

DENVER POLICE RETIREE HEALTH FUND

PLAN OF BENEFITS

Established November 6, 1995
Denver, Colorado

As amended effective:
September 1, 2016

DENVER POLICE RETIREE HEALTH FUND

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TO ALL ELIGIBLE DENVER POLICE OFFICERS:

This is the Plan of Benefits of the Denver Police Retiree Health Fund that incorporates all changes through September 1, 2016.

The Health Fund was formed and adopted with an effective date of benefit coverage of January 1, 1996. It is funded through payments from the City of Denver required under the collective bargaining agreement between the City and the Denver Police Protective Association. It is the intent of the Board of Trustees of the Fund to utilize Fund assets for the purpose of reimbursing health insurance premiums to all eligible participants.

Please read the enclosed information thoroughly so you are familiar with the benefits that are available to you.

Should you have any questions regarding eligibility, benefits, etc., please contact the Administrative Office at 303-426-9244.

Kind regards,

Board of Trustees

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ARTICLE I DEFINITIONS

1. The term “**Administrator**” means the Association or the person or entity appointed by the Trustees to act as administrator.
2. The term “**Association**” means the Denver Police Protective Association.
3. The term “**Benefits**” means any and all benefits provided for Recipients and their dependents under the Declaration Trust and in the Plan of Benefits established by the Trustees in accordance with their powers under this Declaration.
4. The term “**Board**” means the governing Board of Trustees of the Trust as established in Article IV of the Declaration of Trust.
5. The term “**City**” means the City and County of Denver.
6. The term “**Declaration**” means the Declaration of Trust of the Denver Police Retiree Health Fund.
7. The term “**Employee**” means an individual who is a member of the classified service of the police department of the City.
8. The term “**Fund**” means the property maintained in the trust fund established under the Declaration.
9. The term “**Health Insurance**” means insurance premiums paid for policies that provide medical, dental and vision care. Medical care shall include but is not limited to the diagnosis, cure, mitigation, treatment, or prevention of disease and for treatments affecting any part or function of the body, whether intended to alleviate or prevent a physical or mental defect or illness. The term shall also include, without limitation, payments made for purchase of Medicare Part B coverage, Medicare supplementary coverage, special risk policies only as specifically approved in advance by the Trustees, and payments made under the Employee Retirement Income Security Act of 1974, ' ' 601 et seq. (providing for continuation coverage), and any other payments meeting the goals and purposes of this Fund, as determined by the Trustees.
10. The term “**Participant**” means any former employee, as defined above, who terminates his/her employment on or after January 1, 1996, and has a vested right to receive a pension from the State of Colorado Fire and Police Pension Association based on years of service as an employee, whether or not such individual is currently eligible to receive or is receiving such a pension; or any former employee who commences on or after January 1, 1996, to receive and is thereafter receiving a total disability pension from the State of Colorado Fire and Police Pension Association.
11. The term “**Plan**” means the Plan of Benefits as established by the Trustees in accordance with the Declaration.

12. The term “**Recipient**” means (a) any former Employee who retires on or after January 1, 1996 and is receiving a pension from the State of Colorado Fire and Police Pension Association based on years of service as an employee; (b) any former employee who commences on or after January 1, 1996 to receive and is thereafter receiving a total disability pension from the State of Colorado Fire and Police Pension Association; (c) any former employee who retires on or after January 1, 1996 and has elected to defer the receipt of pension benefits from the State of Colorado Fire and Police Pension Association; (d) the Surviving Spouse of a police officer killed in the line of duty after January 1, 1996 while acting within the scope of his employment; or (e) the Surviving Spouse of a Recipient in (a), (b) or (c) above, who shall be eligible for any remaining benefits that the deceased Recipient would have received if the individual had continued to live.

13. The term “**Surviving Spouse**” means the lawful spouse of a Recipient at the time of such Recipient’s death or the lawful spouse of a police officer killed in the line of duty after January 1, 1996 while acting within the scope of his employment. A common law spouse shall be considered a lawful spouse.

14. The term “**Trustees**” means the Trustees named in the Declaration together with their successors designated in the manner provided by the Declaration.

ARTICLE II BENEFITS

1. **Scope of Benefits.** Unless and until changed by the Board, benefits payable by the Fund under this Plan shall be those provided for in this Article II, provided that benefits under this Plan shall in any case be limited to benefits permitted under Internal Revenue Code Section 501(c)(9) for qualification as a tax-exempt voluntary employees' beneficiary association.

2. **Notice of Benefit Changes.** The Board shall give each affected Participant and Recipient written notice of any material change in benefits provided by this Plan not less than sixty days prior to the effective date of such change.

