

**MWRD Retiree Health Care Plan and Trust  
Best Practices for Compliance 2020**

**Recommended review practices:**

- Annually (perhaps in connection with preparing for annual enrollment for plans affecting active employees), the Plan and Trust should be reviewed collaboratively by the departments of Treasury, Law, and Human Resources to determine whether amendments are required to maintain compliance with changes in applicable laws and regulations.
- Annually, the Plan and Trust should be reviewed by those engaged in administration to be sure the Plan and Trust terms and administrative practices conform. If they do not, either the documents or the practices should be changed to conform.
- A substantive change in the section of the MWRDGC Administrative Procedures Manual relating to Retiree and Annuitant Health Insurance should trigger a review to determine whether it requires a change in the plan or trust document.
- The District should periodically review its practices with respect to the Health Insurance Portability and Accountability Act (HIPAA”) as it relates to the Plan and determine whether additional policies or training would be appropriate.

**Recommended Trust practices:**

- The parties should strictly observe all applicable organization formalities in any and all dealings between the Trust and the District.
- Trust records should be kept documenting that the actions required to be taken under the Trust have been taken by the appropriate party, i.e.:
  - Trust records should reflect that the Trustee has adopted the Investment Policy for the Trust.
  - Any contracts entered into with investment managers pursuant to Section 3.02 of the Trust should be approved by the Board of Commissioners and entered into by the Treasurer or by the Trustee with the written direction of the Treasurer. If the investment manager also performs services for the District, the contract relating to services performed for the Trust should be separate.
  - Any actions taken by the Trustee pursuant to Section 3.03 (investment powers) at the direction of the Treasurer should be pursuant to written direction.
  - When disbursements begin to be made from the Trust, there should be documentation of direction from the Plan Administrator to the Trustee. See Section 4.01.