MINNESOTA HEALTHCARE CONSORTIUM

BROUGHT TO YOU BY PARTICIPATING MINNESOTA SERVICE COOPERATIVES

2017 CDHP Plans

BlueCross BlueShield Minnesota

CDHP 100 PLANS – VEBA and HSA Compatible								
Plan number	**Calendar year: 870 Plan year: 874**		**Calendar year: 871 Plan year: 875**		**Calendar year: 872 Plan year: 876**		**Calendar year: 873 Plan year: 877**	
Network	**MN Provider Network**	**Out of network**	**MN Provider Network**	**Out of network**	**MN Provider Network**	**Out of network**	**MN Provider Network**	**Out of network**
Preventive care	100%	Deductible/coinsurance	100%	Deductible/coinsurance	100%	Deductible/coinsurance	100%	Deductible/coinsurance
Deductible	$1,300 single/$2,600 family		$1,850 single/$3,700 family		$2,250 single/$4,500 family		$2,600 single/$5,200 family	
Coinsurance	100%	80%	100%	80%	100%	80%	100%	80%
Out-of-pocket maximum	$1,300 single/ $2,600 family	$3,500 single/ $6,500 family	$1,850 single/ $3,700 family	$3,500 single/ $6,500 family	$2,250 single/ $4,500 family	$3,500 single/ $6,500 family	$2,600 single/ $5,200 family	$3,500 single/ $6,500 family
Rx formulary	GenRx		GenRx		GenRx		GenRx	
Lifetime maximum	Unlimited		Unlimited		Unlimited		Unlimited	
	No Embedded Deductible, No 4th Quarter Carryover		No Embedded Deductible, No 4th Quarter Carryover		No Embedded Deductible, No 4th Quarter Carryover		Embedded Deductible, No 4th Quarter Carryover	
	VEBA and HSA compatible		**VEBA and HSA compatible**		**VEBA and HSA compatible**		**VEBA and HSA compatible**	

CDHP 80 PLANS – VEBA and HSA Compatible						
Plan number	**Calendar year: 880 Plan year: 883**		**Calendar year: 881 Plan year: 884**		**Calendar year: 882 Plan year: 885**	
Network	**MN Provider Network**	**Out of network**	**MN Provider Network**	**Out of network**	**MN Provider Network**	**Out of network**
Preventive care	100%	Deductible/coinsurance	100%	Deductible/coinsurance	100%	Deductible/coinsurance
Deductible	$1,850 single/$3,700 family		$2,250 single/$4,500 family		$2,600 single/$5,200 family	
Coinsurance	80%	60%	80%	60%	80%	60%
Out-of-pocket maximum	$3,500 single/$6,500 family		$3,500 single/$6,500 family		$3,500 single/$6,500 family	
Rx formulary	GenRx		GenRx		GenRx	
Lifetime maximum	Unlimited		Unlimited		Unlimited	
	No Embedded Deductible, No 4th Quarter Carryover		No Embedded Deductible, No 4th Quarter Carryover		Embedded Deductible, No 4th Quarter Carryover	
	VEBA and HSA compatible		**VEBA and HSA compatible**		**VEBA and HSA compatible**	

Our Most Affordable Options – VEBA and HSA Compatible				
Plan number	**Calendar year: 857 Plan year: 858**		**Calendar year: 850 Plan year: 855**	
Network	**MN Provider Network**	**Out of network**	**MN Provider Network**	**Out of network**
Preventive care	100%	Deductible/coinsurance	100%	Deductible/coinsurance
Deductible	$3,250 single/$6,500 family		$5,000 single/$10,000 family	
Coinsurance	100%	80%	100%	80%
Out-of-pocket maximum	$3,250 single/ $6,500 family	$3,625 single/ $6,750 family	$5,000 single/ $10,000 family	$5,500 single/ $11,000 family
Rx formulary	GenRx		GenRx	
Lifetime maximum	Unlimited		Unlimited	
	Embedded deductible No 4th Quarter Carryover		**Embedded deductible *No 4th Quarter Carryover***	

This chart reflects 2017 benefits. Deductible amounts and out-of-pocket maximums may change annually to keep pace with inflation and maintain compliance with IRS regulations.

All plans are HSA compatible, and may be offered with a VEBA, HSA, Dual Choice VEBA or HSA or Hybrid Option with both VEBA and HSA.

This is only a general outline of plan benefits. The Summary Plan Description includes complete details of what is and is not covered.

The Minnesota Service Cooperatives

MN

For the health of all.

Blue Cross® and Blue Shield® of Minnesota and Blue Plus® are nonprofit independent licensees of the Blue Cross and Blue Shield Association

City Of Willmar

Southwest West Central Service Cooperative Pool

Coverage Effective Date: 01/01/2017

Group Renewal Rate Exhibit and Acceptance Form

Renewal Months 12

Min Value			Contracts	Rates: Current	Rates: Renewal	Change in Rates	Renewing Plan Design?	
93%	PLAN 1	$100 Ded Plan						
		Single	25	$584.50	$599.00		**Yes**	**No**
		Family	48	$1,639.00	$1,680.00		☐	☐
			Annual Total Premium	**$1,119,414**	**$1,147,380**			
94%	PLAN 2	Double Gold						
		Single	12	$720.00	$738.00		**Yes**	**No**
		Family	25	$2,014.50	$2,065.00		☐	☐
			Annual Total Premium	**$708,030**	**$725,772**			
60%	PLAN 3	Minimum Value $6350						
		Single	1	$412.50	$423.00		**Yes**	**No**
		Family	1	$1,154.50	$1,183.50		☐	☐
			Annual Total Premium	**$18,804**	**$19,278**			
		Group Total	112	$1,846,248	$1,892,430	2.5%		

- No agent commission included in rates

- Minimum Value percentage is based on plan value only

SOUTHWEST WEST CENTRAL SERVICE COOPERATIVE
SWWC
Education & Administrative Resources

MN

For the health of all.

City Of Willmar

Alternate Plan Rates

Coverage Effective Date: 01/01/2017

		Rates	Selecting Plan Design?	
Alternate Plan 1	CDHP 857/858 $3250/$6500 ded, 100% coins, Gen Rx, no 4th Qtr C/O, Embedded			
	Single	$471.00	**Yes**	**No**
	Family	$1,312.50	☐	☐
Alternate Plan 2	CDHP 850/855 $5000/$1000 ded, 100% coins, Gen Rx, no 4th Qtr C/O, Embedded			
	Single	$420.00	**Yes**	**No**
	Family	$1,166.00	☐	☐

SOUTHWEST WEST CENTRAL SERVICE COOPERATIVE
SWWC
Education & Administrative Resources

MN

For the health of all.

