

Pricing Analysis & Proposal

Prepared for: **HRAveba**



CURRENT PRICING STRUCTURE

The current pricing structure uses both a Fixed and Per Participant Per Month (PPPM) model, along with a separate Debit Card pricing component.

HRAveba	Rate	
Flat Fee	\$40,000	Per Month
Per Participant Fee	\$0.80	Per Claims Eligible Participant Per Month
	\$0.70	Per Non-Claims Eligible Participant Per Month
Debit Card Fee	\$1.00	Per Participant with an Activated Card Per Month
Debit Card Rebate Fee (Credit)	(OneBridge's Monthly Net Debit Card Revenue less \$4,000) * 50%	

PRICING ANALYSIS

The below chart reflects the OneBridge fees over the last three years based on the current pricing structure, and also shows what the calculated overall PPPM is for each year.

HRAveba	2017	2018	2019
Software Administrator	\$792,351	\$815,533	\$851,752
Eligibility & Claims Admin	\$246,557	\$259,176	\$287,248
Debit Card Account Fee	\$201,800	\$248,640	\$228,435
Debit Card Rebate Fee	\$(66,119)	\$(42,738)	\$(93,896)
Total	\$1,174,589	\$1,280,611	\$1,273,539
Average Active Participants	57,843	62,136	68,873
Average PPPM	\$1.69	\$1.72	\$1.54

PROPOSED FUTURE PRICING MODEL

OneBridge would like to propose streamlining to an "all in" PPPM price at **\$1.50**.

Trustee Meeting – February 5 – 6, 2020



MISSION STATEMENT

The HRA VEBA Trust provides public employees a tax-free health reimbursement arrangement (HRA), compliant with regulatory requirements, efficient administration, prudent investments, and superb service.



Mark Wilkerson, HRA Consulting
Charlie Isaacs, Area President
John Fulbright, Senior Client Manager
Sheilla Jones, Area Counsel, Client Consultant

HRA VEBA Board of Trustees Meeting Agenda

Cedarbrook Lodge | 18525 36th Ave S, SeaTac, WA 98188 | (206) 901-9268

Wednesday, February 5, 2020; 3:00 PM to 5:00 PM PT | Thursday, February 6, 2020; 8:00 AM to 1:00 PM PT

Asterisk (*) indicates Board action item.

Wednesday, February 5, 2020 3:00 PM to 5:00 PM PT; Dinner to follow		
Time Check	Agenda Item	Service Provider Attendees
3:00 p.m.	1. *Approval of Minutes (2 minutes)	Gallagher, Katten
3:02 p.m.	2. Plan Consultant Report—Gallagher (1.25 hours)	Gallagher, Katten
	2.1 Gallagher Service Report	
	2.2 Fiduciary Insurance Renewal Follow Up	
	2.3 New Video Resources	
	2.4 2019 Goals Review	
	2.5 *2020 Annual Goals	
4:17 p.m.	3. Legal & Compliance Report—Katten, Gallagher (43 minutes)	Gallagher, Katten
	3.1 CMS Demand Letters Update	
	3.2 Trademark Approval Update	
	3.3 *Plan Document Amendments	
5:00 p.m.	Adjourn	
6:00 p.m.	DINNER	Gallagher, Katten, Hyas OneBridge
Thursday, February 6, 2020 8:00 AM to 1:00 PM PT		
Time Check	Agenda Item	Service Provider Attendees
7:30 a.m.	BREAKFAST (30 minutes)	Gallagher, Katten, Hyas, OneBridge
8:00 a.m.	4. Investment Consultant Report—Hyas Group (1.5 hours)	Gallagher, Katten, Hyas, OneBridge
	4.1 Investment Portfolio Review	
	4.2 *Investment Policy Statement Update	
	4.3 *New Pre-mixed Portfolios; Default Investment Fund	
9:00 a.m.	5. Auditor Report—Schoedel & Schoedel (30 minutes)	Gallagher, Katten, OneBridge, Schoedel
	5.1 Annual Trust Audit and IRS Form 990	
10:00 a.m.	BREAK (30 minutes)	
10:30 a.m.	6. Plan Administration Report (1.5 hours)	Gallagher, Katten, OneBridge
	6.1 Financial Report for Period Ending December 31, 2019	
	6.2 Service Provider Performance Reports	
	6.3 Debit Card Substantiation Engine Update	
12:00 p.m.	7. Next Meeting Dates (5 minutes)	Gallagher, Katten, OneBridge
	7.1 June 25-26, 2020; Gallagher; Spokane	
	7.2 September 30 – October 1, 2020; Inn at Langley; Langley	
	7.3 February 2021; Dates and Location TBD	
12:05 p.m.	8. New Business for Next Meeting (5 minutes)	Gallagher, Katten, OneBridge
12:10 p.m.	LUNCH (50 minutes)	Gallagher, Katten, OneBridge
1:00 p.m.	Adjourn	

AGENDA ITEM 1: APPROVAL OF MINUTES

 **SNAPSHOT:** Minutes of the last meeting are enclosed for the Board's review and approval.

 **ACTION ITEM**

 **RELEVANT GOAL(S):** None

BACKGROUND

Enclosed for the Board's review and approval, please find a copy of the **Minutes of the Meeting** dated October 2-3, 2019.

ACTION ITEM

☒ YES

☐ NO

SAMPLE MOTION

I move to approve the **Minutes of the Meeting** dated October 2-3, 2019.

VEBA Trust for Public Employees in the Northwest (HRA VEBA Trust)

MINUTES OF THE BOARD MEETING

Date: October 2-3, 2019

Time: 3:00 PM PACIFIC TIME (October 2); 8:00 AM PACIFIC TIME (October 3)

Place: Willows Lodge; Woodinville, WA

A quorum being present, Chair Detling called the meeting to order on October 2, 2019 with the following persons in attendance:

TRUSTEES

Doug Detling, Chair
Bev Freeman, Vice Chair
Teresa Benner, Secretary
Randy Anderson, Treasurer
Heather Buchanan
Sylvia Hubbard
Kristy Wolf

OTHERS

Mark Wilkerson, Gallagher
Sheilla Jones, Gallagher
John Fulbright, Gallagher
Charlie Isaacs, Gallagher
Russell Greenblatt, Katten
Kate Saracene, Katten

I. APPROVAL OF MINUTES

The Board reviewed the **Minutes of the Board Meeting** dated June 27-29, 2019. After discussion,

MOTION duly made, seconded, and carried to approve the Minutes of the Board Meeting dated June 27-29, 2019.

II. ELECTION OF OFFICERS

Officers for 2019-20 were nominated as follows: Doug Detling, Chair; Bev Freeman, Vice Chair; Debby Watts, Secretary; and Randy Anderson, Treasurer. After discussion,

MOTION duly made, seconded, and carried to elect the 2019-20 HRA VEBA Trustee officers as nominated.

III. PLAN CONSULTANT—Gallagher

a. Gallagher Service Report

Gallagher presented its **Gallagher Service Report**, which included summaries of field and consulting team activity, team member highlights, participant and employer feedback, marketplace news, and testimonials.

b. 2019-20 Annual Budget

Gallagher presented a proposed 2019-20 **HRA VEBA Trust Budget** for the Board's approval. After discussion,

MOTION duly made, seconded, and carried to accept the 2019-20 HRA VEBA Trust Budget as presented and discussed.

c. Fiduciary Insurance Renewal

The Board reviewed and discussed the Trust's fiduciary liability policy's coverage level, historical annual premiums, and the premium increase for the 2019-20 policy period. The Board directed Gallagher to seek quotes for \$7.5 million and \$10 million in coverage for consideration and approval by email prior to the current policy's October 31, 2019 expiration date.

d. Hyas Consulting Agreement Approval

In July, the Board unanimously approved by email an Amended and Restated Consulting Services Agreement between the Trust and Hyas Group, LLC. The Agreement's annual fee is guaranteed for three years.

e. Funding Methods Overview

As requested by the Board, Gallagher prepared a summary of common HRA funding methods being used by employers. The summary included some background on several recent implementations.

f. Brand Personality Update

Gallagher reported that the revamping of plan literature was still underway. Careful attention is being given to improving reading ease. The Board reviewed examples of completed materials.

g. 2019 Goals Review

The Board reviewed the **2019 Goals Review** prepared by Gallagher and OneBridge. Of the 29 tasks for the year, 8 had been "Completed;" 18 were "In Progress;" and 3 were "Not Started" or "On Hold."

IV. LEGAL & COMPLIANCE—Katten; Gallagher

a. Trustee Questionnaires

The Board reviewed the completed **Trustee Questionnaires** submitted by each of the Trustees in accordance with the Trust's Conflict of Interest Policy. The Board did not find or express any concerns with the responses received.

b. Service Provider Annual Disclosure Forms

The Board reviewed the **Service Provider Annual Disclosure Forms** collected from each of the Trust's service providers, along with Gallagher's summary of the responses received. The Board did not find or express any concerns.

c. Annual Whistleblower Report

Chair Detling reported that there were no disclosures, no investigations, no wrongdoings, and no disciplinary actions reported over the past year.

d. Annual Review of Trust Policies

The Board reviewed the Trust's policies and related documents, including an updated version of **Service Provider Annual Disclosure Form** with improved organization of the form's content, added clarification to certain questions, and a simplified response process. After discussion,

MOTION duly made, seconded, and carried to approve the revised Service Provider Annual Disclosure Form as presented and discussed.

The meeting concluded for the day and resumed on October 3, 2019 with the following persons in attendance:

TRUSTEES

Doug Detling, Chair
Bev Freeman, Vice Chair
Teresa Benner, Secretary
Randy Anderson, Treasurer
Heather Buchanan
Sylvia Hubbard
Kristy Wolf

OTHERS

Mark Wilkerson, Gallagher
Sheilla Jones, Gallagher
John Fulbright, Gallagher
Charlie Isaacs, Gallagher
Erik Karpinski, GSAM Stable Value
Jayson Davidson, Hyas Group
Nick Knab, OneBridge
Russell Greenblatt, Katten
Kate Saracene, Katten

V. STABLE VALUE MANAGER—GSAM Stable Value

a. Stable Value Portfolio Review

Mr. Karpinski presented Goldman Sachs' **GSAM Stable Value** report. The report included asset management and team resources overviews and a portfolio update as of July 31, 2019.

Mr. Karpinski made the Board aware of a cash valuation issue that was favorable to participants. GSAM, OneBridge, Gallagher, and Washington Trust Bank had discussed and made a recommendation as to how the correction should be reflected in participant accounts and have identified additional protocols that have been or will be implemented to reduce the risk of this type of situation going forward. In addition, the Trust's auditor, Schoedel & Schoedel, will be asked to review the details and determine how the correction should be reflected in the Trust's financials.

VI. INVESTMENT CONSULTANT—Hyas Group

a. Investment Portfolio Review

Mr. Davidson presented Hyas Group's **June 30, 2019 Performance Report**. He discussed recent market and economic trends and provided updates to benchmark and investment option performance since June. All funds were performing within policy.

Mr. Davidson handed out an analysis showing that replacing the current Vanguard LifeStrategy and Balanced Index funds with custom premixes would result in lower expense ratios for participants. The Board directed Hyas Group to further develop this concept for consideration at the Board's February 2020 meeting.

b. Default Investment Fund Update

The Board discussed whether the Trust's Stable Value fund should remain the default investment fund. Considerations included the Board's understanding that investment default offerings for retirement plans have evolved over the years and, for a number of years, ERISA regulations for retirement plans have stipulated using something other than stable value. Also, data shows that fewer participants are making investment elections since the shift to paperless enrollment.

The Board directed Hyas Group to prepare a recommendation for consideration at the Board's February 2020 meeting.

Mr. Karpinski, Mr. Davidson, and Mr. Knab exited the meeting.

VII. LEGAL & COMPLIANCE—Katten; Gallagher (continued)

a. CMS Demand Letters

Gallagher reported that to date the Trust had received two demand letters from the Centers for Medicare & Medicaid Services (CMS), both of which have been resolved with CMS.

b. Trademark Approval Update

Gallagher reported that a trademark application had been submitted to the United States Patent and Trademark Office as directed by the Board. According to USPTO's web site, the application has been received and is awaiting examination.

c. Plan Document Amendments

Katten and Gallagher had prepared Plan document amendments for the Board's review and approval. However, in light of new proposed regulations issued by the IRS just a few days before this meeting that may or may not require further updates, the Board agreed to put this action item on hold until its February 2020 meeting.

Mr. Knab rejoined the meeting, and Briana Russ from OneBridge joined the meeting.

VIII. PLAN ADMINISTRATION

a. Service Provider Performance Reports

The Board reviewed the **Service Provider Reports**, including performance statistics and general comments from each service provider for the reporting period. Gallagher presented its **Customer Care Center** report. OneBridge presented its **Claims and Administration** report and its **Recordkeeping and System Software** report.

b. Financial Report for Period Ending August 31, 2019

The Board reviewed the financial reporting package for the period ending August 31, 2019.

c. Satisfaction Surveys

Gallagher reported that satisfaction surveys conducted since 2018 have gathered good constructive feedback, which is helping drive service, communication, and technology enhancements. Future surveys may focus on measuring participant awareness of HRA benefits in general, along with key features of the HRA VEBA Plan.

IX. NEXT MEETING DATES

- February 5-6, 2020; Cedarbrook Lodge; SeaTac
- June 25-26, 2020; Gallagher; Spokane
- October 2020; Dates and Location TBD

There being no further business, the meeting was adjourned.

Respectfully submitted,

John Fulbright
Plan Consultant
Gallagher

AGENDA ITEM 2.1: GALLAGHER SERVICE REPORT

 **SNAPSHOT:** The **Gallagher Service Report** is enclosed for the Board's information. The report contains a summary of field and consulting team activity for the given reporting period.

 **RELEVANT GOAL(S):** 1. Provide best-in-class service and a high level of personalized care; 4. Retain and grow Trust participation; 5. Provide Trustee education and training; 6. Monitor regulatory, legislative, and compliance issues that affect HRAs and VEBAs; and 7. Monitor Trust service providers.

BACKGROUND

The **Gallagher Service Report** (copy enclosed) for the period September to December 2019 is organized into the following sections:

- Team Roster
- Team Member Highlights
- Field Team Activity
- Consulting Team Activity

ACTION ITEM

YES

NO

SAMPLE MOTION

None.

Gallagher Service Report

September 1 to December 31, 2019

Team Roster

Team Member Highlights

Field Team Activity

- Executive Summary
- Territory Snapshot
- Calendar YTD Activity Summary
- Current-period Activity
- New Employers
- New Groups/Funding Sources
- Largest Opportunities
- Competition Update
- Feedback
- Marketplace News
- Testimonials

Consulting Team Activity

- Consulting and Compliance
- Communications



Gallagher

Insurance | Risk Management | Consulting



HRA Field Team



Dawson Mortimore
HRA Field Manager
10 years



Brian Riehs
Client Consultant
14 years



Emily Spencer
Client Consultant
2 years



Kristen Faris
Client Consultant
5 years



Rich Dickman
Client Consultant
21 years



Susie Berard
Senior Client Relations
Manager
25 years

HRA Customer Care



Carrie Campbell
Client Services Manager
35 years



Bridget Del Monico
Customer Care
4 years



Shantel Boynton
Customer Care
8 months



Kristen Dickman
Customer Care
4 years



Laicy Brown
Customer Care
1 year



Mathew Holloman
Customer Care
3 years



Michelle Williams
Customer Care
3 years



Zoë Aurand
Customer Care
8 months



Colleen Belcourt
Customer Care
4 years

HRA Consulting Team



Mark Wilkerson
Senior Consultant
34 years



Sheilla Jones
Area Counsel, Senior
Consultant
7 years



Britt Afdem
Compliance Counsel
5 years



Brenda Cranford
Consulting Analyst
5 years



K.C. Campbell
Senior Admin. Assistant
22 years

Branch Management



Charlie Isaacs
Area President
5 years



Miriam Woodard
Operations Director
14 years



Tiffany Ingram
Operations
Coordinator
2 years

HRA Communications



John Fulbright
Communications Director
Senior Client Manager
21 years



Jeff Wright
Marketing Comm. Specialist
2 years



Julie Schramm
Marketing Coordinator
9 years



Team Member Highlights



Brenda Cranford
Senior HRA Consulting Analyst
5 years

Ongoing plan sponsor-level support: new client adoption and onboarding; escalated issues; research

As a Senior HRA Consulting Analyst, I serve as a liaison between the HRA Consulting team, Customer Care Center, and OneBridge Benefits' administration team. In working with the HRA Consulting team, my background in the Customer Care Center brings the unique insight needed to help align new initiatives, compliance requirements, and overall service changes with what employers and participants ultimately expect and wish to experience from the HRA Plans. My role includes providing expertise and assistance to the Customer Care Center as it relates to process improvements, training, compliance, and new strategic initiatives or developments. I also coordinate with OneBridge Benefits on system development and enhancements, including plan structure, employer plan designs, administration, system requirements for new initiatives, and training of the CCC that is needed after production of OneBridge system developments. Although no two days are alike in this role, my day typically includes data analysis, researching issues, and working on strategic initiatives. My favorite part of this job is assisting new clients during the adoption and onboarding process and providing ongoing support with the day-to-day administration of their plans.

About me: I love cooking and spending time with my family. I am married to my wonderful husband, Shawn. We have two children: Ortaveus and Da'Karee. Ortaveus will graduate from Ferris High School this year. Da'Karee is my second grader that also loves to cook. As my Sous Chef, she can always be found in the kitchen with me. As a family, we enjoy camping with our friends in the summer time.



Mathew Holloman
Customer Care Center
Senior Representative
3 years

Phones, email and secure message responses, PG tracking for emails, service standards report

Most of my workday is spent interacting directly with participants and employer contacts. I also get to fill out giant spreadsheets each week. It feels good to be the expert at what I do and to be supported by other experts. In the rare instance I encounter a question or concern that I don't know how to address, it never takes long to get the answer. The team here at Gallagher is by far the best I've ever worked with and I'm proud of the work we do.

About me: I have two intelligent, kind sons who are 9 and 6 years old. We take our leisure time pretty seriously—lots of videogames, books, dancing, and martial arts training. I'm an avid indoorsman; the view from a kitchen or cozy sofa is far more appealing to me than a hiking trail or body of water. It's hard to resist a good joke, carbs, or cheese.

Gallagher Service Report

September 1 – December 31, 2019



Field Team Activity

Executive Summary

This report provides an overview of Gallagher service activities on behalf of HRA VEBA Trust. The report includes information related to employer service schedule metrics, participant education, new participating groups and funding activity, as well as feedback and news from employers and participants.

We finished the year with a 99% completion of Annual Employer Reviews (AERs), and we have updated language on file for 79% of employers.

We participated in over 200 educational events in 2019, including 20 Washington State Department of Retirement Systems seminars and 45 benefits fairs. Most groups continue to want presentations focused on general HRA VEBA Plan education, including how to save and use in retirement, as well as a number of requests for funding consultation meetings to learn about new ways to fund accounts.

Twenty six (26) new employers and 58 new employee groups were added in 2019, along with multiple new/increased funding opportunities. Combined estimated first-year contributions totaled over \$23 million. The ten largest opportunities total over \$29 million in potential first-year contributions. Many of these are possible transfers from HRA VEBA competitors, most notably Ada County, which currently uses the Nationwide Post-employment Health Plan (PEHP) and currently has over \$7 million in assets.

There were no transfers out of HRA VEBA during this reporting period, and we are not aware of any pending. One group, Scappoose Rural Fire District who has been participating for about six years, transferred approximately \$680,000 in assets from PEHP into HRA VEBA. The transition went very smoothly, and the group and employer are very pleased to be consolidated into a single program with a better survivor benefit, better service model, better customer care, and better-performing investments.

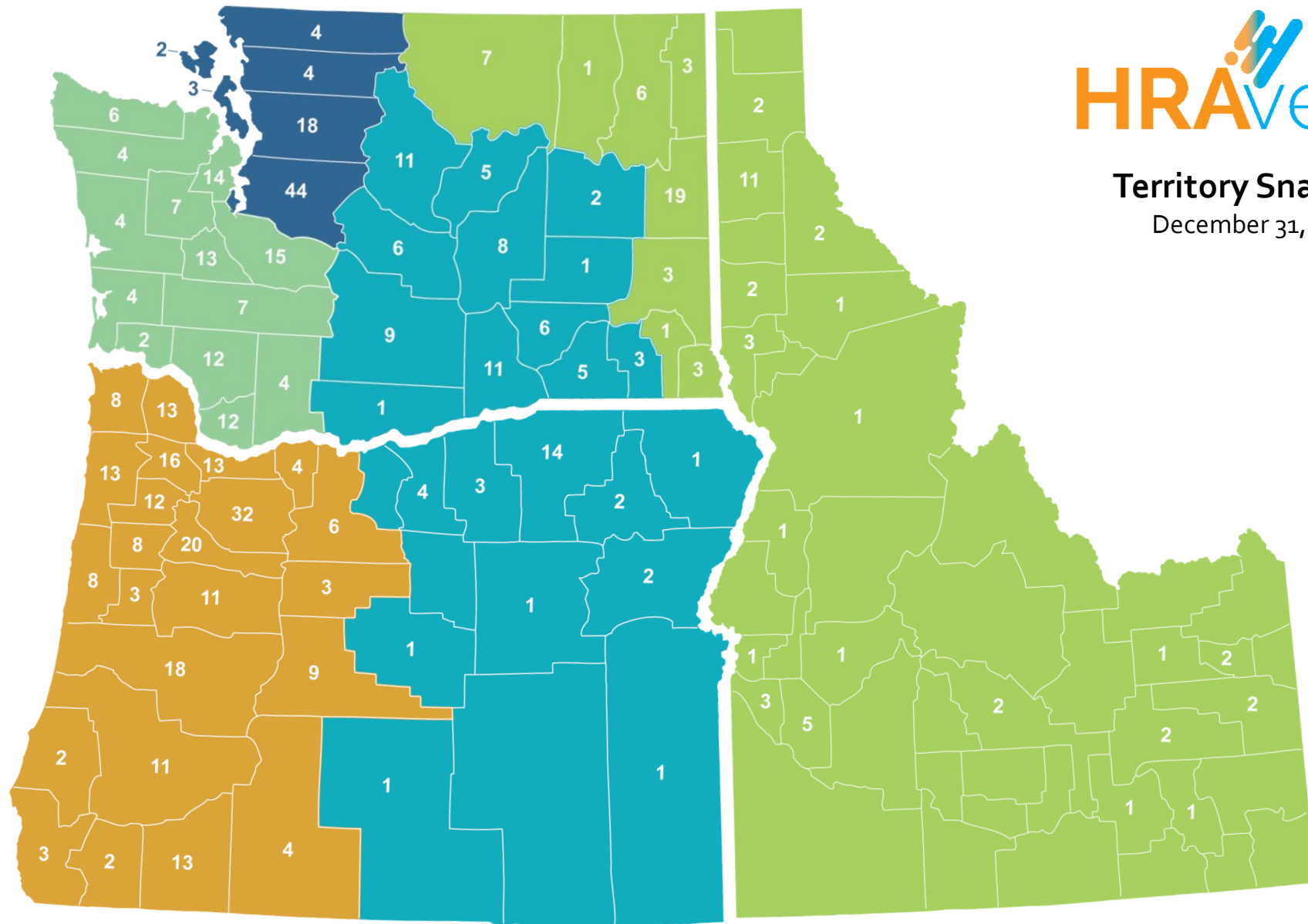
As far as competition, we have heard from some small to mid-sized fire districts that they want to find a way to leave the Northwest Firefighters Benefits Trust VEBA offered through BPAS, citing the unique HRA VEBA survivor benefit as the main reason. A BPAS representative attempting to keep hold of Lake Stevens Fire, who is transferring to HRA VEBA in early 2020, suggested to the employer that HRA VEBA fees are not displayed in a transparent manner. We have also heard from at least one ICMA-RC rep that their experience with Meritain Health as the TPA for their VantageCare program (formerly Retirement Health Savings Plan) has been poor and that they have no plans to push VantageCare in the Northwest.

Employer feedback continues to be mostly positive, with most comments focused on user-friendly technology, customer care, and local service. Employers continue to express desire for ability to update employee contact information through the portal, and also for certain medical providers to be added to the system in order to have higher auto-substantiation rates on debit card. Oregon school employers are very pleased over HB 3075, which reinstates the ability for public employees under the OEGB/PEBB systems to maintain their dual coverage and allows school districts to continue offering opt out incentives.

Benefits Card questions still persist with some participants confused about when they need to send supporting documentation. There is also a sense that many participants rarely check their investments and often forget their account is invested at all. Overall, participant feedback was mostly positive, primarily centered on the easy-to-use system, Benefits Card, and HRAgo®.

Territory Snapshot

December 31, 2019



NW Washington

Employers: 78

Assets: \$95,933,969

SW Washington

Employers: 119

Assets: \$114,732,819

SE Washington/ E Oregon

Employers: 109

Assets: \$110,035,086

Idaho/ E Washington

Employers: 94

Assets: \$63,206,877

W Oregon

Employers: 238

Assets: \$227,263,731

Gallagher Service Report

September 1 – December 31, 2019



Calendar YTD Activity Summary

New employers/groups this year	26 / 58
Current prospective groups (active)	73
Annual Employer Reviews (AERs)	99%
Groups with updated language	79%
Conferences, seminars, lunch & learns, benefits fairs, etc.	213

Current-period Activity

Conferences, seminars, lunch & learns, presentations, etc.

- IAOC Conference
- IAOHDC Conference
- ICCTFOA Conference
- WAPELRA Conference
- WFOA Conference
- Bonner County, adoption meeting
- City of Boise, presentations (6)
- City of Clarkston, funding discussion
- City of Coeur d' Alene, funding discussion
- City of Ellensburg, presentation
- City of Lewiston, funding discussion (2)
- City of Moscow, funding discussion
- City of Nampa, presentation
- City of Omak, funding discussion
- City of Portland Fire, educational presentation
- City of Post Falls, management meeting
- City of Rexburg, funding discussion
- City of Seattle, educational presentation
- City of Spokane, presentations (2)
- City of Tacoma IBEW, educational presentation
- City of Tukwila, educational presentation
- City of Tumwater Fire, educational presentation
- King County, educational presentation
- Klickitat PUD, presentations
- Lakehaven Water & Sewer, educational presentation
- Madison County, presentation (2)
- Madison Memorial Hospital, presentations
- NE Sammamish Water, educational presentation
- Okanogan County PUD, funding discussion
- Okanogan County, funding discussion
- Olympic View Water & Sewer, educational presentation
- Pierce County educational presentations (3)
- Shoshone County, meeting with Commissioners
- Snohomish Health District, educational presentation
- Spokane County, plan design discussion
- Stevens County, presentation
- Washington Association of Water Sewer Districts, presentation
- WSAC, educational presentation

Washington DRS presentations

- Spokane
- Kirkland
- Pasco
- Everett
- Vancouver
- Bellingham
- Tacoma
- Centralia

Gallagher Service Report

September 1 – December 31, 2019



Benefits fairs

- Benton County
- Chelan County
- City of Bremerton
- City of DuPont
- City of Fife
- City of Kelso
- City of Kenmore
- City of Lacey
- City of Liberty Lake
- City of Longview
- City of Marysville
- City of Mercer Island
- City of Nampa
- City of Post Falls
- City of Redmond
- City of Renton
- Community Library District
- Cowlitz County
- Cowlitz County PUD
- Franklin County
- Douglas County
- Kitsap Public Health
- Kittitas County
- Kootenai County
- Pend Oreille County
- Pend Oreille County PUD
- Port of Tacoma
- Snohomish Health District
- Spokane Transit Authority

New Employers

Employer	State	Est. # Participants	Est. First-year Contributions
Madison Memorial Hospital	ID	465	\$250,000
Bonner County	ID	7	\$156,000
Chelan Douglas Regional Port Authority	WA	8	\$42,000
Four Rivers Community School	OR	8	\$15,000
City of Oak Harbor	WA	1	\$10,000

New Groups/Funding (existing employers)

Employer	State	Group(s) / Funding Method(s)	Est. First-year Contributions
City of Rexburg	ID	All Staff / wellness and notional HRA rollover	\$685,000
City of Des Moines	WA	All/DEC increase	\$216,000
City of Tacoma	WA	IAFF/ SLC	\$150,000
Benton County	WA	Non Rep \$50/month Increase	\$90,000
Eagle Fire	ID	All Staff / MEC, DEC, AVLC	\$88,000
City of Liberty Lake	WA	All Staff / DEC and MOOD	\$86,000
Mason County	WA	Engineers/ SLC & VLC	\$50,000
Wood River Fire District	ID	All Staff / VLC, SLC, DEC	\$43,000
Northern Lakes Fire District	ID	All Staff / DEC	\$22,000

Gallagher Service Report

September 1 – December 31, 2019



Employer	State	Group(s) / Funding Method(s)	Est. First-year Contributions
Port of Port Angeles	WA	Non-reps/ ERI	\$20,000
Shoshone County	ID	All Staff / DEC	\$15,000
Port of Kennewick	WA	All Employees – DEC Increase	\$12,000
City of Federal Way	WA	Lieutenants/MEC &SLCO	\$8,800
City of Port Orchard	WA	All/ \$100 DEC	\$7,000

Ten Largest Opportunities

Employer	Group(s) / Funding Method(s)	Est. First-year Contributions
Ada County	All Groups / PEHP Rollover	\$7,000,000
Central Pierce Fire	IAFF/ DEC	\$6,000,000
Snohomish County Fire 1	All/Transfer	\$6,000,000
Snohomish PUD 1	All/Transfer	\$2,800,000
City of Nampa	Police/Fire / Nationwide Rollover	\$1,600,000
City of Seattle	NonReps/SLCO	\$1,500,000
City of Moses Lake	ICMA Transfer	\$1,500,000
Kitsap PUD	All/ DEC	\$1,000,000
Clark County	All/ DEC, SLC	\$1,000,000
Snohomish Fire 7	Merger/Transfer	\$1,000,000

Funding	DEC Direct Employer Contribution	SLC Sick Leave Cash Out
Methods	MEC Mandatory Employee Contribution	VLC Vacation Leave Cash Out
Key	PTO Paid Time Off	PEHP Post-employment Health Plan

Competition Update

Plan Name	Sales proposition	Activity
Northwest Firefighters Trust (BPAS)	• Union-sponsored plan • Fee structure favors larger balances • Debit card stacking	Some smaller fire groups want to find a way out of NWFFBT but can't find a plan that provides retiree medical. BPAS fees are \$6.50 PPPM, average expense ratio of .37%, an advisor fee of 0.00% and an asset based fee of .35% Employers leaving BPAS are not happy to learn they have to pay a fee to leave.

Gallagher Service Report

September 1 – December 31, 2019



ICMA-RC Retirement
Health Savings Plan
(RHSP)

- Same record keeper
- Similar investments as deferred comp

Local ICMA-RC rep has shared that Meritain Health (TPA for ICMA-RC) customer service is very poor. They are not actively looking to grow VantageCare in the Northwest.

Feedback

Employers

- Oregon SDs are pleased with result from HB 3075, which means that school and other public employees can still have dual OEBB/PEBB coverage, and employers can still offer opt out incentives for employees with dual coverage.
- Employers have been asking if we can add into the system specific medical providers so that debit card transactions could be auto-substantiated.
- Employers continue to ask for the ability to update employee contact information through the portal.
- City of Boise–Employee benefits communication and education is a constant challenge, especially with multi-generational workforce. Some employees like using the City's electronic benefits resources and benefits portal, but they have found many employees still want in-person meetings/presentations and printed materials. Short explanatory videos seem to be the piece they would like to see more of in the near future.
- City of Coeur d' Alene Human Resources Director–Employees need reminders and a deeper understanding of how rich our benefit plans are at the City, including HRA VEBA. They would like to see a short one-page flyer that reinforces the benefit of saving the account, showing compounding growth over time.
- Pend Oreille PUD; Randy Bird, Operations Director–Some employees continue to be confused and frustrated when it comes debit card supporting documentation. He believes the Debit Card FAQ is a helpful tool to level set expectations and is looking forward to the day more transactions are auto-substantiated.

Participants

- Some participants still frustrated with debit cards substantiation process. Individuals have reported that they are being asked for supporting documentation for both co-pays and prescriptions at some providers.
- Many participants still struggle with understanding how the benefit card works in general. Many employees are either unaware of the balance required to use the card or that there is a maximum daily limit, and are not sure how to submit documentation.
- Participants tend to forget that this is an investment account and are unaware that they can make changes one time per calendar month, including through the portal and mobile app. Additionally, those that are aware they can make changes often don't know they can apply the change to the entire balance or just to future contributions and that they can set rebalance settings. The general consensus is that many participants just set their investment up at enrollment and rarely ever check it or change it.

Gallagher Service Report

September 1 – December 31, 2019



- City of Pocatello Firefighter—"The Northwest Firefighters Benefits Trust VEBA does not provide the same survivor benefit as HRA VEBA. I wish we could move back to HRA VEBA."
- City of Nampa; Windy S.—"It would be easier to use my HRA VEBA if I did not have to provide supporting documentation for doctor office visits. My doctor visit cost fluctuate so I am not able to set them up as reoccurring, which is a pain."

Marketplace News

Although recent legislation has maintained opt out incentives for Oregon school districts for the time being, there is still worry that this is short-term and that OEGB and PEBB will continue to find ways to limit opt outs as a pool stability measure. School district business managers around the state are concerned with how that will impact their budgets as some are savings hundreds of thousands of dollars per year by offering opt out incentives, and many employees are double-covered under OEGB and/or PEBB.

Paid Family Medical Leave in Washington is still a hot topic and taking many employers a lot of time to understand. With the sick leave law changes last year and Paid Family Medical going live this year, human resources teams at many of our employers are feeling even more understaffed than normal and squeezed for time.

Testimonials

HR Manager, Poulsbo Fire: "CCC is exemplary; way better than that place in MN. Glad it's in state."

Payroll Officer, Pacific County: "I called the CCC, someone picked up on the 2nd ring! They were very helpful"

Kristin H., Benefits Officer, City of Boise: "City staff has shared that having a dedicated HRA VEBA consultant come and present and meet with them annually has been a great service.

Melissa T., HR Director, City of Coeur d' Alene: "The HVEBA is the best benefit our City provides. Thanks for providing lunch and learn workshops. Employees needed a reminder that their HRA VEBA account is invested and they should review their investments from time to time."

Randy B., Operations Director, Pend Oreille County PUD: "Thank you for scheduling time to help train our employees on how to use the Benefits Card and cover investment options. They have a better understanding of the power of HRA VEBA."



Consulting Team Activity

Plan and Trust Consulting and Compliance

- Managed CMS Demand Letters on behalf of the Plan
- Continued research and analysis for COBRA process and communication improvements
- Expanded allowable expenses under the Limited-Medicare coverage tier
- Reviewed additional guidance on Individual Coverage HRAs (ICHRAs)
- Monitored congressional activity relating to repeal of the Cadillac Tax and extension of the PCORI fee
- Reviewed IRS reporting relief relating to IRS Form 1095-B furnishing (communicating health plan coverage to individuals)
- Completed work on Plan Document revisions
- Developed additional resources relating to Medicare coordination
- Developed additional resources relating to HSA coordination
- Studied any implications on HRA funding relating to the Washington Paid Family & Medical Leave Act
- Worked with OneBridge and Bancorp on an amendment to reduce the required target balance amount in the Trust's collateral account for the debit card program
- Implemented additional policies and procedures with OneBridge to improve participants' debit card experience and request less documentation
- Continued to monitor status of Trademark approval for the Trust's logo
- Worked with OneBridge regarding its ability to provide Trust financials for annual audits
- Researched applicability and compliance requirements for communication acceptable under the Americans with Disabilities Act
- Researched and reviewed guidance for reimbursing Genetic Testing Kits under recent IRS Private Letter Ruling
- Continued working on Abandoned Account Procedural Updates

Gallagher Service Report

September 1 – December 31, 2019



Communications

- Drafted simplified online instructions for setting up automatic premium reimbursements and submitting supporting documentation for debit card transactions
- Finalized work on new **Plan Benefits** brochure (copy attached)
- Finalized work on new **Choosing Your Investment Allocation** handout (copy attached)
- Drafted scripts and created three new videos: How to File a Claim; Understanding Supporting Documentation; and Using Your Benefits Card
- Outbound communication:

Month	Method	To	Description
September	Email	Employers	HRA VEBA: "How to..." Webinar survey
September	Email	Employers	HRA VEBA: "How to..." Webinar Reminder
September	Email	Employers	HRA VEBA: "How to..." Webinar Invitations
October	Email	Employers	HRAtoday (employer edition)
October	Email	Employers	3rd Quarter Investment Fund Overview
October	Email	Participants	3rd Quarter e-statement notices
November	Email	Employers	Wellness Plan Survey Results

AGENDA ITEM 2.2: FIDUCIARY INSURANCE RENEWAL FOLLOW UP

 **SNAPSHOT:** The Trust's fiduciary liability policy renews annually. Last October, the Board approved increasing the policy's limit of liability to \$7,500,000.

