

**AGC HEALTH BENEFIT TRUST  
ALASKA/WASHINGTON CHAPTERS**

**POLICY ON DOLLAR BANKS**

The AGC Health Benefit Trust (“Trust”) offers its participating employers (“Employers”) the opportunity to make contributions to the Trust through a Dollar Bank. Dollar Banks are used to provide continuing coverage under the Trust when an employee’s hours fall below the level required for Trust coverage.

In order to clarify and formalize the rules and procedures for operation of the Dollar Banks, the Trust adopts the following policy.

**1. Employer Election**

**1.01** Each Employer participating in the Trust may elect to establish Dollar Banks for its employees. The election shall be made on the annual Employer Participation Agreement or an amendment thereto. If the election will take effect after the beginning of a calendar year, such effective date shall be stated on the Employer Participation Agreement. The election shall state the limit on the Dollar Bank for any employee in the form of months of continuing coverage purchasable with the Dollar Bank from among the following: 6, 9, or 12 months. The election may set forth a period for employees to become eligible for coverage by Trust benefits, provided that such period must be measured in terms of the value of Dollar Bank accumulation (ie. Dollar Bank value exceeds \$3,000). An Employer electing to establish a Dollar Banks shall give written notice of the election to its employees, including the Dollar Bank limit.

**1.02** An Employer may elect to terminate further contributions to its Dollar Banks as of the end of any calendar month. No contribution to the Dollar Banks shall be required for months beginning after such calendar month end. An election to terminate shall be by amendment to the Employer Participation Agreement. Upon making such an election, the Employer shall give written notice of the termination to its employees. The effective date of the election shall not be before the date the election is made and notice is given to the employees. The Dollar Banks in existence at the time of termination shall continue to be held for the Employer's employees until fully withdrawn pursuant to Section 4.

**2. Contributions**

**2.01** Each employee with a Dollar Bank in effect shall have an Hourly Contribution Rate calculated by dividing the Employer’s Monthly Contribution by 130 hours. Employer’s Monthly Contribution means the total amount payable by the Employer in the current month for Trust coverage of the employee and dependents, including dental and vision coverage. Any contribution payable by the employee for coverage under the Trust shall not be included in the Employer’s Monthly Contribution.

**2.02** For each calendar month during which an employee with a Dollar Bank has Compensable Hours, the Employer shall contribute to the employee's Dollar Bank a contribution equal to the employee's Compensable Hours times the employee's Hourly Contribution Rate for that month. The contribution shall be due by the 10th day of the following calendar month.

**2.03** An employee's Dollar Bank shall be limited to a dollar amount equal to the Employer's Monthly Contribution times the number of months elected by the Employer in the limit described in 1.01. If a contribution determined would cause an employee's Dollar Bank to exceed such limit, the amount of the excess shall not be contributed, nor shall it be credited in or carried over to the future. If the Employer's Monthly Contribution Rate for an employee is reduced due to a change in the employee's coverage, a balance in the Dollar Bank in excess of the limit shall not be affected, but no further contribution shall be made to the Dollar Bank until the balance declines below the new limit. If the Employer's contributions to the Dollar Bank are counted to satisfy prevailing wage obligations at the time such contributions cease because of the limit described in 1.01, the Employer shall be responsible for replacing them with other payments or contributions.

### **3. Account**

**3.01** The Trust shall create an administrative Dollar Bank "account" for each employee for which contributions are made. The Dollar Banks shall constitute general assets of the Trust and may be invested along with the reserves of the Trust. Neither the Employer nor the employee for which it is held shall have any ownership in or claim to the employee's Dollar Bank except for payment by the Trust of premiums for coverage. No interest or other earnings shall be credited to Dollar Banks.

**3.02** If the balance of an employee's Dollar Bank is less than the Employer's Monthly Contribution for the employee, the balance shall be forfeited to the Trust upon the passage of six consecutive months in which no contributions or withdrawals are made to or from the Dollar Bank. Such a forfeiture shall be added to the general reserves of the Trust and shall not be restored even if contributions for the employee resume after the forfeiture.

### **4. Withdrawals for Coverage**

**4.01** Each month during which the balance of the employee's Dollar Bank is sufficient to provide a full month of coverage, the full Employer's Monthly Contribution due shall be withdrawn from the employee's Dollar Bank account to provide coverage in the next following calendar month.

**4.02** If the balance of an employee's Dollar Bank in a month is less than the amount necessary to provide coverage, the employee may elect to self-pay for the difference. In which case the full balance of the Dollar Bank shall be withdrawn and the employee shall be required to pay the difference between such balance and the cost of coverage for such month. If the balance of an employee's Dollar Bank in a month is less than the amount necessary to provide coverage and the employee does not elect self-pay, no amount shall be withdrawn from the Dollar Bank and the employee shall have no coverage under the Trust for such month. The employee can only elect to self-pay if the employee has a Dollar Bank balance. Once the Dollar Bank is

exhausted, an Employer cannot self-pay, but may have other continuation rights such as COBRA.

**4.03** If an employee with a Dollar Bank dies and the employee's surviving spouse or dependent child elects shall have the same self-pay rights as the employee.

**4.04** The Dollar Bank cannot be used to pay for any continuation coverage required under state or federal law.

## **5. Termination of an Employer's Trust Participation**

**5.01** If an Employer with one or more employees who have Dollar Banks terminates its participation in the Trust, withdrawals shall be made from each employee's Dollar Bank to provide continuing coverage under the Trust to the employee. Such continuing coverage shall be provided regardless of whether the Employer provides other group health coverage to the employee. If an employee has coverage under the Trust and other group health coverage in effect, benefits shall be paid in accordance with coordination of benefits rules of the insurers or other health coverage providers involved.

**Adopted by the Board of Trustees this 17th day of September 2014**