City Of Willmar

Alternate Plan Rates

Coverage Effective Date: 01/01/2017

		Rates	Selecting Plan Design?	
Alternate Plan 3	CDHP 870/874 $1300/$2600 ded, 100% coins, Gen Rx, no 4th Qtr C/O, Non-Embedded			
	Single	$556.50	**Yes**	**No**
	Family	$1,559.50	☐	☐

SWWC

MINNESOTA SERVICE COOPERATIVES VEBA PLAN

Model Collective Bargaining Language

Health Reimbursement Arrangement for Active Employees

Instructions. The model collective bargaining language that follows reflects legal requirements for adopting or renewing participation in the Minnesota Service Cooperative VEBA Plan and Trust, along with alternative provisions for the timing and amount of employer contributions that may be bargained by the parties.

The Minnesota Service Cooperative VEBA Committee requires that appropriate collective bargaining language (or personnel policies) be adopted as a condition of participation in the VEBA arrangements.

Disclaimer. Model language may not be appropriate for every situation, and employers and unions should make their own determination as to the suitability of model language for their purposes. Legal review of these arrangements is recommended.

MODEL LANGUAGE

ARTICLE (1): [Establishment/Renewal] VEBA with Hybrid Plan Option

Section 1. [Establishment/Renewal] of VEBA. Effective __________, Employer shall [continue to] make available a Health Reimbursement Arrangement for Active Employees within the VEBA Plan and Trust for all eligible qualified bargaining unit members who exercise their option to enroll in the high deductible health insurance plan described in the Health Plan Fact Sheet. It is intended that this arrangement constitute a voluntary employees' beneficiary association under Section 501(c)(9) of the Internal Revenue Code.

Section 2. [Establishment/Renewal] of Health Savings Account ("HSA") Arrangement. Effective __________, Employer shall [continue to] make available an HSA arrangement for all eligible qualified bargaining unit members who exercise their option to enroll in the HSA-eligible high deductible health insurance plan described in the Health Plan Fact Sheet. It is intended that the HSA arrangement comply with all requirements of Section 223 of the Internal Revenue Code.

Section 3. Health Plan Fact Sheet. Other terms and conditions, including employer contributions and the payment of administration fees, are addressed the in the Health Plan Fact Sheet which is incorporated herein by reference.

INSTRUCTIONS FOR 2017 HEALTH PLAN FACT SHEET

The Minnesota Service Cooperatives VEBA Committee requests that parties adopting VEBA and HSA programs incorporate this Health Plan Fact Sheet by reference within personnel policies and collective bargaining agreements. The Health Plan Fact Sheet it is intended to help employers comply with IRS requirements governing VEBA trusts, health reimbursement arrangements and HSAs. It also reflects existing plan documents and administration agreements. The Health Plan Fact Sheet is intended to help employers reduce the length and complexity of collective bargaining agreements by moving these provisions to a separate document.

The Health Plan Fact Sheet includes provisions that may be bargained.

New Provisions for 2017

For plan years beginning in 2017, new IRS regulations will prohibit reimbursements from the VEBA for medical expenses incurred by spouses and dependents unless they are enrolled in family coverage along with the employee. This limitation does not apply to health savings accounts ("HSAs"), which may continue to reimburse medical expenses for spouses and dependents whether or not they are enrolled in family coverage. For this reason, we are adding two new options to accommodate employer contributions to health savings accounts ("HSAs"), in addition to or in lieu of contributions to the VEBA.

Employees may choose between the HSA-Only Option, the VEBA-Only Option, or the Hybrid Plan Option.

The *HSA-Only Option* permits employees to enroll in an HSA-eligible group health plan and receive employer contributions to an HSA. Such employees may not have other disqualifying coverage through the employer. The Hybrid Plan is an HSA-eligible group health plan.

The *VEBA-Only Option* permits employees to enroll in a VEBA-eligible group health plan of the Employer and receive employer contributions to the heath reimbursement arrangement for active employees under the VEBA. The Hybrid Plan may also be used as a VEBA-eligible group health plan.

The *Hybrid Plan Option* permits employees to enroll in the Hybrid Plan, which is eligible for use with both HSAs and the VEBA. Employer contributions are evenly split between a "limited-purpose" VEBA account and an HSA. A "limited-purpose" VEBA account under the Hybrid Plan Option may only reimburse vision and dental expenses (preventive care expenses pare paid by the plan) until the employee incurs out-of-pocket expenses up to the minimum statutory deductible. When the minimum statutory deductible is met, all eligible medical expenses may be reimbursed from the VEBA.

This combination of options should accommodate the needs of employees at different stages of their career. Younger employees with spouses and dependents that are not enrolled in group health insurance through the employer may prefer the HSA-Only Option, so they can reimburse current out-of-pocket medical expenses of spouses and dependents. Older employees nearing retirement may prefer the VEBA-Only Option, because the VEBA may reimburse group health plan premiums in retirement, and the ability to reimburse premiums from HSAs is limited. Mid-career employees may prefer the Hybrid Plan Option so they can save VEBA contributions for retirement and use HSA contributions for current out-of-pocket medical expenses. Employees may also make salary-reduction contributions to HSAs through their employer's cafeteria plan up to statutory annual limits, providing added flexibility for those who wish to save for retirement or have anticipated out-of-pocket medical expenses.

Disclaimer. Model language may not be appropriate for every situation, and employers should make their own determination as to the suitability of model language for their purposes. Legal review of these arrangements is recommended.

2017 HEALTH PLAN FACT SHEET

HEALTH CARE SAVINGS ACCOUNTS FOR ACTIVE EMPLOYEES

Introduction

[Employer Name] ("Employer") has adopted the Health Reimbursement Arrangement for Active Employees which is part of the Minnesota Service Cooperative VEBA Plan and Trust (the "VEBA"). Employer has also entered into an agreement with an HSA custodian to make HSAs available for eligible employees. You may choose to have employer contributions made to the VEBA, to an HSA, or to a combination of VEBA and HSA accounts.