 **RELEVANT GOAL(S):** None

BACKGROUND

The quote to renew the Trust's \$5 million fiduciary liability insurance policy went up by \$6,479 (31%) to \$27,234 after remaining fairly flat for several years. The Board directed Gallagher to seek quotes for \$7.5 million and \$10 million in coverage. Chubb responded with a \$30,813 quote for \$7.5 million. The carrier said it would entertain a request for \$10 million at a subsequent renewal.

The Board, by unanimous email consent last October, approved increasing the Trust's liability coverage. The added \$3,579 for an extra \$2.5 million in coverage seemed reasonable.

A copy of the Trust's fiduciary liability insurance **Declarations** page for the current policy period ending October 31, 2020 is attached for the Board's information. Renewal policy provisions are as follows:

Effective Date:	October 31, 2019
Expiration Date:	October 31, 2020
Limit of Liability:	\$7,500,000 per claim limit of liability; \$7,500,000 aggregate limit of liability
Deductible Per Claim:	\$50,000 per claim retention
Annual Premium:	\$30,813

The policy continues to provide Waiver of Recourse coverage, which protects the Trustees' personal assets. The Trust is prohibited by law from paying the annual Waiver of Recourse premium, which is \$25 per Trustee. Waiver of Recourse premiums are paid individually by each Trustee or by his or her employer beginning with the first policy renewal following the Trustee's election. New Trustees are automatically covered through the end of the current policy period.

ACTION ITEM

YES

☒ NO

SAMPLE MOTION

None.

CHUBB® Labor Management Trust Fiduciary Liability Policy

DECLARATIONS

Policy Number 8210-9698

Federal Insurance Company,
a stock insurance company,
incorporated
under the laws of Indiana,
herein called the
Company.

THIS IS A CLAIMS MADE POLICY WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD" OR ANY EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED, BY THE PAYMENT OF "DEFENSE COSTS" AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT. THE COMPANY SHALL NOT BE LIABLE FOR "DEFENSE COSTS" OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE LIMIT OF LIABILITY. PLEASE READ THE POLICY CAREFULLY.

Item 1. **Insurance Representative:**
Doug Detling

Item 2. **Principal Address:**
906 W. 2nd Avenue
Suite 400
Spokane, WA 99201

Item 3. **Limits of Liability:**
(A) Each **Loss:** \$7,500,000.00
(B) Each **Policy Period:** \$7,500,000.00

Note that the limits of liability and any deductible amount are reduced or exhausted by **Defense Costs**.

Item 4. **Deductible Amount:** \$50,000.00

Item 5. **Insured Trusts or Plans:**
Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest

Item 6. **Policy Period:** From 12:01 A.M. on October 31, 2019
To 12:01 A.M. October 31, 2020
Local time at the address shown in Item 2.

THIS IS A CLAIMS MADE POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. PLEASE READ CAREFULLY.

Item 7. **Extended Reporting Period:**
(A) Additional Premium: \$30,638.00 (100% of the total annual premium)
(B) Additional Period: 365 day

Item 8. **Pending or Prior Date:** October 31, 2002

Item 9. Continuity Date: October 31, 2002

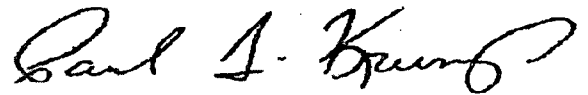
Item 10. Termination of Prior Policies: 8210-9698 (Oct 31, 2018 - Oct 31, 2019)

In witness whereof, the Company issuing this policy has caused this policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.

FEDERAL INSURANCE COMPANY



Secretary



President

10/24/2019
Date



Authorized Representative

AGENDA ITEM 2.3: NEW VIDEO RESOURCES

 **SNAPSHOT:** Three new videos will be available by the end of February 2020.

RELEVANT GOAL(S): 1. Provide best-in-class service and a high level of personalized care; and 2. Raise awareness, understanding, and utilization of Plan features, services, and benefits.

BACKGROUND

Last October, Gallagher reported that it was testing a tool to help make in-house video production easier and more efficient. Since then, three new videos have been produced or are very near completion: **How to File a Claim**; **Understanding Supporting Documentation**; and **Using Your Benefits Card**. These three topics were chosen based on past participant survey results, which showed participants would benefit from a better understanding in these areas.

These videos will be available to participants and employers from their respective online portal **Resources** pages by the end of February 2020. Utilization of these new resources will be monitored, and users may be surveyed to gather critical feedback.

ACTION ITEM

YES

NO

SAMPLE MOTION

None.

AGENDA ITEM 2.4: 2019 GOALS REVIEW

 **SNAPSHOT:** A **2019 Goals Review** is enclosed for the Board's review. This report provides the Board with a status update on the underlying tasks for each of the Trust's annual goals.

 **RELEVANT GOAL(S):** 1. Provide best-in-class service and a high level of personalized care; and 7. Monitor Trust service providers.

BACKGROUND

A **2019 Goals Review** is enclosed for the Board's review and information. This report lists each of the Trust's annual goals, the status of each, and a summary of the work that was completed or is underway.

The status of each task is indicated and color-coded in the report as follows:

- **Completed** – task has been completed
- **In Progress** – work is underway or is ongoing
- **Not Started** – work is not yet fully underway; initial planning has likely taken place
- **On Hold** – work has been put on hold

The Trust's 2019 Goals included a total of 29 tasks: 21 were "Completed," and the year ended with 8 still "In Progress."

ACTION ITEM

YES

NO

SAMPLE MOTION

None.

HRA VEBA Trust
2019 Goals Review
 January through December

Goal / Task	Status	Activity / Comment
1. Provide best-in-class service and a high level of personalized care. <i>Gallagher and OneBridge will work together to:</i>		
a. Conduct periodic satisfaction surveys to help confirm participants and employers believe they are receiving top notch service;	Completed	An Online Employer Portal survey was conducted in May/June. A new online Feedback Button was implemented with little to no results. Perhaps different placement on the portal dashboard would help. The format of surveys in 2020 is being contemplated to perhaps measure participant awareness of the Plan's features and benefits.
b. Analyze participant and employer feedback to identify common pain points and potential solutions; and	Completed	Gallagher and OneBridge evaluated feedback from the Online Employer Portal survey and others. Several potential enhancement items have been identified, such as: (1) upload participant separation and rehire data rather than having to enter it individually; (2) look up participant information individually rather than entire group report; and (3) update participant name and contact info. These items will need to be prioritized with other initiatives.
c. Conduct a critical review of online resources and functionality and identify potential enhancements to information availability and user ease of use.	Completed	A review of the online claims submission and resubmission, automatic premium reimbursement, and debit card supporting documentation upload processes was completed. Based on this review, along with participant survey feedback, revamped written instructions and links to helpful resources were implemented in Q4-2019. Materials contained on the online participant and employer portal Resources pages were updated as needed.
Ongoing tasks: - Gallagher makes periodic improvements to forms and Plan literature based upon employer and participant feedback. - Gallagher and OneBridge periodically review and update portal messaging to help increase participant and employer overall awareness and knowledge of Plan benefits, processes, etc.		

Goal / Task	Status	Activity / Comment
2. Enhance and expand Plan communications. <i>Gallagher and OneBridge will work together to:</i>		
a. Create short videos as marketing and educational tools for participants and employers;	In Progress	An HRA Overview video was created and tested by several employers. Feedback was positive overall. Additional videos include: How to File a Claim; Understanding Supporting Documentation ; and Using Your Benefits Card . Implementation is expected in Q1-2020.
b. Finish up revamp of Plan materials;	In Progress	Final work on the content and design revamp of Plan materials should be completed in Q1-2020.
c. Evaluate opportunities where additional auto-generated emails or online portal popup messages would result in more communication and connection opportunities with participants and employers;	In Progress	OneBridge's development plan includes implementation of a participant portal widget in Q3-2020 that will provide feedback to participants regarding utilization and/or set up of their account preferences. This will also allow for custom popup notifications.
d. Prioritize implementation of a better tool for portal popup management;	In Progress	OneBridge's development plan includes implementation of a participant portal widget in Q3-2020 that will provide feedback to participants regarding utilization and/or set up of their account preferences. This will also allow for custom popup notifications.
e. Evaluate participant demographics and utilization to determine how certain forms of communication could be most effective;	Completed	Consistent with what is being seen in the industry, the move to a more informal, conversational communication style has proven beneficial across all demographics, not just the younger generations.
f. Analyze Plan web site and online portal utilization to determine what information users are looking for most and how it could be made more readily accessible or communicated more effectively; and	Completed	Infrequent online EOB access helped drive implementation of enhanced claims communication in Q3-2019. Access to informational resources was improved along with the online claims, automatic premium reimbursement, and supporting documentation instructions in Q4-2019. Plan web site redesign in Q2- or Q3-2020 will enhance the user experience and broaden the site to be a better marketing tool.

Goal / Task	Status	Activity / Comment
2. Enhance and expand Plan communications. (continued) <i>Gallagher and OneBridge will work together to:</i>		
g. Consider new marketing and connection opportunities through social media.	In Progress	Gallagher has had internal discussions and will evaluate potential social media opportunities more aggressively in 2020.
Ongoing tasks: - Gallagher makes periodic improvements to forms and Plan literature based upon employer and participant feedback. - Gallagher's customer care, consulting, and field teams make suggestions for new or improved materials based on their respective experiences and observations.		

Goal / Task	Status	Activity / Comment
3. Keep participant information safe. <i>Gallagher and OneBridge will work together to:</i>		
a. Promote online registration to help participants protect their privacy;	Completed	This is encouraged by Gallagher's customer care and field teams on a daily basis. Static statement text was updated in January and a one-page handout was developed to promote online registration. A new HRA Enrollment handout was implemented that instructs newly-enrolled participants to register online. The paper welcome letter does the same. Gallagher's field team began offering custom reports to employers that list the employer's participants who have not yet registered so the employer can encourage them to do so. A targeted email campaign in 2020 is being considered.
b. Promote participant and employer usage of more efficient and secure methods of communicating with the Plan (more portal and mobile; less mail, fax, and unsecure email); and	Completed	This is encouraged by Gallagher's customer care and field teams on a daily basis. Secure online messaging was implemented in Q3-2019.
c. Prioritize implementation of a means for participants and employers to communicate with the Plan through the online portals.	Completed	OneBridge has developed an integrated messaging tool that will allow participants and employers to securely communicate with the Plan through the online portals and mobile app. This new feature was rolled out in Q3-2019.
Ongoing tasks: OneBridge constantly evaluates its IT security practices in light of evolving threats and enhances the platform and supporting infrastructure accordingly.		

Goal / Task	Status	Activity / Comment
4. Retain and grow Trust participation.		
a. Create and implement marketing and value-add campaigns to employer contacts and decision makers; and	Completed	A new reporting package for top employers was fully implemented. Gallagher's field team conducted webinars for employer decision makers that focused on new and increased funding.
b. Incorporate testimonials and satisfaction survey statistics into Plan literature, web site, etc.	Completed	A library of testimonials was created from survey feedback. Testimonials and satisfaction survey statistics were incorporated into the revamped marketing and educational materials. The planned web site redesign in 2020 will include testimonials.
Ongoing task: - Gallagher client consultants carry out their quarterly service schedules and update them as necessary to meet employers' evolving needs; - Gallagher client consultants analyze employee group participation data to identify and develop prospective growth opportunities; and - Gallagher monitors competition, reports to the Board, and implements appropriate retention efforts as warranted.		

Goal / Task	Status	Activity / Comment
5. Improve participant understanding and satisfaction with the claims process, including debit card.		
a. Conduct targeted education efforts and identify other opportunities to improve participant awareness and understanding of the claims and debit card processes, particularly supporting documentation requirements;	In Progress	Video tools along these lines were developed. Participant utilization of these new resources will be monitored and evaluated, and targeted education efforts will begin in 2020. Improved online instructions and access to helpful resources were implemented in Q4-2019.
b. Implement enhancements to information availability throughout the online claims process;	Completed	Based on survey feedback, online claims submission and resubmission instructions were revamped, and new informational helps (links) were added throughout the process. Implementation occurred in Q4-2020.
c. Review and update the stock claim denial remarks to ensure the clearest possible explanations and instructions are delivered to participants; and	Completed	The stock claim denial remarks were reviewed and updated in 2019. Streamlined claims communication helped simplify and enhance claims processing communication to help participants become aware of and understand the reasons for denied claims.
d. Look for opportunities to help increase the debit card auto-substantiation rate, including future health plan integration.	Completed	After a detailed evaluation, including engaging with multiple potential vendors, OneBridge prepared and reviewed a cost/benefit analysis related to offering health plan integration with Gallagher. Collectively, the teams agreed that it is not beneficial to pursue health plan integration at this time. However, other opportunities have been identified.
Ongoing tasks: - Gallagher's field team and Customer Care Center representatives work to improve participant understanding of supporting documentation requirements for claims and Benefit Card transactions; and - OneBridge maintains and upgrades the online claims submission system and mobile app as necessary.		

Goal / Task	Status	Activity / Comment
6. Increase employer and participant usage of available electronic services. <i>OneBridge and Gallagher will work together to:</i>		
a. Conduct targeted campaigns to raise participant awareness, understanding, and participation in e-communication, direct deposit, debit card, mobile app, etc.; and	Completed	A series of live webinars was launched in Q3-2019 with a heavy focus on usage of electronic services. This series will continue with four to six webinars throughout 2020.
b. Promote availability and use of electronic services during phone calls and in emails, presentations, statement mailings, newsletters, etc.	Completed	This was encouraged by Gallagher's customer care and field teams on a daily basis. Updated participant account statement messaging was implemented effective with the January 2019 statement mailing. Rebranded marketing and educational materials promote the convenience and added security of electronic services. Gallagher will be reviewing and updating all forms of stock communication in 2020.
Ongoing tasks: - Gallagher's customer care and field teams promote use of digital and online services during daily conversations; - Gallagher places periodic reminders in participant and employer newsletters, on the Plan's home page, and on the online participant and employer portals; and - Gallagher develops and maintains informational flyers, as needed.		

Goal / Task	Status	Activity / Comment
7. Provide Trustee education and training. <i>Gallagher and OneBridge will work together to:</i>		
a. Provide educational training during regular Board meetings and provide informational articles from time to time on key compliance and other topics.	Completed	In February, Gallagher and Trust counsel provided training and information regarding the federal Right to Try Act and Medicare Section 111 Reporting as it relates to coordination of benefits with Medicare and potential CMS Demand Letters. Hyas Group prepared a Stable Value Fundamentals presentation for the Board at its June meeting. Gallagher put together an HRA Funding Examples for the Board in October.
Ongoing tasks: - Gallagher will work with service providers to continually improve the educational aspects of service provider reports at scheduled meetings; and - Gallagher maintains and provides Trustees with online access to Trustee Reference and Correspondence Manuals.		

Goal / Task	Status	Activity / Comment
8. Monitor regulatory, legislative, and compliance issues that affect HRAs and VEBAs. <i>Gallagher and OneBridge will work together to:</i>		
a. Monitor and evaluate all applicable legal, regulatory, and industry developments affecting HRAs, VEBA and other trust issues, and other benefits that interact with or affect HRAs;	Completed	Gallagher monitors regulatory developments through numerous reporting services, leading industry subscriptions, and customized alerts on legal research services. In addition, Gallagher's Spokane compliance team participates in monthly compliance updates with the Gallagher regional compliance team. Gallagher's Spokane compliance team conducts specific legal and compliance research on an ongoing basis in an effort to improve compliance, while looking for opportunities to improve Plan design and participant and employer experiences. Gallagher and Trust counsel reviewed the final rules for expanding the use of HRAs issued on June 13, 2019 and September 30, 2019. However, the two new HRA plan designs offered by the IRS in these rules did not benefit the Trust in any meaningful way. Additional regulatory and industry developments reviewed by Gallagher have included: (1) the addition of the SUPPORT Act to require prescription drug coverage reporting under Medicare's Section 111 quarterly coordination of benefits reports; (2) Repeal the "Cadillac Tax" or excise tax on high cost health plans; (3) an IRS Private Letter Ruling relating to whether DNA testing kits are reimbursable under account based plans; and (4) Extension of the Patient-Centered Outcomes Research Institute (PCORI) fee through 2029.
b. Include timely summaries and discussion of applicable regulatory developments in Board meeting agendas or by email as warranted;	Completed	Summaries of applicable regulatory developments or issues covered included the federal Right to Try Act and CMS (Medicare) Demand Letters . Gallagher provided informational overviews of guidance related to expanding the use of HRAs, reimbursing DNA testing kits under an HRA, and HRA reporting of prescription drug coverage under the SUPPORT Act.
c. As opportunities arise, draft and submit comments to appropriate agencies (and engage legal counsel as necessary) regarding the applicability (or inapplicability) of healthcare reform, replacement, or repeal rules that impact funded HRA programs; and	Completed	Gallagher evaluated opportunities to submit comments but did not identify any meaningful issues on which to comment arising out of the proposed rules for expanding the use of HRAs or other regulatory guidance.

Goal / Task	Status	Activity / Comment
8. Monitor regulatory, legislative, and compliance issues that affect HRAs and VEBAs. (continued) Gallagher and OneBridge will work together to:		
d. Consider and implement Plan design changes that would: (1) permit expanded contribution and benefit opportunities; (2) ensure Plan and Trust compliance with regulatory requirements; (3) take advantage of exceptions or changes to retain or improve Trust participation and growth and participant or employer experience; and (4) improve the marketability of funded HRAs.	In Progress	Gallagher and Trust counsel had prepared proposed Plan Document changes for presentation to the Board during its October meeting. The changes were needed in order to implement the expanded and more flexible HRA Survivor Benefit, in addition to provisions regarding the use of a healthcare debit card, and a few miscellaneous provisions that reflect recent system or administration changes. In light of additional guidance that was issued just days before the Board's October meeting, presentation and approval of these changes were postponed until the Board's next scheduled meeting in February 2020.
Ongoing tasks: - Gallagher conducts legal and industry research and analysis and develops consulting support, communications, and informational literature to participating employers regarding industry, political, or regulatory developments; - Gallagher and Trust counsel report to the Board as material developments occur; and - As directed by the Board, Trust counsel provides advice on regulatory changes and other legal and compliance issues as they arise.		

Goal / Task	Status	Activity / Comment
9. Monitor Trust service providers.		
a. Monitor service provider performance, including performance guarantees;	Completed	The Board reviewed Service Provider Performance Reports during its February, June, and October meetings, which included performance guarantee reporting. Gallagher conducted the Service Provider Annual Disclosure Form process with the Trust's service providers, the results of which were discussed during the October Board meeting.
b. Accept and evaluate feedback from service providers, including feedback related to potential administrative improvements, service provider interactions and relationships, etc.; and	In Progress	The Board reviewed General Comments from service providers during its February, June, and October meetings, which included no suggested improvement feedback. Gallagher worked with OneBridge to implement a new address management process, which greatly increases the Plan's ability to monitor and update addresses for participants. This has been a collaborative effort that has also included the involvement of the Trust's mail vendor, Kaye-Smith, to use technology and best industry practices for maintaining more accurate participant information. Gallagher and OneBridge have worked together to improve the delivery of any parameters regarding claims processing communication, which is provided to participants after a claim has been filed. The result of these efforts have led to administrative improvements and a better participant experience after claims are adjudicated. Gallagher and OneBridge conducted an analysis on ways to improve debit card substantiation efficiency, which included in-depth statistical analysis and research regarding acceptable approaches to independently verify transactions without requiring additional documentation from participants. The goal is to improve substantiation efficiency and provide a better participant experience with debt card use.
c. Survey service providers to ensure compliance with contractual provisions and confirm proper privacy and security protocols are in place.	Completed	Gallagher conducted the Service Provider Annual Disclosure Form collection process with the Trust's service providers, the results of which were discussed during the October Board meeting. Gallagher monitors service provider contract compliance formally on a quarterly basis and as issues arise.
Ongoing tasks: - The Board reviews service provider activity reports, including performance guarantees, at regular meetings and other times as may be necessary; and - The Board monitors service quality, pricing, and relevant experience and knowledge of its service providers to serve the best interests of employers and participants.		

AGENDA ITEM 2.5: 2020 GOAL SETTING

 **SNAPSHOT:** Attached for the Board's review and approval are draft **2020 Annual Goals** and related tasks.

ACTION ITEM

 **RELEVANT GOAL(S):** 1. Provide best-in-class service and a high level of personalized care; and 7. Monitor Trust service providers.

BACKGROUND

Attached for the Board's review and approval is a list of **2020 Annual Goals** and related tasks. The following seven goals are being proposed:

1. Provide best-in-class service and a high level of personalized care;
2. Raise awareness, understanding, and utilization of Plan features, services, and benefits;
3. Keep participant information safe;
4. Retain and grow Trust participation;
5. Provide Trustee education and training;
6. Monitor regulatory, legislative, and compliance issues that affect HRAs and VEBAs; and
7. Monitor Trust services providers.

This list has been streamlined compared to last year. For example, "Improve participant understanding and satisfaction with the claims process, including debit card" and "Increase employer and participant usage of available electronic services" were combined into "Raise awareness, understanding, and utilization of Plan features, services, and benefits."

Goals 1 through 4 contain a number of new underlying tasks for 2020. The tasks are written to be more specific and not as broad as in past years. This will help simplify and eliminate redundant reporting among tasks and, in turn, make status updates more informative and meaningful for the Board.

ACTION ITEM

YES

NO

SAMPLE MOTION

I move to approve the **2020 Annual Goals** as presented and discussed.

HRA VEBA Trust

2020 Annual Goals

1. Provide best-in-class service and a high level of personalized care.

- a. Implement a portal popup wizard with messaging to help participants get the most from their HRA benefit and provide a means for custom, targeted communication.
- b. Implement ability for employers to upload participant status changes, including name, contact information, separation date, etc.
- c. Refresh and modernize the Plan's web site design.
- d. Prioritize development and implementation of future capability for employers to look up individual participant information rather than having to run a full Participant Roster report.
- e. Plan for 2021 implementation of an automatic text messaging system.

2. Raise awareness, understanding, and utilization of Plan features, services, and benefits.

- a. Conduct surveys to measure participant and employer awareness and identify potential knowledge gaps, misunderstandings, underutilization, etc.
- b. Conduct or implement communication and education enhancements as warranted based on survey feedback (videos, webinars, targeted communication, etc.).
- c. Implement the newly-created videos, promote utilization, and continue to expand this resource.
- d. Evaluate opportunities where additional auto-generated emails may be a value-add.
- e. Consider new marketing and connection opportunities through social media.

3. Keep participant information safe.

- a. Promote online registration.
- b. Promote utilization of the new secure messaging capability and discourage participants from using regular email.
- c. Review all requirements of a SOC II audit and implement any additional controls highlighted during this evaluation.

NOTE: OneBridge constantly evaluates its IT security practices in light of evolving threats and enhances the platform and supporting infrastructure accordingly. OneBridge will evaluate the benefits and cost of formally completing a SOC II audit.

4. Retain and grow Trust participation.

- a. Conduct at least two employer webinars focused on new and increased funding or other subjects.
- b. Explore implementing an email series for employers that would showcase successful case studies and how the Plan is being used by other employers to solve a problem or achieve a goal.
- c. Evaluate the benefit of implementing a condensed version of the large-employer reporting package for small- to mid-size employers.

5. Provide Trustee education and training.

- a. Provide educational training during regular Board meetings and provide informational articles from time to time on key compliance and other topics.

6. Monitor regulatory, legislative, and compliance issues that affect HRAs and VEBAs.

- a. Include timely summaries and discussion of applicable regulatory developments in Board meeting agendas or by email as warranted.
- b. Consider and implement Plan design changes that would: (1) permit expanded contribution and benefit opportunities; (2) ensure Plan and Trust compliance with regulatory requirements; (3) take advantage of exceptions or changes to retain or improve Trust participation and growth and participant or employer experience; and (4) improve the marketability of funded HRAs.
- c. As opportunities arise, draft and submit comments to appropriate agencies (and engage legal counsel as necessary) regarding the applicability (or inapplicability) of healthcare reform, replacement, or repeal rules that impact funded HRA programs.

7. Monitor Trust service providers.

- a. Monitor service provider performance, including performance guarantees.
- b. Accept and evaluate feedback from service providers, including feedback related to potential administrative improvements, service provider interactions and relationships, etc.
- c. Survey service providers to ensure compliance with contractual provisions and confirm proper privacy and security protocols are in place.

AGENDA ITEM 3.1: CMS DEMAND LETTERS UPDATE

 **SNAPSHOT:** The Centers for Medicare & Medicaid Services (CMS) issues Demand Letters to the Plan when it believes the Plan should have paid (reimbursed) expenses prior to Medicare. Three Demands were received in 2019, and all have been resolved with CMS.

 **RELEVANT GOAL(S):** 1. Provide best-in-class service and a high level of personalized care; 6. Monitor regulatory, legislative, and compliance issues that affect HRAs and VEBAs.

BACKGROUND

As previously reported to and discussed with the Board, the Plan may occasionally receive a notice or demand letter from the Centers for Medicare & Medicaid Services (CMS) for a specific individual where CMS believes the Plan should have paid medical expenses prior to Medicare. In 2019, there were three demands from CMS relating to participant accounts.

As of this writing, the below chart summarizes the status of active or new CMS Demand Letters for the Plan.

Medicare Coverage Reason	Defense	Status of Demand
Dependent (Spouse) Disability	No Defense (<i>Medicare expenses were incurred before participant limited HRA coverage</i>)	Resolved. CMS accepted payment of primary expenses and participant has now elected limited coverage.

Gallagher will provide updates to the Board at its regular meetings, as warranted.

ACTION ITEM

YES

NO

SAMPLE MOTION

None.

AGENDA ITEM 3.2: TRADEMARK APPROVAL UPDATE

 **SNAPSHOT:** While trademark registration would likely only protect the logo design (and not the Trust name), an application to the USPTO has been filed. Gallagher has been monitoring the status of the application and will report to the Board upon a decision being made by the USPTO.

 **RELEVANT GOAL(S):** None

BACKGROUND

The Board previously directed Gallagher to work with Fox Rothschild in registering the Trust's logo as a trademark, with the understanding that obtaining a trademark may provide little benefit, except to protect the design in the unlikely event it would become infringed upon by another similar entity.

The Trademark application was submitted to the United States Patent and Trademark Office (USPTO) in July of 2019. Typically, the USPTO takes about six months to respond to an application. Gallagher has been monitoring the status of the application on the USPTO's website, which currently states the application has been accepted by the USPTO and assigned to an examiner.

Gallagher will report to the Board as soon as an update is available or upon Fox Rothschild receiving feedback from the USPTO.

ACTION ITEM

YES

☒ NO

SAMPLE MOTION

None.

AGENDA ITEM 3.3: PLAN DOCUMENT AMENDMENTS

 **SNAPSHOT:** Gallagher and Trust counsel have prepared for the Board's approval several Plan document updates related to the Plan's survivor benefit, debit card provisions, and miscellaneous clean-up provisions.

ACTION ITEM

 **RELEVANT GOAL(S):** 1. Provide best-in-class service and a high level of personalized care; and 6. Monitor regulatory, legislative, and compliance issues that affect HRAs and VEBAs.

BACKGROUND

As reported at the last Board meeting, Gallagher and Trust counsel have been discussing and incorporating a variety of proposed Plan Document changes over the past year. Gallagher and Trust counsel would like to submit the below changes for the Board's review and approval (see attached redlined Plan document changes).

Extended HRA Survivor Benefit

As previously discussed and approved, the Plan is now allowing for greater flexibility with the HRA Survivor Benefit. These changes have already been implemented for the benefit of participants and are reflected in Plan literature relating to the Survivor Benefit. Corresponding changes to the Plan documents include:

1. The addition of several layers of other "survivors" who would be eligible to inherit when a participant has no spouse, dependent(s), or designated beneficiaries. The order of these additional, eligible survivors is aligned with the Washington intestacy laws;
2. The ability to include or exclude stepchildren in the same manner as biological children in the standard progression of benefits; and
3. The ability for the participant to bypass non-dependent children in favor of a beneficiary designation.

Debit Card Provisions

- Included a new provision regarding the use of Health Care Debit Cards and the substantiation rules applicable to such transactions.
- Clarified that the denial of a transaction at the point of sale with a merchant does not constitute an "Adverse Benefits Denial" under the Plan's appeals procedures.

AGENDA ITEM 3.3: PLAN DOCUMENT AMENDMENTS (continued)

Miscellaneous Clean-up Provisions

- Added standard procedures for Qualified Medical Child Support Orders (QMCSOs).
- Added language to strengthen the status of Limited HRA coverage for excepted benefits (dental, vision, and qualified long-term care) as not an integral part of the employer's primary group health plan for purposes of the exemption from annual limits restrictions under the Affordable Care Act.
- Provisions that allow the Plan to charge a nominal fee against an abandoned account to cover the cost of using search services to locate participants who would otherwise forfeit their account balance if not located prior to the end of the forfeiture period.
- Updated language regarding closing accounts to allow for evolving Plan and system rules.
- Revised Appeals language to reflect system and administration changes (e.g. claims requiring additional documentation are denied, but can be re-submitted at any time rather than being pending for 180-days).

ACTION ITEM

YES

NO

SAMPLE MOTION

I move to: (1) approve the proposed Plan document changes as presented and discussed; and (2) authorize Gallagher to publish the approved amendments authorized by the Board, with such additional non-substantive changes as are approved by the Trust Chair.

**VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
FOR PUBLIC EMPLOYEES IN THE NORTHWEST**

**STANDARD
HEALTH REIMBURSEMENT ARRANGEMENT (HRA) PLAN**

~~FOR PUBLIC EMPLOYEES IN THE NORTHWEST~~

(FULL 213(d) MEDICAL BENEFITS COVERAGE)

AMENDED AND RESTATED

As of January 1, ~~2017~~2020

Article I.

General Provisions

1.1 Name. The name of this Plan is the VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION STANDARD HEALTH CARE REIMBURSEMENT PLAN FOR PUBLIC EMPLOYEES IN THE NORTHWEST ("Standard HRA Plan" or "Plan"). The Trust may offer one or more HRA plans or forms of HRA plan coverage from time to time. The term "Plan" or "HRA Plan" shall refer to this Standard HRA Plan either individually or collectively with other plans or forms of plan coverage offered by the Trust as the context indicates or requires. This Plan is offered by a voluntary employees' beneficiary association under Internal Revenue Code §-501(c)(9). The effective date for the Plan is October 1, 1990.

1.2 Plan Documents. This Plan document sets forth the terms and conditions for full IRC Section 213(d) medical expense coverage under the Standard HRA Plan. This Plan document, together with the Trust Agreement, the most current version of the Plan Summary, the individual Participant Enrollment File, and the Employer Adoption Agreement, as the same may be amended, restated, or replaced from time to time, shall constitute the Plan documents for HRA VEBA Standard Plan coverage. This Plan document is hereby amended and restated and replaces the prior Standard Plan document in its entirety.

1.3 Integrated, Current-Employee HRA Plan.

1.3.1 Integration. This Plan coverage is designed to be integrated with a Group Health Plan or otherwise exempt from the integration requirements under PPACA. -The Trustees shall establish such rules, policies, and procedures as they deem necessary or desirable to achieve the Plan's compliance with or exemption from the Mandates and other applicable regulations promulgated or regulatory guidance issued under PPACA, including or in addition to the following:

1.3.1.1 Participant Integration. Participant Accounts shall be considered integrated under the terms of this Plan and eligible to receive contributions into this Standard HRA Plan only if, at the time such contribution is Credited, the Employer has determined that the Participant for which such Participant Account is established is (a) eligible to enroll in the Employer's Group Health Plan and (b) he or she is actually enrolled in the Employer's Group Health Plan or has certified

or attested to the Employer that he or she has enrolled in another Group Health Plan. Except as specifically permitted by Section 1.3.2, Participants who are determined by their Employer not to meet the requirements of Section 1.3.1.1 may only receive contributions under the Post-separation HRA Plan according to the terms and conditions of the Post-separation HRA Plan document.

1.3.2 **Grandfathered and other Permitted Contributions.** Contributions into Participant Accounts are permitted only if:

1.3.2.1 ***Grandfathered (Pre-2013).*** Such contributions were Credited prior to January 1, 2013, or

1.3.2.2 ***Grandfathered (Post 2012; Pre-2014).*** Such contributions were Credited after January 1, 2013 but before January 1, 2014, pursuant to contribution terms or methods that were approved, documented, or otherwise in effect before January 1, 2013, or as otherwise provided or permitted by applicable law; or

1.3.2.3 ***Integrated.*** Such contributions were contributed into Participant Accounts pursuant to the terms and conditions of Section 1.3.1.

1.3.2.4 ***Forfeiture Reallocations or Re-contributions.*** Such contributions were the result of forfeitures re-allocated or re-contributed as permitted by Section 5.46.

1.3.3 **Dependent Integration.** For any claims incurred on or after the first day of the Plan Year beginning in 2017, the extent of coverage for a Dependent of a Participant who is a current employee and is currently covered and eligible for Benefits under this Standard HRA Plan will depend on whether the Dependent is enrolled in or covered by a Group Health Plan at the time a Qualified Health Care Expense is incurred.

1.3.3.1 For a Dependent to be reimbursed for any Qualified Health Care Expense, the Dependent must be enrolled in or covered by a Group Health Plan at the time a Qualified Health Care Expense is incurred.

1.3.3.2 For a Dependent who is not enrolled in or covered by a Group Health Plan at the time a Qualified Health Care Expense is incurred, reimbursement of that expense will be limited to Excepted Benefits only, and the Participant shall have the option to seek reimbursement of the expense under the Limited HRA Plan, which is limited to Excepted Benefits only. During any period in which a Dependent is eligible pursuant to this Section for Excepted Benefits coverage under the Limited HRA Plan, the Participant or the Dependent shall have the right to decline or revoke coverage under the Limited HRA Plan by notifying the Administrator by phone or in writing.

1.3.3.3 Verification of a Dependent's integration status will be based upon policies and procedures approved by the Administrator or as otherwise required by applicable law.

1.3.4 **Current-Employee HRA.** Coverage and eligibility for Benefits under this Standard HRA Plan is intended for any Participant who is a current Employee of the Employer who makes contributions on behalf of the Participant and who was enrolled in or covered by a Group Health Plan at the time the Employer made one or more contributions on behalf of the Participant. At the time a Participant separates from service from the Employer who has made or will continue to make contributions on behalf of the Participant, the Participant and his or her Dependents will be covered under the Post-separation HRA Plan according to the terms and conditions of the separate Post-separation HRA Plan document.

1.4 Forfeiture of Account Balance and Future Reimbursements for Premium Tax Credit Eligibility. To the extent any Participant retains a positive account balance in his or her Participant Account during any month, PPACA provides that such Participant Account will generally constitute “minimum essential coverage,” as defined under IRC §-5000A, and will therefore preclude the Participant from claiming or becoming entitled to an IRC §-36B premium tax credit during that month to purchase coverage from a marketplace exchange established in accordance with PPACA.

1.4.1 **Forfeiture Election.** In order to prevent a Participant Account from precluding eligibility for an IRC §-36B premium tax credit, ~~a for the Participant or a Dependent, a Participant or Dependent~~ under this Standard HRA Plan may, at any time, elect to waive and forfeit the right to Benefits for any Qualified Health Care Expenses incurred on and after the date of such election to and excluding the date on which such election is revoked by the Participant or the Dependent.

1.4.2 **Application of Forfeitures.** Any positive account balance that is waived and forfeited pursuant to this Section 1.4 shall be applied as provided in Section 5.46.

