

ADMINISTRATION

General Administration

The goal of the Administration Policy is to enable the Trustees for the Everett School Employee Benefit Trust (“Trustees”) to administer the Everett School Employee Benefit Trust (“Trust”) in accordance with the terms of the Trust document, benefit document(s), Title 48, Chapter 62 RCW, District policies and procedures, and procedures adopted by the Trustees. The Trust is sponsored by the Everett School District (“District”) and the Everett Education Association (“Association”).

Responsibilities

The Trustee’s key administrative responsibilities are grouped by type of responsibility and are generally described below. The following is not intended to be a comprehensive listing of all responsibilities. From time to time, the Trustees shall review updates on typical administrative committee practices and may revise the following administrative responsibilities by Trustees action. The Trustees will develop appropriate procedures to address these responsibilities:

- Selection, appointment and monitoring any external third-party administrator, Trust fund investment advisor or manager, consultant or other advisor.
- Interpreting Trust document and benefit document terms.
- Appoint claims administrator(s) to determine initial claims for benefits funded directly by the Trust, and decide all benefit claim appeals in accordance with the claims procedures contained in the benefit documents specified in Appendix I of the Trust document.
- Select insurance carriers for benefits funded through insurance purchased by the Trust. Such insurance carriers must be licensed or authorized by the State of Washington to transact insurance in the State of Washington.
- Providing benefit statements.
- Ensuring only appropriate expenses are paid with Trust funds.

The Trustees may adopt such additional rules and procedures as it deems desirable for the conduct of its affairs, managing and controlling the Trust and administration of the benefits funded by the Trust, provided that any such rules and procedures shall be consistent with the provisions of the Trust document, other District policies and procedures, Title 48, Chapter 62 RCW and its implementing regulations.

The Trustees will develop and adopt procedures for carrying out this policy.

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Trust Administration

The administration of the Trust in accordance with the terms of the Trust document, benefit document(s), Title 48, Chapter 62 RCW, its implementing regulations and applicable District policies and procedures through administrative procedures adopted by the Trustees is vital to the Trust and to the District. As provided by the terms of the Trust, the District will maintain at least a fifty percent voting control of the Trust.

Reference: 100 General Administration
100.2P Adopting Procedures
Trust document
Benefit documents specified in Appendix I of the Trust document

Legal Reference: RCW 48.62.121(1)
WAC 82-~~60~~65-010 et seq.

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Adopting Procedures

The Trustees shall take reasonable actions to adopt procedures for administering the Trust and for executing Trust policies. Proposed procedures shall be circulated in draft form to the Trustees to ensure time for review and shall be approved at a subsequent Trustee meetings.

Prior to implementing the following changes, the Trustees will request in writing and receive approval from the state risk manager:

- Elimination or reduction of stop-loss insurance;
- Acceptance of any loans or lines of credit;
- Provision of services to nonmembers; or
- Addition of members of other entity types than those included in the original application approved by the state risk manager.

References: 100 General Administration
 110 Trustees
 130 Administrative Authority

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Third Party Administrators, Consultants and Advisors

The Trustees shall select, appoint and monitor any external third-party administrators (“TPA”), consultants or other advisors.

When selecting a TPA, consultant or other advisor the Trustees shall consider:

1. The TPA’s, consultant’s or other outside advisor’s responsiveness, accuracy and business stability.
2. The TPA’s, consultant’s or other outside advisor’s ability to meet the Trust’s needs including, benefit administration, legal compliance, benefit projections and communications.
3. With respect to the TPA only, the TPA’s technology (consideration of whether the District’s current technology is compatible with and can interface the TPA’s technology).

Contracts with third-party administrators are subject to the following requirements:

1. The third-party administrator, the actuary, and the broker of record must contract separately with the Trust.
2. The contract must require that a written statement be submitted to the Trust on a form provided by the state risk manager providing assurance that no conflict of interest exists.
3. Third-party administrators shall be selected using a competitive solicitation process.
4. The contract must include a complete written description of the services to be provided, remuneration levels, contract period and expiration date.
5. The contract must provide for the confidentiality of the Trust’s information, data and other intellectual property developed or shared during the course of the contract.
6. The contract must provide for the Trust’s ownership of the information, data, and other intellectual property developed or shared during the course of the contract.
7. The contract must provide for the expressed authorization of the Trust, the Trust’s consultants, the state auditor, the state risk manager, or their designees, to enter the third-party administrator’s premises to inspect and audit the records and performance of the third-party administrator which pertain to the Trust and to obtain such records electronically so that audit travel costs can be eliminated or reduced.
8. The contract must require compliance with all applicable local, state and federal laws.

