

**Employer Participation Agreement  
for the Post Employment Health Plan  
for Collectively Bargained Public Employees**

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This Participation Agreement ("Agreement"), effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, (the "Effective Date"), by and between the undersigned employer (the "Employer"), and Nationwide Retirement Solutions ("NRS"), as the administrator (the "Administrator") of the Post Employment Health Plan for Collectively Bargained Public Employees (the "Plan").

**WITNESSETH:**

**WHEREAS**, the Employer is a State or a political subdivision thereof, or an agency or instrumentality of any of the foregoing; and

**WHEREAS**, the Plan provides post-retirement reimbursement of Qualifying Medical Care Expenses and Health Care Insurance Premiums (as defined in the Plan) for the benefit of eligible government employees who become participants in the Plan, and their dependents; and

**WHEREAS**, pursuant to a collective bargaining agreement ("CBA") with a union representing certain employees of the Employer (the "Union"), the Employer has agreed to make contributions pursuant to and in compliance with the Plan and this Agreement and subject to the Internal Revenue Code of 1986, as amended ("Code") and its accompanying regulations for work performed by its eligible employees covered by the collective bargaining agreement ("Contributions"); and

**WHEREAS**, the Contributions will be held in trust by the Trustee, or its successor, designated under the Trust for the Post Employment Health Plan for Public Employees (the "Trust") for the exclusive benefit of eligible employees, Plan participants, and their dependents; and

**WHEREAS**, the Employer adopts the Plan by entering into this Participation Agreement with the Administrator; and

**WHEREAS**, the Administrator accepts the Employer as an Employer under the Plan upon the terms and conditions set forth in the Plan, the Trust and this Agreement.

**NOW, THEREFORE**, for and in consideration of the mutual covenants in this Agreement, the Employer and the Administrator hereby agree as follows:

1. By execution of this Agreement, the Employer adopts and agrees to be bound by all of the terms and provisions of the Plan, this Agreement and the Declaration of Trust governing the Trust (the "Trust Agreement" a copy of which the Employer acknowledges receipt thereof) and such subsequent amendments which are adopted as provided in the Trust Agreement. The Employer agrees to be bound by all actions taken by the Administrator and the Trustee pursuant to the powers granted them by the Plan and Trust Agreement. The Employer further acknowledges that under the terms of the Plan, the Administrator's resolution regarding questions relating to administration of the Plan is final and binding upon the Employer, eligible employees and participants.
2. By execution of this Agreement with the Employer, the Administrator agrees to carry out the responsibilities of the Administrator as set forth in the Plan, this Agreement and the Trust Agreement.
3. This Agreement authorizes the Administrator or Trustee to enforce any rights which are provided as a matter of law in favor of the Plan, its eligible employees and participants and their dependents or the Trustee. This provision notwithstanding, if, in the opinion of the Administrator, the terms of the Employer's participation in the Plan conflict or come to conflict with the Code and accompanying regulations, the Administrator may refuse Contributions until such time as the conflict is cured. If an Employer desires to change the terms of its participation in the Plan, such change must be submitted to the Administrator for acceptance prior to its becoming effective and binding on the Administrator. Such acceptance shall not be unreasonably withheld.
4. This Agreement shall apply to only those employees and participants that the Employer has determined are eligible and for whom the Employer agrees to make Contributions to the Plan. The Employer agrees that in determining who is eligible to receive Contributions under the Plan, the Employer will comply

with Code section 105(h) and will not discriminate in favor of highly compensated individuals. The Employer acknowledges that the Administrator has no responsibility to determine which employees or participants of the Employer are eligible to receive contributions under the Plan or to enforce the Employer's compliance with Code section 105(h).

5. Subject to Section 8 of this Agreement, this Agreement shall remain in effect until such time as the Employer withdraws from the Plan pursuant to the withdrawal provision of the Plan document (see Section 9.2). The Employer acknowledges that withdrawal from the Plan, and exhaustion of the assets associated with that Plan will no longer entitle the Employer's representative or its employees' representative to participate in the Advisory Committee created under the terms of the Trust. The Administrator, however, reserves the right to terminate the Employer's participation in the Plan for any of the following reasons:
  - a. should the Employer fail to make Contributions to the Plan;
  - b. if at any time the Employer's terms of participation in the Plan are modified in a manner which affects the operation or administration of the Plan in a manner which is unacceptable to the Administrator or Trustee;
  - c. if at any time the Employer's terms of participation in the Plan are modified in a manner which, in the opinion of the Administrator, jeopardizes the tax qualification of the Trust or the regulatory approval of the Plan or would conflict with applicable law; or
  - d. as otherwise provided in the Plan or Trust Agreement.
6. The commencement and continuation of the Employer's participation in the Plan is contingent upon such commencement or continuation of participation not impairing the attainment, or retention, of the tax exempt status of the Trust under Code section 501(c)(9) .
7. The commencement and continuation of the Employer's participation in the Plan is further contingent upon such commencement or continuation of participation not violating any provisions of the Internal Revenue Code and its regulations or any ruling or guidance published by the Internal Revenue Service ("IRS") applicable to the Plan, including the terms of any IRS ruling issued to the Plan or other applicable law. The Employer acknowledges that failure to comply with the terms of the Plan and Trust may subject it and its employees to adverse tax consequences.
8. In order to provide for the payment of benefits under the Plan, the Employer hereby agrees to make Contributions to the Trust, as it specifies in the attached Employer Data Sheet. The Employer may change its Contributions from time to time, consistent with the objectives of the Plan and applicable law by a mutually agreeable method between the Employer and the Administrator (which method could include updating the PEHP Employer Data Sheet).