1.5 Election of Coverage under the Limited HRA Plan. In lieu of the election permitted under Section 1.4, in order to become potentially eligible for an IRC §-36B premium tax credit, a Participant or Dependent under this Standard HRA Plan may, at any time, elect Limited HRA Coverage, the terms and conditions of which are governed by the Limited HRA Plan document. Except as specifically (a) permitted by applicable law and (b) approved by the Administrator, any election under this Section 1.5 shall be effective on and after the date of such election to and excluding the date on which such election is revoked by the Participant ~~or the Dependent~~.

1.6 Interpretation of Capitalized Terms. Capitalized terms used herein and not otherwise defined in this document shall have the meanings ascribed to such terms in the other Plan documents. In the event there is a conflict in the definition ascribed to any term in two or more Plan documents, Plan forms, or other Plan materials, the definition ascribed to such term within any particular document shall apply for interpretation of that document, and if not defined therein, the meaning that shall apply for interpretation of a document shall be determined by reference first to the Trust Agreement, second to the Plan Document, third to the applicable Employer Adoption Agreement, and fourth to the applicable Participant Enrollment File.

1.7 Definitions.

“Administrator” means the Board of Trustees or its designee, including any Third-party Administrator acting at the direction of the Trustees.

“Beneficiary” means a deceased Participant’s beneficiary who inherits the right to receive Benefits payable from the remaining balance of a Participant Account after the Participant is deceased without any surviving Dependents. A Beneficiary can inherit the right to receive Benefits either as a former Dependent, an adult child of the Participant, a beneficiary designated by the Participant, or by operation of the terms of the Plan. A Beneficiary by operation of plan terms may arise in the absence of a valid beneficiary designation, if all of the designated beneficiaries predeceased, or if the Plan is unable to locate designated beneficiaries, all in accordance with the terms and conditions of Section 5.35 and policies and procedures of the Administrator.

“Benefits” refers to reimbursements for or payments of Qualified Health Care Expenses as described in Section 5.1, as such Benefits may be limited by elections of the Participant, the terms of the Plan, or applicable law.

“Card” means the debit/credit card(s) provided by the Administrator and used by Participants for the payment of Benefits under the Plan.

“Card Program” means the procedure and system established by the Administrator utilizing Cards for the payment of Benefits.

“Claims-Eligible” with respect to any Participant means that such Participant has satisfied the conditions required to become eligible for reimbursement of Qualified Health Care Expenses under this Plan.

“COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985 and the regulations promulgated thereunder, as amended from time to time.

“Credited” means, with respect to the timing of a contribution made to a Participant Account, the date on which the Participant who received such contribution earned or became entitled to such contribution pursuant to the terms of this Plan, applicable collective bargaining agreements, Employer policies, or other Employer actions or adoption procedures.

“Dependent” means a Participant’s spouse, dependent (as defined in IRC Section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof, or child (who as of the end of the taxable year has not attained age 27) as determined under IRC § 105(b).

“Employee” means any individual that an Employer determines is a current or former employee of such Employer, as the term “employee” is defined by Treasury Regulation §-1.501(c)(9)-2(b), except employees excluded as a result of collective bargaining agreements, agreements substantially similar to collective bargaining agreements, or as a result of an individual Employer’s nondiscriminatory employer benefits policies.

“Employer” means the States of Washington, Oregon, and Idaho, or any political subdivision thereof; any local government, including any county, city, town, special purpose district within Washington, Oregon, or Idaho; or any agency or instrumentality of any of the foregoing or other entity that is sufficiently affiliated with the Employers for purposes of IRC §-501(c)(9).

“Employer Account” refers to the account maintained with respect to any Employer to record its contributions which have not been allocated to Participant Accounts, and adjustments related thereto, and established for the purpose of providing benefits permitted under IRC §-501(c)(9).

“Employer Adoption Agreement” means an Employer Adoption Agreement executed by an Employer and accepted by the Trust, as the same may be amended and restated or replaced from time to time.

“Excepted Benefits” means Qualified Health Care Expenses that would not be considered “minimum essential coverage” under IRC §5000A(f)(3). Excepted Benefits shall include benefits described under Treasury Reg. §54.9831-1(c)(3)(~~iii~~) ~~and (i)-(iv)~~, including expenses and premiums for coverage for any of the following, or as otherwise permitted by law:

- (a) Medical care expenses substantially all of which are for the treatment of the eye or the mouth (including any organ or structure within the mouth); and
- (b) Qualified long-term care services or medical care expenses incurred based on cognitive impairment or loss of functional capacity that is expected to be chronic, subject to indexed annual limits.

“Group Health Plan” or “GHP” means a plan (including a self-insured plan) of, or contributed to by, an employer (including a self-employed person) and such term “group health plan” is defined under IRC §§ ~~9032~~9832(a) and 5000(b)(1) and Treasury Regulation 54.9831-1(a)(1).

“IRC” means the Internal Revenue Code of 1986, as amended from time to time.

“Limited HRA Coverage” is coverage that limits Benefits for various purposes as required or permitted by applicable law, including, without limitation:

- (i) Eligibility for contributions to a health savings account (HSA);
- (ii) To coordinate benefits for purposes of HRA coverage reporting requirements under Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA);
- (iii) To prevent preclusion of eligibility for an IRC §-36B premium tax credit during any month to purchase coverage from a marketplace exchange established in accordance with PPACA;
- (iv) Eligibility for limited coverage prior to separation for Participants with Post-separation Accounts; and
- (v) Eligibility for limited coverage for Dependents who are not integrated with an employer-sponsored group health plan at the time a Qualified Health Care Expense is incurred.

Limited HRA Coverage will be limited to Excepted Benefits only for purposes described in clauses (iii)-(v), and in other cases required by law or to exempt Plan coverage from

certain legal and regulatory mandates, including certain mandates under HIPAA, MMSEA, and/or PPACA. The terms and conditions for Limited HRA Coverage is governed by a separate Limited HRA Plan document.

“Mandates” means provisions of PPACA known as the “PHSA mandates” and found under ~~sections~~Sections 2701-2719A of the Public Health Service Act (“PHSA”); Section 9815 of the IRC (incorporating the PHSA provisions into the IRC); and Section 715 of ERISA (incorporating the PHSA provisions into ERISA).

“Participant” means an Employee who has become eligible as a Participant as described in Article II. -Except as specifically provided otherwise in this Plan document with respect to a Beneficiary, the term “Participant” as used in this Plan document and in the forms and literature used for administration of this Plan shall include any surviving spouse to whom a remaining balance in a Participant Account is transferred or any other person who becomes a Beneficiary under Section 5.~~35~~.

“Participant Account” refers to the account maintained for a Participant to record his/her share of the contributions of the Employer and adjustments relating thereto and established for the purpose of the payment of Benefits.

“Participant Effective Date” for any Participant means, as applicable, any of the following: (i) the date specified by the Employer in the Participant Enrollment File; or (ii) if no date is specified for a Participant on the Participant Enrollment File, the date on which both a contribution and the required enrollment information for such Participant have been received by the Plan; or (iii) if an Employer contribution has been received in the form of transferred assets from a former plan, the date specified by the Employer in the applicable transfer agreement on which the employee shall become a Participant; provided that, the Participant Effective Date cannot be a date prior to the Employee’s original hire date with the Employer or the effective date of this Plan (or in the case of a transfer under (iii) the effective date of the former plan).

“Participant Enrollment File” means the paper enrollment form, online enrollment information, or enrollment file provided by the Employer or a Participant with the information required by the Plan Administrator in order to enroll a Participant in the Plan.

“Plan Year” is from October 1 to September 30, except the first year for this Plan with an effective date other than October 1 shall run from such effective date until the next September 30.

“PPACA” means the Patient Protection and Affordable Care Act and all rules, regulations, and regulatory guidance applicable to the Plan promulgated thereunder, as the same shall be amended from time to time.

“Qualified Health Care Expenses” means medical care expenses defined by IRC §-213(d) and IRC §-106(f) (for years to which IRC §-106(f) applies).

“Re-employed” means, with respect to a Participant who has become Claims-Eligible upon retirement from employment or other separation from service from the Employer who last made contributions into such Participant’s Participant Account, that such Participant has become re-employed with such Employer under any circumstances.

“Third-party Administrator” means one or more third-parties appointed or contracted by the Administrator from time to time to provide record-keeping, claims-payment, and/or other plan administration services to all or a portion of the Trust or this Plan.

“Trust” or “Trust Agreement” refers to the Voluntary Employees’ Beneficiary Association for Public Employees in the Northwest Trust, and as ~~the same~~ it may be amended, restated, or replaced from time to time.

“Trustees” refers, collectively, to the individuals serving in their capacity as the Board of Trustees in accordance with the Trust.

Article II. **Participation**

2.1 In General. Subject to the limitations of this Article II, and subject to the eligibility provisions of applicable local and State law, an Employee becomes a Participant under this Plan on the Participant Effective Date.

2.2 Nondiscrimination. This Plan does not permit any condition for eligibility or benefits which would discriminate in favor of any class of Participants to the extent such discrimination is prohibited by applicable law.

2.3 Duration of Participation. ~~Upon becoming a Participant in the Plan, an Employee’s status as a Participant shall continue for as long as the Participant has a positive balance in any Participant Account. In addition, Participant status shall continue for forty five (45) days during which all Participant Accounts for such Participant remain exhausted. If all Participant Accounts for such Participant remain exhausted for forty five (45) days, and the Third party Administrator has not received notice from the Employer that additional funds will be added to any of such Participant Accounts, then the Employee’s status as a Participant and eligibility for Benefits shall temporarily terminate the first day immediately after such 45 day period. If a contribution or transfer is subsequently received into any Participant Account for such Participant before the end of two (2) complete and consecutive Plan Years, then such Employee’s status as a Participant shall be restored back to the original effective date of such Participant Account, and such Participant shall be eligible to file claims for expenses incurred during the period his or her Participant status was temporarily terminated; provided that such Participant would have otherwise been Claims-Eligible during such period. If a contribution or transfer is not received into such Participant Account before the end of two (2) complete and consecutive Plan Years, then such Employee’s status as a Participant shall be permanently terminated as of the end of such second Plan Year. An eligible Employee who has permanently lost his or her status as a Participant at the end of the second consecutive Plan Year may subsequently become a Participant in the Plan as prescribed in Section 2.1. Once a Participant becomes Claims-Eligible under the Plan, the Participant’s active status with respect to any Participant Account shall exist for so long as there is a positive account balance in such Participant Account, and thereafter, for such period as determined under the policies and procedures of the Administrator (“Account Closure Period”), but not to exceed two (2) years. If a Participant Account remains exhausted for the Account Closure Period, the Participant’s active status with respect to such Account shall terminate after such Account Closure Period in accordance with the Plan’s policies and procedures. A Participant who has lost his or her active status with respect to any Participant Account may subsequently become a Participant in the Plan and Claims-Eligible as prescribed in Section 2.1. During any Account Closure Period for any~~

Participant Account, a Participant may or may not receive statements or other plan communications with respect to such Participant Account, but will remain Claims-Eligible.

Article III. **Funding of Accounts**

3.1 Contributions and Allocation of Assets. Each Employer shall contribute or transfer assets to this Plan, or designate assets to be subject to the terms of this Plan, on behalf of its eligible Employees pursuant to collective bargaining agreements, other written agreements, Employer benefits policies, and/or the terms of the Post-separation HRA, Standard HRA, or Limited HRA Plan documents, as applicable. Employer contributions, transfers, or assets designated to be subject to the terms and conditions of this Standard HRA Plan shall be specifically allocated to one or more Participant Accounts or to an Employer Account for the purpose of providing for payment of the Benefits described hereinafter or maintained in an Employer Account, as directed by the Employer. The liabilities, expenses, costs and charges associated with each particular Participant and Employer Account shall be charged against the portion of assets of the Trust held with respect to that particular Participant or Employer Account.

Article IV. **Accounts**

4.1 Participant Accounts and Employer Accounts. Accounting records shall be maintained by the Third-party Administrator to reflect that portion of the Trust with respect to each Participant and with respect to each Employer (regarding its contributions which have not been allocated to Participant Accounts), and the contributions, income, losses, increases and decreases for expenses or benefit payments, transfers and adjustments attributable to each such account. The Administrator shall not be required to maintain separate investments for any account.

4.2 Receipt of Contributions or Transfers. Contributions or transfers for any Plan Year will be credited as received by the Third-party Administrator and will be allocated as directed by the Administrator consistent with Participant investment elections. If any portion of any Plan contribution is not allocable to a specific Participant Account or an Employer Account pursuant to instructions from the Employer, or if a complete Participant Enrollment File is not submitted for any amount allocated to a Participant Account, the Administrator will allocate such amount to a non-interest-bearing account for unallocated funds until such time as further instructions are received from the Employer, or the Administrator may return such contribution to the Employer. Notwithstanding the foregoing, Plan contributions received as assets transferred from a prior qualified plan on behalf of an Employee for whom a Participant Enrollment File is not submitted will not be returned to the Employer and will be treated as directed by the Employer in writing and in accordance with the policies and procedures established by the Administrator or Third-party Administrator.

4.3 Accounting Steps. The Third-party Administrator shall:

4.3.1 FIRST, allocate and credit any Employer contribution or transfer to this Plan that is made during the month to a Participant Account or Employer Account. Investment earnings or losses will accrue from the date the contribution or transfer is credited to a Participant Account or Employer Account, and funds will be invested as directed by the Participant or Employer in accordance with the policies and procedures of the Administrator, and investment earnings or losses will accrue from the date the contribution or transfer is credited to the Participant Account or Employer Account in accordance with the policies and procedures of the Administrator;

4.3.2 SECOND, adjust each Participant Account and Employer Account upward or downward, by an amount equal to the net income or loss accrued under this Plan by the Account; and

4.3.3 THIRD, charge to each Participant Account and Employer Account all fees, payments, transfers, adjustments, or distributions made under this Plan to or for the benefit of the Participant or his Dependents, or the Employer, as the case may be, that have not been charged previously.

4.4 Splitting Participant Account Upon Court Order or Agreement. To the extent permitted by applicable law, in the event of a Participant's divorce, a Participant Account may be split between the Participant and his or her former spouse upon receipt of a court order or agreement acceptable to the Administrator and subject to the policies and procedures of the Administrator; provided, however, the Administrator shall have the right not to split such account if it determines, in its sole discretion, that splitting of accounts upon divorce would result in disqualification of or adverse tax consequences for the Plan or Trust. The Administrator may value, report, withhold, and pay applicable taxes or other fees and charges in accordance with this Plan Document, the Administrator's policies and procedures, and applicable law.

4.5 Use of Employer Accounts. Funds within each Employer Account are, at the direction of the Employer, either to be allocated to Participant Accounts or to be applied in any manner permitted by IRC §-501(c)(9) and the Plan and Trust and in accordance with the rules, policies and procedures established by the Administrator.

4.6 Notify the Plan of Errors within Ninety (90) Days. Participants and Employers should regularly review account information and immediately report any potential errors to the Administrator. ~~If Participants and Employers must notify~~ the Administrator ~~does not receive notification~~ of an account error within ninety (90) days from the date the potential account error (a) is viewed by the applicable Participant or Employer online through the Plan portal or (b) appears on an account statement or other report received by the applicable Participant or Employer, whichever occurs first, ~~the Participant Account and/or Employer Account will be considered correct.~~ ("Notification Period"). Notification of any potential errors should be in writing in accordance with Section 4.6.1 below.

4.6.1. Contents of Error Notification. Written notice of any potential account error must include: (1) the name of the Employer or Participant; (2) the applicable account number; and (3) a detailed description of the error, including any applicable dollar amounts and why the Participant or Employer believes it to be an error.

4.6.2 Investigation of Error; Corrective Action. The Administrator will perform a timely investigation of any error notifications. The affected Participant(s) and/or Employer(s) will be notified regarding the results of the Plan's investigation and any corrective actions taken in accordance with the policies and procedures of the Administrator or as otherwise directed by the Trustees. Correction of any errors will be applied prospectively and, retroactively for any losses incurred during the Notification Period defined by this Section 4.6, including any investment losses, if such losses are the direct result of the negligent error or omission on the part of the Plan or its representatives. However, neither the Plan, nor any of its representatives shall be liable for losses incurred by a Participant or Employer, as applicable, after expiration of the Notification Period.

4.7 Reliance Upon Data and Information from Participants and Employers. It is the responsibility of Participants and Employers in submitting data and information to the Plan to ensure that such data and information is correct. The Plan and its agents may rely upon any data or information submitted from a Participant or Employer as true and correct. The Plan and its agents are not responsible for any errors made by a Participant or Employer with regard to the data or information submitted to the Plan, nor are the Plan and its agents responsible for further errors that result from incorrect data or information submitted by a Participant or Employer. If a Participant or Employer discovers that information or data submitted to the Plan was incorrect, it is the responsibility of that Participant or Employer to timely notify the Plan in writing and correct the information or data.

Article V.

Qualified Health Care Expenses and Benefits under this Plan

5.1 Benefits for Qualified Health Care Expenses. Benefits under this Standard HRA Plan must be a reimbursement for medical care expenses as defined by IRC §-213(d) and IRC §106(f) and excludable from income under IRC §§-105 and 106, as amended from time to time, subject to the limitations, terms, and conditions below and any other limitations, terms, and conditions, under this Plan document, applicable law or as otherwise provided in policies and procedures of the Administrator. Benefits are payable for expenses incurred by the Participant or the Participant's Dependent(s), subject to the limitations under this Section, Section 1.3, and Section 5.3.5. Benefits shall include (but are not limited to) premiums for permitted insurance coverage, including COBRA premiums, reimbursed directly to the Participant.

5.1.1 General Limitations.

5.1.1.1 Reimbursements are limited to medical care expenses not covered by Social Security, Medicare, or any other health insurance contract or plan. Benefits may not include reimbursement for expenses that are deducted by the Participant under any section of the Internal Revenue Code, or for expenses which were incurred prior to becoming a Participant of the Plan. Reimbursement may be made for premiums due for any part of Medicare or Medicare supplement policies.

5.1.1.2 Participants who are covered by an IRC §-125 healthcare flexible spending account which provides benefits covered under this Plan must exhaust benefits under the IRC ~~§-125 plan~~ §-125 healthcare flexible spending account prior to filing a request for Benefits under this Plan.

5.1.1.3 For Participants who are integrated with a GHP that does not provide minimum value as defined by IRC §36B(c)(2)(C)(ii), Benefits are limited to Excepted Benefits and reimbursements for co-payments, co-insurance, deductibles, and premiums under the GHP that does not provide minimum value. Coverage under this Standard HRA Plan for Participants of an Employer that does not offer a GHP that provides minimum value shall be subject to approval by the Administrator and policies and procedures of the Administrator that may require more specific documentation for verification that reimbursements are limited as provided by this Section 5.1.1.3.

5.1.1.4 Limited HRA Coverage is available to Participants or Dependents who desire to limit their Benefits to coordinate with other benefit plans or limitations imposed or other benefits allowed under applicable law. Limited HRA Coverage shall be subject to the terms and conditions of the Limited HRA Plan document, limitations and provisions of applicable law, and rules, regulations and limitations established by the Administrator from time to time. During any period in which the Participant or any of his or her Dependents is automatically eligible for or has elected coverage under the Limited HRA Plan, the Participant or the Dependent shall have the right to decline or revoke coverage under the Limited HRA Plan by notifying the Administrator by phone or in writing.

5.1.1.5 Reimbursement for any claim submitted in accordance with this Article and the Plan may not exceed the current account balance in the applicable Participant Account at the time of reimbursement.

5.1.1.6 Applicable law and regulations prohibit this HRA Plan from reimbursing premiums for individual market coverage while a current employee is covered and eligible for Benefits under this HRA Plan. While a Participant is a current employee of the Employer who made or is making contributions on behalf of the Participant, the Participant is eligible for reimbursement under this HRA Plan for the out-of-pocket portion of premiums for Excepted Benefits; premiums for Group Health Plan coverage (provided that, in the case of premiums for Group Health Plan coverage provided through the Participant's Employer, there is no pre-tax option to pay such premiums under the Employer's IRC §125 plan); and premiums for other coverage as permitted by applicable law.

5.1.2 Claims for Benefits. Participants may file claims for Benefits on or after the date they become a Participant, provided the Third-party Administrator has received a complete Participant Enrollment File, a contribution or transfer on behalf of the Participant and any additional information that, in the discretion of the Third-party Administrator, is required or necessary for the Plan or Third-party Administrator to comply with applicable law, including without limitation, the reporting requirements under PPACA and Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA).

5.1.3 Payment of Benefits. Payment of Benefits shall be made in accordance with the rules, regulations and limitations established by the Administrator from time to time consistent with the requirements of the Internal Revenue Code and any other applicable law.

5.2 Termination of Benefits. All Benefits for any Participant will terminate as of the date such Participant permanently loses his or her status as a Participant pursuant to Section 2.3.

5.3 COBRA. Participants or Dependents have a right to continue to make contributions and/or receive Benefits under this Plan for a specified time period if such rights are lost due to certain qualifying events, as prescribed by COBRA. COBRA continuation coverage for certain qualifying events is dependent on the Plan receiving notification of qualifying events within certain time periods as prescribed by COBRA. The Plan will administer continuation of COBRA using policies and procedures required or permitted by COBRA.

5.4 Health Care Debit Cards. Participants in the HRA Plan may, subject to a procedure established by the Administrator, use the Card(s) provided by the Administrator for payment of Benefits, subject to the provisions below.

5.4.1 Each Participant, by participating in the Card Program and using the Card(s), certifies that such Card shall only be used for Benefits and that any Benefit paid with the Card has not already been reimbursed by any other plan covering health benefits and that the Participant will not seek reimbursement from any other plan covering health benefits.

5.4.2 The Card shall be issued upon the Participant becoming Claims-Eligible, and is valid until reissued or replaced and for so long as the Participant remains a Participant in the Plan. The dollar amount of coverage available on the Card shall be subject to policies and procedures of the Administrator. Participant shall not use the Card to pay claims in excess of the dollar amount available on the Card.

5.4.3 The Cards shall only be used for permitted Benefits.

5.4.4 Participant shall be subject to the terms and conditions of the cardholder agreement, which shall be distributed with the Card.

5.4.5 Purchases made with the Cards shall be subject to the substantiation requirements of the Administrator. The Administrator, in its sole discretion, shall adopt procedures to ensure that amounts paid with the Card qualify as eligible Benefits under the Plan. Substantiation may be accomplished in accordance with policies and procedures of the Administrator, including without limitation, by Participant's submission of a receipt from a merchant or service provider describing the service or product, the date of the purchase, and the amount. Some charges shall be considered substantiated at or after the time of the Card charge by the nature of the charge and information collected at the time of the charge. Some charges shall be considered substantiated due to their "recurring" nature, in which the expenses match expenses previously substantiated as to amount, provider, and time period. At the point of sale, the service provider or merchant can provide or make available to the Administrator information to substantiate the charge. All charges not automatically adjudicated shall be conditional, pending confirmation and substantiation.

5.4.6 Participants shall maintain records to substantiate payments of Benefits made with Cards. If the Card is used to pay an expense that is not automatically adjudicated or otherwise independently verified without additional documentation, the Participant must submit such itemized bills, receipts, or other information requested by the Administrator to verify that the amount was an eligible Benefit. If the Participant fails to provide information to satisfy the Administrator that amounts paid by use of the Card are eligible Card Services, the Administrator may, in its discretion, make the Plan

whole by taking whatever action it deems appropriate to require the Participant to repay the amount that has not been verified, including:

- (a) requesting the Participant to reimburse the Plan for the amount that has not been verified;
- (b) offsetting future reimbursement of claims by the amount paid by use of the Card that has not been verified;
- (c) suspending the activation on the Participant's Card; and
- (d) suspending the Participant's eligibility to use the Card and participate in the Plan.

If the Administrator's correction efforts prove unsuccessful, the Participant remains indebted to the Plan for the amount of the payment that has not been verified. In that event, and consistent with its business practices, the Plan may treat the amount that has not been verified as it would any other business indebtedness. If the payment is not recovered within the timeframes specified in the policies and procedures of the Administrator, then the Plan may forgive the indebtedness, in which case the payment shall be reported as taxable income for the year in which the indebtedness is forgiven.

5.4.7 The Administrator, in its sole discretion, may adopt such other rules that it deems appropriate to govern the use of the Card to pay eligible Benefits (e.g., establishing transaction limits on the Card, charging fees to use such Cards, etc.).

5.4.8 The Card is subject to cancellation upon the following: Participant's death; Participant's termination of his or her participation in the HRA Plan; Employer's termination of participation in the Plan; Participant's failure to produce proper forms and supporting documentation required for substantiation of the expense paid with the Card; or if Participant breaches any of his or her obligations under the cardholder agreement.

5.35.5 Benefits Available in the Event of Death.

5.35.1 Participant and Dependent Benefits. If a Participant dies with a vested, positive account balance in any Participant Account (including the circumstance where vesting occurs as a result of the death of the Participant in accordance with any applicable collective bargaining agreement, Employer policy, or other statement or action of the Employer), the remaining balance shall be applied as follows:

5.35.1.1 Surviving Spouse. The remaining balance may be transferred to the deceased Participant's surviving spouse, if any, who may file claims for Benefits incurred by the Participant and any Dependents, including the surviving spouse, until such account balance is exhausted. Benefits payable to a surviving spouse shall not include Benefits for any person(s) other than the surviving spouse and Dependents (if any) of the deceased Participant.

5.35.1.2 No Surviving Spouse. If the Participant dies without a surviving spouse but with other surviving Dependents or non-~~dependent~~Dependent children, or if the surviving spouse of the deceased Participant subsequently dies with other surviving Dependent(s) or non-~~dependent~~Dependent children of the Participant, the executor, administrator, or other representative of the Participant's estate may

file claims for any remaining eligible expenses incurred by the Participant or the surviving spouse, as applicable. –After the payment of all remaining eligible expenses of the Participant or surviving spouse, as applicable, the Plan may, subject to the policies and procedures of the Administrator, divide and transfer the remaining balance in a vested Participant Account in equal amounts to individual accounts assigned to each of the Participant’s surviving Dependents and non-~~dependent~~Dependent children. In such event, the guardian(s) of any surviving Dependent(s) may file claims for eligible Benefits of the Dependent(s) and the non-~~dependent~~Dependent children may file claims for eligible benefits until such account balance is exhausted. Furthermore, the Participant may elect, in accordance with the policies and procedures of the Administrator, to bypass any non-Dependent children in favor of a Designated Beneficiary(ies).

~~5.3.1.35.5.1.3~~ 5.1.3 Treatment of Stepchildren. At the Participant’s election, as the same may be made in accordance with the policies and procedures of the Administrator, a step child or the stepchildren of the Participant may be either included the same as any biological or adopted children or bypassed in the survivor benefits in the same manner as any non-Dependent children.

5.5.1.4 Spouse and Dependent Right to Disclaim. Any spouse, Dependent, or non-Dependent child of the Participant to whom all or a portion of the Participant Account balance is transferred pursuant to this Section 5.35.1 shall:

(a) have the right to disclaim his or her right to continued Benefits under the Plan as permitted by applicable state law, including without limitation, the Washington state statutory provisions of RCW 11.86.021, as amended, concerning disclaimer of interests and in accordance with the policies and procedures of the Administrator; and

(b) no longer be eligible for coverage under the Standard HRA Plan but shall be covered by this Post-separation HRA Plan and subject to the terms and conditions of the Post-separation HRA Plan document.

5.35.2 Beneficiary Benefits. This Plan (a) is part of a medical trust that is established on behalf of State and political subdivisions of Washington Oregon, and Idaho, (b) has received a favorable ruling from the Internal Revenue Service that the trust’s income is not includible in gross income by reason of the exemption from income tax provided to the Trust under IRC §-501(c)(9), (c) on or before January 1, 2008, provided for reimbursements of Qualified Health Care Expenses of a deceased employee’s heirs and beneficiaries, and (d) qualifies to provide Benefits to a deceased employee’s beneficiaries under IRC §105(j).

~~5.3.2.1~~ 5.5.2.1 General Beneficiary Terms. At any time after the death of a Participant and the Participant’s spouse (if any), any vested funds then remaining in the applicable Participant Account may be transferred to one or more Beneficiaries as provided in this Section 5.35.2. A person’s right to be a Beneficiary, and a Beneficiary’s eligibility for Benefits from the remaining vested balance of a Participant Account, are subject to the rights and restrictions of applicable law, the terms and conditions set forth in this Section 5.35, and the policies and procedures of the Administrator, as the same may be amended from time to time. Benefits payable to Beneficiaries shall not include Benefits for the

Dependents of the Beneficiary (either before or after the death of the Beneficiary). Beneficiaries determined under this Section 5.35.2 shall not be eligible for coverage under this Standard HRA Plan but shall be covered by the Post-separation HRA Plan or the Limited HRA Plan, in accordance with the terms and conditions of the Post-separation HRA Plan document or the Limited HRA Plan document, as applicable.

5.35.2.2 Benefits Remain Available for Surviving Dependents and Non-dependentDependent Children. To the extent all or a portion of the Participant Account of a deceased Participant has been previously transferred to or allocated among one or more qualified Dependents and non-Dependent children of the Participant:

(a) Each non-Dependent child to whom a portion of the Participant Account was transferred or allocated shall be a Beneficiary, and

(b) Each surviving Dependent to whom a portion of the Participant Account was transferred or allocated shall become a Beneficiary as of the earlier of (1) January 1 of the year after such Dependent turns the age of 26 or (2) the date on which such Dependent otherwise loses status as a qualified Dependent.

5.35.2.3 Benefits Available for Designated Beneficiaries. A Participant may designate one or more persons who may be eligible as a Beneficiary for Benefits payable from the balance remaining in the applicable Participant Account in the event: (1) there are no eligible surviving Dependents or non-Dependent children of the Participant as provided under Section 5.35.1.2-~~or~~; (2) the Participant has no surviving Dependents and has elected to bypass non-Dependent children and/or step children in favor of a Designated Beneficiary(ies); or (3) as otherwise permitted by the Administrator and applicable law. - In order to be effective to transfer an interest in the Benefits payable from the remaining balance of a Participant Account, a Participant's beneficiary designation must be properly made and delivered to the Plan, according to policies and procedures of the Administrator, prior to the Participant's death. -A Beneficiary designated under this Section 5.35.2.3 shall be eligible as a Beneficiary only if the Participant and the Participant's spouse decease with no surviving Dependents or non-Dependent children of the Participant as provided under Section 5.3.1.25.1.2 (except in cases where the Participant elects to bypass any non-Dependent children and/or stepchildren) or as otherwise permitted by the Administrator and applicable law. Beneficiaries under this Section 5.35.2.3 shall be allocated equal percentages in the remaining balance of the Participant Account.

5.35.2.4 Benefits Available for Certain Heirs. In the absence of (1) any Beneficiary under Section 5.35.2.2, (2) a valid Beneficiary designation under Section 5.35.2.3, and (3) the ability of the Plan to locate any Beneficiaries designated by the Participant under Section 5.35.2.3, the remaining balance under a Participant Account of a Participant or surviving spouse who decease with no surviving Dependents or non-Dependent children of the Participant as provided under Section 5.35.1.2 may be transferred to one or more of the following persons in the order provided below, such that if there are one or more Beneficiaries at any level, persons in subsequent levels will not be eligible as Beneficiaries. -To the

extent there is more than one eligible Beneficiary at any level under this Section 5.35.2.4, Beneficiaries at that level shall be allocated equal percentages in the remaining balance of the Participant Account.

First level: To any grandchildren of the deceased Participant.

Second level: ~~If there are no grandchildren~~ To any siblings of the deceased Participant who ~~can be located by the Plan, then siblings who~~ share the same two biological parents of the deceased Participant.

Third level: To any parents of the deceased Participant.

Fourth level: To any nieces and nephews of the deceased Participant.

Fifth level: To any aunts and uncles of the deceased Participant.

Sixth level: To any cousins of the deceased Participant.

5.35.2.5 Beneficiary's Right to Disclaim; Other Coverage Limitations. Any Beneficiary to whom all or a portion of the Participant Account balance is transferred pursuant to this Section 5.35.2:

(a) shall have the right to disclaim his or her right to continued Benefits under the Plan as permitted by applicable state law, including without limitation, the Washington state statutory provisions of RCW 11.86.021, as amended, concerning disclaimer of interests and in accordance with the policies and procedures of the Administrator; and

(b) shall not be eligible for coverage under this Standard HRA Plan but shall be covered by the Post-separation HRA Plan or the Limited HRA Plan and subject to the terms and conditions of this Post-separation HRA Plan document or Limited HRA Plan document, as applicable; and

(c) shall not, and his or her Dependents shall not, have rights under COBRA.

5.35.3. Tax Reporting and Withholding on Beneficiary Benefits. A Beneficiary's eligibility for Benefits, the valuation of Plan coverage, and the reporting, withholding and/or payment (if any) of taxes applicable to such coverage shall be subject to applicable law and the rules, policies, and procedures of the Administrator.

5.35.4 Plan Document Preempts Will or Trust. To the extent permitted by applicable state law, including without limitation, Washington state statutory provisions of RCW 11.02.091, as amended, the Plan provisions under this Section 5.35 shall take precedence over the terms of a will or trust or the intestate succession laws that would otherwise govern the transfer of a Participant's interest in a Participant Account and the Benefits payable thereunder.

5.35.5 Authority of Spouse and Reliance on Death Certificate. In accordance with the Administrator's rules, policies, and procedures, and subject to applicable law, the

Plan may rely upon a copy of the official death certificate of the Participant for proof of the Participant's marital status and identification of the Participant's spouse and any other information represented on the death certificate. Should the Participant have a surviving spouse identified on the death certificate, the surviving spouse shall have the authority to file claims, handle the Participant Account, and provide further information to the Plan without further court documentation or proof of the spouse's authority in handling the Participant's estate. For purposes of handling the deceased Participant's Account, evidence of a surviving spouse represented on the Participant's death certificate shall take precedence over the terms of a will, trust, or other court documentation naming another individual as the authoritative party handling the Participant's estate.

5.35.6 Re-allocation ~~after~~After the ~~death~~Death of ~~another~~Another Dependent or Beneficiary. If, after the death of a Participant and the Participant's spouse, any Dependent or Beneficiary to whom a portion of the Participant Account was transferred or allocated dies, any remaining balance in the Account previously transferred or allocated to such Beneficiary shall be transferred or allocated in equal shares to any other surviving Dependents or Beneficiaries with a remaining positive Account balance.

5.35.7 Forfeiture of Remaining Balance. After the death of a Participant with no surviving Dependents or Beneficiaries, or if no surviving Dependents or potential Beneficiaries can be located by the Plan, any vested funds then remaining in the applicable Participant Account shall be forfeited and applied as provided in Section 5.46. Any vested balance that remains in an account previously transferred or allocated to a Beneficiary after the death of the Beneficiary with no other surviving Dependents or Beneficiaries as provided in Section 5.35.6, shall be forfeited and applied as provided in Section 5.46.

5.35.8 Procedure for Locating Beneficiaries. For any potential Beneficiary under this Section 5.35, the Plan may rely on (1) a certification of a personal estate representative or other legal representative of the Participant's estate acceptable under the policies or procedures of the Administrator, or (2) in the absence of a personal estate representative or other legal representative, certifications of potential Beneficiaries as to whether another potential Beneficiary remains alive and to provide any other information that may assist the Plan in locating the potential Beneficiary. If the whereabouts of a potential Beneficiary remain unknown, the Plan shall hold the transfer of the account open for at least 180 days from the date the Administrator determines the Beneficiary's whereabouts to be unknown, to allow the Beneficiary to claim his or her interest in the account. -During such 180-day period, the Plan ~~shall have the right~~may (but shall not be obligated) to) use ~~other~~ reasonable means to locate the potential Beneficiary. If the Administrator determines after such 180-day period that there are no eligible Beneficiaries to whom the remaining balance in a Participant Account may be transferred pursuant to the terms of this Section 5.35, the Administrator may forfeit the remaining Account balance as provided in Section 5.35.7.

5.35.9 Plan Interpretation after the Death of a Participant. For purposes of interpretation of Plan terms and administration of this Plan, except as specifically provided otherwise in this Plan document, once remaining funds in a Participant Account are transferred or allocated to a Beneficiary under Section 5.35, references in this Plan document, the Post-separation HRA Plan document, the Limited HRA Plan document, and in the forms and literature used for administration of each of those Plans to the term "Participant" shall include any Beneficiary of the Participant.

