

ASEA/AFSCME LOCAL 52 HEALTH BENEFITS TRUST

TRUSTEE RESPONSIBILITIES OVERVIEW

Candidate Requirements

To be considered for election to the Board of Trustees, an individual must be:

- An ASEA/AFSCME Local 52 Health Benefits Trust member
- An ASEA/AFSCME Local 52 member in good standing
- An employee of the State of Alaska in the General Government Unit whose status is any one of the following: full-time, part-time, seasonal, on leave of absence, or on layoff

Separation from Union

The Board of Trustees is an entity completely separate from ASEA/AFSCME Local 52. Trustees may be affiliated with the Union or be a Union member; however, the duties of a Trustee must be carried out independent of the business of the Union. The Trustee's duty is to:

- Remove his or her hat as a Union representative or member and put on the hat of the fiduciary upon entering the boardroom. Trusteeship is not a political position. The business of the Health Trust does not include Union politics or issues regarding Union leadership.
- Understand that the Health Trust exists in perpetuity to provide benefits to the membership of the Union and GGU agency fee payers and their dependents, independent of the Union leadership.
- Act solely in the exclusive interest of the Health Plan participants.
- Be committed to serving his or her full term on the Board, regardless of Union politics.

Educational Requirements

The position of Trustee requires a high degree of understanding about:

- The technical operations of employee benefit plans, fiduciary standards, investment policy design and management
- Demographic and economic factors affecting the provision of health care, cost containment and managed care issues
- The legal requirements imposed by the IRS and the Healthcare Finance Administration, as well as guidance from Employee Retirement Income Security Act of 1974 (ERISA) and the U.S. Department of Labor

Education is an ongoing responsibility for a Trustee, given the fact that the law requires that a Trustee exercise the care, skill, caution and diligence of a prudent expert in making Health Trust decisions.

The Trustee's duty is to:

- Attend "International Foundation of Employee Benefit Plans Certificate of Achievement on Public Plan Policy (CAPPP) or an equivalent education program and provide a copy of the certificate of completion for all education courses to the ASEA Health Trust Administrator.
- Not rely blindly on the advice of experts. Federal law allows and encourages Trustees to hire experts to assist them in their duties; however, the Trustee must act prudently in educating him or herself in the matters on which he or she is being advised and to actively evaluate the performance of the experts who are hired.

Fiduciary Responsibilities

Trustees are responsible for the Health Trust's financial accounts and are bonded and insured under fiduciary liability insurance policies. However, this will not release a Trustee from liability for a fiduciary breach involving a criminal violation, libel, slander, fraud or from resulting penalties, fines or punitive damages.

An individual may not serve as a Trustee if the individual has been convicted or imprisoned as a result of his or her conviction of a felony crime or:

- Any violation of Section 302 of the Labor-Management Relation Act
- Any violation of the provisions of ERISA
- Any violation of the federal mail fraud prohibitions

- Any crime that would bar a person from serving as an investment advisor
- A number of other violations involving abuse or misuse of a person's labor organization or employee benefit plan

An individual who is elected or appointed as a Trustee will be required to sign an affidavit as to his or her fitness to act as a fiduciary and may be subject to a thorough criminal background investigation.

Record Keeping Guidelines

The Trustees are responsible for maintaining detailed financial records of all payments to and from the Health Plan and all assets and liabilities. An independent public accounting agency audits the Health Plan's finances annually, prepares necessary reports to federal agencies, and attests to the Health Plan's compliance to record-keeping requirements.

The Trustee's duty is to:

- Be familiar with the Health Plan's records and be able to evaluate them for sufficiency and accuracy.
- Maintain confidentiality of all records. A Trustee may not release, disclose or otherwise make available sensitive and/or non-public Health Trust documents or information, nor require the Trust Administrator (nor Trust staff) to do the same, without consensus of the full Board.

Understanding of Investments

Sound investments are essential to the continuity of the Health Plan. While Trustees are not required to have a level of investment expertise equal to that of a professional investment manager or adviser, the Trustees are responsible for overseeing the performance of the professionals hired to manage the Health Plan's assets.

The Trustee's duty is to:

- Demonstrate a high level of prudence and expertise in developing an investment policy and guidelines.
- Understand and oversee the Health Plan's investment performance and goals, while delegating investment management responsibility to a hired professional investment advisor.
- Have the skills necessary to evaluate the performance of those individuals the Board of Trustees has delegated to perform investment functions.

Election Guidelines

The Trust Agreement establishes the manner in which the members of the Board of Trustees shall be elected, and determines the number of Trustees that will serve on the Board. To be eligible for election to a Trustee position, an individual must:

- Agree to act independently from the political environment of the Union
- Act solely in the best interest of the Health Plan participants and their dependents
- Be qualified with knowledge of employee benefits issues, special training pertaining to benefit plans and/or fiduciary responsibility, and other unique qualifications, training, or knowledge
- Intend to serve a complete term of office as stated in the Trust Agreement

Trustee Nominee Agreement

I have read this document, understand its contents, and agree to execute these Trustee Responsibilities and follow all administrative policies and procedures approved by the Board of Trustees, if elected as an ASEA/AFSCME Local 52 Health Benefits Trust Trustee.

Signature: _____

Date: _____

Printed Name: _____

Please keep a copy for your records and submit original documents (by mail, email or fax) to:

ASEA/AFSCME Local 52 Health Benefits Trust, Attention: Board of Trustees
Mail: 111 W. Cataldo, Suite 220, Spokane, WA 99201
Email: generalmail@aseahealth.org
Fax: 509-323-7614
Phone: 866-553-8206 (toll-free)

The ASEA/AFSCME Local 52 Health Benefits Trust is not responsible for any failure of telecommunications technology equipment. Regardless of the method of submission, candidates are advised to call the Trust Administrator prior to the deadline to confirm that their documents were received.