3. **Benefit Eligibility.**

a. Benefits shall be payable by the Fund to a Recipient (1) who makes a claim; and (2) who provides proof to the Administrator pursuant to Article II, ¶3b and ¶3c that he/she is purchasing health insurance.

b. In the case of a Recipient who is also the spouse of a Recipient, separate benefits will be paid upon the provision of proof to the Administrator that health coverage is purchased for each spouse, whether as a Recipient or named insured, or as a dependent. In no case shall payments to spouses exceed the total cost of insurance purchased by such spouses.

c. In order to receive benefits from this Fund, the Recipient must complete a form at the time of initial application certifying: *I hereby certify that I am insured under a policy of health insurance, all amounts received from the Fund will be*

expended solely for reimbursement of payments made for health insurance premiums, and that the amount I spend on health insurance will equal or exceed the amount received from the Fund. I understand that at such times as shall be designated by the Board, I must provide the Fund with the documentary evidence of my health insurance payments in the form of bills, receipts, or other such evidence as the Administrator and the Board shall deem adequate. Failure to return the forms or provide the information requested will result in all benefits being suspended until the necessary information is received.

4. **Timing of Benefit Payments.** Upon acceptance of a claim, the Fund will reimburse the Recipient on a monthly basis for health insurance premiums subject to Article II, ¶5 through ¶11.

5. **Duration of Benefits.** Effective April 1, 2003, the benefits in Article II, ¶5, ¶6, ¶7 and ¶8 shall be payable for ten years, or to age sixty-five (65), whichever occurs first; however, the monthly benefit is payable for a minimum of three (3) years, regardless of age. The ten-year and three-year periods begin on the first day of the month for which you would be eligible for benefits based on the date of receipt of your completed application.

6. **Amount of Benefits.** Except as indicated in Article II, ¶7 and ¶8, the monthly benefit for a Recipient shall not exceed the lesser of:

- a. The Plan's Maximum Monthly Benefit of \$200;
- b. 100% of the Recipient's actual health insurance, which amount is to be used for the exclusive purpose of paying or defraying such health insurance costs. There will be a presumption that the Recipient's health insurance costs are in the amount shown by such proof as is required by the Administrator; and
- c. The amount based upon a Recipient's years of service as a member of the Police Department of the City as follows:

<u>Number of Years of Service</u>	<u>Percentage of the Maximum Monthly Benefit</u>
10-14	40%
15-19	60%
20-24	80%
25+	100%

7. **Benefits to Recipient Receiving a Total Disability Pension.** Any Recipient who is receiving a pension from the FPPA based on a total disability shall receive the lesser of the Plan's Maximum Monthly Benefit or 100% of the Recipient's actual health insurance costs in accordance with Article II, ¶5 e.

8. **Benefit to Recipient Who is a Spouse of a Police Officer Killed in the Line of Duty.** Any Recipient who is receiving the benefit because he or she is the spouse of a police officer killed in the line of duty after January 1, 1996, while acting within the scope of employment, shall receive the lesser of the Plan's Maximum Monthly Benefit or 100% of the Recipient's actual health

insurance costs in accordance with Article II, ¶6 b.

9. **Facility of Payment.** At the election of the Trustees, benefits shall be paid either:

- a. directly to the FPPA pursuant to an arrangement for such payment and in accordance with the requirements set forth in Article II, ¶3c; or
- b. directly to an individual Recipient or to an insurance carrier the Recipient shall designate; or
- c. in the case where payments are to be made directly to the Recipient and it is determined that the Recipient is incompetent or incapable of executing a valid receipt, the Fund may, during the lifetime of the Recipient, pay the benefit to the appointed guardian or if no guardian has been appointed, to the spouse of the Recipient or any other person or institution the Fund has determined to be equitably entitled to the benefit.
- d. Any payment in accordance with this Article II, ¶9, shall discharge the obligation of the Fund to the extent of such payment.

10. **DROP Payment.** If the Recipient elects to participate in a Deferred Retirement Option Program (DROP), Recipient shall not be eligible to receive benefits under this Plan until the Recipient has terminated employment as a classified member of the Denver Police Department.

11. **Qualified Domestic Relations Orders (QDRO).** The Plan is a voluntary employee benefit association providing partial reimbursement for the purchase of health insurance. As such, the Plan is not subject to Qualified Domestic Relations Orders (QDRO) because the Plan's benefits are not vested until the purchase has been made, the purchase has been documented, and the application for benefits has been completed. Therefore, the Plan benefits cannot be divided pursuant to a QDRO.

ARTICLE III CLAIMS PROCEDURES

1. **Proof of Claim.** In order to be eligible for benefits, a Recipient must file a claim with the Administrator on a form provided by the Administrator that meets the requirements set forth in Article II, ¶ 3.

2. **Referral to Board.** The Administrator may refer any matter of interpretation of the Plan to the Board for decision prior to granting or denying a claim. If any claim is granted under the procedures of this Plan, payments shall be paid retroactively to the time at which it is ultimately determined that they would have been due. In no event shall payments be made for any period more than ninety (90) days prior to the date the application and proof of claim is received by the Administrator.

3. **Notice of Denial.** If a claim is wholly or partially denied, notice of the decision, in accordance with Article III, ¶4, shall be furnished to the claimant within a reasonable period of time

after receipt of the claim by the Administrator.