5.45.6 Forfeiture of Participant Account Balance. In the event any funds within a Participant Account are forfeited in accordance with the terms of the Plan documents, such forfeited funds shall be transferred to a temporary forfeiture account held within the Trust on behalf of all Participants of the deceased or forfeiting Participant's Employer within the Trust, to be re-contributed as future contributions to Participants eligible for contributions or otherwise applied, as directed by the Employer, in all cases to the fullest extent permitted by applicable law and subject to the rules, policies and procedures established by the Administrator.

Article VI.

Additional Plan Provisions

6.1 Source of Benefits. The Plan's obligation to any Participant for Benefits under the Plan, or to one or more surviving Dependents or Beneficiaries for Benefits under the Plan in the event of the Participant's death, shall be limited (in the aggregate) to the balance in such Participant's Participant Account. None of the Plan, the Trust, Trustees, or Administrator, nor any of their agents, subcontractors, representatives, officers, or employees shall be responsible for confirming or enforcing the terms of collective bargaining agreements, Employer policies, or other agreements regarding the terms of an Employee's eligibility to participate or amounts to be contributed on behalf of a Participant under this Plan.

6.2 Investment of Participant Accounts and Employer Accounts. The Trustees shall determine the options to be made available through the Trust for the investment of Participant Accounts and Employer Accounts. For each Participant Account, the Participant shall elect one or more of the investment options into which the funds in such Participant Account will be allocated. For each Employer Account, the Employer (or a qualified investment manager appointed by the Employer) shall elect one or more of the investment options into which the funds in such Employer account will be allocated. Participant and Employer Account elections shall be made and changed in accordance with procedures established by the Administrator and as may be amended from time to time. In the event no election has been made with respect to a Participant Account or Employer Account, such Account shall be invested in one or more ~~options whose default investment objective is stable value~~ options as determined by the Trustees. Separate investments shall not be required to be maintained with respect to separate Participant Accounts or Employer Accounts. Any potential errors discovered regarding the investment elections or allocations of a Participant Account or Employer Account must be reported to the Plan in accordance with Section 4.6.

6.3 Reserved.

6.4 Claims Procedure. A person claiming benefits under the Plan, (referred to in this Section as the "Claimant") shall deliver a request for such benefit in writing to the Third-party Administrator. The Third-party Administrator shall review the Claimant's request for a Plan benefit and shall thereafter notify the Claimant of its decision as follows:

6.4.1 If the Claimant's request for benefits is approved by the Third-party Administrator, it shall notify the Claimant of such approval and distribute such benefits to the Claimant.

6.4.2 In the event the Third-party Administrator determines that a claim is questionable, the Third-party Administrator shall within thirty (30) days from the date the Claimant's request for Plan benefits was received by the Third-party Administrator, unless special circumstances require an extension of time for reviewing said claim, provide the

Claimant with written notice of its need for additional information. In the event special circumstances require an extension of time for reviewing the Claimant's request for benefits, the Third-party Administrator shall, prior to the expiration of the initial thirty (30) day period referred to above, provide the Claimant with written notice of the extension and of the special circumstances which require such extension and of the date by which the Third-party Administrator expects to render its decision. In no event shall such extension exceed a period of fifteen (15) days from the date of the expiration of the initial period, totaling forty-five (45) days at a maximum.

6.4.3 If the Claimant's request for benefits is denied, in whole or in part, by the Third-party Administrator, the Third-party Administrator shall notify the Claimant of such denial and shall include in such notice, set forth in a manner calculated to be understood by the Claimant, the following:

6.4.3.1 The specific reason or reasons for the denial and sufficient information to identify the claim involved, including the date of service, the health care provider, the claim amount (if applicable) and a statement describing the availability, upon request, of the diagnosis code, the treatment code, and the corresponding meanings of these codes;

6.4.3.2 Specific reference to pertinent Plan provisions or IRS rules and regulations on which the denial is based;

6.4.3.3 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;

6.4.3.4 A description of available internal appeals processes, including information regarding how to initiate an appeal pursuant to paragraph 6.4.5 below; and

6.4.3.5 The availability of, and contact information for, an applicable office of health insurance consumer assistance or ombudsman.

6.4.4 The Third-party Administrator shall provide written notice of a denial of a request for Benefits. In the event written notice of a denial of a request for Benefits is not received by the Claimant within forty-five (45) days of the date the written claim is submitted to the Third-party Administrator, the request shall be deemed denied as of that date.

6.4.5 Any Claimant whose request for Benefits has been denied or deemed denied, in whole or in part, or such Claimant's authorized representative, may appeal said denial of Plan benefits by submitting to the Third-party Administrator a written request for a review of such denied claim. Any such request for review must be delivered to the Third-party Administrator no later than one hundred eighty (180) days from the date the Claimant received written notification of the Third-party Administrator's initial denial of the Claimant's request for Benefits or from the date the claim was deemed denied, unless the Third-party Administrator, upon the written application of the Claimant or his authorized representative, shall in its discretion agree in writing to an extension of said period.

6.4.6 During the period prescribed in paragraph 6.4.5 for filing a request for review of a denied claim, the Third-party Administrator shall permit the Claimant to review pertinent documents and submit written issues and comments concerning the Claimant's request for Benefits.

6.4.7 Upon receiving a request by a Claimant, or his authorized representative, for a review of a denied claim, the Third-party Administrator shall deliver the complete file to the Trustees, who shall consider such request promptly and shall advise the Claimant of their decision within thirty (30) days from the date on which said request for review was received by the Third-party Administrator, unless special circumstances require an extension of time for reviewing said denied claim. In the event special circumstances require an extension of time for reviewing said denied claim, the Third-party Administrator shall, prior to the expiration of the initial 30-day period referred to above, provide the Claimant with written notice of the extension and of the special circumstances which require such extension and of the date by which the Trustees expect to render their decision. In no event shall such extension exceed a period of forty-five (45) days from the date on which the Claimant's request for review was received by the Third-party Administrator. The Trustees' decision shall be furnished to the Claimant and shall:

6.4.7.1 Be written in a manner calculated to be understood by the Claimant;

6.4.7.2 Include specific reasons for the decision and sufficient information to identify the claim involved, including the date of service, the health care provider, the claim amount (if applicable) and a statement describing the availability, upon request, of diagnosis code, the treatment code, and the corresponding meanings of these codes;

6.4.7.3 Include specific references to the pertinent Plan provisions on which the decision is based;

6.4.7.4 A description of available external review processes, including information regarding how to initiate an appeal pursuant to paragraph 6.4.9 below; and

6.4.7.5 The availability of, and contact information for, an applicable office of health insurance consumer assistance or ombudsman.

6.4.8 The Trustees may, in their discretion, determine that a hearing is required in order to properly consider the Claimant's request for review of a denied claim. In the event the Trustees determine that such hearing is required, such determination shall, in and of itself, constitute special circumstances permitting an extension of time in which to consider the Claimant's request for review.

6.4.9 After exhausting the above claims procedures in full, any Claimant whose request for benefits has been denied or deemed denied, in whole or in part, or such Claimant's authorized representative, may file a request for an external review of such denied claim. Any such request for review must be delivered to the Third-party Administrator no later than the first day of the fifth month following the date the Claimant received written notification of the Trustees' final denial of the Claimant's request for benefits or from the date the claim was deemed denied. Within five (5) business days of

receiving the external review request, the Third-party Administrator must complete a preliminary review to determine if the Claimant was covered under the Plan, the Claimant provided all the information and forms necessary to process the external review, and the Claimant has exhausted the internal appeals process.

Once the review above is complete, the Third-party Administrator has one (1) business day to notify the Claimant in writing of the outcome of its review. If Claimant is not eligible for external review, the notice must include contact information for the Department of Health and Human Services Health Insurance Assistance Team (HIAT). If the Claimant's request for external review was incomplete, the notice must describe materials needed to complete the request and provide the later of 48 hours or the four-month filing period to complete the filing.

Upon satisfaction of the above requirements, the Third-party Administrator will provide that an independent review organization (IRO) will be assigned using a method of assignment that assures the independence and impartiality of the assignment process. Claimant may submit to the IRO in writing additional information to consider when conducting the external review, and the IRO must forward any additional information submitted by the Claimant to the Third-party Administrator within one (1) business day of receipt. The decision by the IRO is binding on the Plan and, as well as the Claimant, except to the extent other remedies are available under State or Federal law. For standard external review, the IRO must provide written notice to the Third-party Administrator and the Claimant of its decisions to uphold or reverse the benefit denial within no more than forty-five (45) days.

6.4.10 The claims procedures set forth in this Article VI shall be strictly adhered to by each Participant or Dependent under this Plan, and no judicial or arbitration proceedings with respect to any claim for Plan benefits hereunder shall be commenced by any such Participant or Dependent until the proceedings set forth herein have been exhausted in full.

6.5 Health Care Debit Card Transactions are Not Claims. The presentation or use of a Card for payment at a merchant or vendor is not considered a submission of a formal claim under the Plan. In the event the merchant or vendor denies the transaction or the transaction is unable to be processed at the point of sale with that merchant or vendor, such denial of the transaction at the point of sale shall not be considered a denial under the Plan. If the transaction is approved at the point-of-sale, but the transaction is not electronically validated at the point of sale or later independently substantiated without further documentation, the Participant must submit such itemized bills, receipts, or other information requested by the Third-party Administrator to verify that the amount was an eligible expense reimbursable by the Plan. Where the Third-party Administrator determines that an expense is not eligible to be paid with the Card because the Participant or Dependent has not submitted the information requested by the Third-party Administrator to substantiate the claim as an expense reimbursable under the Plan (e.g., where the Card is suspended, the Plan requests reimbursement of the unsubstantiated expense and/or the Plan applies an overpayment against the applicable Participant Account and offsets against future claims), then denial of such Card payment would become a denial subject to the formal claims and appeals procedures under this Section 6.

6.56.6 Mechanics of Payment from Employer Accounts. The Employer, or its agent or authorized officer, may submit a request to the Third-party Administrator to transfer funds from the Employer's Account to be allocated to Participant Accounts or applied in any manner permitted

by IRC §-501(c)(9) and the Plan and Trust and in accordance with the rules, policies and procedures established by the Third-party Administrator.

6.67 Protected Health Information. The Plan shall comply with all applicable provisions of the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health (HITECH) Act, enacted as part of the American Recovery and Reinvestment Act of 2009, and the Omnibus Rule of 2013 with respect to protecting the privacy and security of Protected Health Information (PHI).

6.67.1 Plan Uses of Protected Health Information. The Plan shall adhere to procedures regarding the permitted and required uses by, and disclosures to, the Plan of PHI for plan administrative and other permitted purposes. The Plan shall:

6.67.1.1 not use or disclose PHI other than as permitted by the Plan documents or as otherwise required or permitted by law;

6.67.1.2 ensure that any agents, subcontractors or business associates to whom the plan provides PHI shall agree to the same restrictions that apply to the Plan;

6.67.1.3 not use or disclose PHI for purposes other than the minimum necessary to administer the Plan;

6.67.1.4 report to the Privacy Official any known use or disclosure that is inconsistent with permitted use and disclosures;

6.67.1.5 make PHI available to Plan participants, consider their amendments, and, upon request, provide them with an accounting of PHI disclosures in accordance with the HIPAA privacy rules;

6.67.1.6 make internal records relating to the use and disclosure of PHI available to the Department of Health and Human Services upon request; and

6.67.1.7 the Plan shall destroy PHI in accordance with its Document Retention and Destruction Policy when the Plan is no longer required to maintain PHI.

6.78 Employer Uses of Protected Health Information.

6.78.1 HIPAA Plan Amendment. Members of the workforce of an Employer may have access to the individually identifiable health information of Plan participants for administration functions of the Plan. When this health information is provided from the Plan to the Employer, it is Protected Health Information (PHI) and, if it is transmitted by or maintained in electronic media, it is Electronic PHI. The provisions of Section 6.78 shall constitute the “HIPAA Plan Amendment” required by and incorporating the provisions of 45 CFR §164.504(f)(2)(ii).

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its implementing regulations restrict the Employer’s ability to use and disclose PHI and Electronic PHI.

The following HIPAA definitions of PHI and Electronic PHI apply to this HIPAA Plan Amendment:

“Protected Health Information (PHI)” means information that is created or received by the Plan and relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual or for which there is a reasonable basis to believe that the information can be used to identify the individual. Protected health information includes information of persons living or deceased and also includes Electronic PHI.

“Electronic Protected Health Information (Electronic PHI)” means Protected Health Information that is transmitted by or maintained in electronic media.

“Privacy Official” means the Vice Chairman of the Board of Trustees or such other person appointed from time to time by the Board of Trustees to serve in such capacity.

An Employer shall have access to PHI and Electronic PHI from the Plan only as permitted under this HIPAA Plan Amendment or as otherwise required or permitted by HIPAA.

6.78.2 Permitted Disclosure of Enrollment/Disenrollment Information. The Plan may disclose to an Employer information on whether the individual is participating in the Plan, or is enrolled in or has disenrolled from the Plan.

Enrollment and disenrollment information shall include, without limitation, name, employee ID or social security number, contribution history, account balance information, age, employment status (active, retired, separated), limited account status, account preferences (e-communication, etc.) or other information necessary to determine, verify, or assist with eligibility, enrollment or disenrollment of an Employee or Participant.

The Plan and each Employer acknowledge and agree that enrollment and disenrollment information is information of the Employer and is held on behalf of the Employer by the Plan Third-party Administrator. Enrollment and disenrollment information held at any time by the Employer is held in its capacity as an Employer and is not PHI.

6.78.3 Permitted Uses and Disclosure of Summary Health Information. The Plan may disclose Summary Health Information to an Employer, provided that the Employer requests the Summary Health Information for the purpose of (1) obtaining premium bids from service providers or health plans for providing services or health coverage under the Plan; or (2) modifying, amending, or terminating the Plan.

6.78.3.1 *“Summary Health Information”* means information (1) that summarizes the claims history, claims expenses, or type of claims experienced by individuals for whom a plan sponsor has provided health benefits under the Plan; and (2) from which the information described at 4245 CFR §164.514(b)(2)(i) has been deleted, except that the geographic information described in 4245 CFR §164.514(b)(2)(i)(B) need only be aggregated to the level of a five-digit ZIP code.

6.78.4 Permitted and Required Uses and Disclosure of Protected Health Information for Plan Administration Purposes. Unless otherwise permitted by law, and subject to the conditions of disclosure described in Section 6.78.5 and obtaining written certification pursuant to Section 6.78.8, the Plan may disclose PHI and Electronic PHI to an Employer, provided that the Employer uses or discloses such PHI and Electronic PHI only for Plan Administration Purposes.

6.78.4.1 “*Plan Administration Purposes*” means administration functions performed by the Employer on behalf of the Plan, such as quality assurance, claims processing and appeals, auditing, and monitoring. Plan administration functions do not include functions performed by the Employer in connection with any other benefit or benefit plan of the Employer or any employment-related actions or decisions.

6.78.4.2 Enrollment and disenrollment functions performed by the Employer are performed on behalf of Employees, Plan Participants and Dependents, and are not Plan administration functions.

6.78.4.3 Notwithstanding any provisions of this Plan to the contrary, in no event shall an Employer be permitted to use or disclose PHI or Electronic PHI in a manner that is inconsistent with 45 CFR §164.504(f).

6.78.5 Conditions of Disclosure for Plan Administration Purposes. Each Employer agrees that with respect to any PHI it receives pursuant to this HIPAA Plan Amendment and its HIPAA Compliance Certificate delivered pursuant to Section 6.78.8 below (other than enrollment/disenrollment information and Summary Health Information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR §164.508, which are not subject to these restrictions) disclosed to it by the Plan, such Employer shall:

6.78.5.1 not use or further disclose the PHI other than as permitted or required by the Plan or as required by law;

6.78.5.2 ensure that any agent, including a subcontractor, to whom it provides PHI received from the Plan agrees to the same restrictions and conditions that apply to the Employer with respect to PHI;

6.78.5.3 not use or disclose the PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;

6.78.5.4 report to the Plan any use or disclosure of the PHI of which it becomes aware that is inconsistent with the uses or disclosures provided for;

6.78.5.5 make available PHI to comply with HIPAA's right to access in accordance with 45 CFR §164.524;

6.78.5.6 make available PHI for amendment, and incorporate any amendments to PHI, in accordance with 45 CFR §164.526;

6.78.5.7 make available the information required to provide an accounting of disclosures in accordance with 45 CFR §164.528;

6.78.5.8 make its internal practices, books, and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of Health and Human Services for purposes of determining compliance by the Plan with HIPAA's privacy requirements;

6.78.5.9 if feasible, return or destroy all PHI received from the Plan that the Employer still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and

6.78.5.10 ensure that adequate separation (*i.e.*, the firewall) between employees of the Employer who need the information for Plan Administration Purposes and employees of the Employer who do not need the information for Plan Administration Purposes or who do not perform Plan administration functions on behalf of the Employer, required by 45 CFR §504(f)(2)(iii), is established.

6.78.6 Additional Requirements. Each Employer further agrees that if it creates, receives, maintains, or transmits any Electronic PHI pursuant to this HIPAA Plan Amendment and its HIPAA Compliance Certificate delivered pursuant to Section 6.78.8 below (other than enrollment/disenrollment information and Summary Health Information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR §164.508, which are not subject to these restrictions) on behalf of the Plan or in connection with a Plan Administration Purpose, it will:

- a. implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic PHI that it creates, receives, maintains, or transmits on behalf of the Plan;
- b. ensure that the adequate separation (*i.e.*, the firewall) between employees of the Employer who need the information for Plan Administration Purposes and employees of the Employer who do not need the information for Plan Administration Purposes or who do not perform Plan administration functions on behalf of the Employer, required by 45 CFR §-504(f)(2)(iii) is supported by reasonable and appropriate security measures;
- c. ensure that any agent, including a subcontractor, to whom it provides Electronic PHI agrees to implement reasonable and appropriate security measures to protect the information; and
- d. report to the Plan any security incident of which it becomes aware, as follows: Employer will report to the Plan, with such frequency and as soon as feasible, the aggregate number of unsuccessful, unauthorized attempts to access, use, disclose, modify, or destroy Electronic PHI or to interfere with systems operations in an information system containing Electronic PHI; in addition, Employer will report to the Plan as soon as feasible any successful

unauthorized access, use, disclosure, modification, or destruction of Electronic PHI or interference with systems operations in an information system containing Electronic PHI.

6.78.7 Adequate Separation Between Plan and Employer and Between Employees Who Perform Plan Administration Functions and Employees Who Do Not Have Plan Administration Functions. Any Employer that receives any PHI pursuant to this HIPAA Plan Amendment and its HIPAA Compliance Certificate delivered pursuant to Section 6.78.8 below (other than enrollment/disenrollment information and Summary Health Information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR §164.508, which are not subject to these restrictions) from the Plan shall allow access to the PHI to only those employees or classes of employees identified on the Employer's HIPAA Compliance Certificate required by this HIPAA Plan Amendment. No other persons shall have access to PHI. These specified employees (or classes of employees) shall only have access to and use of PHI to the extent necessary to perform the Plan administration functions that the Employer performs for the Plan. In the event that a specified employee does not comply with the provisions of this HIPAA Plan Amendment, the employee shall be subject to disciplinary action by the Employer for non-compliance pursuant to the Employer's employee discipline and termination procedures.

6.78.7.1 The Employer shall ensure that the provisions of this HIPAA Plan Amendment are supported by reasonable and appropriate security measures to the extent that the persons designated above create, receive, maintain, or transmit Electronic PHI on behalf of the Plan.

6.78.8 Certification of Employer. The Plan shall disclose PHI (other than enrollment/disenrollment information and Summary Health Information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR §164.508) to an Employer only upon the receipt of the Plan's HIPAA Compliance Certificate from the Employer acknowledging that the Plan has been amended to incorporate the provisions of 45 CFR §164.504(f)(2)(ii), and that the Employer agrees to the conditions of disclosure set forth in Section 6.78.5 and all other conditions and requirements of this HIPAA Plan Amendment.

6.9 Qualified Medical Child Support Orders and National Medical Support Notices.
The Plan shall comply with all applicable rules and laws relating to Qualified Medical Child Support Orders ("QMCSO") and National Medical Support Notices ("NMSN"). In the event a QMCSO or NMSN is received by the Plan, the Plan will follow the policies and procedures for determining and administering such order or notice as the same may be adopted or revised from time to time by the Administrator.

Article VII. **Administrator**

7.1 Rights & Duties. The Trustees shall enforce this Plan in accordance with its terms and shall be charged with its general administration. In its capacity as the Administrator, the Board of Trustees may delegate administrative duties to the Third-party Administrator or other service providers or designees. Any Third-party Administrator and other service providers engaged by the Administrator shall exercise its delegated duties in a uniform, nondiscriminatory manner and shall have all necessary power and discretion to accomplish those purposes at the direction of the Administrator, including but not limited to the power:

7.1.1 To determine all questions relating to the eligibility of Employees to participate.

7.1.2 To determine entitlement to Benefits under the provisions of Article VI.

7.1.3 To compute and certify to the Administrator the amount and kind of benefits payable to the Participants and their Dependents.

7.1.4 To maintain all the necessary records for the administration of this Plan other than those maintained by the Employer.

7.1.5 To prepare and file or distribute all reports and notices required by law.

7.1.6 To authorize all the disbursements from the Trust.

7.1.7 To facilitate the investment elections made by Participants and Employer in a manner consistent with the objectives of the Plan and authorized by the Trust.

7.1.8 To make and publish such rules for the regulation of this Plan that are not inconsistent with the terms hereof.

7.1.9 To inform the Administrator with respect to the investment of Participant and Employer Accounts.

7.1.10 To assume and perform each and every duty and responsibility of the Administrator specified in the Plan documents or otherwise in accordance with applicable law to the extent so delegated in writing by the Administrator.

7.2 Information. To enable the Third-party Administrator to perform its functions, the Employer shall supply it with full and timely information on all matters relating to Employer contributions on behalf of a Participant and Participant entitlement to benefits. The Employer shall also supply the Third-party Administrator with full and timely information on all matters relating to Employer contributions to an Employer Account. The Third-party Administrator shall maintain such information and advise the Administrator of such other information as may be pertinent to the administration of the Trust.

The Third-party Administrator shall have neither the right nor the obligation to interpret the provisions of any collective bargaining agreement, Employer policy, or other statement or action for the purpose of performing its duties under the Plan or the Trust, and the Third-party Administrator shall have the right to rely on information provided by the Employer pursuant to this

~~section~~**Section** with respect to Employee eligibility and other applicable information contained in any collective bargaining agreement, Employer policy, or other statement or action.

7.2.1 The Trust shall provide to each Participant, information necessary to use their Participant Account and receive reimbursement of Benefits. The information will include a summary of the Plan, including claim procedures and instructions on how to acquire plan forms. The Trust shall also communicate within a reasonable amount of time after receipt of the contribution or transfer an acknowledgement to the Participant with a Participant Account or the Employer with an Employer Account, whichever is applicable, acknowledging establishment of the Participant Account or Employer Account; confirmation of the amount received; a summary of the Plan and information on filing claims with copies of the necessary forms, if applicable; and a toll-free contact telephone number for error corrections or questions.

7.2.2 The Trust shall provide a written statement prepared upon a Participant's or Employer's request, and at least semi-annually for each Participant and Employer, which shall include the following information: Participant's or Employer's name and address, whichever is applicable; Participant Account number; contributions; total Account value at statement date; interest earned or other shared gain or loss; payout and disbursement activities, ending/forward balance; toll-free contact telephone number for error corrections or questions on reading the statement.

7.2.3 The Trust shall provide a monthly unaudited report to the Administrator including the following: income statement, balance sheet, year to date budget, number of Participant Accounts, and other such reports which are permitted by law, or as the Administrator and/or Employers request and agreed to by the Third-party Administrator.

7.3 Compensation, Expenses, and Governmental Fees, Taxes and Assessments. Consultant and investment manager expenses for the Plan may be paid by reasonable reductions of investment earnings and/or assessments from the Participants' Accounts as determined by the Administrator from time to time. Additionally, all other necessary Plan expenses, including but not limited to: legal, benefits staff, Third-party Administrator, auditing, printing, postage, mail service, plan administration software or technology, Trustee, bank, consultant fees, and, to the extent permitted by applicable law, all governmental fees, taxes, and assessments applicable to the Trust, the Plan, the Trustees, or Participants, may be paid through a reduction of investment earnings and/or reasonable fees and assessments from Participant Accounts as determined by the Administrator from time to time.

7.4 Consultants, Advisors & Managers. The Administrator may employ such consultants, advisors, investment managers, Third-party Administrators, and other service providers as it reasonably deems necessary or useful in carrying out its duties hereunder, all of which shall be considered expenses of administering the Plan.

7.5 Liability Limitation. The Employer, the Administrator and the Third-party Administrator shall not be liable for the acts or omissions to act of any investment manager appointed to manage the assets of the Plan and Trust. The Trustees shall not be liable for the acts or omissions to act of any investment manager appointed to manage the assets of the Plan and Trust if the Trustees in appointing and monitoring such manager acted with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person would use in the conduct of an enterprise of a like character and with like aims.

7.6 Notices & Directions. The address for delivery of all communications shall be:

HRA VEBA Trust
c/o Gallagher Benefit Services, Inc.
906 W 2nd Avenue, Suite 400
Spokane, WA 99201-4537
(509) 838-5571 Telephone
(509) 838-5613 Fax
~~mark_wilkerson~~Charile_Isaacs@ajg.com_

7.7 Funding Policy & Procedures. The Administrator shall formulate policies, practices, and procedures to carry out the funding of the Plan, which shall be consistent with the Plan objectives and in accordance with applicable law.

Article VIII.
Amendment & Termination

8.1 Permanency. It is the expectation of the Employers and Trustees that this Plan, and the payment of Benefits hereunder, will be continued indefinitely, but continuance of this Plan or contributions to this Plan is not assumed as a contractual obligation of the Employers or the Trustees. This Plan may be amended or terminated only as provided in this Article.

8.2 Exclusive Benefit Rule. It shall be impossible for any part of the funds in Participant Accounts under this Plan to be used for, or diverted to, purposes other than the exclusive benefit of the Participants or their Dependents, and to defray the reasonable expenses of administering the Trust and this Plan.

8.3 Amendments.

8.3.1 The Trustees shall have the right to amend this Plan from time to time, and to amend or cancel any such amendments.

8.3.2 Such amendments shall be as set forth in an instrument in writing executed by the Trustees. Any amendment may be current, retroactive, or prospective, in each case as provided therein and provided, however, that such amendment must comply with Article III of the Trust Agreement.

8.4 Discontinuance of Contributions. Each Employer shall have the right to discontinue contributions without prior notice by delivering written notice of termination to the Trustees.

8.5 Termination of Plan. The Trustees shall have the right to terminate this Plan without prior notice unless required by law by delivering written notice of termination to the Employers and Participants. In case of termination, the Trustees shall also notify the Employers and Participants of the Trustees' decision with regard to disposition of the assets, based on the following options, each of which shall be subject to any losses on or other contractual adjustments applicable to invested assets that may accrue or become due as a result of such disposition:

8.5.1 A direct in-kind transfer of assets to a substantially similar IRC §-501(c)(9) trust;

8.5.2 A series of installment payments over a set period or time of the assets from the Trust attributable to this Plan to another IRC §-501(c)(9) trust; or

8.5.3 An immediate cash payment to another IRC §-501(c)(9) trust or another program providing benefits permitted by IRC §-501(c)(9); or

8.5.4 Any other method permitted by IRC §-501(c)(9).

In any event, the Employers and the Trustees shall work to prevent adverse consequences to Participants and other Employers contributing to the Trust as a result of any Employer's decision or action with respect to these options. An Employer whose Employer Account or whose Employees' Participant Accounts are to be transferred from the Trust agrees to pay the Trust all reasonable costs resulting from the disposition or transfer of the assets that are to be transferred.

Article IX.

Miscellaneous

9.1 Conflicting Provisions. This Plan, the Trust, the Employer Adoption Agreement, and the Participant Enrollment File are all parts of a single, integrated employee benefit plan and shall be construed together. In the event of any conflict between the terms of this Plan and the Participant Enrollment File, the Employer Adoption Agreement and the terms of the Trust, such conflict shall be resolved first by reference to the Trust Agreement, then the Plan Document, then the Employer Adoption Agreement, and then the Participant Enrollment File.

9.2 Applicable Law; Severability. Except as may be required by §-514 of the Employee Retirement Income Security Act of 1974 ("ERISA"), this Plan shall be construed, administered, and governed under the laws of the State of Washington. If any provision of this Plan shall be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

9.3 Gender & Number. Words used in the masculine shall apply to the feminine where applicable, and when the context requires, the plural shall be read as the singular and singular as the plural.

9.4 Headings. Headings used in this Plan are inserted for convenience of reference only, and any conflict between such headings and the text shall be resolved in favor of the text.

9.5 Forfeiture of Unclaimed Participant Accounts. ~~The account balance in a Participant Account shall be forfeited and applied as provided in Section 5.4~~ In an effort to preserve Participant Accounts from becoming unclaimed or forfeited, the Administrator may implement policies and procedures to locate Participants. In each instance for which a Participant (1) has combined account balances greater than \$250 and (2) for a period of at least six months has met the conditions set forth under Sections 9.5.1 – 9.5.3 below and has otherwise been unreachable by the Plan, the Administrator may engage third-party services to locate the Participant. Reasonable fees and expenses incurred by the Administrator in its effort to locate a Participant under the foregoing circumstances may be charged against one Participant Account up to an amount not to exceed the lower of \$100 or 20% of the combined account balances. Notwithstanding the above, the account balance in a Participant Account shall be forfeited and applied as provided in Section 5.6 if (a) within the Unclaimed Account Forfeiture Period (defined below) at least two communications from the Plan to the Participant have been returned as undeliverable or, in

accordance with the policies and procedures of the Plan, the Plan Administrator has determined that the Participant is not locatable; and (b) during the entire Unclaimed Account Forfeiture Period, the following conditions exist:

9.5.1 Such Participant Account has a positive account balance and is claims-eligible;

9.5.2 No contributions to or withdrawals from the Participant Account have occurred; and

9.5.3 No communications or other expressions of interest have been received by the Third-party Administrator from or on behalf of the Participant of such Participant Account.

For purposes of this Section 9.5, the “Unclaimed Account Forfeiture Period” shall be a continuous period that is equal to thirty (30) days less than the shorter of (i) the statutory period for forfeiture under the applicable State unclaimed property statute for such Participant Account or (ii) three years.

9.6 Limitation on Rights. Neither the establishment of this Plan, nor any modification or amendment thereof, nor the payment of any Benefits, nor the issuance of any insurance contracts shall be construed as giving any Participant, or any person whomsoever, any legal or equitable right against the Trustees, the State of Washington, its agencies, officers, employees, and institutions of higher education, or the Employers or Administrator or Third-party Administrator or any of their agents or employees, nor any right to the assets of the Plan, except as expressly provided herein.

9.7 Assignment. The interest of any Participant or Employer in any assets held on his or its behalf by the Trustee shall not be subject to assignment or alienation, either by voluntary or involuntary act of the Participant or the Employer or by operation of law, and shall not be subject to assignment, attachment, execution, garnishment, or any other legal or equitable process, except to the extent required by law.

9.8 Counterparts. This Plan may be adopted in an original and any number of counterparts, each of which shall be deemed to be an original of one and the same instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, Douglas Detling, Chairman of the Board of Trustees, being
duly authorized, on this _____ day of _____, ~~2017~~2020 signed this Plan Document.

By: _____
~~Doug~~Douglas Detling, Chairman

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
~~POST-SEPARATION HEALTH CARE REIMBURSEMENT PLAN~~

FOR PUBLIC EMPLOYEES IN THE NORTHWEST

~~FULL 213(d) MEDICAL BENEFITS COVERAGE~~
~~POST-SEPARATION ONLY~~

HEALTH REIMBURSEMENT ARRANGEMENT (HRA) PLAN

Amended and Restated as of January 1, ~~2017~~2020

Article I.
General Provisions

1.1 Name. The name of this Plan is the VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION POST-SEPARATION HEALTH CARE REIMBURSEMENT PLAN FOR PUBLIC EMPLOYEES IN THE NORTHWEST ("Post-separation HRA Plan" or "Plan"). The Trust may offer one or more HRA plans or forms of HRA plan coverage from time to time. The term "Plan" or "HRA Plan" shall refer to this Post-separation HRA Plan either individually or collectively with other plans or forms of plan coverage offered by the Trust as the context indicates or requires. This Plan is offered by a voluntary employees' beneficiary association under Internal Revenue Code §-501(c)(9). The effective date for the Plan is July 1, 2013.

1.2 Plan Documents. This Plan document, together with the Trust Agreement, the most current version of the Plan Summary, the individual Participant Enrollment File, and the Employer Adoption Agreement as the same may be amended, restated, or replaced from time to time, shall constitute the Plan documents for Post-separation HRA Plan coverage. This Plan document is hereby amended and restated and replaces the prior Post-separation HRA Plan document in its entirety.

1.3 Post-separation and Retiree Plan. This Plan is a post-separation and retiree plan only. This Plan coverage is intended for any Participant who is a former Employee of the Employer who made or is making contributions on behalf of the Participant (or his or her Dependents and Beneficiaries according to the terms and conditions of the Plan). At the time a Participant separates from service from the Employer who has made or will continue to make contributions on behalf of the Participant, the Participant will be covered under this Post-separation HRA Plan. Payment or reimbursement of Benefits under this Plan shall be limited to expenses incurred only after a Participant has retired from employment or otherwise separated from service with his or her Employer and has otherwise met all other conditions for eligibility to become and remain a Participant hereunder and file claims for Benefits as set forth in any applicable collective bargaining agreement, Employer policy, or other statement or action of the Employer. This Plan coverage is exempt from certain provisions of PPACA known as the Mandates as a plan that covers less than two current employees.

1.4 Forfeiture of Account Balance and Future Reimbursements for Premium Tax Credit Eligibility. To the extent any Claims-Eligible Participant under this Post-separation HRA Plan retains a positive account balance in his or her Participant Account during any month, PPACA

provides that such Participant Account will generally constitute minimum essential coverage, as defined under IRC §-5000A, and will therefore preclude the Participant from claiming or becoming entitled to an IRC §-36B premium tax credit during that month to purchase coverage from a marketplace exchange established in accordance with PPACA.

1.4.1 **Forfeiture Election.** In order to prevent the Participant Account from precluding eligibility for an IRC §-36B premium tax credit, a Claims-Eligible Participant or Dependent under this Post-separation HRA Plan may, at any time, elect to waive and forfeit the right to Benefits for any Qualified Health Care Expenses incurred on and after the date of such election to and excluding the date on which such election is revoked by the Participant or the Dependent.

1.4.2 **Application of Forfeitures.** Any positive account balance that is waived and forfeited pursuant to this Section 1.4 shall be applied as provided in Section 5.46.

1.5 **Election of Limited Coverage.** In lieu of the election permitted under Section 1.4, in order to become potentially eligible for an IRC §-36B premium tax credit, a Claims-eligible Participant or Dependent under this Plan may, at any time, elect Limited HRA Coverage, the terms and conditions of which are governed by the Limited HRA Plan document. Except as specifically (a) permitted by applicable law and (b) approved by the Administrator, any election under this Section 1.5 shall be effective on and after the date of such election to and excluding the date on which such election is revoked by the Participant or the Dependent.

1.6 **Interpretation of Capitalized Terms.** Capitalized terms used herein and not otherwise defined in this document, shall have the meanings ascribed to such terms in the other Plan documents. In the event there is a conflict in the definition ascribed to any term in two or more Plan documents, Plan forms, or other Plan materials, the definition ascribed to such term within any particular document shall apply for interpretation of that document, and if not defined therein, the meaning that shall apply for interpretation of a document shall be determined by reference first to the Trust Agreement, second to the Plan Document, third to the applicable Employer Adoption Agreement, and fourth to the applicable Participant Enrollment File.

1.7 **Definitions.**

“Administrator” means the Board of Trustees or its designee, including any Third-party Administrator acting at the direction of the Trustees.

“Beneficiary” means a deceased Participant’s beneficiary who inherits the right to receive Benefits payable from the remaining balance of a Participant Account after the Participant is deceased without any surviving Dependents. A Beneficiary can inherit the right to receive Benefits either as a former Dependent, an adult child of the Participant, a beneficiary designated by the Participant, or by operation of the terms of the Plan. A Beneficiary by operation of plan terms may arise in the absence of a valid beneficiary designation, if all of the designated beneficiaries predeceased, or if the Plan is unable to locate designated beneficiaries, all in accordance with the terms and conditions of Section 5.35 and policies and procedures of the Administrator.