Eligibility

VEBA-Only Option. You are eligible to participate in the VEBA and receive contributions to your VEBA Account if you are eligible for and enroll in a group health plan sponsored by your Employer that has been designated as a VEBA Plan by your Employer (the "VEBA Plan"). The Hybrid Plan described below is a VEBA Plan.

HSA-Only Option. You are eligible to receive a contribution to an HSA if you enroll in a group health plan sponsored by your Employer that has been designated as an HSA-eligible plan and you do not have other disqualifying coverage through your Employer, a spouse's employer or another private or governmental plan (the "HSA Plan"). The Hybrid Plan described below is an HSA Plan.

Hybrid Plan Option. You are eligible to participate in the VEBA and receive a contribution that is split evenly between a limited-purpose VEBA Account and an HSA if you are eligible for and enroll in a group health plan sponsored by your Employer that has been designated as a Hybrid Plan by your Employer, and you do not have other disqualifying coverage through your Employer, a spouse's employer or another private or governmental plan (the "Hybrid Plan.")

Source of Funding

The VEBA is funded entirely with employer contributions. No employee who enrolls in a VEBA Plan may choose or be offered a choice between taxable cash compensation and the Employer's contribution to the VEBA.

HSAs may be funded with Employer contributions and employee contributions made through salary reduction elections. Both Employer and employee contributions to HSAs are made through your Employer's section 125 cafeteria plan.

Employer Contributions

VEBA-Only Option. If you are eligible for and enroll in the VEBA-Only Option, Employer will make a[n annual] [monthly] [quarterly] contribution to individual accounts under the VEBA in accordance with the following schedule:

> $______ for each eligible employee who elects single coverage under the VEBA Plan described below; and
>
> $_____ for each eligible employee who elects family coverage under the VEBA Plan described below.

The contribution will be made [choose one]: [on or about the first day of the VEBA Plan year] [on a monthly basis over the VEBA Plan year] [on a quarterly basis over the VEBA Plan year].

For plan years beginning in 2017, medical expenses for spouses and dependents who are not enrolled in the VEBA Plan may not be reimbursed from the VEBA. This limitation does not apply to funds in the VEBA that are transferred to the Postretirement VEBA Plan on your retirement.

> *Note:* The paragraph that follows is optional, and reflects concerns that employees who incur claims on the first day of the plan year might not have enough in their account to cover those expenses until much later in the year, which would require them to pay the bill out of pocket while the claim is "pended." Employers may "pre-fund" an account, but no amount contributed to the VEBA may be withdrawn by the employer if the employee terminates employment (it belongs to the former employee at that point). The following is a potential compromise to pre-funding the account, and provides for an acceleration of prorated benefits on an "as needed" basis.

If a participant in the VEBA Plan is entitled to receive an annual contribution that is prorated on a [monthly] [quarterly] basis over the VEBA Plan year, and the participant incurs one or more claims for an eligible health expense that exceeds the participant's account balance in the VEBA Plan, the Employer shall, at the participant's request, accelerate its prorated contribution for that year to the extent necessary to reimburse the participant for the claim. The total contribution for such a participant shall in no event exceed the contribution to which he or she was originally entitled to for that year.

> *Note:* The next paragraph is also optional, and reflects a related concern: What happens when a participant joins mid-year? If their contributions are prorated, they will only receive half as much in their HRA account. But the deductible will be just as high as an employee who receives the entire contribution. What follows is a potential compromise to giving these individuals a full year's contribution, because it allows a mid-year employee to receive up to the annual contribution but only on an "as needed" basis.

If an eligible employee enters the VEBA Plan as a participant on a date after the first day of the VEBA Plan year, the Employer shall prorate the amount of the Employer Contribution to reflect the late entry. If the participant incurs one or more claims for an eligible health expense that exceeds the participant's account balance in the VEBA Plan, the Employer shall, at the participant's request, increase its contribution for that year to the extent necessary to reimburse the participant for the claim, but not exceeding the contribution that would be made to similarly situated participants who entered the VEBA Plan on the first day of the VEBA Plan year. The participant shall be entitled to the same rights of similarly situated employees to accelerate future employer contributions that are prorated over the VEBA Plan year.

HSA-Only Option. If you are eligible for and enroll in the HSA-Only Option, Employer will make a[n annual] [monthly] [quarterly] contribution to your HSA in accordance with the following schedule:

> $______ for each eligible employee who elects single coverage under the HSA Plan described below; and
>
> $_____ for each eligible employee who elects family coverage under the HSA Plan described below.

The contribution will be made [choose one]: [on or about the first day of the HSA Plan year] [on a monthly basis over the HSA Plan year] [on a quarterly basis over the HSA Plan year].

You may also elect to contribute to your HSA through salary reduction if permitted under the Employer's Section 125 Cafeteria plan, and you may change that election prospectively during the year at least once per month. Combined Employer and employee contributions to your HSA may not exceed statutory maximums that are indexed each year.

HSA contribution limits for 2017 are $3,400 for employees enrolled in single coverage, and $6,750 for employees enrolled in family coverage. Employees who are 55 or older may make an additional annual "catch-up" contribution of $1,000. Employers could agree to accelerate HSA contributions in the same manner as VEBA contributions, but could not recoup these amounts if an employee terminates mid-year. Employers may also accelerate HSA contributions based on an employee's salary reduction elections in the beginning of the year, with the understanding that future salary reductions will reimburse the employer. But this is not recommended. Employees have the right to cease salary reduction contributions to an HSA at any time during the year, and the employer cannot recoup those amounts. An employer may not enter into an enforceable loan agreement with employees to contribute amounts to an HSA at the beginning of the year, because this would be treated as a "prohibited transaction" under rules applicable to HSAs. Note also that if an employee is hired mid-year, and the employer makes an accelerated contribution that exceeds the employee's annual contribution limit (pro-rated by months of eligibility), the employee must remain enrolled in an HSA-eligible high deductible health plan through the end of the following year or

will be required with withdraw the excess (and the amount withdrawn will be subject to tax penalties). The following two paragraphs are optional:

[If a participant in the HSA Plan is entitled to receive an annual contribution that is prorated on a [monthly] [quarterly] basis over the HSA Plan year, and the participant incurs one or more claims for an eligible health expense that exceeds the participant's account balance in his or her HSA, the Employer shall, at the participant's request, accelerate its prorated contribution for that year to the extent necessary to reimburse the participant for the claim. The total contribution for such a participant shall in no event exceed the contribution to which he or she was originally entitled to for that year.