9. The contract must contain indemnification provisions and set forth insurance requirements between the parties.

The Trustees monitoring function shall include:

1. Periodic evaluations of the TPA, consultant or other advisor.
2. Meetings with the TPA, consultant or other advisor.
3. Discussion and resolution of problems.

References: 110.7P Delegation of Duties
5225 Human Resources: Technology Policy (District Policy)
5225P Human Resources: Technology Procedure (District Procedure)

Legal Reference: WAC 82-~~6065-038~~100
WAC 82-65-150

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District or Association Action

Any decisions or actions by the District or Association pursuant to the provisions of the Trust shall be evidenced by a written instrument executed by the District or Association respectively or anyone authorized to take such action as a representative of the District or Association.

Reference: Trust document Section 4.10

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Non Discrimination

The Trustees shall administer the benefits funded directly by the Trust in a nondiscriminatory manner, in accordance with the District's policy on non discrimination and affirmative action and the District's equity policy.

Contribution rate schedules shall be consistent and nondiscriminatory among beneficiaries. This provision is not intended to prohibit choice of coverage for beneficiaries, classes of beneficiaries, or bargaining groups from the options offered by the Trust, or to prohibit different contribution schedules between classes of beneficiaries or bargaining groups.

References: 5010 Non discrimination and Affirmative Action (District Policy)
6001 Equity (District Policy)

Legal Reference: WAC 82-65-050

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Trustees

The role of the Trustees is to manage and control the Trust and to administer the benefits funded directly by the Trust. The Trustees are the “Administrator” under the terms of the Trust. Pursuant to the Trust document, the Trustees are appointed by the District and the Association.

References: 100 General Administration
 110.1P Membership
 120 Trust and Plan Terms
 130 Administrative Authority
 Trust document Preamble

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Membership

The appointment of, resignation, removal and succession of Trustees is determined as follows:

Removal of Trustee: The District may remove any Trustee appointed by the District at any time by delivery to such Trustee, and to the other Trustees then acting, an instrument signed by the District. Likewise, the Association may remove any Trustee appointed by the Association at any time by delivery to such Trustee and to the other Trustees then acting, an instrument signed by the Association.

Resignation of Trustee: Any Trustee may resign, without the permission of any court or judge and without first accounting for his actions as Trustee, by giving written notice to the District, Association and to the other Trustees then acting, but the foregoing shall not relieve any Trustee so resigning of the obligation ultimately to account for his or her actions as such Trustee.

Appointment of Successor Trustees: In the event of the death, resignation or removal for any reason of any Trustee, a successor Trustee may be appointed by an instrument signed by the District or Association, accepted in writing by such successor Trustee, copies of which shall be delivered by the District or Association to the other Trustees then acting. The District shall appoint the successor of a District Trustee and the Association shall appoint the successor of an Association Trustee.

Reference: 110 Trustees
 120 Trust and Plan Terms
 Trust document Section 5

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Appointments

The Trustees shall select a Chairperson and Secretary who shall serve for terms of one fiscal year and until selection of their successors. For the first year of existence of the Trust, the Chairperson position shall be filled from the District-appointed Trustees and the Secretary position shall be filled from the Association-appointed Trustees. For the second and all succeeding years, the position of Chairperson and Secretary shall alternate between the respective Trustee groups. Each Trustee group shall select the individual who will serve in the appropriate capacity from among its own members by majority vote.

Reference: 120 Trust and Plan Terms
Trust document Section 4.7(d)

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Meetings

The Trustees shall annually set a calendar of meeting dates and will meet as often as is necessary to carry out the purpose of the Trust, and special meetings will be called as necessary.

The Chairperson may schedule meetings, including special meetings, with seventy-two (72) hours notice. In cases of emergency, the seventy-two (72) hour notice is not required. Further, any two (2) Trustees may call a meeting of the Trustees at any time by giving at least ten (10) days written notice of the time and place of the meeting to each of the other Trustees. Meetings of the Trustees may also be hold at any time without notice if all of the Trustees consent thereto.