“Benefits” refers to reimbursements for or payments of Qualified Health Care Expenses as described in Section 5.1, as such Benefits may be limited by elections of the Participant, the terms of the Plan, or applicable law.

“Card” means the debit/credit card(s) provided by the Administrator and used by Participants for the payment of Benefits under the Plan.

“Card Program” means the procedure and system established by the Administrator utilizing Cards for the payment of Benefits.

“Claims-Eligible” with respect to any Participant means that such Participant has satisfied the conditions required to become eligible for reimbursement of Qualified Health Care Expenses ~~as described in Section 2.2~~ under this Plan.

“COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985 and the regulations promulgated thereunder, as amended from time to time.

“Credited” means, with respect to the timing of a contribution made to a Participant Account, the date on which the Participant who received such contribution earned or became entitled to such contribution pursuant to the terms of this Plan, applicable collective bargaining agreements, Employer policies, or other Employer actions or adoption procedures.

“Dependent” means a Participant’s spouse, dependent, ~~(as defined in IRC Section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof)~~, or child (who as of the end of the taxable year has not attained age 27) as determined under IRC § 105(b).

“Employee” means any individual that an Employer determines is a current or former employee of such Employer, as the term ~~of~~ “employee” is defined by Treasury Regulation §-1.501(c)(9)-2(b), except employees excluded as a result of collective bargaining agreements, agreements substantially similar to collective bargaining agreements, or as a result of an individual Employer’s nondiscriminatory employer benefits policies.

“Employer” means the States of Washington, Oregon, and Idaho, or any political subdivision thereof; any local government, including any county, city, town, special purpose district within Washington, Oregon, or Idaho; or any agency or instrumentality of any of the foregoing or other entity that is sufficiently affiliated with the Employers for purposes of IRC §-501(c)(9).

“Employer Account” refers to the account maintained with respect to any Employer to record its contributions which have not been allocated to Participant Accounts, and adjustments related thereto, and established for the purpose of providing benefits permitted under IRC §-501(c)(9).

“Employer Adoption Agreement” means an Employer Adoption Agreement executed by an Employer and accepted by the Trust, as the same may be amended and restated or replaced from time to time.

“Excepted Benefits” means Qualified Health Care Expenses that would not be considered “minimum essential coverage” under IRC §5000A(f)(3). Excepted Benefits shall include benefits described under Treasury Reg. §54.9831-1(c)(3)(~~iii~~) and ~~(i)~~(iv), including expenses and premiums for coverage for any of the following, or as otherwise permitted by law:

- (a) Medical care expenses substantially all of which are for the treatment of the eye or the mouth (including any organ or structure within the mouth); and
- (b) Qualified long-term care services or medical care expenses incurred based on cognitive impairment or loss of functional capacity that is expected to be chronic, subject to indexed annual limits.

“Group Health Plan” or “GHP” means a plan (including a self-insured plan) of, or contributed to by, an employer (including a self-employed person) and such term “group health plan” is defined under IRC §§ ~~9032~~9832(a) and 5000(b)(1) and Treasury Regulation 54.9831-1(a)(1).

“IRC” means the Internal Revenue Code of 1986, as amended from time to time.

“Limited HRA Coverage” is coverage that limits Benefits for various purposes as required or permitted by applicable law, including, without limitation:

- (i) Eligibility for contributions to a health savings account (HSA);
- (ii) To coordinate benefits for purposes of HRA coverage reporting requirements under Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA);
- (iii) To prevent preclusion of eligibility for an IRC §-36B premium tax credit during any month to purchase coverage from a marketplace exchange established in accordance with PPACA;
- (iv) Eligibility for limited coverage prior to separation for Participants with Post-separation Accounts; and
- (v) Eligibility for limited coverage for Dependents who are not integrated with an employer-sponsored group health plan at the time a Qualified Health Care Expense is incurred.

Limited HRA Coverage will be limited to Excepted Benefits only for purposes described in clauses (iii)-(v), and in other cases required by law or to exempt Plan coverage from certain legal and regulatory mandates, including certain mandates under HIPAA, MMSEA, and/or PPACA. -The terms and conditions for Limited HRA Coverage is governed by a separate Limited HRA Plan document.

“Mandates” means provisions of PPACA known as the “PHSA mandates” and found under ~~sections~~Sections 2701-2719A of the Public Health Service Act (“PHSA”); Section 9815 of the IRC (incorporating the PHSA provisions into the IRC); and Section 715 of ERISA (incorporating the PHSA provisions into ERISA).

“Participant” means an Employee who has become eligible as a Participant as described in Article II. ~~Notwithstanding the foregoing, following the death of a Participant with no surviving Dependents eligible for Benefits under~~Except as specifically provided otherwise in this Plan document with respect to a Beneficiary, the term “Participant” ~~will~~as

used in this Plan document and in the forms and literature used for administration of this Plan shall include any surviving spouse to whom a remaining balance in a Participant Account is transferred or any other person who becomes a Beneficiary under Section 5.35.

“Participant Account” refers to the account maintained for a Participant to record his/her share of the contributions of the Employer and adjustments relating thereto and established for the purpose of the payment of Benefits.

“Participant Effective Date” for any Participant means, as applicable, any of the following: (i) the date specified by the Employer in the Participant Enrollment File or (ii) if no date is specified for a Participant on the Participant Enrollment File, the date on which both a contribution and the required enrollment information for such Participant have been received by the Plan or (iii) if an Employer contribution has been received in the form of transferred assets from a former plan, the date specified by the Employer in the applicable transfer agreement on which the employee shall become a Participant; provided that, the Participant Effective Date cannot be a date prior to the Employee’s original hire date with the Employer or the effective date of this Plan (or in the case of a transfer under (iii) the effective date of the former plan).

“Participant Enrollment File” means the paper enrollment form, online enrollment information, or enrollment file provided by the Employer or a Participant with the information required by the Plan Administrator in order to enroll a Participant in the Plan.

“Plan Year” is from October 1 to September 30, except the first year for this Plan with an effective date other than October 1 shall run from such effective date until the next September 30.

“PPACA” means the Patient Protection and Affordable Care Act and all rules, regulations, and regulatory guidance applicable to the Plan promulgated thereunder, as the same shall be amended from time to time.

“Qualified Health Care Expenses” means medical care expenses defined by IRC § 213(d) and IRC §-106(f) (for years to which IRC §-106(f) applies).

“Re-employed” means, with respect to a Participant who has become Claims-Eligible upon retirement from employment or other separation from service from the Employer who last made contributions into such Participant’s Participant Account, that such Participant has become re-employed with such Employer under any circumstances.

“Third-party Administrator” means one or more third-parties appointed or contracted by the Administrator from time to time to provide record-keeping, claims-payment and/or other plan administration services to all or a portion of the Trust or this Plan.

“Trust” or “Trust Agreement” refers to the Voluntary Employees’ Beneficiary Association for Public Employees in the Northwest Trust and as it may be amended, restated, or replaced from time to time.

“Trustees” refers, collectively, to the individuals serving in their capacity as the Board of Trustees in accordance with the Trust.

Article II.
Participation and Claims-Eligibility

2.1 Eligibility as a Participant. Subject to the limitations of this Article II, and subject to the eligibility provisions of applicable local and State law:

2.1.1 An Employee for whom an Employer has made contributions to this Post-separation HRA Plan is eligible to become a Participant (and the Dependents of such Participant become eligible for coverage) under the Plan on the Participant Effective Date, provided that, such Employee shall not be “Claims-Eligible” under this Plan except as provided in Section 2.2.1 or Section 2.2.2 hereof.

2.1.2 An Employee for whom an Employer has made contributions to the Standard HRA Plan becomes covered as a Participant under this Post-separation HRA Plan on the date such Employee retires or otherwise separates from service from that Employer.

2.1.3 Except with respect to a surviving spouse who is also a Participant under the same Employer of the deceased Participant, a surviving spouse or Beneficiary of any deceased Participant is covered under this Plan as if such surviving spouse or Beneficiary were a Participant who has separated from service from the applicable Employer; provided, however, that such surviving spouse or Beneficiary shall not be subject to the rehire restriction limitations under Section 2.3 and shall not have the right to add Dependents or further designate beneficiaries.

2.2 Claims-Eligibility.

2.2.1 Depending on the Employer’s Plan design or elections, a Participant described in Section 2.1.1 may become “Claims-Eligible” under this Post-separation HRA Plan, and eligible for full Benefits under Article V, only upon the Participant’s retirement from employment or other separation from service with the Employer and upon satisfaction of any other eligibility provisions of Employer policies and applicable collective bargaining agreements and the Employer Adoption Agreement or other Employer action or adoption procedure accepted by the Administrator.

2.2.2 Depending on the Employer’s Plan design or elections, a Participant described in Section 2.1.1 may become “Claims-Eligible” under the Limited HRA Plan, and eligible only for reimbursement of Excepted Benefits on the Participant Effective Date. In such case, the Participant and his or her Dependents shall become Claims-Eligible under this Post-separation HRA Plan for full Benefits under Article V, only upon the Participant’s retirement from employment or other separation from service with the Employer and upon satisfaction of any other eligibility provisions of Employer policies and applicable collective bargaining agreements and the Employer Adoption Agreement or other Employer action or adoption procedure accepted by the Administrator. During any period in which the Participant and his or her Dependents are eligible pursuant to this Section for Excepted Benefits coverage under the Limited HRA Plan, the Participant shall have the right to decline or revoke coverage under the Limited HRA Plan by notifying the HRA Service Manager or other Plan Representative by phone or in writing.

2.2.3 A Participant described in Section 2.1.2 is “Claims-Eligible” based upon the claims-eligibility date for such Participant under the Standard HRA Plan.

2.3 Rehire Restriction on Claims-Eligibility.

2.3.1 If, after a Participant becomes Claims-Eligible for full Benefits under this Post-separation HRA Plan as described in Section 2.2.1 or Section 2.2.2, such Participant subsequently becomes Re-employed by the same Employer, then, during any period that the Participant is Re-employed, the Participant shall not be covered or eligible for Benefits under this Post-separation HRA Plan, but shall be eligible for Benefits as follows:

2.3.1.1 To the extent there is a remaining balance attributable to contributions originally made to the Standard HRA Plan by an Employer on behalf of the Participant who is covered under this Post-separation HRA Plan pursuant to Section 2.1.2, the Participant shall be covered and eligible for Benefits under and according to the terms and conditions of the Standard HRA Plan.

2.3.1.2 To the extent there is a remaining balance attributable to contributions originally made to this Post-separation HRA Plan, then during the period of Re-employment the Participant shall be covered and eligible for Excepted Benefits under the Limited HRA Plan according to the terms and conditions of the Limited HRA Plan document.

2.4 Nondiscrimination. This Plan does not permit any condition for eligibility or benefits which would discriminate in favor of any class of Participants to the extent such discrimination is prohibited by applicable law.

2.5 Duration of Participation. ~~Upon becoming a Participant in the Plan, an Employee's status as a Participant shall continue for as long as the Participant has a positive balance in any Participant Account. In addition, Participant status shall continue for forty five (45) days during which all Participant Accounts for such Participant remain exhausted. If all Participant Accounts for such Participant remain exhausted for forty five (45) days and the Third party Administrator has not received notice from the Employer that additional funds will be added to any of such Participant Accounts, then the Employee's status as a Participant and eligibility to file claims for Benefits shall temporarily terminate on the first day immediately after such 45-day period. If a contribution or transfer is subsequently received into any Participant Account for such Participant before the end of two (2) complete and consecutive Plan Years, then such Employee's status as a Participant shall be restored back to the original effective date of such Participant Account, and such Participant shall be eligible to file claims for expenses incurred during the period his or her Participant status was temporarily terminated, provided that such Participant would have otherwise been Claims Eligible during such period. If a contribution or transfer is not received into such Participant Account before the end of two (2) complete and consecutive Plan Years, then such Employee's status as a Participant shall be permanently terminated as of the end of such second Plan Year. An eligible Employee who has permanently lost his or her status as a Participant at the end of the second consecutive Plan Year may subsequently become eligible as a Participant and Claims Eligible as prescribed in Sections 2.1 and 2.2. Once a Participant becomes Claims-Eligible under the Plan, the Participant's active status with respect to any Participant Account shall exist for so long as there is a positive account balance in such Participant Account, and thereafter, for such period as determined under the policies and procedures of the Administrator ("Account Closure Period"), but not to exceed two (2) years. If a Participant Account remains exhausted for the Account Closure Period, the Participant's active status with respect to such Account shall terminate after such Account Closure Period in accordance with the Plan's policies and procedures. A Participant who has lost his or her active status with respect to any Participant Account may~~

subsequently become a Participant in the Plan and Claims-Eligible as prescribed in Section 2.2. During any Account Closure Period for any Participant Account, a Participant may or may not receive statements or other plan communications with respect to such Participant Account, but will remain Claims-Eligible.

Article III.

Funding or Allocation of Benefits

3.1 Contributions and Allocation of Assets. Each Employer shall contribute or transfer assets to this Plan, or designate assets to be subject to the terms of this Plan, on behalf of its eligible Employees pursuant to collective bargaining agreements, other written agreements, Employer benefits policies, and/or the terms of this Post-separation HRA, the Standard HRA, or the Limited HRA Plan, as applicable. Employer contributions, transfers, or assets designated to be subject to the terms and conditions of this Post-separation HRA Plan shall be specifically allocated to one or more Participant Accounts or to an Employer Account for the purpose of providing for payment of the Benefits described hereinafter or maintained in an Employer Account, as directed by the Employer. The liabilities, expenses, costs and charges associated with each particular Participant and Employer Account shall be charged against the assets of the portion of Trust held with respect to that particular Participant or Employer Account.

Article IV.

Accounts

4.1 Participant Accounts and Employer Accounts. Accounting records shall be maintained by the Third-party Administrator to reflect that portion of the Trust with respect to each Participant and with respect to each Employer (regarding its contributions which have not been allocated to Participant Accounts), and the contributions, income, losses, increases and decreases for expenses or benefit payments, transfers and adjustments attributable to each such account. The Administrator shall not be required to maintain separate investments for any account.

4.2 Receipt of Contributions or Transfers. Contributions or transfers for any Plan Year will be credited as received by the Third-party Administrator and will be allocated as directed by the Administrator consistent with Participant investment elections. If any portion of any Plan contribution is not allocable to a specific Participant Account or an Employer Account pursuant to instructions from the Employer, or if a complete Participant Enrollment File is not submitted for any amount allocated to a Participant Account, the Administrator will allocate such amount to a non-interest-bearing account for unallocated funds until such time as further instructions are received from the Employer, or the Administrator may return such contribution to the Employer. Notwithstanding the foregoing, Plan contributions received as assets transferred from a prior qualified plan on behalf of an Employee for whom a Participant Enrollment File is not submitted will not be returned to the Employer and will be treated as directed by the Employer in writing and in accordance with the policies and procedures established by the Administrator or Third-party Administrator.

4.3 Accounting Steps. The Third-party Administrator shall:

4.3.1 FIRST, allocate and credit any Employer contribution or transfer to this Plan that is made during the month to a Participant Account or Employer Account. Investment earnings or losses will accrue from the date the contribution or transfer is credited to a Participant Account or Employer Account, and funds will be invested as directed by the Participant or Employer in accordance with the policies and procedures of

the Administrator, and investment earnings or losses will accrue from the date the contribution or transfer is credited to the Participant Account or Employer Account in accordance with the policies and procedures of the Administrator;

4.3.2 SECOND, adjust each Participant Account and Employer Account upward or downward, by an amount equal to the net income or loss accrued under this Plan by the Account; and

4.3.3 THIRD, charge to each Participant Account and Employer Account all fees, payments, transfers, adjustments, or distributions made under this Plan to or for the benefit of the Participant or his Dependents, or the Employer, as the case may be, that have not been charged previously.

4.4 Splitting Participant Account Upon Court Order or Agreement. To the extent permitted by applicable law, in the event of a Participant's divorce, a Participant Account may be split between the Participant and his or her former spouse upon receipt of a court order or agreement acceptable to the Administrator and subject to the policies and procedures of the Administrator; provided, however, the Administrator shall have the right not to split such account if it determines, in its sole discretion, that splitting of accounts upon divorce would result in disqualification of or adverse tax consequences for the Plan or Trust. The Administrator may value, report, withhold, and pay applicable taxes or other fees and charges in accordance with this Plan Document, the Administrator's policies and procedures, and applicable law.

4.5 Use of Employer Accounts. Funds within each Employer Account are, at the direction of the Employer, either to be allocated to Participant Accounts or to be applied in any manner permitted by IRC §-501(c)(9) and the Plan and Trust and in accordance with the rules, policies and procedures established by the Administrator.

4.6 Notify the Plan of Errors within Ninety (90) Days. Participants and Employers should regularly review account information and immediately report any potential errors to the Administrator. ~~If Participants and Employers must notify~~ the Administrator ~~does not receive notification~~ of an account error within ninety (90) days from the date the potential account error (a) is viewed by the applicable Participant or Employer online through the Plan portal or ~~first(b)~~ appears on an account statement or other report received by the applicable Participant or Employer, ~~the Participant Account and/or Employer Account will be considered correct, whichever occurs first~~ ("Notification Period"). Notification of any potential errors should be in writing in accordance with Section 4.6.1 below.

4.6.1. Contents of Error Notification. Written notice of any potential account error must include: (1) the name of the Employer or Participant; (2) the applicable account number; and (3) a detailed description of the error, including any applicable dollar amounts and why the Participant or Employer believes it to be an error.

4.6.2 Investigation of Error; Corrective Action. The Administrator will perform a timely investigation of any error notifications. The affected Participant(s) and/or Employer(s) will be notified regarding the results of the Plan's investigation and any corrective actions taken in accordance with the policies and procedures of the Administrator or as directed by the Trustees. Correction of any errors will be applied prospectively and, retroactively for any losses incurred during the Notification Period defined by this Section 4.6, including any investment losses, if such losses are the direct result of the negligent error or omission on the part of the Plan or its representatives.

However, neither the Plan, nor any of its representatives shall be liable for losses incurred by a Participant or Employer, as applicable, after expiration of the Notification Period.

4.7 Reliance Upon Data and Information from Participants and Employers. It is the responsibility of Participants and Employers in submitting data and information to the Plan to ensure that such data and information is correct. The Plan and its agents may rely upon any data or information submitted from a Participant or Employer as true and correct. The Plan and its agents are not responsible for any errors made by a Participant or Employer with regard to the data or information submitted to the Plan, nor are the Plan and its agents responsible for further errors that result from incorrect data or information submitted by a Participant or Employer. If a Participant or Employer discovers that information or data submitted to the Plan was incorrect, it is the responsibility of that Participant or Employer to timely notify the Plan in writing and correct the information or data.

Article V.

Qualified Health Care Expenses and Benefits under this Plan

5.1 Benefits for Qualified Health Care Expenses. Benefits under this Post-separation HRA Plan must be a reimbursement for medical care expenses as defined by IRC § 213(d) and IRC §106(f) and excludable from income under IRC §§-105 and 106, as amended from time to time, subject to the limitations, terms, and conditions below and any other limitations, terms, and conditions, under this Plan document, applicable law or as otherwise provided in policies and procedures of the Administrator. Benefits are payable for expenses incurred by the Participant or the Participant's Dependent(s), subject to the limitations under this this Plan document, including without limitation, this Section, Section 1.3, and Section 5.35. Benefits shall include (but are not limited to) premiums for permitted insurance coverage, including COBRA premiums, reimbursed directly to the Participant.

5.1.1 General Limitations.

5.1.1.1 Reimbursements are limited to medical care expenses not covered by Social Security, Medicare, or any other health insurance contract or plan. Benefits may not include reimbursement for expenses that are deducted by the Participant under any section of the Internal Revenue Code, or for expenses which were incurred prior to becoming a Participant of the Plan. Reimbursement may be made for premiums due for any part of Medicare or Medicare supplement policies.

5.1.1.2 Participants who are covered by an IRC §-125 healthcare flexible spending account which provides benefits covered under this Plan must exhaust benefits under the IRC § ~~-125 plan~~ 125 healthcare flexible spending account prior to filing a request for Benefits under this Plan.

5.1.1.3 Limited HRA Coverage is available to Participants or Dependents who desire to limit their Benefits to coordinate with other benefit plans or limitations or other benefits allowed under applicable law. Limited HRA Coverage shall be subject to the terms and conditions of the Limited HRA Plan document, limitations and provisions of applicable law, and rules, regulations and limitations established by the Administrator from time to time. During any period in which the Participant or any of his or her Dependents is automatically eligible for or has elected coverage under the Limited HRA Plan, the Participant or the Dependent shall have the right to decline or revoke coverage under the Limited HRA Plan by notifying the Administrator by phone or in writing.

5.1.1.4 Reimbursement for any claim submitted in accordance with this Article and the Plan may not exceed the current account balance in the applicable Participant Account at the time of reimbursement.

5.1.1.5 Except as otherwise provided under Section 2.2, benefits under this Post-separation HRA Plan are not permitted for any Qualified Health Care Expenses incurred prior to the date a Participant becomes Claims-Eligible and retired or otherwise separated from service from the Employer who made contributions on behalf of the Participant or for Qualified Health Care Expenses incurred during any period that a Participant is Re-employed with the Employer who made contributions on behalf of such Participant.

5.1.2 Claims for Benefits. Subject to the terms and conditions of this Post-separation HRA Plan, Participants may file claims for Benefits on or after the date they become Claims-Eligible, provided the Third-party Administrator has received a complete Participant Enrollment File, a contribution or transfer on behalf of the Participant, and any additional information that, in the discretion of the Third-party Administrator, is required or necessary for the Plan or Third-party Administrator to comply with applicable law, including without limitation, the reporting requirements under PPACA and Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA).

5.1.3 Payment of Benefits. Payment of Benefits shall be made in accordance with the policies and procedures and other rules, regulations and limitations established by the Administrator from time to time consistent with the requirements of the Internal Revenue Code and any other applicable law.

5.2 Termination of Benefits. All Benefits for any Participant will terminate as of the date such Participant permanently loses his or her status as a Participant pursuant to Section 2.5.

5.3 COBRA. Participants or Dependents have a right to continue to make contributions and/or receive Benefits under this Plan for a specified time period if such rights are lost due to certain qualifying events, as prescribed by COBRA. COBRA continuation coverage for certain qualifying events is dependent on the Plan receiving notification of qualifying events within certain time periods as prescribed by COBRA. The Plan will administer continuation of COBRA using policies and procedures required or permitted by COBRA.

5.4 Health Care Debit Cards. Participants in the HRA Plan may, subject to a procedure established by the Administrator, use the Card(s) provided by the Administrator for payment of Benefits, subject to the provisions below.

5.4.1 Each Participant, by participating in the Card Program and using the Card(s), certifies that such Card shall only be used for Benefits and that any Benefit paid with the Card has not already been reimbursed by any other plan covering health benefits and that the Participant will not seek reimbursement from any other plan covering health benefits.

5.4.2 The Card shall be issued upon the Participant becoming Claims-Eligible, and is valid until reissued or replaced and for so long as the Participant remains a Participant in the Plan. The dollar amount of coverage available on the Card shall be subject to policies and procedures of the Administrator. Participant shall not use the Card to pay claims in excess of the dollar amount available on the Card.

5.4.3 The Cards shall only be used for permitted Benefits.

5.4.4 Participant shall be subject to the terms and conditions of the cardholder agreement, which shall be distributed with the Card.

5.4.5 Purchases made with the Cards shall be subject to the substantiation requirements of the Administrator. The Administrator, in its sole discretion, shall adopt procedures to ensure that amounts paid with the Card qualify as eligible Benefits under the Plan. Substantiation may be accomplished in accordance with policies and procedures of the Administrator, including without limitation, by Participant's submission of a receipt from a merchant or service provider describing the service or product, the date of the purchase, and the amount. Some charges shall be considered substantiated at or after the time of the Card charge by the nature of the charge and information collected at the time of the charge. Some charges shall be considered substantiated due to their "recurring" nature, in which the expenses match expenses previously substantiated as to amount, provider, and time period. At the point of sale, the service provider or merchant can provide or make available to the Administrator information to substantiate the charge. All charges not automatically adjudicated shall be conditional, pending confirmation and substantiation.

5.4.6 Participants shall maintain records to substantiate payments of Benefits made with Cards. If the Card is used to pay an expense that is not automatically adjudicated or otherwise independently verified without additional documentation, the Participant must submit such itemized bills, receipts, or other information requested by the Administrator to verify that the amount was an eligible Benefit. If the Participant fails to provide information to satisfy the Administrator that amounts paid by use of the Card are eligible Card Services, the Administrator may, in its discretion, make the Plan whole by taking whatever action it deems appropriate to require the Participant to repay the amount that has not been verified, including:

- (a) requesting the Participant to reimburse the Plan for the amount that has not been verified;
- (b) offsetting future reimbursement of claims by the amount paid by use of the Card that has not been verified;
- (c) suspending the activation on the Participant's Card; and
- (d) suspending the Participant's eligibility to use the Card and participate in

the Plan.

If the Administrator's correction efforts prove unsuccessful, the Participant remains indebted to the Plan for the amount of the payment that has not been verified. In that event, and consistent with its business practices, the Plan may treat the amount that has not been verified as it would any other business indebtedness. If the payment is not recovered within the timeframes specified in the policies and procedures of the Administrator, then the Plan may forgive the indebtedness, in which case the payment shall be reported as taxable income for the year in which the indebtedness is forgiven.

5.4.7 The Administrator, in its sole discretion, may adopt such other rules that it deems appropriate to govern the use of the Card to pay eligible Benefits (e.g., establishing transaction limits on the Card, charging fees to use such Cards, etc.).

5.4.8 The Card is subject to cancellation upon the following: Participant's death; Participant's termination of his or her participation in the HRA Plan; Employer's termination of participation in the Plan; Participant's failure to produce proper forms and supporting documentation required for substantiation of the expense paid with the Card; or if Participant breaches any of his or her obligations under the cardholder agreement.

5.35.5 Benefits Available in the Event of Death.

5.35.1 Participant and Dependent Benefits. If a Participant dies with a vested, positive account balance in any Participant Account (including the circumstance where vesting occurs as a result of the death of the Participant in accordance with any applicable collective bargaining agreement, Employer policy, or other statement or action of the Employer), the remaining balance shall be applied as follows:

5.35.1.1 Surviving Spouse. The remaining balance may be transferred to the deceased Participant's surviving spouse, if any, who may file claims for Benefits incurred by the Participant and any Dependents, including the surviving spouse, until such account balance is exhausted. Benefits payable to a surviving spouse shall not include Benefits for any person(s) other than the surviving spouse and Dependents (if any) of the deceased Participant.

5.35.1.2 No Surviving Spouse. If the Participant dies without a surviving spouse but with other surviving Dependents or non-~~dependent~~Dependent children, or if the surviving spouse of the deceased Participant subsequently dies with other surviving Dependent(s) or non-~~dependent~~Dependent children of the Participant, the executor, administrator, or other representative of the Participant's estate may file claims for any remaining eligible expenses incurred by the Participant or the surviving spouse, as applicable. After the payment of all remaining eligible expenses of the Participant or surviving spouse, as applicable, the Plan may, subject to the policies and procedures of the Administrator, divide and transfer the remaining balance in a vested Participant Account in equal amounts to individual accounts assigned to each of the Participant's surviving Dependents and non-~~dependent~~Dependent children. In such event, the guardian(s) of any surviving Dependent(s) may file claims for eligible Benefits of the Dependent(s) and the non-~~dependent~~Dependent children may file claims for eligible benefits until such account balance is exhausted. Furthermore, the Participant may elect, in

accordance with the policies and procedures of the Administrator, to bypass any non-Dependent children in favor of a Designated Beneficiary(ies).

5.35.5.1.3 Treatment of Stepchildren. At the Participant's election, as the same may be made in accordance with the policies and procedures of the Administrator, a step child or the stepchildren of the Participant may be either included the same as any biological or adopted children, or bypassed in the survivor benefits in the same manner as any non-Dependent children.

5.5.1.3 Spouse and Dependent Right to Disclaim. Any spouse, Dependent, or non-Dependent child of the Participant to whom all or a portion of the Participant Account balance is transferred pursuant to this Section 5.35.1 shall:

(a) have the right to disclaim his or her right to continued Benefits under the Plan as permitted by applicable state law, including without limitation, the Washington state statutory provisions of RCW 11.86.021, as amended, concerning disclaimer of interests and in accordance with the policies and procedures of the Administrator; and

(b) no longer be eligible for coverage under the Standard HRA Plan but shall be covered by this Post-separation HRA Plan and subject to the terms and conditions of this Post-separation HRA Plan document.

5.35.2 Beneficiary Benefits. This Plan (a) is part of a medical trust that is established on behalf of State and political subdivisions of Washington, (b) has received a favorable ruling from the Internal Revenue Service that the trust's income is not includible in gross income by reason of the exemption from income tax provided to the Trust under IRC §-501(c)(9), (c) on or before January 1, 2008, provided for reimbursements of Qualified Health Care Expenses of a deceased employee's heirs and beneficiaries, and (d) qualifies to provide Benefits to a deceased employee's beneficiaries under IRC §105(j).

~~5.3.2.1~~ 5.5.2.1 General Beneficiary Terms. At any time after the death of a Participant and the Participant's spouse (if any), any vested funds then remaining in the applicable Participant Account may be transferred to one or more Beneficiaries as provided in this Section 5.35.2.- A person's right to be a Beneficiary, and a Beneficiary's eligibility for Benefits from the remaining vested balance of a Participant Account, are subject to the rights and restrictions of applicable law, the terms and conditions set forth in this Section 5.35, and the policies and procedures of the Administrator, as the same may be amended from time to time. Benefits payable to Beneficiaries shall not include Benefits for the Dependents of the Beneficiary (either before or after the death of the Beneficiary). Beneficiaries determined under this Section 5.35.2 shall not be eligible for coverage under the Standard HRA Plan but shall be covered by this Post-separation HRA Plan or the Limited HRA Plan, in accordance with the terms and conditions of this Post-separation HRA Plan document or the Limited HRA Plan document, as applicable.

5.35.2.2 Benefits Remain Available for Surviving Dependents and Non-dependentDependent Children. To the extent all or a portion of the Participant Account of a deceased Participant has been previously transferred to or allocated

among one or more qualified Dependents and non-Dependent children of the Participant:

(a) Each non-Dependent child to whom a portion of the Participant Account was transferred or allocated shall be a Beneficiary, and

(b) Each surviving Dependent to whom a portion of the Participant Account was transferred or allocated shall become a Beneficiary as of the earlier of (1) January 1 of the year after such Dependent turns the age of 26 or (2) the date on which such Dependent otherwise loses status as a qualified Dependent.

5.35.2.3 Benefits Available for Designated Beneficiaries. A Participant may designate one or more persons who may be eligible as a Beneficiary for Benefits payable from the balance remaining in the applicable Participant Account in the event: (1) there are no eligible surviving Dependents or non-Dependent children of the Participant as provided under Section 5.35.1.2-; (2) the Participant has no surviving Dependents and has elected to bypass non-Dependent children and/or stepchildren in favor of a Designated Beneficiary(ies); or (3) as otherwise permitted by the Administrator and applicable law. In order to be effective to transfer an interest in the Benefits payable from the remaining balance of a Participant Account, a Participant's beneficiary designation must be properly made and delivered to the Plan, according to policies and procedures of the Administrator, prior to the Participant's death. A Beneficiary designated under this Section 5.35.2.3 shall be eligible as a Beneficiary only if the Participant and the Participant's spouse decease with no surviving Dependents or non-Dependent children of the Participant as provided under Section 5.3.1.25.1.2 (except in cases where the Participant elects to bypass any non-Dependent children and/or stepchildren) or as otherwise permitted by the Administrator and applicable law. Beneficiaries under this Section 5.35.2.3 shall be allocated equal percentages in the remaining balance of the Participant Account.

5.35.2.4 Benefits Available for Certain Heirs. In the absence of (1) any Beneficiary under Section 5.35.2.2, (2) a valid Beneficiary designation under Section 5.35.2.3, and (3) the ability of the Plan to locate any Beneficiaries designated by the Participant under Section 5.35.2.3, the remaining balance under a Participant Account of a Participant or surviving spouse who decease with no surviving Dependents or non-Dependent children of the Participant as provided under Section 5.35.1.2 may be transferred to one or more of the following persons in the order provided below, such that if there are one or more Beneficiaries at any level, persons in subsequent levels will not be eligible as Beneficiaries. To the extent there is more than one eligible Beneficiary at any level under this Section 5.35.2.4, Beneficiaries at that level shall be allocated equal percentages in the remaining balance of the Participant Account.

First level: To any grandchildren of the deceased Participant.

Second level: ~~If there are no grandchildren~~ To any siblings of the deceased Participant who ~~can be located by the Plan, then siblings who~~ share the same two biological parents of the deceased Participant.

Third level: To any parents of the deceased Participant.

Fourth level: To any nieces and nephews of the deceased Participant.

Fifth level: To any aunts and uncles of the deceased Participant.

Sixth level: To any cousins of the deceased Participant.

5.35.2.5 Beneficiary's Right to Disclaim; Other Coverage Limitations. Any Beneficiary to whom all or a portion of the Participant Account balance is transferred pursuant to this Section 5.35.2:

(a) shall have the right to disclaim his or her right to continued Benefits under the Plan as permitted by applicable state law, including without limitation, the Washington state statutory provisions of RCW 11.86.021, as amended, concerning disclaimer of interests and in accordance with the policies and procedures of the Administrator; and

(b) shall not be eligible for coverage under the Standard HRA Plan but shall be covered by this Post-separation HRA Plan or the Limited HRA Plan and subject to the terms and conditions of this Post-separation HRA Plan document or the Limited HRA Plan document, as applicable; and

(c) shall not, and his or her Dependents shall not, have rights under COBRA.

5.35.3. Tax Reporting and Withholding on Beneficiary Benefits. A Beneficiary's eligibility for Benefits, the valuation of Plan coverage, and the reporting, withholding and/or payment (if any) of taxes applicable to such coverage shall be subject to applicable law and the rules, policies, and procedures of the Administrator.

5.35.4 Plan Document Preempts Will or Trust. To the extent permitted by applicable state law, including without limitation, Washington state statutory provisions of RCW 11.02.091, as amended, the Plan provisions under this Section 5.35 shall take precedence over the terms of a will or trust or the intestate succession laws that would otherwise govern the transfer of a Participant's interest in a Participant Account and the Benefits payable thereunder.

5.35.5 Authority of Spouse and Reliance on Death Certificate. In accordance with the Administrator's rules, policies, and procedures, and subject to applicable law, the Plan may rely upon a copy of the official death certificate of the Participant for proof of the Participant's marital status and identification of the Participant's spouse and any other information represented on the death certificate. Should the Participant have a surviving spouse identified on the death certificate, the surviving spouse shall have the authority to file claims, handle the Participant Account, and provide further information to the Plan without further court documentation or proof of the spouse's authority in handling the Participant's estate. For purposes of handling the deceased Participant's Account, evidence of a surviving spouse represented on the Participant's death certificate shall take precedence over the terms of a will, trust, or other court documentation naming another individual as the authoritative party handling the Participant's estate.

5.35.6 Re-allocation ~~after~~After the ~~death~~Death of ~~another~~Another Dependent or Beneficiary. If, after the death of a Participant and the Participant's spouse, any Dependent or Beneficiary to whom a portion of the Participant Account was transferred or allocated dies, any remaining balance in the Account previously transferred or allocated to such Beneficiary shall be transferred or allocated in equal shares to any other surviving Dependents or Beneficiaries with a remaining positive Account balance.

5.35.7 Forfeiture of Remaining Balance. After the death of a Participant with no surviving Dependents or Beneficiaries, or if no surviving Dependents or potential Beneficiaries can be located by the Plan, any vested funds then remaining in the applicable Participant Account shall be forfeited and applied as provided in Section 5.46. Any vested balance that remains in an account previously transferred or allocated to a Beneficiary after the death of the Beneficiary with no other surviving Dependents or Beneficiaries as provided in Section 5.35.6, shall be forfeited and applied as provided in Section 5.46.