If an eligible employee enters the HSA Plan as a participant on a date after the first day of the HSA Plan year, the Employer shall prorate the amount of the Employer Contribution to reflect the late entry. If the participant incurs one or more claims for an eligible health expense that exceeds the participant's account balance in his or her HSA, the Employer shall, at the participant's request, increase its contribution for that year to the extent necessary to reimburse the participant for the claim, but not exceeding the total contribution that would be made to similarly situated participants who entered the HSA Plan on the first day of the HSA Plan year. An employee who establishes an HSA mid-year may, through employer and employee contribution, contribute up to annual maximum for the year; however, the employee must remain eligible for an HSA for the following calendar year or will be required to take a distribution of excess contributions, which will be subject to penalties.

Hybrid Plan Option. If you are eligible for and enroll in the Hybrid Plan Option, Employer will make a[n annual] [monthly] [quarterly] contribution to be divided evenly between a limited-purpose VEBA account and an HSA in accordance with the following schedule:

$______ for each eligible employee who elects single coverage under the Hybrid Plan described below; and

$_____ for each eligible employee who elects family coverage under the Hybrid Plan described below.

The contribution will be made [choose one]: [on or about the first day of the Hybrid Plan year] [on a monthly basis over the Hybrid Plan year] [on a quarterly basis over the Hybrid Plan year].

You may also elect to contribute to your HSA through salary reduction if permitted under the Employer's Section 125 Cafeteria plan, and you may change that election prospectively during the year at least once per month. Combined Employer and employee contributions to your HSA may not exceed statutory maximums that are indexed each year.

The limited-purpose VEBA account may only reimburse vision and dental expenses until you have incurred expenses equal to the minimum deductible required for an HSA-eligible high deductible health plan. (Preventive care is paid by the Hybrid Plan without cost-sharing by the participant). The minimum deductible for an HSA-eligible plan is indexed for inflation and published by the IRS each year. Once you have incurred expenses above this limit, the VEBA may be used to reimburse eligible medical expenses.

For plan years beginning in 2017, medical expenses for spouses and dependents who are not enrolled in the employer's group health plan may not be reimbursed from the VEBA. This limitation does not apply to retirees where funds that are transferred to the Postretirement VEBA Plan. Medical expenses for spouses and dependents may be reimbursed from your HSA whether or not spouses or dependents are enrolled in your employer's group health plan.

Note: minimum deductibles for HSA-eligible high deductible health plans are $1,300 for persons enrolled in single coverage, and $2,600 for persons enrolled in family coverage.

An employer could agree to accelerate both HSA and VEBA contributions under the Hybrid Plan based on hardship. The following two paragraphs are optional.

[If a participant in the Hybrid Plan is entitled to receive an annual contribution split between the VEBA and the HSA that is prorated on a [monthly] [quarterly] basis over the Hybrid Plan year, and the participant incurs one or more claims for an eligible health expense that exceeds the participant's account balance in his or her VEBA and HSA, the Employer shall, at the participant's request, accelerate its prorated contribution for that year to the extent necessary to reimburse the participant for the claim. The total contribution for such a participant shall in no event exceed the contribution to which he or she was originally entitled to for that year under the VEBA and HSA. The VEBA will remain a limited-purpose VEBA for the balance of the plan year, and the employer cannot direct funds that would have been payable to the limited-purpose VEBA to the HSA.

If an eligible employee enters the Hybrid Plan as a participant on a date after the first day of the Hybrid Plan year, the Employer shall prorate the amount of the Employer contributions to the VEBA and HSA to reflect the late entry. If the participant incurs one or more claims for an eligible health expense that exceeds the participant's account balance in his or her VEBA and HSA, the Employer shall, at the participant's request, increase its contribution for that year to the VEBA and HSA to the extent necessary to reimburse the participant for the claim, but not exceeding the total contribution payable to similarly situated participants who entered the Hybrid Plan on the first day of the Hybrid Plan year. An employee who establishes an HSA mid-year may, through employer and employee contribution, contribute up to annual maximum for the year; however, the employee must remain eligible for an HSA for the following calendar year or will be required to take a distribution of excess contributions, which will be subject to penalties.]

Group Health Plans

VEBA-Only Option. Employees who are eligible for and enroll in the VEBA-Only Option shall be enrolled in the group health plan described as Plan[s] # ____ in the summary available from your Employer. The Hybrid Plan may be used in the VEBA-Only Option.

HSA-Only Option. Employees who are eligible for and enroll in the HSA-Only Option shall be enrolled in the Hybrid Plan described as Plan# ____ in the summary available from your Employer.

Hybrid Plan Option. Employees who are eligible for and enroll in the Hybrid Plan Option shall be enrolled in the Hybrid Plan described as Plan # ____ in the summary available from your Employer.

Explanation: The three plan options above may be paired with the Hybrid Plan. If the employer makes other VEBA plans available, the VEBA-Only Option may include those plans as well. HSA and Hybrid Options must use the Hybrid plan, and HSA-eligible high deductible health plan. Note also that VEBA contributions may not be made for active employees under any circumstance who are not enrolled in the employer's group health plan.

The plan options above may provide that deductibles and out-of-pocket maximums will be increased each year to keep pace with inflation.

Administration Fees

Note to Employer: Administrative fees for the VEBA and HSA accounts in 2016 and 2017 are $2.11 per account per month for the Premium Saver program, $1.60 per account per month for the Basic Saver program, and $.60 for the Thrift Saver program. Interest rates vary depending on the amount in each account and which program is selected. Schedule A to this document sets forth interest rates payable as of January 2016. The same schedule is on SelectAccount's website.

Most employers agree to pay for the cost of administrative fees for VEBA and HSAs on behalf of active employees, and most select the Premium Saver program, but employers have discretion in this regard. We strongly recommend that employer NOT pay administrative fees on for VEBA or HSA accounts on behalf of employees or former employees who may have accumulated a balance in the past but are no longer enrolled in employer-sponsored group health insurance. Otherwise employers may incur indefinite fees for small accounts that are forgotten or ignored. Recommended choices are indicated in **bold** below.

Administration Fees allocable to individual accounts of active employees under the VEBA Plan and HSAs shall be paid [**by the Employer**/from individual accounts]. Administration fees allocable to individual accounts of current employees who have accrued a balance in the VEBA Plan or an HSA but do not enroll in Employer sponsored coverage in subsequent years shall be paid [by the Employer/**from individual accounts**]. Administration fees allocable to the individual accounts in the VEBA or HSAs of former employees shall be paid [by the Employer/**from individual accounts**]. Administration fees allocable to the individual accounts of retirees in the VEBA or HSAs shall be paid [by the Employer/**from individual accounts**].