4. **Contents of Notice.** The Administrator shall give every claimant who is denied a claim for benefits written notice setting forth, in a manner calculated to be understood by the claimant, the following:

- a. a specific reason or reasons for the denial;
- b. specific reference to pertinent Plan provisions or Plan Rules upon which the denial is based;
- c. if appropriate, a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- d. an explanation of the Plan's claims appeal procedure, as set forth below.

5. **Appeal Procedure.** The purpose of this appeal procedure is to provide a procedure by which a claimant under the Plan may have a reasonable opportunity to appeal a denial of a claim and receive a full and fair review. The following shall be the appeal procedure for denial of a claim.

- a. The claimant must file a written request for review of the denial within ninety (90) days after the date shown on the notice to claimant of denial of his/her claim. The request for review must state in clear and concise terms the reason or reasons for disputing the denial.
- b. The claimant may also:
 1. request copies of any pertinent Plan documents; and/or
 2. request the opportunity to appear before the Board at any hearing held by the Board for purposes of considering such denied claim, which opportunity will not unreasonably be denied.
- c. Failure of a claimant to file a written request for review within ninety (90) days after the date shown on the notice to claimant of denial of his/her claim, whether or not claimant has taken any other steps in regard to his/her denied claim in the interim period, shall render the denial of the claim final and binding on all persons unless the Board determines that such failure was for good cause.
- d. The Board may hold a hearing on the denied claim or may reach a decision on the claim based upon the written record available. There shall be no set format for a hearing held under this section.
- e. The decision of the Board on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions and Plan Rules upon which the decision is made.

6. **The Board to Construe the Declaration and Plan.** No Participant shall have any

right or claim to benefits under this Plan except as specified herein. The Board has the power and authority to construe and interpret the terms of the Declaration and the Plan, and any dispute as to the eligibility, type, amount, or duration of benefits under this Plan shall be resolved by the Board. The Board's resolution of any dispute shall be final and binding upon all parties to the dispute unless arbitrary and capricious. No action may be brought for benefits provided by this Plan until after the claim has been submitted and a determination has been made by the Board.

ARTICLE IV GENERAL PROVISIONS

1. **Descriptive Materials.** Descriptive materials setting forth the details of this Plan shall be mailed to Participants after the execution of the Declaration and adoption of this Plan. Thereafter, Participants shall be provided with such descriptive materials regarding the Plan as the Board may deem appropriate and as is consistent with applicable law.

2. **Assignment of Benefits.** Benefits shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge by any person. The Board may agree or refuse to agree to an arrangement under which benefits are paid directly to an insurance carrier on behalf of a Recipient.

3. **Factual Determinations.** Any misstatement or other mistake of fact in any certificate, notice, or other document filed with or issued by the Administrator or the Board shall be corrected when it becomes known. The Board and the Administrator shall not be liable in any manner for any determination of fact made in good faith.

4. **Notices.** Any notice required to be given under the Plan shall be in writing and shall be deemed to have been given when delivered in person or on the third day after being deposited in the United States Mail, postage prepaid, addressed, to;

a. in the case of any Participant or Recipient, to such Participant or Recipient at the last current address as such Participant or Recipient shall have designated in his/her claim form or in subsequent written notice received by the Administrator from such Participant or Recipient or his authorized representative; or

b. in the case of the Board, to the offices of the Administrator, Fringe Benefit Services, 7010 No. Broadway, Suite 106, P.O. Box 21240, Denver, CO 80221, or to such other address as shall be provided by notice to the Participants.

5. **Effective date.** This Plan shall become effective on the date of its adoption.

6. **Usage.** Except where otherwise indicated by the context, the definition of any term in the singular shall also include the plural, and vice versa.

7. **Governing Law.** To the extent that state law shall not have been preempted by the laws of the United States, as they may be amended from time to time, the Plan shall be administered and construed to be in accordance with the laws of the State of Colorado. If any provision of Plan shall be held illegal or invalid for any reason, such determination shall not affect the remaining

provisions of the Plan.

8. **Declaration of Trust.** The provisions of this Plan are subject to and controlled by the provisions of the Declaration. In the event of any conflict between the provisions of this Plan and the provisions of the Declaration, the provisions of the Declaration shall prevail.

9. **Amendment.** In order that the Fund may carry out its obligation to maintain, within the limits of its resources, a program dedicated to providing the maximum possible benefits for all Recipients, the Board expressly reserves the right, in its sole and unfettered discretion, but upon a non-discriminatory basis:

- a. to amend by a majority vote of all Trustees present either in person or by telephone either the amount or condition with respect to any benefit even though such amendment affects claims which have already accrued;
- b. to alter by a majority vote of all Trustees present either in person or by telephone the method of payment of any benefit;
- c. to postpone by a majority vote of all Trustees present either in person or by telephone the method of payment of any benefit; and
- d. to amend or rescind by a majority vote of all Trustees present either in person or by telephone any other provisions of this Plan.

Board of Trustees

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