5.35.8 Procedure for Locating Beneficiaries. For any potential Beneficiary under this Section 5.35, the Plan may rely on (1) a certification of a personal estate representative or other legal representative of the Participant's estate acceptable under the policies or procedures of the Administrator, or (2) in the absence of a personal estate representative or other legal representative, certifications of potential Beneficiaries as to whether another potential Beneficiary remains alive and to provide any other information that may assist the Plan in locating the potential Beneficiary. If the whereabouts of a potential Beneficiary remain unknown, the Plan shall hold the transfer of the account open for at least 180 days from the date the Administrator determines the Beneficiary's whereabouts to be unknown, to allow the Beneficiary to claim his or her interest in the account. During such 180-day period, the Plan ~~shall have the right~~may (but shall not be obligated) to) use ~~other~~ reasonable means to locate the potential Beneficiary. If the Administrator determines after such 180-day period that there are no eligible Beneficiaries to whom the remaining balance in a Participant Account may be transferred pursuant to the terms of this Section 5.35, the Administrator may forfeit the remaining Account balance as provided in Section 5.35.7.

5.35.9 Plan Interpretation after the Death of a Participant. For purposes of interpretation of Plan terms and administration of this Plan, except as specifically provided otherwise in this Plan document, once remaining funds in a Participant Account are transferred or allocated to a Beneficiary under Section 5.35, references in this Plan document, the Post-separation HRA Plan document, the Limited HRA Plan document, and in the forms and literature used for administration of each of those Plans to the term "Participant" shall include any Beneficiary of the Participant.

5.45.6 Forfeiture of Participant Account Balance. In the event any funds within a Participant Account are forfeited in accordance with the terms of the Plan documents, such forfeited funds shall be transferred to a temporary forfeiture account held within the Trust on behalf of all Participants of the deceased or forfeiting Participant's Employer within the Trust, to be re-contributed as future contributions to Participants eligible for contributions or otherwise applied, as directed by the Employer, in all cases to the fullest extent permitted by applicable law and subject to the rules, policies and procedures established by the Administrator.

Article VI.
Additional Plan Provisions

6.1 Source of Benefits. The Plan's obligation to any Participant for Benefits under the Plan, or to one or more surviving Dependents for Benefits under the Plan in the event of the Participant's death, shall be limited (in the aggregate) to the balance in such Participant's Participant Account. None of the Plan, the Trust, Trustees, or Administrator, nor any of their agents, subcontractors, representatives, officers, or employees shall be responsible for confirming or enforcing the terms of collective bargaining agreements, Employer policies, or other agreements regarding the terms of an Employees' eligibility to participate or amounts to be contributed on behalf of a Participant under this Plan.

6.2 Investment of Participant Accounts and Employer Accounts. The Trustees shall determine the options to be made available through the Trust for the investment of Participant Accounts and Employer Accounts. For each Participant Account, the Participant shall elect one or more of the investment options into which the funds in such Participant Account will be allocated. For each Employer Account, the Employer (or a qualified investment manager appointed by the Employer) shall elect one or more of the investment options into which the funds in such Employer account will be allocated. Participant and Employer Account elections shall be made and changed in accordance with procedures established by the Trustees and as may be amended from time to time. In the event no election has been made with respect to a Participant Account or Employer Account, such Account shall be invested in one or more ~~options whose default investment objective is stable value~~ options as determined by the Trustees. Separate investments shall not be required to be maintained with respect to separate Participant Accounts or Employer Accounts. Any potential errors discovered regarding the investment elections or allocations of a Participant Account or Employer Account must be reported to the Plan in accordance with Section 4.6.

6.3 Reserved.

6.4 Claims Procedure. A person claiming benefits under the Plan, (referred to in this Section as the "Claimant") shall deliver a request for such benefit in writing to the Third-party Administrator. The Third-party Administrator shall review the Claimant's request for a Plan benefit and shall thereafter notify the Claimant of its decision as follows:

6.4.1 If the Claimant's request for benefits is approved by the Third-party Administrator, it shall notify the Claimant of such approval and distribute such benefits to the Claimant.

6.4.2 In the event the Third-party Administrator determines that a claim is questionable, the Third-party Administrator shall within thirty (30) days from the date the Claimant's request for Plan benefits was received by the Third-party Administrator, unless special circumstances require an extension of time for reviewing said claim, provide the Claimant with written notice of its need for additional information. In the event special circumstances require an extension of time for reviewing the Claimant's request for benefits, the Third-party Administrator shall, prior to the expiration of the initial thirty (30) day period referred to above, provide the Claimant with written notice of the extension and of the special circumstances which require such extension and of the date by which the Third-party Administrator expects to render its decision. In no event shall such extension exceed a period of fifteen (15) days from the date of the expiration of the initial period, totaling forty-five (45) days at a maximum.

6.4.3 If the Claimant's request for benefits is denied, in whole or in part, by the Third-party Administrator, the Third-party Administrator shall notify the Claimant of such denial and shall include in such notice, set forth in a manner calculated to be understood by the Claimant, the following:

6.4.3.1 The specific reason or reasons for the denial and sufficient information to identify the claim involved, including the date of service, the health care provider, the claim amount (if applicable), and a statement describing the availability, upon request, of the diagnosis code, the treatment code, and the corresponding meanings of these codes;

6.4.3.2 Specific reference to pertinent Plan provisions or IRS rules and regulations on which the denial is based;

6.4.3.3 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;

6.4.3.4 A description of available internal appeals processes, including information regarding how to initiate an appeal pursuant to paragraph 6.4.5 below; and

6.4.3.5 The availability of, and contact information for, an applicable office of health insurance consumer assistance or ombudsman.

6.4.4 The Third-party Administrator shall provide written notice of a denial of a request for Benefits. In the event written notice of a denial of a request for Benefits is not received by the Claimant within forty-five (45) days of the date the written claim is submitted to the Third-party Administrator, the request shall be deemed denied as of the date on which the Third-party Administrator's time period for rendering its decision expires.

6.4.5 Any Claimant whose request for Benefits has been denied or deemed denied, in whole or in part, or such Claimant's authorized representative, may appeal said denial of Plan benefits by submitting to the Third-party Administrator a written request for a review of such denied claim. Any such request for review must be delivered to the Third-party Administrator no later than one hundred eighty (180) days from the date the Claimant received written notification of the Third-party Administrator's initial denial of the Claimant's request for Benefits or from the date the claim was deemed denied, unless the Third-party Administrator, upon the written application of the Claimant or his authorized representative, shall in its discretion agree in writing to an extension of said period.

6.4.6 During the period prescribed in paragraph 6.4.5 for filing a request for review of a denied claim, the Third-party Administrator shall permit the Claimant to review pertinent documents and submit written issues and comments concerning the Claimant's request for Benefits.

6.4.7 Upon receiving a request by a Claimant, or his authorized representative, for a review of a denied claim, the Third-party Administrator shall deliver the complete file to the Trustees, who shall consider such request promptly and shall advise the Claimant of their decision within thirty (30) days from the date on which said request for review was

received by the Third-party Administrator, unless special circumstances require an extension of time for reviewing said denied claim. In the event special circumstances require an extension of time for reviewing said denied claim, the Third-party Administrator shall, prior to the expiration of the initial 30-day period referred to above, provide the Claimant with written notice of the extension and of the special circumstances which require such extension and of the date by which the Trustees expect to render their decision. In no event shall such extension exceed a period of forty-five (45) days from the date on which the Claimant's request for review was received by the Third-party Administrator. The Trustees' decision shall be furnished to the Claimant and shall:

6.4.7.1 Be written in a manner calculated to be understood by the Claimant;

6.4.7.2 Include specific reasons for their decision and sufficient information to identify the claim involved, including the date of service, the health care provider, the claim amount (if applicable) and a statement describing the availability, upon request, of diagnosis code, the treatment code, and the corresponding meanings of these codes;

6.4.7.3 Include specific references to the pertinent Plan provisions or IRS rules on which the decision is based;

6.4.7.4 A description of available external review processes, including information regarding how to initiate an appeal pursuant to paragraph 6.4.9 below; and

6.7.7.5 The availability of, and contact information for, an applicable office of health insurance consumer assistance or ombudsman.

6.4.8 The Trustees may, in their discretion, determine that a hearing is required in order to properly consider the Claimant's request for review of a denied claim. In the event the Trustees determine that such hearing is required, such determination shall, in and of itself, constitute special circumstances permitting an extension of time in which to consider the Claimant's request for review.

6.4.9 After exhausting the above claims procedures in full, any Claimant whose request for benefits has been denied or deemed denied, in whole or in part, or such Claimant's authorized representative, may file a request for an external review of such denied claim. Any such request for review must be delivered to the Third-party Administrator no later than the first day of the fifth month following the date the Claimant received written notification of the Trustees' final denial of the Claimant's request for benefits or from the date the claim was deemed denied. Within five (5) business days of receiving the external review request, the Third-party Administrator must complete a preliminary review to determine if the Claimant was covered under the Plan, the Claimant provided all the information and forms necessary to process the external review, and the Claimant has exhausted the internal appeals process.

Once the review above is complete, the Third-party Administrator has one (1) business day to notify the Claimant in writing of the outcome of its review. If Claimant is not eligible for external review, the notice must include contact information for the Department of Health and Human Services Health Insurance Assistance Team (HIAT). If

the Claimant's request for external review was incomplete, the notice must describe materials needed to complete the request and provide the later of 48 hours or the four-month filing period to complete the filing.

Upon satisfaction of the above requirements, the Third-party Administrator will provide that an independent review organization (IRO) will be assigned using a method of assignment that assures the independence and impartiality of the assignment process. Claimant may submit to the IRO in writing additional information to consider when conducting the external review, and the IRO must forward any additional information submitted by the Claimant to the Third-party Administrator within one (1) business day of receipt. The decision by the IRO is binding on the Plan and, as well as the Claimant, except to the extent other remedies are available under State or Federal law. For standard external review, the IRO must provide written notice to the Third-party Administrator and the Claimant of its decisions to uphold or reverse the benefit denial within no more than forty-five (45) days.

6.4.10 The claims procedures set forth in this Article VI shall be strictly adhered to by each Claimant under this Plan, and no judicial or arbitration proceedings with respect to any claim for Plan benefits hereunder shall be commenced by any such Claimant until the proceedings set forth herein have been exhausted in full.

6.5 Mechanics of Payment from Employer Accounts. The Employer, or its agent or authorized officer, may submit a request to the Third-party Administrator to transfer funds from the Employer's Account to be allocated to Participant Accounts or applied in any manner permitted by IRC §-501(c)(9) and the Plan and Trust and in accordance with the rules, policies and procedures established by the Third-party Administrator.

6.6.6 Health Care Debit Card Transactions are Not Claims. The presentation or use of a Card for payment at a merchant or vendor is not considered a submission of a formal claim under the Plan. In the event the merchant or vendor denies the transaction or the transaction is unable to be processed at the point of sale with that merchant or vendor, such denial of the transaction at the point of sale shall not be considered a denial under the Plan. If the transaction is approved at the point-of-sale, but the transaction is not electronically validated at the point of sale or later independently substantiated without further documentation, the Participant must submit such itemized bills, receipts, or other information requested by the Third-party Administrator to verify that the amount was an eligible expense reimbursable by the Plan. Where the Third-party Administrator determines that an expense is not eligible to be paid with the Card because the Participant or Dependent has not submitted the information requested by the Third-party Administrator to substantiate the claim as an expense reimbursable under the Plan (e.g., where the Card is suspended, the Plan requests reimbursement of the unsubstantiated expense and/or the Plan applies an overpayment against the applicable Participant Account and offsets against future claims), then denial of such Card payment would become a denial subject to the formal claims and appeals procedures under this Section 6.

6.7 Protected Health Information. The Plan shall comply with all applicable provisions of the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health (HITECH) Act, enacted as part of the American Recovery and Reinvestment Act of 2009, and the Omnibus Rule of 2013 with respect to protecting the privacy and security of Protected Health Information (PHI).

6.67.1 Plan Uses of Protected Health Information. The Plan shall adhere to procedures regarding the permitted and required uses by, and disclosures to, the Plan of PHI for plan administrative and other permitted purposes. The Plan shall:

6.67.1.1 not use or disclose PHI other than as permitted by the Plan documents or as otherwise required or permitted by law;

6.67.1.2 ensure that any agents, subcontractors or business associates to whom the plan provides PHI shall agree to the same restrictions that apply to the Plan;

6.67.1.3 not use or disclose PHI for purposes other than the minimum necessary to administer the Plan;

6.67.1.4 report to the Privacy Official any known use or disclosure that is inconsistent with permitted use and disclosures;

6.67.1.5 make PHI available to Plan participants, consider their amendments, and, upon request, provide them with an accounting of PHI disclosures in accordance with the HIPAA privacy rules;

6.67.1.6 make internal records relating to the use and disclosure of PHI available to the Department of Health and Human Services upon request; and

6.67.1.7 the Plan shall destroy PHI in accordance with its Document Retention and Destruction Policy when the Plan is no longer required to maintain PHI.

6.78 Employer Uses of Protected Health Information.

6.78.1 HIPAA Plan Amendment. Members of the workforce of an Employer may have access to the individually identifiable health information of Participants for administration functions of the Plan. When this health information is provided from the Plan to the Employer, it is Protected Health Information (PHI) and, if it is transmitted by or maintained in electronic media, it is Electronic PHI. The provisions of Section 6.78 shall constitute the “HIPAA Plan Amendment” required by and incorporating the provisions of 45 CFR §164.504(f)(2)(ii).

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its implementing regulations restrict the Employer’s ability to use and disclose PHI and Electronic PHI.

The following HIPAA definitions of PHI and Electronic PHI apply to this HIPAA Plan Amendment:

“Protected Health Information (PHI)” means information that is created or received by the Plan and relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present,

or future payment for the provision of health care to an individual; and that identifies the individual or for which there is a reasonable basis to believe that the information can be used to identify the individual. Protected health information includes information of persons living or deceased and also includes Electronic PHI.

“Electronic Protected Health Information (Electronic PHI)” means Protected Health Information that is transmitted by or maintained in electronic media.

“Privacy Official” means the Vice Chairman of the Board of Trustees or such other person appointed from time to time by the Board of Trustees to serve in such capacity.

An Employer shall have access to PHI and Electronic PHI from the Plan only as permitted under this HIPAA Plan Amendment or as otherwise required or permitted by HIPAA.

6.78.2 Permitted Disclosure of Enrollment/Disenrollment Information. The Plan may disclose to an Employer, information on whether the individual is participating in the Plan, or is enrolled in or has disenrolled from the Plan.

Enrollment and disenrollment information shall include, without limitation, name, employee ID or social security number, contribution history, account balance information, age, employment status (active, retired, separated), limited account status, account preferences (e-communication, etc.) or other information necessary to determine, verify, or assist with eligibility, enrollment or disenrollment of an Employee or Participant.

The Plan and each Employer acknowledge and agree that enrollment and disenrollment information is information of the Employer and is held on behalf of the Employer by the Plan Third-party Administrator. Enrollment and disenrollment information held at any time by the Employer is held in its capacity as an Employer and is not PHI.

6.78.3 Permitted Uses and Disclosure of Summary Health Information. The Plan may disclose Summary Health Information to an Employer, provided that the Employer requests the Summary Health Information for the purpose of (1) obtaining premium bids from service providers or health plans for providing services or health coverage under the Plan; or (2) modifying, amending, or terminating the Plan.

6.78.3.1 *“Summary Health Information”* means information (1) that summarizes the claims history, claims expenses, or type of claims experienced by individuals for whom a plan sponsor has provided health benefits under the Plan; and (2) from which the information described at 4245 CFR §164.514(b)(2)(i) has been deleted, except that the geographic information described in 4245 CFR §164.514(b)(2)(i)(B) need only be aggregated to the level of a five-digit ZIP code.

6.78.4 Permitted and Required Uses and Disclosure of Protected Health Information for Plan Administration Purposes. Unless otherwise permitted by law, and subject to the conditions of disclosure described in Section 6.78.5 and obtaining written certification pursuant to Section 6.78.8, the Plan may disclose PHI and Electronic PHI to an Employer, provided that the Employer uses or discloses such PHI and Electronic PHI only for Plan Administration Purposes.

6.78.4.1 “*Plan Administration Purposes*” means administration functions performed by the Employer on behalf of the Plan, such as quality assurance, claims processing and appeals, auditing, and monitoring. Plan administration functions do not include functions performed by the Employer in connection with any other benefit or benefit plan of the Employer or any employment-related actions or decisions.

6.78.4.2 Enrollment and disenrollment functions performed by the Employer are performed on behalf of Employees, Participants and Dependents, and are not Plan administration functions.

6.78.4.3 Notwithstanding any provisions of this Plan to the contrary, in no event shall an Employer be permitted to use or disclose PHI or Electronic PHI in a manner that is inconsistent with 45 CFR §164.504(f).

6.78.5 Conditions of Disclosure for Plan Administration Purposes. Each Employer agrees that with respect to any PHI it receives pursuant to this HIPAA Plan Amendment and its HIPAA Compliance Certificate delivered pursuant to Section 6.78.8 below (other than enrollment/disenrollment information and Summary Health Information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR §164.508, which are not subject to these restrictions) disclosed to it by the Plan, such Employer shall:

6.78.5.1 not use or further disclose the PHI other than as permitted or required by the Plan or as required by law;

6.78.5.2 ensure that any agent, including a subcontractor, to whom it provides PHI received from the Plan agrees to the same restrictions and conditions that apply to the Employer with respect to PHI;

6.78.5.3 not use or disclose the PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;

6.78.5.4 report to the Plan any use or disclosure of the PHI of which it becomes aware that is inconsistent with the uses or disclosures provided for;

6.78.5.5 make available PHI to comply with HIPAA's right to access in accordance with 45 CFR §164.524;

6.78.5.6 make available PHI for amendment, and incorporate any amendments to PHI, in accordance with 45 CFR §164.526;

6.78.5.7 make available the information required to provide an accounting of disclosures in accordance with 45 CFR §164.528;

6.78.5.8 make its internal practices, books, and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of Health and Human Services for purposes of determining compliance by the Plan with HIPAA's privacy requirements;

6.78.5.9 if feasible, return or destroy all PHI received from the Plan that the Employer still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and

6.78.5.10 ensure that adequate separation (i.e., the firewall) between employees of the Employer who need the information for Plan Administration Purposes and employees of the Employer who do not need the information for Plan Administration Purposes or who do not perform Plan administration functions on behalf of the Employer, required by 45 CFR §504(f)(2)(iii), is established.

6.78.6 Additional Requirements. Each Employer further agrees that if it creates, receives, maintains, or transmits any Electronic PHI pursuant to this HIPAA Plan Amendment and its HIPAA Compliance Certificate delivered pursuant to Section 6.78.8 below (other than enrollment/disenrollment information and Summary Health Information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR §164.508, which are not subject to these restrictions) on behalf of the Plan or in connection with a Plan Administration Purpose, it will:

- a. implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic PHI that it creates, receives, maintains, or transmits on behalf of the Plan;
- b. ensure that the adequate separation (i.e., the firewall) between employees of the Employer who need the information for Plan Administration Purposes and employees of the Employer who do not need the information for Plan Administration Purposes or who do not perform Plan administration functions on behalf of the Employer, required by 45 CFR §-504(f)(2)(iii) is supported by reasonable and appropriate security measures;
- c. ensure that any agent, including a subcontractor, to whom it provides Electronic PHI agrees to implement reasonable and appropriate security measures to protect the information; and
- d. report to the Plan any security incident of which it becomes aware, as follows: Employer will report to the Plan, with such frequency and as soon as feasible, the aggregate number of unsuccessful, unauthorized attempts to access, use, disclose, modify, or destroy Electronic PHI or to interfere with systems operations in an information system containing Electronic PHI; in addition, Employer will report to the Plan as soon as feasible any successful unauthorized access, use, disclosure, modification, or destruction of Electronic PHI or interference with systems operations in an information system containing Electronic PHI.

6.78.7 Adequate Separation Between Plan and Employer and Between Employees Who Perform Plan Administration Functions and Employees Who Do Not Have Plan Administration Functions. Any Employer that receives any PHI pursuant to this HIPAA Plan Amendment and its HIPAA Compliance Certificate delivered pursuant

to Section 6.78.8 below (other than enrollment/disenrollment information and Summary Health Information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR §164.508, which are not subject to these restrictions) from the Plan shall allow access to the PHI to only those employees or classes of employees identified on the Employer's HIPAA Compliance Certificate required by this HIPAA Plan Amendment. No other persons shall have access to PHI. These specified employees (or classes of employees) shall only have access to and use of PHI to the extent necessary to perform the Plan administration functions that the Employer performs for the Plan. In the event that a specified employee does not comply with the provisions of this HIPAA Plan Amendment, the employee shall be subject to disciplinary action by the Employer for non-compliance pursuant to the Employer's employee discipline and termination procedures.

6.78.7.1 The Employer shall ensure that the provisions of this HIPAA Plan Amendment are supported by reasonable and appropriate security measures to the extent that the persons designated above create, receive, maintain, or transmit Electronic PHI on behalf of the Plan.

6.78.8 Certification of Employer. The Plan shall disclose PHI (other than enrollment/disenrollment information and Summary Health Information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR §164.508) to an Employer only upon the receipt of the Plan's HIPAA Compliance Certificate from the Employer acknowledging that the Plan has been drafted to incorporate the provisions of 45 CFR §164.504(f)(2)(ii), and that the Employer agrees to the conditions of disclosure set forth in Section 6.78.5 and all other conditions and requirements of this HIPAA Plan Amendment.

6.9 Qualified Medical Child Support Orders and National Medical Support Notices. The Plan shall comply with all applicable rules and laws relating to Qualified Medical Child Support Orders ("QMCSO") and National Medical Support Notices ("NMSN"). In the event a QMCSO or NMSN is received by the Plan, the Plan will follow the policies and procedures for determining and administering such order or notice as the same may be adopted or revised from time to time by the Administrator.

Article VII.

Administrator

7.1 Rights & Duties. The Trustees shall enforce this Plan in accordance with its terms and shall be charged with its general administration. In its capacity as the Administrator, the Board of Trustees may delegate administrative duties to the Third-party Administrator or other service providers or designees. Any Third-party Administrator and other service providers engaged by the Administrator shall exercise its delegated duties in a uniform, nondiscriminatory manner and shall have all necessary power and discretion to accomplish those purposes at the direction of the Administrator, including but not limited to the power:

7.1.1 To determine all questions relating to the eligibility of Employees to participate.

7.1.2 To determine entitlement to Benefits under the provisions of Article VI.

7.1.3 To compute and certify to the Administrator the amount and kind of benefits payable to the Participants and their Dependents.

7.1.4 To maintain all the necessary records for the administration of this Plan other than those maintained by the Employer.

7.1.5 To prepare and file or distribute all reports and notices required by law.

7.1.6 To authorize all the disbursements from the Trust.

7.1.7 To facilitate the investment elections made by Participants and Employer in a manner consistent with the objectives of the Plan and authorized by the Trust.

7.1.8 To make and publish such rules for the regulation of this Plan that are not inconsistent with the terms hereof.

7.1.9 To inform the Administrator with respect to the investment of Participant and Employer Accounts.

7.1.10 To assume and perform each and every duty and responsibility of the Administrator specified in the Plan documents or otherwise in accordance with applicable law to the extent so delegated in writing by the Administrator.

7.2 Information. To enable the Third-party Administrator to perform its functions, the Employer shall supply it with full and timely information on all matters relating to Employer contributions on behalf of Participants and Participant entitlement to benefits. The Employer shall also supply the Third-party Administrator with full and timely information on all matters relating to Employer contributions to an Employer Account. The Third-party Administrator shall maintain such information and advise the Administrator of such other information as may be pertinent to the administration of the Trust.

The Third-party Administrator shall have neither the right nor the obligation to interpret the provisions of any collective bargaining agreement, Employer policy, or other statement or action for the purpose of performing its duties under the Plan or the Trust, and the Third-party Administrator shall have the right to rely on information provided by the Employer pursuant to this ~~section~~Section with respect to Employee eligibility and other applicable information contained in any collective bargaining agreement, Employer policy, or other statement or action.

7.2.1 The Trust shall provide to each Participant, information necessary to use their Participant Account and receive reimbursement of Benefits. The information will include a summary of the Plan, including claim procedures and instructions on how to acquire plan forms. The Trust shall also communicate within a reasonable amount of time after receipt of the contribution or transfer an acknowledgement to the Participant with a Participant Account or the Employer with an Employer Account, whichever is applicable, acknowledging establishment of the Participant Account or Employer Account; confirmation of the amount received; a summary of the Plan and information on filing claims with copies of the necessary forms, if applicable; and a toll-free contact telephone number for error corrections or questions.

7.2.2 The Trust shall provide a written statement prepared upon a Participant's or Employer's request, and at least semi-annually for each Participant and Employer, which

shall include the following information: Participant's or Employer's name and address, whichever is applicable; Participant Account number; contributions; total Account value at statement date; interest earned or other shared gain or loss; payout and disbursement activities, ending/forward balance; toll-free contact telephone number for error corrections or questions on reading the statement.

7.2.3 The Trust shall provide a monthly unaudited report to the Administrator including the following: income statement, balance sheet, year to date budget, number of Participant Accounts, and other such reports which are permitted by law, or as the Administrator and/or Employers request and agreed to by the Third-party Administrator.

7.3 Compensation, Expenses, and Governmental Fees, Taxes and Assessments.

Consultant and investment manager expenses for the Plan may be paid by reasonable reductions of investment earnings and/or assessments from the Participants' Accounts as determined by the Administrator from time to time. Additionally, all other necessary Plan expenses, including but not limited to: legal, benefits staff, Third-party Administrator, auditing, printing, postage, mail service, plan administration software or technology, Trustee, bank, consultant fees, and, to the extent permitted by applicable law, all governmental fees, taxes, and assessments applicable to the Trust, the Plan, the Trustees, or Participants, may be paid through a reduction of investment earnings and/or reasonable fees and assessments from Participant Accounts as determined by the Administrator from time to time.

7.4 Consultants, Advisors & Managers. The Administrator may employ such consultants, advisors, investment managers, Third-party Administrators, and other service providers as it reasonably deems necessary or useful in carrying out its duties hereunder, all of which shall be considered expenses of administering the Plan.

7.5 Liability Limitation. The Employer, the Administrator and the Third-party Administrator shall not be liable for the acts or omissions to act of any investment manager appointed to manage the assets of the Plan and Trust. The Trustees shall not be liable for the acts or omissions to act of any investment manager appointed to manage the assets of the Plan and Trust if the Trustee in appointing and monitoring such manager acted with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person would use in the conduct of an enterprise of a like character and with like aims.

7.6 Notices & Directions. The address for delivery of all communications shall be:

HRA VEBA Trust
c/o Gallagher Benefit Services, Inc.
906 W 2nd Avenue, Suite 400
Spokane, WA 99201-4537
(509) 838-5571 Telephone
(509) 838-5613 Fax
1-800-888-8322 Toll-free
[mark_wilkerson](mailto:mark_wilkerson@ajg.com)Charlie_Isaacs@ajg.com

7.7 Funding Policy & Procedures. The Administrator shall formulate policies, practices, and procedures to carry out the funding of the Plan, which shall be consistent with the Plan objectives and in accordance with applicable law.

Article VIII.
Amendment & Termination

8.1 Permanency. It is the expectation of the Employers and Trustees that this Plan, and the payment of Benefits hereunder, will be continued indefinitely, but continuance of this Plan or contributions to this Plan is not assumed as a contractual obligation of the Employers or Trustees. This Plan may be amended or terminated only as provided in this Article.

8.2 Exclusive Benefit Rule. It shall be impossible for any part of the funds in Participant Accounts under this Plan to be used for, or diverted to, purposes other than the exclusive benefit of the Participants or their Dependents, and to defray the reasonable expenses of administering the Trust and this Plan.

8.3 Amendments.

8.3.1 The Trustees shall have the right to amend this Plan from time to time, and to amend or cancel any such amendments.

8.3.2 Such amendments shall be as set forth in an instrument in writing executed by the Trustees. Any amendment may be current, retroactive, or prospective, in each case as provided therein and provided, however, that such amendment must comply with Article III of the Trust Agreement.

8.4 Discontinuance of Contributions. Each Employer shall have the right to discontinue contributions without prior notice by delivering written notice of termination to the Trustees.

8.5 Termination of Plan. The Trustees shall have the right to terminate this Plan without prior notice unless required by law by delivering written notice of termination to the Employers and Participants. In case of termination, the Trustees shall also notify the Employers and Participants of the Trustees' decision with regard to disposition of the assets, based on the following options, each of which shall be subject to any losses on or other contractual adjustments applicable to invested assets that may accrue or become due as a result of such disposition:

8.5.1 A direct in-kind transfer of assets to a substantially similar IRC §-501(c)(9) trust;

8.5.2 A series of installment payments over a set period or time of the assets from the Trust attributable to this Plan to another IRC §-501(c)(9) trust; or

8.5.3 An immediate cash payment to another IRC §-501(c)(9) trust or another program providing benefits permitted by IRC §-501(c)(9); or

8.5.4 Any other method permitted by IRC §-501(c)(9).

_____ In any event, the Employers and the Trustees shall work to prevent adverse consequences to Participants and other Employers contributing to the Trust as a result of any Employer's decision or action with respect to these options. An Employer whose Employer Account or whose Employees' Participant Accounts are to be transferred from the Trust agrees to pay the Trust all reasonable costs resulting from the disposition or transfer of the assets that are to be transferred.

Article IX.

Miscellaneous

9.1 Conflicting Provisions. This Plan, the Trust, the Employer Adoption Agreement, and the Participant Enrollment File are all parts of a single, integrated employee benefit system and shall be construed together. In the event of any conflict between the terms of this Plan and the Participant Enrollment File, the Employer Adoption Agreement and the terms of the Trust, such conflict shall be resolved first by reference to the Trust Agreement, then the Plan Document, then the Employer Adoption Agreement, and then the Participant Enrollment File.

9.2 Applicable Law; Severability. Except as required in §-514 of the Employee Retirement Income Security Act of 1974 ("ERISA"), this Plan shall be construed, administered, and governed under the laws of the State of Washington. If any provision of this Plan shall be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

9.3 Gender & Number. Words used in the masculine shall apply to the feminine where applicable, and vice versa, and when the context requires, the plural shall be read as the singular and singular as the plural.

9.4 Headings. Headings used in this Plan are inserted for convenience of reference only, and any conflict between such headings and the text shall be resolved in favor of the text.

9.5 Forfeiture of Unclaimed Participant Accounts. ~~The account balance in a Participant Account shall be forfeited and applied as provided in Section 5.4~~ In an effort to preserve Participant Accounts from becoming unclaimed or forfeited, the Administrator may implement policies and procedures to locate Participants. In each instance for which a Participant (1) has combined account balances greater than \$250 and (2) for a period of at least six months has met the conditions set forth under Sections 9.5.1 – 9.5.3 below and has otherwise been unreachable by the Plan, the Administrator may engage third-party services to locate the Participant. Reasonable fees and expenses incurred by the Administrator in its effort to locate a Participant under the foregoing circumstances may be charged against one Participant Account up to an amount not to exceed the lower of \$100 or 20% of the combined account balances. Notwithstanding the above, the account balance in a Participant Account shall be forfeited and applied as provided in Section 5.6 if (a) within the Unclaimed Account Forfeiture Period (defined below) at least two communications from the Plan to the Participant have been returned as undeliverable or, in accordance with the policies and procedures of the Plan, the Plan Administrator has determined that the Participant is not locatable; and (b) during the entire Unclaimed Account Forfeiture Period, the following conditions exist:

9.5.1 Such Participant Account has a positive account balance and is claims-eligible;

9.5.2 No contributions to or withdrawals from the Participant Account have occurred; and

9.5.3 No communications or other expressions of interest have been received by the Third-party Administrator from or on behalf of the Participant of such Participant Account.

For purposes of this Section 9.5, the “Unclaimed Account Forfeiture Period” shall be a continuous period that is equal to thirty (30) days less than the shorter of (i) the statutory period for forfeiture under the applicable State unclaimed property statute for such Participant Account or (ii) three years.

9.6 Limitation on Rights. Neither the establishment of this Plan, nor any modification or amendment thereof, nor the payment of any Benefits, nor the issuance of any insurance contracts shall be construed as giving any Participant, or any person whomsoever, any legal or equitable right against the Trustees, the State of Washington, its agencies, officers, employees, and institutions of higher education, or the Employers or Administrator or Third-party Administrator or any of their agents or employees, nor any right to the assets of the Plan, except as expressly provided herein.

9.7 Assignment. The interest of any Participant or Employer in any assets held on his or its behalf by the Trustee shall not be subject to assignment or alienation, either by voluntary or involuntary act of the Participant or Employer or by operation of law, and shall not be subject to assignment, attachment, execution, garnishment, or any other legal or equitable process, except to the extent required by law.

9.8 Counterparts. This Plan may be adopted in an original and any number of counterparts, each of which shall be deemed to be an original of one and the same instrument.

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IN WITNESS WHEREOF, Douglas Detling, Chairman of the Board of Trustees, being
duly authorized, on this _____ day of _____, ~~2017~~2020 signed this Plan Document.

By: _____

~~Doug~~Douglas Detling, Chairman

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
~~STANDARD HEALTH CARE REIMBURSEMENT PLAN~~
FOR PUBLIC EMPLOYEES IN THE NORTHWEST

~~(LIMITED~~
HEALTH REIMBURSEMENT ARRANGEMENT (HRA) PLAN**~~)~~**

AMENDED AND RESTATED
As of January 1, ~~2017~~2020

Article I.
General Provisions

1.1 Name. The name of this Plan is the VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION STANDARD HEALTH CARE REIMBURSEMENT PLAN FOR PUBLIC EMPLOYEES IN THE NORTHWEST ("Limited HRA Plan" or "Plan"). The Trust may offer one or more HRA plans or forms of HRA plan coverage from time to time. The term "Plan" or "HRA Plan" shall refer to this Limited HRA Plan either individually or collectively with other plans or forms of plan coverage offered by the Trust as the context indicates or requires. This Plan is offered by a voluntary employees' beneficiary association under Internal Revenue Code §-501(c)(9). The effective date for the Plan is October 1, 1990.

1.2 Plan Documents. This Plan document sets for the terms and conditions for certain types of limited coverage under the Limited HRA Plan. This Plan document, together with the Trust Agreement, the most current version of the Plan Summary, the individual Participant Enrollment File, and the Employer Adoption Agreement, as the same may be amended, restated, or replaced from time to time, shall constitute the Plan documents for Limited HRA Plan coverage. This Plan document amends, restates, and replaces the prior Standard HRA Pre-Medicare Limited-Scope Plan and the Post-separation HRA Pre-Medicare Limited Scope Plan documents in their entirety.

1.3 Limited HRA Coverage/Excepted Benefits Plan. Participants and their Dependents covered under this Limited HRA Plan may be subject to or may elect or may un-elect the specific Limited HRA Coverages offered under this Limited HRA Plan in accordance with the terms and conditions of this Plan, the Integrated HRA Plan, and the Post-separation HRA Plan; policies and procedures of the Administrator; and applicable law. The Plan may add additional types of Limited HRA Plan coverages or remove Limited HRA Plan coverages as permitted or required by applicable law or as determined by the Trustees in accordance with applicable law and the terms of the Plan Documents. Claims and recordkeeping administration for this Limited HRA Plan and other Plan coverages are administered under a contract separate from claims administration for the group health plan or other benefit plans of the Employer. During any period in which the Participant or any of his or her Dependents is automatically subject to or has elected coverage under this Limited HRA Plan, the Participant or the Dependent shall have the right to decline or revoke coverage under the Limited HRA Plan by notifying the Administrator by phone or in writing.

1.3.1 Limited-Scope/Excepted Benefits Coverage; Premium Tax Credit Eligibility. This Limited HRA Plan coverage is designed to be exempt from the Mandates as an HRA plan that provides only benefits that are considered Excepted Benefits as

provided in 26 C.F.R. § 54.9831-1 (c)(3)(i)-(iv), and further described under Section 5.1. This Limited HRA Plan coverage (i) does not qualify as “minimum essential coverage,” as defined under IRC §-5000A, (ii) will not prevent a Participant from eligibility for an IRC §-36B premium tax credit, ~~and~~ (iii) will not be reported on IRS Form 1095B as required by IRC §-6055- for minimum essential coverage, and (iv) is not an “Excepted Benefit HRA” as defined in 26 C.F.R. § 54.9831-1(c)(3)(viii)..