Interest Rates for SelectAccount Cash Deposits in VEBA Accounts and HSAs

Interest payable on VEBA and HSA accounts will vary depending upon the "tier" (how much is in the account), the program selected by the Employer, and market conditions. Current interest rates are available on the SelectAccount website. Rates are subject to change, and are determined by SelectAccount. Deposits in the VEBA or HSAs are not FDIC insured. VEBA and HSA funds are invested in a depository agreement with SelectAccount. SelectAccount and its parent company, Blue Cross Blue Shield of Minnesota, guarantee repayment of the principal amount and any interest on deposits.

Investment Fees

Employees who wish to invest all or a portion of their accounts in the VEBA or HSAs in mutual funds will pay an extra $1.50 per account per month. Investment fees will be deducted from accounts. Investment Fees are subject to change from time to time. No sales load will be charged on mutual funds. Mutual funds made available as investment alternatives may charge certain management, administration, marketing and similar fees depending on the funds selected (the "expense ratio"). The expense ratio on the funds will be applied against a participant's investment in said funds.

Crossover

All participants in the VEBA Plan may participate in the Crossover Program. New enrollees are automatically placed in the Crossover Program, though they may opt out as described below. Under the Crossover Program, claims for medical expenses that are not reimbursed through insurance (i.e., subject to the deductible, co-pays or coinsurance) are submitted electronically from the group health plan to the VEBA plan, and reimbursements from the VEBA Plan are automatically generated to employees by direct deposit. Participants in the VEBA who do not wish amounts to be automatically debited from their VEBA accounts may opt out of the Crossover Program.

Pay the Provider

As part of the Crossover Program, claims for medical expenses that are not reimbursed through insurance will automatically be withdrawn from an employee's VEBA account and paid directly to medical care providers. Additional fees for Pay the Provider shall be paid [by the Employer/**from individual accounts**].

Note: the "Pay the Provider" fee is $.50 per account per month. It is typically paid by employees.

Additional Group Health Plans

Employer may also make available the group health plan[s] described as Plan #[s] ____ in the summary[ies] available from your Employer. If you elect coverage under an alternative group health plan, you will not be entitled to participate or receive contributions to the VEBA [or an HSA].

Impact on Other Arrangements

This policy supersedes and revokes all previous policies on this matter, including, to the extent applicable, other written or oral statements of policy and procedure that address other welfare benefits.

Schedule A
Interest Rates for SelectAccount Deposits as of May 1, 2010

SelectAccount January 2016 Crediting Rates			
Tier	Thrift Saver	Basic Saver	Premium Saver
$0 to...	.05%	.25%	1.05%
$25	.05%	.25%	1.05%
$500	.10%	.25%	1.05%
$1,000	.10%	.40%	1.05%
$1,500	.20%	.40%	1.05%
$2,500	.20%	.40%	1.05%
$5,000	.20%	.50%	1.05%
$10,000	.30%	.75%	1.15%
$25,000	.50%	1.00%	1.75%
$50,000	.70%	1.25%	2.00%

MINNESOTA SERVICE COOPERATIVES VEBA PLAN

Model Personnel Policy for Nonunion Employees

Health Reimbursement Arrangement for Active Employees

INSTRUCTIONS FOR 2017 HEALTH PLAN FACT SHEET

The Minnesota Service Cooperatives VEBA Committee requests that parties adopting VEBA and HSA programs incorporate this Health Plan Fact Sheet by reference within personnel policies and collective bargaining agreements. The Health Plan Fact Sheet it is intended to comply with Minnesota law requiring that employer contributions to a Health Care Savings Arrangement be made pursuant to a personnel policy. Next, it is intended to comply with IRS requirements governing VEBA trusts and health reimbursement arrangements. And finally, it is designed to establish an arrangement that is consistent with existing plan documents and administration agreements.

New Provisions for 2017

For plan years beginning in 2017, new IRS regulations will prohibit reimbursements from the VEBA for medical expenses incurred by spouses and dependents unless they are enrolled in family coverage along with the employee. This limitation does not apply to health savings accounts ("HSAs"), which may continue to reimburse medical expenses for spouses and dependents whether or not they are enrolled in family coverage. For this reason, we are adding two new options to accommodate employer contributions to health savings accounts ("HSAs"), in addition to or in lieu of contributions to the VEBA.

Employees may choose between the HSA-Only Option, the VEBA-Only Option, or the Hybrid Plan Option.

The *HSA-Only Option* permits employees to enroll in an HSA-eligible group health plan and receive employer contributions to an HSA. Such employees may not have other disqualifying coverage through the employer. The Hybrid Plan is an HSA-eligible group health plan.

The *VEBA-Only Option* permits employees to enroll in a VEBA-eligible group health plan of the Employer and receive employer contributions to the heath reimbursement arrangement for active employees under the VEBA. The Hybrid Plan may also be used as a VEBA-eligible group health plan.

The *Hybrid Plan Option* permits employees to enroll in the Hybrid Plan, which is eligible for use with both HSAs and the VEBA. Employer contributions are evenly split between a "limited-purpose" VEBA account and an HSA. A "limited-purpose" VEBA account under the Hybrid Plan Option may only reimburse vision and dental expenses (preventive care expenses pare paid by the plan) until the employee incurs out-of-pocket expenses up to the minimum statutory deductible. When the minimum statutory deductible is met, all eligible medical expenses may be reimbursed from the VEBA.

This combination of options should accommodate the needs of employees at different stages of their career. Younger employees with spouses and dependents that are not enrolled in group health insurance through the employer may prefer the HSA-Only Option, so they can reimburse current out-of-pocket medical expenses of spouses and dependents. Older employees nearing retirement may prefer the VEBA-Only Option, because the VEBA may reimburse group health plan premiums in retirement, and the ability to reimburse premiums from HSAs is limited. Mid-career employees may prefer the Hybrid Plan Option so they can save VEBA contributions for retirement and use HSA contributions for current out-of-pocket medical expenses. Employees may also make salary-reduction contributions to HSAs through their employer's cafeteria plan up to statutory annual limits, providing added flexibility for those who wish to save for retirement or have anticipated out-of-pocket medical expenses.