With each Contribution to the Plan, the Employer will provide the Administrator with a Contribution Summary Sheet (or similar report) which lists the full name of each employee or participant for whom contributions are made, his or her Social Security number, the amounts to be allocated on behalf of each such employee or participant and whether the contributions should be credited to the 05 or 06 sub-accounts as defined in the Plan document. The Administrator or its designee shall record the Contribution and reconcile the Employer's Contribution Summary Sheet or other report.

The Administrator may reject Contributions that do not comply with the requirements of the Plan, the Trust and the Code. If the Administrator rejects any Contributions, the Contributions and the Contribution Summary Sheet will be returned to the Employer for resolution. The Administrator shall instruct the Trustee to transfer the Contributions in good order from the lockbox to the Trust investment account upon completion of such recording and reconciliation. Contributions shall not accrue income or share in investment gains or losses while they are in the lockbox prior to the transfer to the Trust investment account or while the Administrator seeks resolution of Contributions not received in good

order. The Employer understands that failure to make Contribution in a timely manner may result in sanctions permitted by law, as well as the termination of its participation in the Plan, as provided in rules established in this Agreement.

9. The Employer hereby appoints, and approves of, NRS to provide claims payment services and to act as the Administrator for the Plan. The Employer further agrees that the Administrator's compensation for its services shall be an annual charge per participant or eligible employee of **\$30.00**. The Employer represents and warrants that it has advised its eligible employees or participants of the annual charge. Such charge shall be assessed to each participant or eligible employee's account on the anniversary date, which is one year after the date the initial contribution to the Plan was made, and each succeeding anniversary of such date. The Administrator's annual charge shall remain fixed for the duration of this Agreement unless the Employer and Administrator mutually agree in writing to adjust the charge. The Employer acknowledges that other fees may apply to the Plan, eligible employee or the participant accounts law as described in Section 11 or as required by applicable law.
10. The Employer hereby acknowledges that the Trustee of the Trust will be the Trustee identified in the Trust Agreement, and hereby ratifies the terms of the Trust Agreement, a copy of which has been provided to the Employer. The Employer further acknowledges that the Trust Agreement sets forth the method for appointment and removal of the Trustee. NRS is responsible for paying the Trustee compensation for its services as Trustee in accordance with the schedule agreed upon from time to time between the Administrator and the Trustee. In the event this compensation is assessed against the assets of the Trust while NRS is acting as the Administrator of the Trust, NRS agrees to indemnify or reimburse the Trust and make it whole for any compensation paid to the Trustee from the assets of the Trust.
11. The Employer hereby acknowledges that it has received and reviewed the Group Variable Annuity Contract (the "Variable Annuity") for the Post Employment Health Plans which serves as the funding vehicle for the Trust. The Employer understands and agrees that part of the arrangement between NRS as the Administrator and product provider Nationwide Life Insurance Company includes fees. The Employer further acknowledges that, in addition to the annual charge described in Section 9, a fee equaling an annual rate up to a maximum of 0.50% of the daily net asset value will be assessed on every participant or eligible employee's fund balance in the Variable Annuity. In the Fixed Annuity, this fee is included in the calculation of the net crediting rate.
12. The Employer hereby acknowledges it has received the "Disclosure and Acknowledgement Form" (the "Form") which is incorporated into this Agreement, and further agrees to be bound by the Form.
13. The parties agree that no waiver of any default in performance on the part of the Administrator or the Employer or any breach or series of breaches of any of the terms of this Agreement shall constitute a waiver of any subsequent breach. The parties further agree that resort to any remedies referred to herein shall not be construed as a waiver or any other rights and remedies to which the Administrator is entitled under this Agreement or otherwise.
14. Should any part of this Agreement for any reason be declared invalid, such determination shall not affect the validity of any remaining portion of the Agreement, which remaining portion shall remain in force and effect as if this Agreement had been executed without the invalid portion. If any provision of this Agreement is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, the parties shall, if possible, agree on a legal, valid, and enforceable substitute provision that is as similar in effect to the deleted provision as possible.
15. The Employer shall indemnify and hold the Administrator harmless for and against all losses, damages, liabilities or expenses (including, but not limited to, reasonable attorney's fees and litigation expenses) which the Administrator may incur as a result of claims based upon any breach by the Employer, its affiliates, agents or employees of any provisions of this Agreement, the Plan Document or related items that are within their reasonable control.

16. The Administrator shall indemnify and hold the Employer harmless for and against all losses, damages, liabilities or expenses (including, but not limited to reasonable attorney's fees and litigation expenses) which the Employer may incur as a result of claims based upon any breach by the Administrator, its affiliates, agents or employees of any provisions of this Agreement, the Plan Document or related items that are within their reasonable control.
17. This Agreement shall be interpreted, and the rights and liabilities of the parties determined, in accordance with the laws of the State of Nevada, without resort to conflict of laws principles. The parties consent to the jurisdiction of any Local, State or Federal Court located within Washoe County, Nevada.
18. This Agreement, together with the Plan and the Trust Agreement, contain the entire agreement between the Employer and the Administrator with respect to the respective rights and obligations contemplated herein, and no representation, promise, inducement, or statement of intention relating to the respective rights and obligations contemplated by this agreement has been made by either party which is not set forth herein. This Agreement supersedes in all respects all prior agreements among the parties any may not be modified or amended, except by a duly executed instrument in writing.

**IN WITNESS WHEREOF**, the Employer has caused this Agreement to be executed on its behalf by a duly authorized officer, and a duly authorized representative of NRS executed this Agreement on behalf of the Administrator.

By:

(Employer Printed Name)

\_\_\_\_\_  
(Employer Signature)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
(Officer of Nationwide as Administrator)

Date: \_\_\_\_\_