1.3.2 Coverage for Coordination of Benefits and Section 111 Reporting. This Limited HRA Plan coverage is designed to be exempt from the Mandates as an HRA plan that provides only benefits are considered Excepted Benefits as provided in 26 C.F.R. § 54.9831-1(c)(3)(i)-(iii), and further described under IRS Notice 2015-87 Q&A-5 and Section 5.1. Excepted Benefits under this Limited HRA Plan coverage are further limited to only expenses and premiums for dental and vision in order to coordinate benefits for purposes of HRA coverage reporting requirements under Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA). This Limited HRA Plan coverage (i) does not qualify as “minimum essential coverage,” as defined under IRC § 5000A, (ii) will not prevent a Participant from eligibility for an IRC §-36B premium tax credit, ~~and~~ (iii) will not be reported on IRS Form 1095B as required by IRC §-6055- for minimum essential coverage, and (iv) is not an “Excepted Benefit HRA” as defined in 26 C.F.R. § 54.9831-1(c)(3)(viii).

1.3.3 HSA Eligibility Coverage. Benefits under this Limited HRA Plan coverage may be expanded beyond Excepted Benefits only under certain circumstances set forth under Section 5.1 to allow a Participant to become eligible for contributions to a health savings account or HSA. Coverage for HSA eligibility purposes under this Limited HRA Plan (i) constitutes “minimum essential coverage,” as defined under IRC §-5000A, ~~(ii) will not be effective~~ subject to enable the Mandates (ii) may preclude a Participant ~~to become potentially eligible from eligibility~~ for an IRC §-36B premium tax credit ~~or for exemption from the Mandates, and~~ (iii) will be reported on IRS Form 1095B as required by IRC §-6055- for minimum essential coverage, and (iv) is not an “Excepted Benefit HRA” as defined in 26 C.F.R. § 54.9831-1(c)(3)(viii).

1.4 Interpretation of Capitalized Terms. Capitalized terms used herein and not otherwise defined in this document shall have the meanings ascribed to such terms in the other Plan documents. In the event there is a conflict in the definition ascribed to any term in two or more Plan documents, Plan forms, or other Plan materials, the definition ascribed to such term within any particular document shall apply for interpretation of that document, and if not defined therein, the meaning that shall apply for interpretation of a document shall be determined by reference first to the Trust Agreement, second to the Plan Document, third to the applicable Employer Adoption Agreement, and fourth to the applicable Participant Enrollment File.

1.5 Definitions.

“Administrator” means the Board of Trustees or its designee, including any Third-party Administrator acting at the direction of the Trustees.

“Beneficiary” means a deceased Participant’s beneficiary who inherits the right to receive Benefits payable from the remaining balance of a Participant Account after the Participant is deceased without any surviving Dependents. ~~-A~~ Beneficiary can inherit the right to receive Benefits either as a former Dependent, an adult child of the Participant, a beneficiary designated by the Participant, or by operation of the terms of the Plan. A

Beneficiary by operation of plan terms may arise in the absence of a valid beneficiary designation, if all of the designated beneficiaries predeceased, or if the Plan is unable to locate designated beneficiaries, all in accordance with the terms and conditions of Section 5.35 and policies and procedures of the Administrator.

“Benefits” refers to reimbursements for or payments of Qualified Health Care Expenses as described in Section 5.1, as such Benefits may be limited by elections of the Participant, the terms of the Plan, or applicable law.

“Card” means the debit/credit card(s) provided by the Administrator and used by Participants for the payment of Benefits under the Plan.

“Card Program” means the procedure and system established by the Administrator utilizing Cards for the payment of Benefits.

“Claims-Eligible” with respect to any Participant means that such Participant has satisfied the conditions required to become eligible for reimbursement of Qualified Health Care Expenses under this Plan.

“COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985 and the regulations promulgated thereunder, as amended from time to time.

“Credited” means, with respect to the timing of a contribution made to a Participant Account, the date on which the Participant who received such contribution earned or became entitled to such contribution pursuant to the terms of this Plan, applicable collective bargaining agreements, Employer policies, or other Employer actions or adoption procedures.

“Dependent” means a Participant’s spouse, dependent, (as defined in IRC Section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof), or child (who as of the end of the taxable year has not attained age 27) as determined under IRC § 105(b).

“Employee” means any individual that an Employer determines is a current or former employee of such Employer, as the term “employee” is defined by Treasury Regulation §-1.501(c)(9)-2(b), except employees excluded as a result of collective bargaining agreements, agreements substantially similar to collective bargaining agreements, or as a result of an individual Employer’s nondiscriminatory employer benefits policies.

“Employer” means ~~a~~ the States of Washington, Oregon, and Idaho, or any political subdivision thereof; any local government, including any county, city, town, special purpose district within Washington, Oregon, or Idaho; or any agency or instrumentality of any of the foregoing or other entity that is sufficiently affiliated with the Employers for purposes of IRC §-501(c)(9).

“Employer Account” refers to the account maintained with respect to any Employer to record its contributions which have not been allocated to Participant Accounts, and adjustments related thereto, and established for the purpose of providing benefits permitted under IRC §-501(c)(9).

“Employer Adoption Agreement” means an Employer Adoption Agreement executed by an Employer and accepted by the Trust, as the same may be amended and restated or replaced from time to time.

“Excepted Benefits” means Qualified Health Care Expenses that would not be considered “minimum essential coverage” under IRC §5000A(f)(3). Excepted Benefits shall include benefits described under Treasury Reg. §54.9831-1(c)(3)(~~iii~~) - (iv), including expenses and premiums for coverage for any of the following, or as otherwise permitted by law:

- (a) Medical care expenses substantially all of which are for the treatment of the eye or the mouth (including any organ or structure within the mouth); and
- (b) Qualified long-term care services or medical care expenses incurred based on cognitive impairment or loss of functional capacity that is expected to be chronic, subject to indexed annual limits.

“Group Health Plan” or “GHP” means a plan (including a self-insured plan) of, or contributed to by, an employer (including a self-employed person) and such term “group health plan” is defined under IRC §§~~9032~~9832(a) and 5000(b)(1) and Treasury Regulation 54.9831-1(a)(1).

“IRC” means the Internal Revenue Code of 1986, as amended from time to time.

“Mandates” means provisions of PPACA known as the “PHSA mandates” and found under ~~sections~~Sections 2701-2719A of the Public Health Service Act (“PHSA”); Section 9815 of the IRC (incorporating the PHSA provisions into the IRC); and Section 715 of ERISA (incorporating the PHSA provisions into ERISA~~-~~).

“Participant” means an Employee who has become eligible as a Participant as described in Article II. Except as specifically provided otherwise in this Plan document with respect to a Beneficiary, the term “Participant” as used in this Plan document and in the forms and literature used for administration of this Plan shall include any surviving spouse to whom a remaining balance in a Participant Account is transferred or any other person who becomes a Beneficiary under Section 5.~~35~~.

“Participant Account” refers to the account maintained for a Participant to record his/her share of the contributions of the Employer and adjustments relating thereto and established for the purpose of the payment of Benefits.

“Participant Effective Date” for any Participant means, as applicable, any of the following: (i) the date specified by the Employer in the Participant Enrollment File or (ii) if no date is specified for a Participant on the Participant Enrollment File, the date on which both a contribution and the required enrollment information for such Participant have been received by the Plan or (iii) if an Employer contribution has been received in the form of transferred assets from a former plan, the date specified by the Employer in the applicable transfer agreement on which the employee shall become a Participant; provided that, the Participant Effective Date cannot be a date prior to the Employee’s original hire date with the Employer or the effective date of this Plan (or in the case of a transfer under (iii) the effective date of the former plan).

“Participant Enrollment File” means the paper enrollment form, online enrollment information, or enrollment file provided by the Employer or a Participant with the information required by the Plan Administrator in order to enroll a Participant in the Plan.

“Plan Year” is from October 1 to September 30, except the first year for this Plan with an effective date other than October 1 shall run from such effective date until the next September 30.

“PPACA” means the Patient Protection and Affordable Care Act and all rules, regulations, and regulatory guidance applicable to the Plan promulgated thereunder, as the same shall be amended from time to time.

“Qualified Health Care Expenses” means medical care expenses defined by IRC § 213(d) and IRC §-106(f) (for years to which IRC §-106(f) applies).

“Re-employed” means, with respect to a Participant who has become Claims-Eligible upon retirement from employment or other separation from service from the Employer who last made contributions into such Participant’s Participant Account, that such Participant has become re-employed with such Employer under any circumstances.

“Third-party Administrator” means one or more third-parties appointed or contracted by the Administrator from time to time to provide record-keeping, claims-payment, and/or other plan administration services to all or a portion of the Trust or this Plan.

“Trust” or “Trust Agreement” refers to the Voluntary Employees’ Beneficiary Association for Public Employees in the Northwest Trust, as ~~the same it~~ may be amended, restated, or replaced from time to time.

“Trustees” refers, collectively, to the individuals serving in their capacity as the Board of Trustees in accordance with the Trust.

Article II. **Participation**

2.1 In General. Subject to the limitations of this Article II, and subject to the eligibility provisions of applicable local and State law, an Employee is eligible to become a Participant (and the Dependents of such Participant become eligible for coverage) under this Limited HRA Plan on any date on or after the Participant Effective Date, that either (i) the Participant has for himself or herself or on behalf of his or her Dependents elected coverage under this Limited HRA Plan or (ii) the Participant or a Dependent fails to meet the requirements for coverage and eligibility for Benefits under the Standard HRA Plan or the Post-separation HRA Plan.

2.2 Nondiscrimination. This Plan does not permit any condition for eligibility or benefits which would discriminate in favor of any class of Participants to the extent such discrimination is prohibited by applicable law.

2.3 Duration of Participation. ~~Upon becoming a Participant in the Plan, an Employee’s status as a Participant shall continue for as long as the Participant has a positive balance in any Participant Account. In addition, Participant status shall continue for forty five (45) days~~

~~during which all Participant Accounts for such Participant remain exhausted. If all Participant Accounts for such Participant remain exhausted for forty five (45) days, and the Third party Administrator has not received notice from the Employer that additional funds will be added to any of such Participant Accounts, then the Employee's status as a Participant and eligibility for Benefits shall temporarily terminate the first day immediately after such 45 day period. If a contribution or transfer is subsequently received into any Participant Account for such Participant before the end of two (2) complete and consecutive Plan Years, then such Employee's status as a Participant shall be restored back to the original effective date of such Participant Account, and such Participant shall be eligible to file claims for expenses incurred during the period his or her Participant status was temporarily terminated; provided that such Participant would have otherwise been Claims-Eligible during such period. If a contribution or transfer is not received into such Participant Account before the end of two (2) complete and consecutive Plan Years, then such Employee's status as a Participant shall be permanently terminated as of the end of such second Plan Year. An eligible Employee who has permanently lost his or her status as a Participant at the end of the second consecutive Plan Year may subsequently become a Participant in the Plan as prescribed in Section 2.1. Once a Participant becomes Claims-Eligible under the Plan, the Participant's active status with respect to any Participant Account shall exist for so long as there is a positive account balance in such Participant Account, and thereafter, for such period as determined under the policies and procedures of the Administrator ("Account Closure Period"), but not to exceed two (2) years. If a Participant Account remains exhausted for the Account Closure Period, the Participant's active status with respect to such Account shall terminate after such Account Closure Period in accordance with the Plan's policies and procedures. A Participant who has lost his or her active status with respect to any Participant Account may subsequently become a Participant in the Plan and Claims-Eligible as prescribed in Section 2.1. During any Account Closure Period for any Participant Account, a Participant may or may not receive statements or other plan communications with respect to such Participant Account, but will remain Claims-Eligible.~~

Article III.

Funding of Accounts

3.1 Contributions and Allocation of Assets. Each Employer shall contribute or transfer assets to this Plan, or designate assets to be subject to the terms of this Plan, on behalf of its eligible Employees pursuant to collective bargaining agreements, other written agreements, Employer benefits policies, and/or the terms of the Post-separation HRA, Standard HRA, or this Limited HRA Plan, as applicable. Employer contributions, transfers, or assets designated to be subject to the terms and conditions of this HRA Plan shall be specifically allocated to one or more Participant Accounts or to an Employer Account for the purpose of providing for payment of the Benefits described hereinafter or maintained in an Employer Account, as directed by the Employer. The liabilities, expenses, costs and charges associated with each particular Participant and Employer Account shall be charged against the portion of assets of the Trust held with respect to that particular Participant or Employer Account.

Article IV.

Accounts

4.1 Participant Accounts and Employer Accounts. Accounting records shall be maintained by the Third-party Administrator to reflect that portion of the Trust with respect to each Participant and with respect to each Employer (regarding its contributions which have not been allocated to Participant Accounts), and the contributions, income, losses, increases and decreases for expenses or benefit payments, transfers and adjustments attributable to each such account. The Administrator shall not be required to maintain separate investments for any account.

4.2 Receipt of Contributions or Transfers. Contributions or transfers for any Plan Year will be credited as received by the Third-party Administrator and will be allocated as directed by the Administrator consistent with Participant investment elections. If any portion of any Plan contribution is not allocable to a specific Participant Account or an Employer Account pursuant to instructions from the Employer, or if a complete Participant Enrollment File is not submitted for any amount allocated to a Participant Account, the Administrator will allocate such amount to a non-interest-bearing account for unallocated funds until such time as further instructions are received from the Employer, or the Administrator may return such contribution to the Employer. Notwithstanding the foregoing, Plan contributions received as assets transferred from a prior qualified plan on behalf of an Employee for whom a Participant Enrollment File is not submitted will not be returned to the Employer and will be treated as directed by the Employer in writing and in accordance with the policies and procedures established by the Administrator or Third-party Administrator.

4.3 Accounting Steps. The Third-party Administrator shall:

4.3.1 FIRST, allocate and credit any Employer contribution or transfer to this Plan that is made during the month to a Participant Account or Employer Account. Investment earnings or losses will accrue from the date the contribution or transfer is credited to a Participant Account or Employer Account, and funds will be invested as directed by the Participant or Employer in accordance with the policies and procedures of the Administrator, and investment earnings or losses will accrue from the date the contribution or transfer is credited to the Participant Account or Employer Account in accordance with the policies and procedures of the Administrator;

4.3.2 SECOND, adjust each Participant Account and Employer Account upward or downward, by an amount equal to the net income or loss accrued under this Plan by the Account; and

4.3.3 THIRD, charge to each Participant Account and Employer Account all fees, payments, transfers, adjustments, or distributions made under this Plan to or for the benefit of the Participant or his Dependents, or the Employer, as the case may be, that have not been charged previously.

4.4 Splitting Participant Account Upon Court Order or Agreement. To the extent permitted by applicable law, in the event of a Participant's divorce, a Participant Account may be split between the Participant and his or her former spouse upon receipt of a court order or agreement acceptable to the Administrator and subject to the policies and procedures of the Administrator; provided, however, the Administrator shall have the right not to split such account if it determines, in its sole discretion, that splitting of accounts upon divorce would result in disqualification of or adverse tax consequences for the Plan or Trust. The Administrator may value, report, withhold, and pay applicable taxes or other fees and charges in accordance with this Plan Document, the Administrator's policies and procedures, and applicable law.

4.5 Use of Employer Accounts. Funds within each Employer Account are, at the direction of the Employer, either to be allocated to Participant Accounts or to be applied in any manner permitted by IRC §-501(c)(9) and the Plan and Trust and in accordance with the rules, policies and procedures established by the Administrator.

4.6 Notify the Plan of Errors within Ninety (90) Days. Participants and Employers should regularly review account information and immediately report any potential errors to the Administrator. ~~If Participants and Employers must notify~~ the Administrator ~~does not receive notification~~ of an account error within ninety (90) days from the date the potential account error (a) is viewed by the applicable Participant or Employer online through the Plan portal or ~~first~~(b) appears on an account statement or other report received by the applicable Participant or Employer, ~~the Participant Account and/or Employer Account will be considered correct, whichever occurs first~~ (“Notification Period”). Notification of any potential errors should be in writing in accordance with Section 4.6.1 below.

4.6.1. Contents of Error Notification. Written notice of any potential account error must include: (1) the name of the Employer or Participant; (2) the applicable account number; and (3) a detailed description of the error, including any applicable dollar amounts and why the Participant or Employer believes it to be an error.

4.6.2 Investigation of Error-; Corrective Action. The Administrator will perform a timely investigation of any error notifications. The affected Participant(s) and/or Employer(s) will be notified regarding the results of the Plan’s investigation and any corrective actions taken in accordance with the policies and procedures of the Administrator or as otherwise directed by the Trustees. Correction of any errors will be applied prospectively and, retroactively for any losses incurred during the Notification Period defined by this Section 4.6, including any investment losses, if such losses are the direct result of the negligent error or omission on the part of the Plan or its representatives. However, neither the Plan, nor any of its representatives shall be liable for losses incurred by a Participant or Employer, as applicable, after expiration of the Notification Period.

4.7 Reliance Upon Data and Information from Participants and Employers. It is the responsibility of Participants and Employers in submitting data and information to the Plan to ensure that such data and information is correct. The Plan and its agents may rely upon any data or information submitted from a Participant or Employer as true and correct. The Plan and its agents are not responsible for any errors made by a Participant or Employer with regard to the data or information submitted to the Plan, nor are the Plan and its agents responsible for further errors that result from incorrect data or information submitted by a Participant or Employer. If a Participant or Employer discovers that information or data submitted to the Plan was incorrect, it is the responsibility of that Participant or Employer to notify the Plan in writing and correct the information or data.

Article V.

Qualified Health Care Expenses and Benefits under this Plan

5.1 Benefits for Qualified Health Care Expenses. Benefits under this Limited HRA Plan must be a reimbursement for medical care expenses as defined by IRC §-213(d) and IRC §106(f) and excludable from income under IRC §§-105 and 106, as amended from time to time, subject to the limitations, terms, and conditions below and any other limitations, terms, and conditions, under this Plan document, applicable law, or as otherwise provided in policies and procedures of the Administrator. Benefits are payable for expenses incurred by the Participant or the Participant’s Dependent(s), subject to the limitations under this Section, Section 1.3, Section 5.35. Benefits shall include Excepted Benefits expenses and premiums for qualified insurance coverage, reimbursed directly to the Participant.

5.1.1 General Limitations.

5.1.1.1 Reimbursements are limited to medical care expenses not covered by Social Security, Medicare, or any other health insurance contract or plan. Benefits may not include reimbursement for expenses that are deducted by the Participant under any section of the Internal Revenue Code, or for expenses which were incurred prior to becoming a Participant of the Plan.

5.1.1.2 Participants who are covered by an IRC §-125 healthcare flexible spending account which provides benefits covered under this Plan must exhaust benefits under the IRC §-125 ~~plan~~healthcare flexible spending account prior to filing a request for Benefits under this Plan.

5.1.1.3 Reimbursement for any claim submitted in accordance with this Article and the Plan may not exceed the current account balance in the applicable Participant Account at the time of reimbursement.

5.1.2 Specific Limited HRA Coverage Limitations. Participants covered under this Limited HRA Plan may be subject to or may elect or may un-elect any of the specific Limited HRA Plan coverages offered under this Limited HRA Plan in accordance with the terms and conditions of the Plan, policies and procedures of the Administrator, and applicable law. The Plan may add additional types of Limited HRA coverage or remove one or more types of Limited HRA Plan coverage as permitted or required by applicable law or as determined by the Trustees in accordance with applicable law and the terms of the Plan Documents. During any period in which the Participant or any of his or her Dependents is automatically subject to or has elected coverage under this Limited HRA Plan, the Participant shall have the right to decline or revoke coverage under the Limited HRA Plan by notifying the Administrator by phone or in writing.

5.1.2.1 Limited-Scope/Excepted Benefits Coverage. Coverage for Participants and their Dependents under this Plan is based upon either (i) ineligibility for coverage under the Standard HRA Plan or Post-separation HRA Plan or (ii) an Employer's Plan design or election to provide Limited HRA Coverage for current employees who have an account under the Post-separation HRA Plan or (iii) an election of Limited HRA Coverage for those Participants eligible for coverage under the Standard HRA Plan or Post-separation HRA Plan in order for the Participant or a Dependent to become eligible for the premium tax credit under IRC §36B.

5.1.2.2 Coverage for Coordination of Benefits and Coverage to Prevent Section 111 Reporting. Participants or Dependents who are covered under this Limited HRA Plan shall be eligible for Excepted Benefits other than reimbursement for expenses and qualified premiums for long-term care if their coverage under this Plan is modified based upon an election of Limited HRA coverage in order to coordinate benefits for purposes of HRA coverage reporting requirements under Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA).

5.1.2.3 Coverage for HSA Eligibility. Participants who are enrolled in or covered by a health savings account (HSA) and eligible for coverage under the Standard HRA Plan or Post-separation HRA Plan may elect this Limited HRA Plan

coverage in order to become eligible for contributions to an HSA. For Participants who elect this Limited HRA Plan coverage for HSA-eligibility purposes, Benefits under this Plan shall include only Excepted Benefits plus reimbursement for preventive care expenses and qualifying premiums for a high-deductible health plan under IRC §223(c)(2)~~(A)~~~~(A-)~~.

5.1.2 Claims for Benefits. Participants may file claims for Benefits on or after the date they become a Participant, provided the Third-party Administrator has received a complete Participant Enrollment File, a contribution or transfer on behalf of the Participant and any additional information that, in the discretion of the Third-party Administrator, is required or necessary for the Plan or Third-party Administrator to comply with applicable law, including without limitation, the reporting requirements under Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA).—

5.1.3 Payment of Benefits. Payment of Benefits shall be made in accordance with the rules, regulations and limitations established by the Administrator from time to time consistent with the requirements of the Internal Revenue Code and any other applicable law.

5.2 Termination of Benefits. All Benefits for any Participant will terminate as of the date such Participant permanently loses his or her status as a Participant pursuant to Section 2.3.

5.3 COBRA. Participants or Dependents have a right to continue to make contributions and/or receive Benefits under this Plan for a specified time period if such rights are lost due to certain qualifying events, as prescribed by COBRA. COBRA continuation coverage for certain qualifying events is dependent on the Plan receiving notification of qualifying events within certain time periods as prescribed by COBRA. The Plan will administer continuation of COBRA using policies and procedures required or permitted by COBRA.

5.4 Health Care Debit Cards. Participants in the HRA Plan may, subject to a procedure established by the Administrator, use the Card(s) provided by the Administrator for payment of Benefits, subject to the provisions below.

5.4.1 Each Participant, by participating in the Card Program and using the Card(s), certifies that such Card shall only be used for Benefits and that any Benefit paid with the Card has not already been reimbursed by any other plan covering health benefits and that the Participant will not seek reimbursement from any other plan covering health benefits.

5.4.2 The Card shall be issued upon the Participant becoming Claims-Eligible, and is valid until reissued or replaced and for so long as the Participant remains a Participant in the Plan. The dollar amount of coverage available on the Card shall be subject to policies and procedures of the Administrator. Participant shall not use the Card to pay claims in excess of the dollar amount available on the Card.

5.4.3 The Cards shall only be used for permitted Benefits.

5.4.4 Participant shall be subject to the terms and conditions of the cardholder agreement, which shall be distributed with the Card.

5.4.5 Purchases made with the Cards shall be subject to the substantiation requirements of the Administrator. The Administrator, in its sole discretion, shall adopt procedures to ensure that amounts paid with the Card qualify as eligible Benefits under the Plan. Substantiation may be accomplished in accordance with policies and procedures of the Administrator, including without limitation, by Participant's submission of a receipt from a merchant or service provider describing the service or product, the date of the purchase, and the amount. Some charges shall be considered substantiated at or after the time of the Card charge by the nature of the charge and information collected at the time of the charge. Some charges shall be considered substantiated due to their "recurring" nature, in which the expenses match expenses previously substantiated as to amount, provider, and time period. At the point of sale, the service provider or merchant can provide or make available to the Administrator information to substantiate the charge. All charges not automatically adjudicated shall be conditional, pending confirmation and substantiation.

5.4.6 Participants shall maintain records to substantiate payments of Benefits made with Cards. If the Card is used to pay an expense that is not automatically adjudicated or otherwise independently verified without additional documentation, the Participant must submit such itemized bills, receipts, or other information requested by the Administrator to verify that the amount was an eligible Benefit. If the Participant fails to provide information to satisfy the Administrator that amounts paid by use of the Card are eligible Card Services, the Administrator may, in its discretion, make the Plan whole by taking whatever action it deems appropriate to require the Participant to repay the amount that has not been verified, including:

- (a) requesting the Participant to reimburse the Plan for the amount that has not been verified;
- (b) offsetting future reimbursement of claims by the amount paid by use of the Card that has not been verified;
- (c) suspending the activation on the Participant's Card; and
- (d) suspending the Participant's eligibility to use the Card and participate in the Plan.

If the Administrator's correction efforts prove unsuccessful, the Participant remains indebted to the Plan for the amount of the payment that has not been verified. In that event, and consistent with its business practices, the Plan may treat the amount that has not been verified as it would any other business indebtedness. If the payment is not recovered within the timeframes specified in the policies and procedures of the Administrator, then the Plan may forgive the indebtedness, in which case the payment shall be reported as taxable income for the year in which the indebtedness is forgiven.

5.4.7 The Administrator, in its sole discretion, may adopt such other rules that it deems appropriate to govern the use of the Card to pay eligible Benefits (e.g., establishing transaction limits on the Card, charging fees to use such Cards, etc.).

5.4.8 The Card is subject to cancellation upon the following: Participant's death; Participant's termination of his or her participation in the HRA Plan; Employer's termination of participation in the Plan; Participant's failure to produce proper forms and

supporting documentation required for substantiation of the expense paid with the Card; or if Participant breaches any of his or her obligations under the cardholder agreement.

5.35.5 Benefits Available in the Event of Death.

5.35.1 Participant and Dependent Benefits. If a Participant dies with a vested, positive account balance in any Participant Account (including the circumstance where vesting occurs as a result of the death of the Participant in accordance with any applicable collective bargaining agreement, Employer policy, or other statement or action of the Employer), the remaining balance shall be applied as follows:

5.35.1.1 Surviving Spouse. The remaining balance may be transferred to the deceased Participant's surviving spouse, if any, who may file claims for Benefits incurred by the Participant and any Dependents, including the surviving spouse, until such account balance is exhausted. Benefits payable to a surviving spouse shall not include Benefits for any person(s) other than the surviving spouse and Dependents (if any) of the deceased Participant.

5.35.1.2 No Surviving Spouse. If the Participant dies without a surviving spouse but with other surviving Dependents or non-~~dependent~~Dependent children, or if the surviving spouse of the deceased Participant subsequently dies with other surviving Dependent(s) or non-~~dependent~~Dependent children of the Participant, the executor, administrator, or other representative of the Participant's estate may file claims for any remaining eligible expenses incurred by the Participant or the surviving spouse, as applicable. After the payment of all remaining eligible expenses of the Participant or surviving spouse, as applicable, the Plan may, subject to the policies and procedures of the Administrator, divide and transfer the remaining balance in a vested Participant Account in equal amounts to individual accounts assigned to each of the Participant's surviving Dependents and non-~~dependent~~Dependent children. In such event, the guardian(s) of any surviving Dependent(s) may file claims for eligible Benefits of the Dependent(s) and the non-~~dependent~~Dependent children may file claims for eligible benefits until such account balance is exhausted. —Furthermore, the Participant may elect, in accordance with the policies and procedures of the Administrator, to bypass any non-Dependent children in favor of a Designated Beneficiary(ies).

5.3.1.35.1.3 Treatment of Stepchildren. At the Participant's election, as the same may be made in accordance with the policies and procedures of the Administrator, a step child or the stepchildren of the Participant may be either included the same as any biological or adopted children, or bypassed in the survivor benefits in the same manner as any non-Dependent children.

5.5.1.4 Spouse and Dependent Right to Disclaim; Other Coverage Limitations. Any spouse, Dependent, or non-Dependent child of the Participant to whom all or a portion of the Participant Account balance is transferred pursuant to this Section 5.35.1 shall:

(a) have the right to disclaim his or her right to continued Benefits under the Plan as permitted by applicable state law, including without limitation, the Washington state statutory provisions of RCW 11.86.021, as amended, concerning disclaimer of interests and in accordance with the policies and procedures of the Administrator; and

(b) no longer be eligible for coverage under the Standard HRA Plan but shall be covered by this Post-separation HRA Plan and subject to the terms and conditions of the Post-separation HRA Plan document.

5.3.5.2 Beneficiary Benefits. This Plan (a) is part of a medical trust that is established on behalf of State and political subdivisions of Washington, Oregon, and Idaho, (b) has received a favorable ruling from the Internal Revenue Service that the trust's income is not includible in gross income by reason of the exemption from income tax provided to the Trust under IRC §-501(c)(9), (c) on or before January 1, 2008, provided for reimbursements of Qualified Health Care Expenses of a deceased employee's heirs and beneficiaries, and (d) qualifies to provide Benefits to a deceased employee's beneficiaries under IRC §105(j).

~~5.3.2.1~~ 5.5.2.1 General Beneficiary Terms. At any time after the death of a Participant and the Participant's spouse (if any), any vested funds then remaining in the applicable Participant Account may be transferred to one or more Beneficiaries as provided in this Section 5.3.5.2. A person's right to be a Beneficiary, and a Beneficiary's eligibility for Benefits from the remaining vested balance of a Participant Account, are subject to the rights and restrictions of applicable law, the terms and conditions set forth in this Section 5.3.5, and the policies and procedures of the Administrator, as the same may be amended from time to time. Benefits payable to Beneficiaries shall not include Benefits for the Dependents of the Beneficiary (either before or after the death of the Beneficiary). Beneficiaries determined under this Section 5.3.5.2 shall not be eligible for coverage under the Standard HRA Plan but shall be covered by the Post-separation HRA Plan or this Limited HRA Plan, in accordance with the terms and conditions of the Post-separation HRA Plan document or this Limited HRA Plan document, as applicable.

5.3.5.2.2 Benefits Remain Available for Surviving Dependents and Non-dependentDependent Children. To the extent all or a portion of the Participant Account of a deceased Participant has been previously transferred to or allocated among one or more qualified Dependents and non-Dependent children of the Participant:

(a) Each non-Dependent child to whom a portion of the Participant Account was transferred or allocated shall be a Beneficiary, and

(b) Each surviving Dependent to whom a portion of the Participant Account was transferred or allocated shall become a Beneficiary as of the earlier of (1) January 1 of the year after such Dependent turns the age of 26 or (2) the date on which such Dependent otherwise loses status as a qualified Dependent.

5.3.5.2.3 Benefits Available for Designated Beneficiaries. A Participant may designate one or more persons who may be eligible as a Beneficiary for Benefits payable from the balance remaining in the applicable Participant Account in the event: (1) there are no eligible surviving Dependents or non-Dependent children of the Participant as provided under Section ~~5.3.1.2~~ or 5.1.2; (2) the Participant has no surviving Dependents and has elected to bypass non-Dependent

children and/or stepchildren in favor of a Designated Beneficiary(ies); or (3) as otherwise permitted by the Administrator and applicable law. In order to be effective to transfer an interest in the Benefits payable from the remaining balance of a Participant Account, a Participant's beneficiary designation must be properly made and delivered to the Plan, according to policies and procedures of the Administrator, prior to the Participant's death. -A Beneficiary designated under this Section 5.35.2.3 shall be eligible as a Beneficiary only if the Participant and the Participant's spouse decease with no surviving Dependents or non-Dependent children of the Participant as provided under Section 5.3.1.25.1.2 (except in cases where the Participant elects to bypass any non-Dependent children and/or stepchildren) or as otherwise permitted by the Administrator and applicable law. Beneficiaries under this Section 5.35.2.3 shall be allocated equal percentages in the remaining balance of the Participant Account.

5.35.2.4 Benefits Available for Certain Heirs. In the absence of (1) any Beneficiary under Section 5.35.2.2, (2) a valid Beneficiary designation under Section 5.35.2.3, and (3) the ability of the Plan to locate any Beneficiaries designated by the Participant under Section 5.35.2.3, the remaining balance under a Participant Account of a Participant or surviving spouse who decease with no surviving Dependents or non-Dependent children of the Participant as provided under Section 5.35.1.2 may be transferred to one or more of the following persons in the order provided below, such that if there are one or more Beneficiaries at any level, persons in subsequent levels will not be eligible as Beneficiaries. To the extent there is more than one eligible Beneficiary at any level under this Section 5.35.2.4, Beneficiaries at that level shall be allocated equal percentages in the remaining balance of the Participant Account.

First level: To any grandchildren of the deceased Participant.

Second level: ~~If there are no grandchildren~~ To any siblings of the deceased Participant who ~~can be located by the Plan, then siblings who~~ share the same two biological parents of the deceased Participant.

Third level: To any parents of the deceased Participant.

Fourth level: To any nieces and nephews of the deceased Participant.

Fifth level: To any aunts and uncles of the deceased Participant.

Sixth level: To any cousins of the deceased Participant.

5.35.2.5 Beneficiary's Right to Disclaim; Other Coverage Limitations. Any Beneficiary to whom all or a portion of the Participant Account balance is transferred pursuant to this Section 5.35.2:

(a) shall have the right to disclaim his or her right to continued Benefits under the Plan as permitted by applicable state law, including without limitation, the Washington state statutory provisions of RCW 11.86.021, as amended, concerning disclaimer of interests and in accordance with the policies and procedures of the Administrator; and

(b) shall not be eligible for coverage under the Standard HRA Plan but shall be covered by the Post-separation HRA Plan or this Limited HRA Plan, in accordance with the terms and conditions of the Post-separation HRA Plan document or this Limited HRA Plan document, as applicable; and

(c) shall not, and his or her Dependents shall not, have rights under COBRA.

5.35.3. Tax Reporting and Withholding on Beneficiary Benefits. A Beneficiary's eligibility for Benefits, the valuation of Plan coverage, and the reporting, withholding and/or payment (if any) of taxes applicable to such coverage shall be subject to applicable law and the rules, policies, and procedures of the Administrator.

5.35.4 Plan Document Preempts Will or Trust. To the extent permitted by applicable state law, including without limitation, Washington state statutory provisions of RCW 11.02.091, as amended, the Plan provisions under this Section 5.35 shall take precedence over the terms of a will or trust or the intestate succession laws that would otherwise govern the transfer of a Participant's interest in a Participant Account and the Benefits payable thereunder.

5.35.5 Authority of Spouse and Reliance on Death Certificate. In accordance with the Administrator's rules, policies, and procedures, and subject to applicable law, the Plan may rely upon a copy of the official death certificate of the Participant for proof of the Participant's marital status and identification of the Participant's spouse and any other information represented on the death certificate. Should the Participant have a surviving spouse identified on the death certificate, the surviving spouse shall have the authority to file claims, handle the Participant Account, and provide further information to the Plan without further court documentation or proof of the spouse's authority in handling the Participant's estate. For purposes of handling the deceased Participant's Account, evidence of a surviving spouse represented on the Participant's death certificate shall take precedence over the terms of a will, trust, or other court documentation naming another individual as the authoritative party handling the Participant's estate.

5.35.6 Re-allocation after the death of another Dependent or Beneficiary. If, after the death of a Participant and the Participant's spouse, any Dependent or Beneficiary to whom a portion of the Participant Account was transferred or allocated dies, any remaining balance in the Account previously transferred or allocated to such Beneficiary shall be transferred or allocated in equal shares to any other surviving Dependents or Beneficiaries with a remaining positive Account balance.

5.35.7 Forfeiture of Remaining Balance. After the death of a Participant with no surviving Dependents or Beneficiaries, or if no surviving Dependents or potential Beneficiaries can be located by the Plan, any vested funds then remaining in the applicable Participant Account shall be forfeited and applied as provided in Section 5.46. Any vested balance that remains in an account previously transferred or allocated to a Beneficiary after the death of the Beneficiary with no other surviving Dependents or Beneficiaries as provided in Section 5.35.6, shall be forfeited and applied as provided in Section 5.46.