Disclaimer. Model language may not be appropriate for every situation, and employers should make their own determination as to the suitability of model language for their purposes. Legal review of these arrangements is recommended.

2017 HEALTH PLAN FACT SHEET

HEALTH CARE SAVINGS ACCOUNTS FOR ACTIVE EMPLOYEES

Introduction

[Employer Name] ("Employer") has adopted the Health Reimbursement Arrangement for Active Employees which is part of the Minnesota Service Cooperative VEBA Plan and Trust (the "VEBA"). Employer has also entered into an agreement with an HSA custodian to make HSAs available for eligible employees. You may choose to have employer contributions made to the VEBA, to an HSA, or to a combination of VEBA and HSA accounts.

Eligibility

VEBA-Only Option. You are eligible to participate in the VEBA and receive contributions to your VEBA Account if you are eligible for and enroll in a group health plan sponsored by your Employer that has been designated as a VEBA Plan by your Employer (the "VEBA Plan"). The Hybrid Plan described below is a VEBA Plan.

HSA-Only Option. You are eligible to receive a contribution to an HSA if you enroll in a group health plan sponsored by your Employer that has been designated as an HSA-eligible plan and you do not have other disqualifying coverage through your Employer, a spouse's employer or another private or governmental plan (the "HSA Plan"). The Hybrid Plan described below is an HSA Plan.

Hybrid Plan Option. You are eligible to participate in the VEBA and receive a contribution that is split evenly between a limited-purpose VEBA Account and an HSA if you are eligible for and enroll in a group health plan sponsored by your Employer that has been designated as a Hybrid Plan by your Employer, and you do not have other disqualifying coverage through your Employer, a spouse's employer or another private or governmental plan (the "Hybrid Plan.")

Source of Funding

The VEBA is funded entirely with employer contributions. No employee who enrolls in a VEBA Plan may choose or be offered a choice between taxable cash compensation and the Employer's contribution to the VEBA.

HSAs may be funded with Employer contributions and employee contributions made through salary reduction elections. Both Employer and employee contributions to HSAs are made through your Employer's section 125 cafeteria plan.

Employer Contributions

VEBA-Only Option. If you are eligible for and enroll in the VEBA-Only Option, Employer will make a[n annual] [monthly] [quarterly] contribution to individual accounts under the VEBA in accordance with the following schedule:

> $______ for each eligible employee who elects single coverage under the VEBA Plan described below; and
>
> $_____ for each eligible employee who elects family coverage under the VEBA Plan described below.

The contribution will be made [choose one]: [on or about the first day of the VEBA Plan year] [on a monthly basis over the VEBA Plan year] [on a quarterly basis over the VEBA Plan year].

For plan years beginning in 2017, medical expenses for spouses and dependents who are not enrolled in the VEBA Plan may not be reimbursed from the VEBA. This limitation does not apply to funds in the VEBA that are transferred to the Postretirement VEBA Plan on your retirement.

Note: The paragraph that follows is optional, and reflects concerns that employees who incur claims on the first day of the plan year might not have enough in their account to cover those expenses until much later in the year, which would require them to pay the bill out of pocket while the claim is "pended." Employers may "pre-fund" an account, but no amount contributed to the VEBA may be withdrawn by the employer if the employee terminates employment (it belongs to the former employee at that point). The following is a potential compromise to pre-funding the account, and provides for an acceleration of prorated benefits on an "as needed" basis.

If a participant in the VEBA Plan is entitled to receive an annual contribution that is prorated on a [monthly] [quarterly] basis over the VEBA Plan year, and the participant incurs one or more claims for an eligible health expense that exceeds the participant's account balance in the VEBA Plan, the Employer shall, at the participant's request, accelerate its prorated contribution for that year to the extent necessary to reimburse the participant for the claim. The total contribution for such a participant shall in no event exceed the contribution to which he or she was originally entitled to for that year.

Note: The next paragraph is also optional, and reflects a related concern: What happens when a participant joins mid-year? If their contributions are prorated, they will only receive half as much in their HRA account. But the deductible will be just as high as an employee who receives the entire contribution. What follows is a potential compromise to giving these individuals a full year's contribution, because it allows a mid-year employee to receive up to the annual contribution but only on an "as needed" basis.

If an eligible employee enters the VEBA Plan as a participant on a date after the first day of the VEBA Plan year, the Employer shall prorate the amount of the Employer Contribution to reflect the late entry. If the participant incurs one or more claims for an eligible health expense that exceeds the participant's account balance in the VEBA Plan, the Employer shall, at the participant's request, increase its contribution for that year to the extent necessary to reimburse the participant for the claim, but not exceeding the contribution that would be made to similarly situated participants who entered the VEBA Plan on the first day of the VEBA Plan year. The participant shall be entitled to the same rights of similarly situated employees to accelerate future employer contributions that are prorated over the VEBA Plan year.

HSA-Only Option. If you are eligible for and enroll in the HSA-Only Option, Employer will make a[n annual] [monthly] [quarterly] contribution to your HSA in accordance with the following schedule:

> $______ for each eligible employee who elects single coverage under the HSA Plan described below; and
>
> $_____ for each eligible employee who elects family coverage under the HSA Plan described below.

The contribution will be made [choose one]: [on or about the first day of the HSA Plan year] [on a monthly basis over the HSA Plan year] [on a quarterly basis over the HSA Plan year].

You may also elect to contribute to your HSA through salary reduction if permitted under the Employer's Section 125 Cafeteria plan, and you may change that election prospectively during the year at least once per month. Combined Employer and employee contributions to your HSA may not exceed statutory maximums that are indexed each year.

