
California's Valued Trust  
520 East Herndon Avenue  
Fresno, California 93720

If to the District:

XYZ School District  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to the Union:

XYZ School District (Certificated/Classified) Unit  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13. Ratification by Governing Board

The District shall provide the Trust with a certified copy of the minutes of a meeting of the Governing Board of the District at which the adoption and execution of this Agreement have been approved or ratified by the Governing Board by a motion duly passed and adopted at a meeting duly called and held.

California's Valued Trust

District: XYZ School District

BY: \_\_\_\_\_

BY: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Union: XYZ School District (Certificated/Classified) Unit

BY: \_\_\_\_\_

Dated: \_\_\_\_\_

CALIFORNIA'S VALUED TRUST  
PARTICIPATION AGREEMENT  
Benefit Plan Election Form  
(Collective Bargaining Unit)

1. Name of District \_\_\_\_\_
2. Employees covered (check all appropriate boxes)

Category 1		Certificated Employees No.	
Category 2		Classified Employees No.	
Category 3		Certificated Retirees No.	
Category 4		Classified Retirees No.	
Category 5		COBRA Enrollees No	

3. Plans elected:

	Plan Identification	Initial Monthly Contribution Rate Per Employee
Medical Plan	_____	_____
PPO	_____	_____
HMO	_____	_____
Dental Plan	_____	_____
Basic Incentive	_____	_____
PPO 70/30	_____	_____
PPO 100	_____	_____
Vision Plan	_____	_____
EAP	_____	_____
Life	_____	_____

4. Are part-time employees eligible?       Yes       No

5. If the answer to 4 is yes, explain in detail any minimum work requirements.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Describe all provisions for payment of all or part of the monthly contribution by full time or part time employees.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. If any employees may self pay for coverage on a voluntary basis explain which employees can do so and under what circumstances.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

XYZ School District

XYZ School District  
(Certificated/Classified) Unit

BY: \_\_\_\_\_

BY: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**NOTE: This Participation Agreement is NOT effective until the provisions of Section 5 have been satisfied and the Trust has approved this Agreement by returning a copy of this Benefit Plan Election Form signed in the space provided below.**

Approved By:

California's Valued Trust

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

Dated: \_\_\_\_\_