Reference: Trust document Section 4.7(b)

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Trustee Action

Decisions or actions of the Trustees taken at any meeting shall be determined by majority vote of the Trustees present at the meeting, provided that a quorum is present. A quorum shall require four (4) Trustees be present with at least 50 percent of those Trustees present representing the District. No proxy voting shall be allowed. In the event of a deadlock among the Trustees, no decision or action shall be taken by the Trustees.

Reference: Trust document Section 4.7(c)

Legal Reference: RCW 48.62.121(2)(iii)

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Agendas, Minutes and Records

1. The Chairperson shall establish agendas for the Trustees' meetings. The Chairperson shall endeavor to provide the agenda, together with materials relating to the subject matter of each meeting, to the Trustees prior to each meeting.
2. Minutes shall be kept of all Trustee meetings. The minutes shall be circulated in draft form to the Trustees to ensure an accurate record, and shall be approved at a subsequent Trustee meetings.
3. The Chairperson may delegate his or her responsibilities regarding agendas, minutes and records, in accordance with the Trust's delegation procedure.
4. The Trustees shall keep records of all decisions regarding benefit document interpretations and benefit claim determinations.

References: 110.7P Delegation of Duties
410P Claims Procedure
430 Health Insurance Portability and Accountability Act of 1996 (HIPAA) –
Privacy and Security (referencing HIPAA Privacy Manual, as amended for
Security)
450 Records Retention and Management
8410 Records Management and Retention (District Policy)
8410P Records Management and Retention (District Procedure)
General Records Retention Schedule, School Districts and Educational Districts,
provided by the Office of the Secretary of State, Division of Archives and
Records Management

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Signing of Documents

Documents may be signed for the Trustees by the Chairperson or other Trustee designated by the Chairperson or other Trustees.

References: 110.7P Delegation of Duties
440 Reports
Trust document Section 4.7

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Delegation of Duties

The Trustees may delegate duties to one or more persons, in writing. Duties may be delegated to employees of the District and other outside advisors. Duties currently delegated and the District employees to whom they are delegated include the following:

General Benefits Administration: Human Resources Administration, Benefits and Employee Records Departments.

Eligibility and Enrollment Determinations: Human Resources Administration, Benefits and Employee Records Departments.

Trust Financial Management: Delegations pursuant to Finance Policies and Procedures.

For Duties delegated to outside advisors, the below-referenced documents outline the duties that have been delegated and the outside parties to whom such duties have been delegated.

Reference: 100.3P Third Party Administrators, Consultants and Advisors
200 Financial Policy
200.1P Financial Management
220 Investment Guidelines
410 Claims and Appeals
410P Claims Procedure
Trust document Sections 4.2(k) and 4.5

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Reliance on Information

The Trustees may, in good faith, rely on information provided by the Trust's investment consultant and any Trustee advisor. The Trustees shall also be protected to the fullest extent possible in taking or omitting any action in accordance with written directions from any Trustee advisor.

References: 100.4P District or Association Action
 110.7P Delegation of Duties
 220 Investment Guidelines

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Compensation

The Trustees shall serve without compensation for services to the Trust, however, reasonable and necessary Trustee expenses incurred in the discharge of Trustee shall be reimbursed by the Trust.

Reference:	240	Payment for Travel Expenses
	7323	Payment for Travel Expenses (District Policy)
	7323P	Travel Authorization and Expense Reimbursement (District Procedure)
		Trust document Section 4.3

Legal Reference: RCW 48.62.121(1)

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Trust and Plan Terms

The Trustees are responsible for managing and controlling the Trust in accordance with the Trust document terms and referenced District policies and procedures. The Trustees are also responsible for administering the benefits funded directly by the Trust in accordance with applicable benefit documents and with applicable laws.

Reference: Trust document Section 1.6
Benefit documents specified in Appendix I of the Trust document

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Administrative Authority

The Trustees have sole authority and responsibility for the administration of the Trust as specified in the Trust document and Title 48, Chapter 62 RCW, including the discretionary authority to interpret the provisions of the benefit documents and the facts and circumstances of claims for benefits.

Reference: 410P Claims Procedure
Trust document Section 4.16

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