> HSA contribution limits for 2017 are $3,400 for employees enrolled in single coverage, and $6,750 for employees enrolled in family coverage. Employees who are 55 or older may make an additional annual "catch-up" contribution of $1,000.
>
> Employers could agree to accelerate HSA contributions in the same manner as VEBA contributions, but could not recoup these amounts if an employee terminates mid-year. Employers may also accelerate HSA contributions based on an employee's salary reduction elections in the beginning of the year, with the understanding that future salary reductions will reimburse the employer. But this is not recommended. Employees have the right to cease salary reduction contributions to an HSA at any time during the year, and the employer cannot recoup those amounts. An employer may not enter into an enforceable loan agreement with employees to contribute amounts to an HSA at the beginning of the year, because this would be treated as a "prohibited transaction" under rules applicable to HSAs. Note also that if an employee is hired mid-year, and the employer makes an accelerated contribution that exceeds the employee's annual contribution limit (pro-rated by months of eligibility), the employee must remain enrolled in an HSA-eligible high deductible health plan through the end of the following year or

will be required with withdraw the excess (and the amount withdrawn will be subject to tax penalties). The following two paragraphs are optional:

[If a participant in the HSA Plan is entitled to receive an annual contribution that is prorated on a [monthly] [quarterly] basis over the HSA Plan year, and the participant incurs one or more claims for an eligible health expense that exceeds the participant's account balance in his or her HSA, the Employer shall, at the participant's request, accelerate its prorated contribution for that year to the extent necessary to reimburse the participant for the claim. The total contribution for such a participant shall in no event exceed the contribution to which he or she was originally entitled to for that year.

If an eligible employee enters the HSA Plan as a participant on a date after the first day of the HSA Plan year, the Employer shall prorate the amount of the Employer Contribution to reflect the late entry. If the participant incurs one or more claims for an eligible health expense that exceeds the participant's account balance in his or her HSA, the Employer shall, at the participant's request, increase its contribution for that year to the extent necessary to reimburse the participant for the claim, but not exceeding the total contribution that would be made to similarly situated participants who entered the HSA Plan on the first day of the HSA Plan year. An employee who establishes an HSA mid-year may, through employer and employee contribution, contribute up to annual maximum for the year; however, the employee must remain eligible for an HSA for the following calendar year or will be required to take a distribution of excess contributions, which will be subject to penalties.

Hybrid Plan Option. If you are eligible for and enroll in the Hybrid Plan Option, Employer will make a[n annual] [monthly] [quarterly] contribution to be divided evenly between a limited-purpose VEBA account and an HSA in accordance with the following schedule:

$______ for each eligible employee who elects single coverage under the Hybrid Plan described below; and

$_____ for each eligible employee who elects family coverage under the Hybrid Plan described below.

The contribution will be made [choose one]: [on or about the first day of the Hybrid Plan year] [on a monthly basis over the Hybrid Plan year] [on a quarterly basis over the Hybrid Plan year].

You may also elect to contribute to your HSA through salary reduction if permitted under the Employer's Section 125 Cafeteria plan, and you may change that election prospectively during the year at least once per month. Combined Employer and employee contributions to your HSA may not exceed statutory maximums that are indexed each year.

The limited-purpose VEBA account may only reimburse vision and dental expenses until you have incurred expenses equal to the minimum deductible required for an HSA-eligible high deductible health plan. (Preventive care is paid by the Hybrid Plan without cost-sharing by the participant). The minimum deductible for an HSA-eligible plan is indexed for inflation and published by the IRS each year. Once you have incurred expenses above this limit, the VEBA may be used to reimburse eligible medical expenses.

For plan years beginning in 2017, medical expenses for spouses and dependents who are not enrolled in the employer's group health plan may not be reimbursed from the VEBA. This limitation does not apply to retirees where funds that are transferred to the Postretirement VEBA Plan. Medical expenses for spouses and dependents may be reimbursed from your HSA whether or not spouses or dependents are enrolled in your employer's group health plan.

Note: minimum deductibles for HSA-eligible high deductible health plans are $1,300 for persons enrolled in single coverage, and $2,600 for persons enrolled in family coverage.

An employer could agree to accelerate both HSA and VEBA contributions under the Hybrid Plan based on hardship. The following two paragraphs are optional.

[If a participant in the Hybrid Plan is entitled to receive an annual contribution split between the VEBA and the HSA that is prorated on a [monthly] [quarterly] basis over the Hybrid Plan year, and the participant incurs one or more claims for an eligible health expense that exceeds the participant's account balance in his or her VEBA and HSA, the Employer shall, at the participant's request, accelerate its prorated contribution for that year to the extent necessary to reimburse the participant for the claim. The total contribution for such a participant shall in no event exceed the contribution to which he or she was originally entitled to for that year under the VEBA and HSA. The VEBA will remain a limited-purpose VEBA for the balance of the plan year, and the employer cannot direct funds that would have been payable to the limited-purpose VEBA to the HSA.

If an eligible employee enters the Hybrid Plan as a participant on a date after the first day of the Hybrid Plan year, the Employer shall prorate the amount of the Employer contributions to the VEBA and HSA to reflect the late entry. If the participant incurs one or more claims for an eligible health expense that exceeds the participant's account balance in his or her VEBA and HSA, the Employer shall, at the participant's request, increase its contribution for that year to the VEBA and HSA to the extent necessary to reimburse the participant for the claim, but not exceeding the total contribution payable to similarly situated participants who entered the Hybrid Plan on the first day of the Hybrid Plan year. An employee who establishes an HSA mid-year may, through employer and employee contribution, contribute up to annual maximum for the year; however, the employee must remain eligible for an HSA for the following calendar year or will be required to take a distribution of excess contributions, which will be subject to penalties.]

Group Health Plans

VEBA-Only Option. Employees who are eligible for and enroll in the VEBA-Only Option shall be enrolled in the group health plan described as Plan[s] # ____ in the summary available from your Employer. The Hybrid Plan may be used in the VEBA-Only Option.

HSA-Only Option. Employees who are eligible for and enroll in the HSA-Only Option shall be enrolled in the Hybrid Plan described as Plan# ____ in the summary available from your Employer.

Hybrid Plan Option. Employees who are eligible for and enroll in the Hybrid Plan Option shall be enrolled in the Hybrid Plan described as Plan # ____ in the summary available from your Employer.

> *Explanation:* The three plan options above may be paired with the Hybrid Plan. If the employer makes other VEBA plans available, the VEBA-Only Option may include those plans as well. HSA and Hybrid Options must use the Hybrid plan, and HSA-eligible high deductible health plan. Note also that VEBA contributions may not be made for active employees under any circumstance who are not enrolled in the employer's group health plan.

The plan options above may provide that deductibles and out-of-pocket maximums will be increased each year to keep pace with inflation.

Administration Fees

> Note to Employer: Administrative fees for the VEBA and HSA accounts in 2016 and 2017 are $2.11 per account per month for the Premium Saver program, $1.60 per account per month for the Basic Saver program, and $.60 for the Thrift Saver program. Interest rates vary depending on the amount in each account and which program is selected. Schedule A to this document sets forth interest rates payable as of January 2016. The same schedule is on SelectAccount's website.
>
> Most employers agree to pay for the cost of administrative fees for VEBA and HSAs on behalf of active employees, and most select the Premium Saver program, but employers have discretion in this regard. We strongly recommend that employer NOT pay administrative fees on for VEBA or HSA accounts on behalf of employees or former employees who may have accumulated a balance in the past but are no longer enrolled in employer-sponsored group health insurance. Otherwise employers may incur indefinite fees for small accounts that are forgotten or ignored. Recommended choices are indicated in **bold** below.

Administration Fees allocable to individual accounts of active employees under the VEBA Plan and HSAs shall be paid [**by the Employer**/from individual accounts]. Administration fees allocable to individual accounts of current employees who have accrued a balance in the VEBA Plan or an HSA but do not enroll in Employer sponsored coverage in subsequent years shall be paid [by the Employer/**from individual accounts**]. Administration fees allocable to the individual accounts in the VEBA or HSAs of former employees shall be paid [by the Employer/**from individual accounts**]. Administration fees allocable to the individual accounts of retirees in the VEBA or HSAs shall be paid [by the Employer/**from individual accounts**].

Interest Rates for SelectAccount Cash Deposits in VEBA Accounts and HSAs

Interest payable on VEBA and HSA accounts will vary depending upon the "tier" (how much is in the account), the program selected by the Employer, and market conditions. Current interest rates are available on the SelectAccount website. Rates are subject to change, and are determined by SelectAccount. Deposits in the VEBA or HSAs are not FDIC insured. VEBA and HSA funds are invested in a depository agreement with SelectAccount. SelectAccount and its parent company, Blue Cross Blue Shield of Minnesota, guarantee repayment of the principal amount and any interest on deposits.

Investment Fees

Employees who wish to invest all or a portion of their accounts in the VEBA or HSAs in mutual funds will pay an extra $1.50 per account per month. Investment fees will be deducted from accounts. Investment Fees are subject to change from time to time. No sales load will be charged on mutual funds. Mutual funds made available as investment alternatives may charge certain management, administration, marketing and similar fees depending on the funds selected (the "expense ratio"). The expense ratio on the funds will be applied against a participant's investment in said funds.

Crossover

All participants in the VEBA Plan may participate in the Crossover Program. New enrollees are automatically placed in the Crossover Program, though they may opt out as described below. Under the Crossover Program, claims for medical expenses that are not reimbursed through insurance (i.e., subject to the deductible, co-pays or coinsurance) are submitted electronically from the group health plan to the VEBA plan, and reimbursements from the VEBA Plan are automatically generated to employees by direct deposit. Participants in the VEBA who do not wish amounts to be automatically debited from their VEBA accounts may opt out of the Crossover Program.

Pay the Provider

As part of the Crossover Program, claims for medical expenses that are not reimbursed through insurance will automatically be withdrawn from an employee's VEBA account and paid directly to medical care providers. Additional fees for Pay the Provider shall be paid [by the Employer/**from individual accounts**].

Note: the "Pay the Provider" fee is $.50 per account per month. It is typically paid by employees.

Additional Group Health Plans

Employer may also make available the group health plan[s] described as Plan #[s] ____ in the summary[ies] available from your Employer. If you elect coverage under an alternative group health plan, you will not be entitled to participate or receive contributions to the VEBA [or an HSA].

Impact on Other Arrangements

This policy supersedes and revokes all previous policies on this matter, including, to the extent applicable, other written or oral statements of policy and procedure that address other welfare benefits. The policies and procedures outlined herein are not intended to create any contractual rights or duties, and will be applied at Employer's discretion. Although contributions made to your account in the VEBA [or an HSA] are irrevocable, except in the case of errors, Employer may amend or terminate its contributions policy at any time.

Your employment with Employer is "at-will," which means that either you or Employer are free to terminate the employment relationship at any time, with or without notice. Your at-will status is not altered by any statement in this policy.

Notes to employer on VEBA nondiscrimination rules.

1. Eligibility. Employers that make the VEBA Plan or Hybrid Plan available may not limit enrollment in those plans to executives, administrators, or others in the top 25% of pay. Employees eligible for the VEBA Plan, HSA Plan or the Hybrid Plan should be the same employees eligible for the employer's group health plan generally (i.e., employees who work an average of 30 hours per week). They should include a "fair cross section" of employees in lower and middle wage categories. The HSA Plan is subject to slightly less stringent rules, but the cafeteria plan through which contributions are made is subject to its own nondiscrimination requirements. It's best to treat all of these account-based plans in the same manner.

2. <u>Uniform contributions</u>. Contributions to the VEBA must be uniform for all eligible employees, and may only vary based on coverage categories under the group health plan (single, single + 1, family, etc.). There may be circumstances where incentives paid under wellness programs can be contributed to the VEBA, but employers should seek advice in those cases. Contributions may not be made in greater amounts for employees in the top 25% of pay than for employees in lower and middle wage categories. Employer contributions to HSAs may vary, provided that the cafeteria plan through which HSA contributions are made can meet nondiscrimination requirements.

3. Unions. If health benefits are subject to good faith negotiations with a union, union members may be excluded or provided with a different set of benefits or contribution levels to the VEBA or HSAs. Unions that participate in the VEBA under a separate collective bargaining agreement are generally "deemed" to meet IRS nondiscrimination rules. The union must be "bona fide" per IRS regulations. We have determined in the past that "unions of one" (such as school superintendents) do not qualify for the union exception from nondiscrimination under IRS regulations. Unions that are certified under Minnesota Statutes Section 179A.12 will always qualify for this exception.

Schedule A
Interest Rates for SelectAccount Deposits as of May 1, 2010

SelectAccount January 2016 Crediting Rates			
Tier	**Thrift Saver**	**Basic Saver**	**Premium Saver**
$0 to...	**.05%**	**.25%**	**1.05%**
$25	**.05%**	**.25%**	**1.05%**
$500	**.10%**	**.25%**	**1.05%**
$1,000	**.10%**	**.40%**	**1.05%**
$1,500	**.20%**	**.40%**	**1.05%**
$2,500	**.20%**	**.40%**	**1.05%**
$5,000	**.20%**	**.50%**	**1.05%**
$10,000	**.30%**	**.75%**	**1.15%**
$25,000	**.50%**	**1.00%**	**1.75%**
$50,000	**.70%**	**1.25%**	**2.00%**