5.35.8 Procedure for Locating Beneficiaries. For any potential Beneficiary under this Section 5.35, the Plan may rely on (1) a certification of a personal estate representative

or other legal representative of the Participant's estate acceptable under the policies or procedures of the Administrator, or (2) in the absence of a personal estate representative or other legal representative, certifications of potential Beneficiaries as to whether another potential Beneficiary remains alive and to provide any other information that may assist the Plan in locating the potential Beneficiary. If the whereabouts of a potential Beneficiary remain unknown, the Plan shall hold the transfer of the account open for at least 180 days from the date the Administrator determines the Beneficiary's whereabouts to be unknown, to allow the Beneficiary to claim his or her interest in the account. During such 180-day period, the Plan ~~shall have the right~~ may (but shall not be obligated) to use ~~other~~ reasonable means to locate the potential Beneficiary. If the Administrator determines after such 180-day period that there are no eligible Beneficiaries to whom the remaining balance in a Participant Account may be transferred pursuant to the terms of this Section 5.35, the Administrator may forfeit the remaining Account balance as provided in Section 5.35.7.

5.35.9 Plan Interpretation after the Death of a Participant. For purposes of interpretation of Plan terms and administration of this Plan, except as specifically provided otherwise in this Plan document, once remaining funds in a Participant Account are transferred or allocated to a Beneficiary under Section 5.35, references in this Plan document, the Post-separation HRA Plan document, the Limited HRA Plan document, and in the forms and literature used for administration of each of those Plans to the term "Participant" shall include any Beneficiary of the Participant.

5.45.6 Forfeiture of Participant Account Balance. In the event any funds within a Participant Account are forfeited in accordance with the terms of the Plan documents, such forfeited funds shall be transferred to a temporary forfeiture account held within the Trust on behalf of all Participants of the deceased or forfeiting Participant's Employer within the Trust, to be re-contributed as future contributions to Participants eligible for contributions or otherwise applied, as directed by the Employer, in all cases to the fullest extent permitted by applicable law and subject to the rules, policies and procedures established by the Administrator.

Article VI.

Additional Plan Provisions

6.1 Source of Benefits. The Plan's obligation to any Participant for Benefits under the Plan, or to one or more surviving Dependents for Benefits under the Plan in the event of the Participant's death, shall be limited (in the aggregate) to the balance in such Participant's Participant Account. None of the Plan, the Trust, Trustees, or Administrator, nor any of their agents, subcontractors, representatives, officers, or employees shall be responsible for confirming or enforcing the terms of collective bargaining agreements, Employer policies, or other agreements regarding the terms of an Employee's eligibility to participate or amounts to be contributed on behalf of a Participant under this Plan.

6.2 Investment of Participant Accounts and Employer Accounts. The Trustees shall determine the options to be made available through the Trust for the investment of Participant Accounts and Employer Accounts. For each Participant Account, the Participant shall elect one or more of the investment options into which the funds in such Participant Account will be allocated. For each Employer Account, the Employer (or a qualified investment manager appointed by the Employer) shall elect one or more of the investment options into which the funds in such Employer account will be allocated. Participant and Employer Account elections shall be made and changed in accordance with procedures established by the Administrator and as may be amended from time to time. In the event no election has been made with respect to a Participant Account or Employer Account, such Account shall be invested in one or more ~~options whose default investment objective is stable value~~ options as determined by the Trustees. Separate investments shall not be required to be maintained with respect to separate Participant Accounts or Employer Accounts. Any potential errors discovered regarding the investments of a Participant Account or Employer Account must be reported to the Plan in accordance with Section 4.6.

6.3 Mechanics of Payment from Participant Accounts. The Participant, or other person authorized pursuant to a court order or other legal authorization (or in the event of the Participant's death, the deceased Participant's surviving Dependents or their legal guardian, in accordance with the rules, policies, and procedures of the Trust), may submit a request for Benefits to the Third-party Administrator for the Trust.

6.4 Claims Procedure. A person claiming benefits under the Plan, (referred to in this Section as the "Claimant") shall deliver a request for such benefit in writing to the Third-party Administrator. The Third-party Administrator shall review the Claimant's request for a Plan benefit and shall thereafter notify the Claimant of its decision as follows:

6.4.1 If the Claimant's request for benefits is approved by the Third-party Administrator, it shall notify the Claimant of such approval and distribute such benefits to the Claimant.

6.4.2 In the event the Third-party Administrator determines that a claim is questionable, the Third-party Administrator shall within thirty (30) days from the date the Claimant's request for Plan benefits was received by the Third-party Administrator, unless special circumstances require an extension of time for reviewing said claim, provide the Claimant with written notice of its need for additional information. In the event special circumstances require an extension of time for reviewing the Claimant's request for benefits, the Third-party Administrator shall, prior to the expiration of the initial thirty (30) day period referred to above, provide the Claimant with written notice of the extension and of the special circumstances which require such extension and of the date by which the Third-party Administrator expects to render its decision. In no event shall such extension exceed a period of fifteen (15) days from the date of the expiration of the initial period, totaling forty-five (45) days at a maximum.

6.4.3 If the Claimant's request for benefits is denied, in whole or in part, by the Third-party Administrator, the Third-party Administrator shall notify the Claimant of such denial and shall include in such notice, set forth in a manner calculated to be understood by the Claimant, the following:

6.4.3.1 The specific reason or reasons for the denial and sufficient information to identify the claim involved, including the date of service, the health care provider, the claim amount (if applicable) and a statement describing the

availability, upon request, of the diagnosis code, the treatment code, and the corresponding meanings of these codes;

6.4.3.2 Specific reference to pertinent Plan provisions or IRS rules and regulations on which the denial is based;

6.4.3.3 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;

6.4.3.4 A description of available internal appeals processes, including information regarding how to initiate an appeal pursuant to paragraph 6.4.5 below; and

6.4.3.5 The availability of, and contact information for, an applicable office of health insurance consumer assistance or ombudsman.

6.4.4 The Third-party Administrator shall provide written notice of a denial of a request for Benefits. In the event written notice of a denial of a request for Benefits is not received by the Claimant within forty-five (45) days of the date the written claim is submitted to the Third-party Administrator, the request shall be deemed denied as of that date.

6.4.5 Any Claimant whose request for Benefits has been denied or deemed denied, in whole or in part, or such Claimant's authorized representative, may appeal said denial of Plan benefits by submitting to the Third-party Administrator a written request for a review of such denied claim. Any such request for review must be delivered to the Third-party Administrator no later than one hundred eighty (180) days from the date the Claimant received written notification of the Third-party Administrator's initial denial of the Claimant's request for Benefits or from the date the claim was deemed denied, unless the Third-party Administrator, upon the written application of the Claimant or his authorized representative, shall in its discretion agree in writing to an extension of said period.

6.4.6 During the period prescribed in paragraph 6.4.5 for filing a request for review of a denied claim, the Third-party Administrator shall permit the Claimant to review pertinent documents and submit written issues and comments concerning the Claimant's request for Benefits.

6.4.7 Upon receiving a request by a Claimant, or his authorized representative, for a review of a denied claim, the Third-party Administrator shall deliver the complete file to the Trustees, who shall consider such request promptly and shall advise the Claimant of their decision within thirty (30) days from the date on which said request for review was received by the Third-party Administrator, unless special circumstances require an extension of time for reviewing said denied claim. In the event special circumstances require an extension of time for reviewing said denied claim, the Third-party Administrator shall, prior to the expiration of the initial 30-day period referred to above, provide the Claimant with written notice of the extension and of the special circumstances which require such extension and of the date by which the Trustees expect to render their decision. In no event shall such extension exceed a period of forty-five (45) days from the date on which the Claimant's request for review was received by the Third-party Administrator. The Trustees' decision shall be furnished to the Claimant and shall:

6.4.7.1 Be written in a manner calculated to be understood by the Claimant;

6.4.7.2 Include specific reasons for the decision and sufficient information to identify the claim involved, including the date of service, the health care provider, the claim amount (if applicable) and a statement describing the availability, upon request, of diagnosis code, the treatment code, and the corresponding meanings of these codes;

6.4.7.3 Include specific references to the pertinent Plan provisions on which the decision is based;

6.4.7.4 A description of available external review processes, including information regarding how to initiate an appeal pursuant to paragraph 6.4.9 below; and

6.7.7.5 The availability of, and contact information for, an applicable office of health insurance consumer assistance or ombudsman.

6.4.8 The Trustees may, in their discretion, determine that a hearing is required in order to properly consider the Claimant's request for review of a denied claim. In the event the Trustees determine that such hearing is required, such determination shall, in and of itself, constitute special circumstances permitting an extension of time in which to consider the Claimant's request for review.

6.4.9 After exhausting the above claims procedures in full, any Claimant whose request for benefits has been denied or deemed denied, in whole or in part, or such Claimant's authorized representative, may file a request for an external review of such denied claim. Any such request for review must be delivered to the Third-party Administrator no later than the first day of the fifth month following the date the Claimant received written notification of the Trustees' final denial of the Claimant's request for benefits or from the date the claim was deemed denied. Within five (5) business days of receiving the external review request, the Third-party Administrator must complete a preliminary review to determine if the Claimant was covered under the Plan, the Claimant provided all the information and forms necessary to process the external review, and the Claimant has exhausted the internal appeals process.

Once the review above is complete, the Third-party Administrator has one (1) business day to notify the Claimant in writing of the outcome of its review. If Claimant is not eligible for external review, the notice must include contact information for the Department of Health and Human Services Health Insurance Assistance Team (HIAT). If the Claimant's request for external review was incomplete, the notice must describe materials needed to complete the request and provide the later of 48 hours or the four-month filing period to complete the filing.

Upon satisfaction of the above requirements, the Third-party Administrator will provide that an independent review organization (IRO) will be assigned using a method of assignment that assures the independence and impartiality of the assignment process. Claimant may submit to the IRO in writing additional information to consider when conducting the external review, and the IRO must forward any additional information

submitted by the Claimant to the Third-party Administrator within one (1) business day of receipt. The decision by the IRO is binding on the Plan and, as well as the Claimant, except to the extent other remedies are available under State or Federal law. For standard external review, the IRO must provide written notice to the Third-party Administrator and the Claimant of its decisions to uphold or reverse the benefit denial within no more than forty-five (45) days.

6.4.10 The claims procedures set forth in this Article VI shall be strictly adhered to by each Claimant under this Plan, and no judicial or arbitration proceedings with respect to any claim for Plan benefits hereunder shall be commenced by any such Claimant until the proceedings set forth herein have been exhausted in full.

6.5 Mechanics of Payment from Employer Accounts. The Employer, or its agent or authorized officer, may submit a request to the Third-party Administrator to transfer funds from the Employer's Account to be allocated to Participant Accounts or applied in any manner permitted by IRC §-501(c)(9) and the Plan and Trust and in accordance with the rules, policies and procedures established by the Third-party Administrator.

6.6.6 Health Care Debit Card Transactions are Not Claims. The presentation or use of a Card for payment at a merchant or vendor is not considered a submission of a formal claim under the Plan. In the event the merchant or vendor denies the transaction or the transaction is unable to be processed at the point of sale with that merchant or vendor, such denial of the transaction at the point of sale shall not be considered a denial under the Plan. If the transaction is approved at the point-of-sale, but the transaction is not electronically validated at the point of sale or later independently substantiated without further documentation, the Participant must submit such itemized bills, receipts, or other information requested by the Third-party Administrator to verify that the amount was an eligible expense reimbursable by the Plan. Where the Third-party Administrator determines that an expense is not eligible to be paid with the Card because the Participant or Dependent has not submitted the information requested by the Third-party Administrator to substantiate the claim as an expense reimbursable under the Plan (e.g., where the Card is suspended, the Plan requests reimbursement of the unsubstantiated expense and/or the Plan applies an overpayment against the applicable Participant Account and offsets against future claims), then denial of such Card payment would become a denial subject to the formal claims and appeals procedures under this Section 6.

6.7 Protected Health Information. The Plan shall comply with all applicable provisions of the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health (HITECH) Act, enacted as part of the American Recovery and Reinvestment Act of 2009, and the Omnibus Rule of 2013 with respect to protecting the privacy and security of Protected Health Information (PHI).

6.67.1 Plan Uses of Protected Health Information. The Plan shall adhere to procedures regarding the permitted and required uses by, and disclosures to, the Plan of PHI for plan administrative and other permitted purposes. The Plan shall:

6.67.1.1 not use or disclose PHI other than as permitted by the Plan documents or as otherwise required or permitted by law;

6.67.1.2 ensure that any agents, subcontractors or business associates to whom the plan provides PHI shall agree to the same restrictions that apply to the Plan;

6.67.1.3 not use or disclose PHI for purposes other than the minimum necessary to administer the Plan;

6.67.1.4 report to the Privacy Official any known use or disclosure that is inconsistent with permitted use and disclosures;

6.67.1.5 make PHI available to Plan participants, consider their amendments, and, upon request, provide them with an accounting of PHI disclosures in accordance with the HIPAA privacy rules;

6.67.1.6 make internal records relating to the use and disclosure of PHI available to the Department of Health and Human Services upon request; and

6.67.1.7 the Plan shall destroy PHI in accordance with its Document Retention and Destruction Policy when the Plan is no longer required to maintain PHI.

6.78 Employer Uses of Protected Health Information.

6.78.1 HIPAA Plan Amendment. Members of the workforce of an Employer may have access to the individually identifiable health information of Participants for administration functions of the Plan. When this health information is provided from the Plan to the Employer, it is Protected Health Information (PHI) and, if it is transmitted by or maintained in electronic media, it is Electronic PHI. The provisions of Section 6.78 shall constitute the “HIPAA Plan Amendment” required by and incorporating the provisions of 45 CFR §164.504(f)(2)(ii).

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its implementing regulations restrict the Employer’s ability to use and disclose PHI and Electronic PHI.

The following HIPAA definitions of PHI and Electronic PHI apply to this HIPAA Plan Amendment:

“Protected Health Information (PHI)” means information that is created or received by the Plan and relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual or for which there is a reasonable basis to believe that the information can be used to identify the individual. Protected health information includes information of persons living or deceased and also includes Electronic PHI.

“Electronic Protected Health Information (Electronic PHI)” means Protected Health Information that is transmitted by or maintained in electronic media.

“Privacy Official” means the Vice Chairman of the Board of Trustees or such other person appointed from time to time by the Board of Trustees to serve in such capacity.

An Employer shall have access to PHI and Electronic PHI from the Plan only as permitted under this HIPAA Plan Amendment or as otherwise required or permitted by HIPAA.

6.78.2 Permitted Disclosure of Enrollment/Disenrollment Information. The Plan may disclose to an Employer information on whether the individual is participating in the Plan, or is enrolled in or has disenrolled from the Plan.

Enrollment and disenrollment information shall include, without limitation, name, employee ID or social security number, contribution history, account balance information, age, employment status (active, retired, separated), limited account status, account preferences (e-communication, etc.) or other information necessary to determine, verify, or assist with eligibility, enrollment or disenrollment of an Employee or Participant.

The Plan and each Employer acknowledge and agree that enrollment and disenrollment information is information of the Employer and is held on behalf of the Employer by the Plan Third-party Administrator. Enrollment and disenrollment information held at any time by the Employer is held in its capacity as an Employer and is not PHI.

6.78.3 Permitted Uses and Disclosure of Summary Health Information. The Plan may disclose Summary Health Information to an Employer, provided that the Employer requests the Summary Health Information for the purpose of (1) obtaining premium bids from service providers or health plans for providing services or health coverage under the Plan; or (2) modifying, amending, or terminating the Plan.

6.78.3.1 “*Summary Health Information*” means information (1) that summarizes the claims history, claims expenses, or type of claims experienced by individuals for whom a plan sponsor has provided health benefits under the Plan; and (2) from which the information described at 4245 CFR §164.514(b)(2)(i) has been deleted, except that the geographic information described in 4245 CFR §164.514(b)(2)(i)(B) need only be aggregated to the level of a five-digit ZIP code.

6.78.4 Permitted and Required Uses and Disclosure of Protected Health Information for Plan Administration Purposes. Unless otherwise permitted by law, and subject to the conditions of disclosure described in Section 6.78.5 and obtaining written certification pursuant to Section 6.78.8, the Plan may disclose PHI and Electronic PHI to an Employer, provided that the Employer uses or discloses such PHI and Electronic PHI only for Plan Administration Purposes.

6.78.4.1 “*Plan Administration Purposes*” means administration functions performed by the Employer on behalf of the Plan, such as quality assurance, claims processing and appeals, auditing, and monitoring. Plan administration functions do not include functions performed by the Employer in connection with any other benefit or benefit plan of the Employer or any employment-related actions or decisions.

6.78.4.2 Enrollment and disenrollment functions performed by the Employer are performed on behalf of Employees, Participants and Dependents, and are not Plan administration functions.

6.78.4.3 Notwithstanding any provisions of this Plan to the contrary, in no event shall an Employer be permitted to use or disclose PHI or Electronic PHI in a manner that is inconsistent with 45 CFR §164.504(f).

6.78.5 Conditions of Disclosure for Plan Administration Purposes. Each Employer agrees that with respect to any PHI it receives pursuant to this HIPAA Plan Amendment and its HIPAA Compliance Certificate delivered pursuant to Section 6.78.8 below (other than enrollment/disenrollment information and Summary Health Information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR §164.508, which are not subject to these restrictions) disclosed to it by the Plan, such Employer shall:

6.78.5.1 not use or further disclose the PHI other than as permitted or required by the Plan or as required by law;

6.78.5.2 ensure that any agent, including a subcontractor, to whom it provides PHI received from the Plan agrees to the same restrictions and conditions that apply to the Employer with respect to PHI;

6.78.5.3 not use or disclose the PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;

6.78.5.4 report to the Plan any use or disclosure of the PHI of which it becomes aware that is inconsistent with the uses or disclosures provided for;

6.78.5.5 make available PHI to comply with HIPAA's right to access in accordance with 45 CFR §164.524;

6.78.5.6 make available PHI for amendment, and incorporate any amendments to PHI, in accordance with 45 CFR §164.526;

6.78.5.7 make available the information required to provide an accounting of disclosures in accordance with 45 CFR §164.528;

6.78.5.8 make its internal practices, books, and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of Health and Human Services for purposes of determining compliance by the Plan with HIPAA's privacy requirements;

6.78.5.9 if feasible, return or destroy all PHI received from the Plan that the Employer still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and

6.78.5.10— ensure that adequate separation (i.e., the firewall) between employees of the Employer who need the information for Plan Administration Purposes and employees of the Employer who do not need the information for Plan

Administration Purposes or who do not perform Plan administration functions on behalf of the Employer, required by 45 CFR §504(f)(2)(iii), is established.

6.78.6 Additional Requirements. Each Employer further agrees that if it creates, receives, maintains, or transmits any Electronic PHI pursuant to this HIPAA Plan Amendment and its HIPAA Compliance Certificate delivered pursuant to Section 6.78.8 below (other than enrollment/disenrollment information and Summary Health Information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR §164.508, which are not subject to these restrictions) on behalf of the Plan or in connection with a Plan Administration Purpose, it will:

- a. implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic PHI that it creates, receives, maintains, or transmits on behalf of the Plan;
- b. ensure that the adequate separation (*i.e.*, the firewall) between employees of the Employer who need the information for Plan Administration Purposes and employees of the Employer who do not need the information for Plan Administration Purposes or who do not perform Plan administration functions on behalf of the Employer, required by 45 CFR §-504(f)(2)(iii) is supported by reasonable and appropriate security measures;
- c. ensure that any agent, including a subcontractor, to whom it provides Electronic PHI agrees to implement reasonable and appropriate security measures to protect the information; and
- d. report to the Plan any security incident of which it becomes aware, as follows: Employer will report to the Plan, with such frequency and as soon as feasible, the aggregate number of unsuccessful, unauthorized attempts to access, use, disclose, modify, or destroy Electronic PHI or to interfere with systems operations in an information system containing Electronic PHI; in addition, Employer will report to the Plan as soon as feasible any successful unauthorized access, use, disclosure, modification, or destruction of Electronic PHI or interference with systems operations in an information system containing Electronic PHI.

6.78.7 Adequate Separation Between Plan and Employer and Between Employees Who Perform Plan Administration Functions and Employees Who Do Not Have Plan Administration Functions. Any Employer that receives any PHI pursuant to this HIPAA Plan Amendment and its HIPAA Compliance Certificate delivered pursuant to Section 6.78.8 below (other than enrollment/disenrollment information and Summary Health Information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR §164.508, which are not subject to these restrictions) from the Plan shall allow access to the PHI to only those employees or classes of employees identified on the Employer's HIPAA Compliance Certificate required by this HIPAA Plan Amendment. No other persons shall have access to PHI. These specified employees (or classes of employees) shall only have access to and use of PHI to the extent necessary to perform the Plan administration functions that the Employer performs for the Plan. In the event that a specified employee does not comply with the provisions of this HIPAA Plan Amendment, the employee shall be subject to disciplinary action by the

Employer for non-compliance pursuant to the Employer's employee discipline and termination procedures.

6.78.7.1 The Employer shall ensure that the provisions of this HIPAA Plan Amendment are supported by reasonable and appropriate security measures to the extent that the persons designated above create, receive, maintain, or transmit Electronic PHI on behalf of the Plan.

6.78.8 Certification of Employer. The Plan shall disclose PHI (other than enrollment/disenrollment information and Summary Health Information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR §164.508) to an Employer only upon the receipt of the Plan's HIPAA Compliance Certificate from the Employer acknowledging that the Plan has been amended to incorporate the provisions of 45 CFR §164.504(f)(2)(ii), and that the Employer agrees to the conditions of disclosure set forth in Section 6.78.5 and all other conditions and requirements of this HIPAA Plan Amendment.

6.9 Qualified Medical Child Support Orders and National Medical Support Notices. The Plan shall comply with all applicable rules and laws relating to Qualified Medical Child Support Orders ("QMCSO") and National Medical Support Notices ("NMSN"). In the event a QMCSO or NMSN is received by the Plan, the Plan will follow the policies and procedures for determining and administering such order or notice as the same may be adopted or revised from time to time by the Administrator.

Article VII.

Administrator

7.1 Rights & Duties. The Trustees shall enforce this Plan in accordance with its terms and shall be charged with its general administration. In its capacity as the Administrator, the Board of Trustees may delegate administrative duties to the Third-party Administrator or other service providers or designees. Any Third-party Administrator and other service providers engaged by the Administrator shall exercise its delegated duties in a uniform, nondiscriminatory manner and shall have all necessary power and discretion to accomplish those purposes at the direction of the Administrator, including but not limited to the power:

7.1.1 To determine all questions relating to the eligibility of Employees to participate.

7.1.2 To determine entitlement to Benefits under the provisions of Article VI.

7.1.3 To compute and certify to the Administrator the amount and kind of benefits payable to the Participants and their Dependents.

7.1.4 To maintain all the necessary records for the administration of this Plan other than those maintained by the Employer.

7.1.5 To prepare and file or distribute all reports and notices required by law.

7.1.6 To authorize all the disbursements from the Trust.

7.1.7 To facilitate the investment elections made by Participants and Employer in a manner consistent with the objectives of the Plan and authorized by the Trust.

7.1.8 To make and publish such rules for the regulation of this Plan that are not inconsistent with the terms hereof.

7.1.9 To inform the Administrator with respect to the investment of Participant and Employer Accounts.

7.1.10 To assume and perform each and every duty and responsibility of the Administrator specified in the Plan documents or otherwise in accordance with applicable law to the extent so delegated in writing by the Administrator.

7.2 Information. To enable the Third-party Administrator to perform its functions, the Employer shall supply it with full and timely information on all matters relating to Employer contributions on behalf of Participants and Participant entitlement to benefits. -The Employer shall also supply the Third-party Administrator with full and timely information on all matters relating to Employer contributions to an Employer Account.- The Third-party Administrator shall maintain such information and advise the Administrator of such other information as may be pertinent to the administration of the Trust.

The Third-party Administrator shall have neither the right nor the obligation to interpret the provisions of any collective bargaining agreement, Employer policy, or other statement or action for the purpose of performing its duties under the Plan or the Trust, and the Third-party Administrator shall have the right to rely on information provided by the Employer pursuant to this ~~section~~Section with respect to Employee eligibility and other applicable information contained in any collective bargaining agreement, Employer policy, or other statement or action.

7.2.1 The Trust shall provide to each Participant, information necessary to use their Participant Account and receive reimbursement of Benefits. The information will include a summary of the Plan, including claim procedures and instructions on how to acquire plan forms. The Trust shall also communicate within a reasonable amount of time after receipt of the contribution or transfer an acknowledgement to the Participant with a Participant Account or the Employer with an Employer Account, whichever is applicable, acknowledging establishment of the Participant Account or Employer Account; confirmation of the amount received; a summary of the Plan and information on filing claims with copies of the necessary forms, if applicable; and a toll-free contact telephone number for error corrections or questions.

7.2.2 The Trust shall provide a written statement prepared upon a Participant's or Employer's request, and at least semi-annually for each Participant and Employer, which shall include the following information: Participant's or Employer's name and address, whichever is applicable; Participant Account number; contributions; total Account value at statement date; interest earned or other shared gain or loss; payout and disbursement activities, ending/forward balance; toll-free contact telephone number for error corrections or questions on reading the statement.

7.2.3 The Trust shall provide a monthly unaudited report to the Administrator including the following: income statement, balance sheet, year to date budget, number of Participant Accounts, and other such reports which are permitted by law, or as the Administrator and/or Employers request and agreed to by the Third-party Administrator.

7.3 Compensation, Expenses, and Governmental Fees, Taxes and Assessments.

Consultant and investment manager expenses for the Plan may be paid by reasonable reductions of investment earnings and/or assessments from the Participants' Accounts as determined by the Administrator from time to time. Additionally, all other necessary Plan expenses, including but not limited to: legal, benefits staff, Third-party Administrator, auditing, printing, postage, mail service, plan administration software or technology, Trustee, bank, consultant fees, and, to the extent permitted by applicable law, all governmental fees, taxes, and assessments applicable to the Trust, the Plan, the Trustees, or Participants, may be paid through a reduction of investment earnings and/or reasonable fees and assessments from Participant Accounts as determined by the Administrator from time to time.

7.4 Consultants, Advisors, and Managers.

The Administrator may employ such consultants, advisors, investment managers, Third-party Administrators, and other service providers as it reasonably deems necessary or useful in carrying out its duties hereunder, the cost of which shall be considered expenses of administering the Plan.

7.5 Liability Limitation.

The Employer, the Administrator and the Third-party Administrator shall not be liable for the acts or omissions to act of any investment manager appointed to manage the assets of the Plan and Trust. The Trustees shall not be liable for the acts or omissions to act of any investment manager appointed to manage the assets of the Plan and Trust if the Trustee in appointing and monitoring such manager acted with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person would use in the conduct of an enterprise of a like character and with like aims.

7.6 Notices & Directions.

The address for delivery of all communications shall be:
HRA VEBA Trust
c/o Gallagher Benefit Services, Inc.
906 W 2nd Avenue, Suite 400
Spokane, WA 99201-4537
(509) 838-5571 Telephone
(509) 838-5613 Fax
mark_wilkerson@ajg.com
Charlie_Isaacs@ajg.com

7.7 Funding Policy & Procedures.

The Administrator shall formulate policies, practices, and procedures to carry out the funding of the Plan, which shall be consistent with the Plan objectives and in accordance with applicable law.

**Article VIII.
Amendment & Termination**

8.1 Permanency.

It is the expectation of the Employers and Trustees that this Plan, and the payment of Benefits hereunder, will be continued indefinitely, but continuance of this Plan or contributions to this Plan is not assumed as a contractual obligation of the Employers or the Trustees. This Plan may be amended or terminated only as provided in this Article.

8.2 Exclusive Benefit Rule.

It shall be impossible for any part of the funds in Participant Accounts under this Plan to be used for, or diverted to, purposes other than the exclusive benefit of the Participants or their Dependents, and to defray the reasonable expenses of administering the Trust and this Plan.

8.3 Amendments.

8.3.1 The Trustees shall have the right to amend this Plan from time to time, and to amend or cancel any such amendments.

8.3.2 Such amendments shall be as set forth in an instrument in writing executed by the Trustees. Any amendment may be current, retroactive, or prospective, in each case as provided therein and provided, however, that such amendment must comply with Article III of the Trust Agreement.

8.4 Discontinuance of Contributions. Each Employer shall have the right to discontinue contributions without prior notice by delivering written notice of termination to the Trustees.

8.5 Termination of Plan. The Trustees shall have the right to terminate this Plan without prior notice unless required by law by delivering written notice of termination to the Employers and Participants. In case of termination, the Trustees shall also notify the Employers and Participants of the Trustees' decision with regard to disposition of the assets, based on the following options, each of which shall be subject to any losses on or other contractual adjustments applicable to invested assets that may accrue or become due as a result of such disposition:

8.5.1 A direct in-kind transfer of assets to a substantially similar IRC §-501(c)(9) trust;

8.5.2 A series of installment payments over a set period or time of the assets from the Trust attributable to this Plan to another IRC §-501(c)(9) trust; or

8.5.3 An immediate cash payment to another IRC §-501(c)(9) trust or another program providing benefits permitted by IRC §-501(c)(9); or

8.5.4 Any other method permitted by IRC §-501(c)(9).

_____ In any event, the Employers and the Trustees shall work to prevent adverse consequences to Participants and other Employers contributing to the Trust as a result of any Employer's decision or action with respect to these options. An Employer whose Employer Account or whose Employees' Participant Accounts are to be transferred from the Trust agrees to pay the Trust all reasonable costs resulting from the disposition or transfer of the assets that are to be transferred.

Article IX. **Miscellaneous**

9.1 Conflicting Provisions. This Plan, the Trust, the Employer Adoption Agreement, and the Participant Enrollment File are all parts of a single, integrated employee benefit plan and shall be construed together. In the event of any conflict between the terms of this Plan and the Participant Enrollment File, the Employer Adoption Agreement and the terms of the Trust, such conflict shall be resolved first by reference to the Trust Agreement, then the Plan Document, then the Employer Adoption Agreement, and then the Participant Enrollment File.

9.2 Applicable Law; Severability. Except as may be required by §-514 of the Employee Retirement Income Security Act of 1974 ("ERISA"), this Plan shall be construed, administered, and governed under the laws of the State of Washington. If any provision of this

Plan shall be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

9.3 Gender & Number. Words used in the masculine shall apply to the feminine where applicable, and when the context requires, the plural shall be read as the singular and singular as the plural.

9.4 Headings. Headings used in this Plan are inserted for convenience of reference only, and any conflict between such headings and the text shall be resolved in favor of the text.

9.5 Forfeiture of Unclaimed Participant Accounts. ~~The account balance in a Participant Account shall be forfeited and applied as provided in Section 5.4~~ In an effort to preserve Participant Accounts from becoming unclaimed or forfeited, the Administrator may implement policies and procedures to locate Participants. In each instance for which a Participant (1) has combined account balances greater than \$250 and (2) for a period of at least six months has met the conditions set forth under Sections 9.5.1 – 9.5.3 below and has otherwise been unreachable by the Plan, the Administrator may engage third-party services to locate the Participant. Reasonable fees and expenses incurred by the Administrator in its effort to locate a Participant under the foregoing circumstances may be charged against one Participant Account up to an amount not to exceed the lower of \$100 or 20% of the combined account balances. Notwithstanding the above, ~~the account balance in a Participant Account shall be forfeited and applied as provided in Section 5.6~~ if (a) within the Unclaimed Account Forfeiture Period (defined below) at least two communications from the Plan to the Participant have been returned as undeliverable or, in accordance with the policies and procedures of the Plan, the Plan Administrator has determined that the Participant is not locatable; and (b) during the entire Unclaimed Account Forfeiture Period, the following conditions exist:

9.5.1 Such Participant Account has a positive account balance and is claims-eligible;

9.5.2 No contributions to or withdrawals from the Participant Account have occurred; and

9.5.3 No communications or other expressions of interest have been received by the Third-party Administrator from or on behalf of the Participant of such Participant Account.

For purposes of this Section 9.5, the “Unclaimed Account Forfeiture Period” shall be a continuous period that is equal to thirty (30) days less than the shorter of (i) the statutory period for forfeiture under the applicable State unclaimed property statute for such Participant Account or (ii) three years.

9.6 Limitation on Rights. Neither the establishment of this Plan, nor any modification or amendment thereof, nor the payment of any Benefits, nor the issuance of any insurance contracts shall be construed as giving any Participant, or any person whomsoever, any legal or equitable right against the Trustees, the State of Washington, its agencies, officers, employees, and institutions of higher education, or the Employers or Administrator or Third-party Administrator or any of their agents or employees, nor any right to the assets of the Plan, except as expressly provided herein.

9.7 Assignment. The interest of any Participant or Employer in any assets held on his or its behalf by the Trustee shall not be subject to assignment or alienation, either by voluntary or involuntary act of the Participant or the Employer or by operation of law, and shall not be subject to assignment, attachment, execution, garnishment, or any other legal or equitable process, except to the extent required by law.

9.8 Counterparts. This Plan may be adopted in an original and any number of counterparts, each of which shall be deemed to be an original of one and the same instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, Douglas Detling, Chairman of the Board of Trustees, being
duly authorized, on this _____ day of _____, ~~2017~~2020 signed this Plan Document.

By: _____
~~Doug~~Douglas Detling, Chairman

AGENDA ITEM 4.1: INVESTMENT PORTFOLIO REVIEW

 **SNAPSHOT:** Hyas Group's first quarter **December 31, 2019 Performance Report** is enclosed for the Board's review.

 **RELEVANT GOAL(S):** 5. Provide Trustee education and training; and 7. Monitor Trust service providers.

BACKGROUND

Hyas Group's **December 31, 2019 Performance Report** (copy attached) includes the following:

- Market Overview
- Plan Review
- Investment Performance Review
- Plan Fee/Revenue Review
- Fund Attributions

ACTION ITEM

YES

☒ NO

SAMPLE MOTION

None.



HRA VEBA TRUST
Employees in the Northwest
December 31, 2019 Performance Report

~For Institutional Use Only – Not for Public Distribution~

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Section 1	Market Overview
Section 2	Plan Review
Section 3	Investment Performance Review
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Section 1

**DIVERSIFICATION – THE BROKEN DECADE?**

We've been indoctrinated through financial theory and literature that diversification is essential to investing success. However, in the 2010's it bluntly has not worked. In the past decade, US equities (S&P 500 Index) have generated an annualized return of 13.5% vs. 4.9% for the rest of the world (MSCI ACWI ex-US). This includes outperformance in 8 of 10 calendar years. With the emergence of China as a global economic power and historically unprecedented growth rates, surely emerging market returns have added additional value to investor portfolios? Not exactly. Emerging markets have generated annualized returns of 3.6% over the past decade, averaging nearly 10% less than the US market per year. Beyond geographic diversification, we are also generally taught that diversifying across business sectors and market capitalizations is essential for risk-adjusted performance. During the 2010's small cap stocks generated annualized returns of 11.8% lagging their large cap brethren by nearly 2% per year, while Technology stocks handily outpaced all others to provide consistent market leadership throughout the decade.

Technology and innovation are the threads that run through and tie these performance differences together. While narrow market leadership is not a new phenomenon (look no further than the prior Technology bubble of the 1990s), the emergence of a handful of Technology companies, domiciled in the US and operating on a global platform, with few if any competitors has driven extensive profit growth in the US. Cumulative earnings growth for the S&P 500 for the past 10 years is 111% vs. total stock returns of 134%. Point being, P/E expansion has been moderate, and gains have been largely supported by strong earnings fundamentals of innovative global companies. Technology stocks with global market presence continue to make up a much larger percentage of the US stock market than other developed markets. Based on GICS statistics, Technology stocks represent roughly 25-30% of the domestic stock market. For comparison, Technology represents 5-10% of developed European markets and 10-15% in Japan. Not only are these innovators higher percentages of the domestic equity markets, but US Technology companies also consistently generate higher returns on assets. The combination of significantly higher returns on assets and higher market weights currently provide a structural advantage for domestic equity markets relative to the rest of the developed world.

RETURN ON ASSETS (%)

COUNTRY	CONSUMER STAPLES	CONSUMER DISCRETIONARY	TECHNOLOGY	HEALTHCARE	COMMUNICATION SVCS	FINANCIALS
US	5.9	6.1	9.8	5.6	5.6	1.2
EUROPE	6.3	4.2	5.3	5.5	1.6	0.4
JAPAN	3.5	3.6	4.3	4.2	4.1	0.3

Source: Bloomberg, December 31, 2019.

While diversification is not broken, a globalized economy demands and rewards innovators with higher returns on assets and larger end markets (growth opportunities). Companies demonstrating innovation and the ability to expand into global markets should be expected to generate structurally higher returns over longer time periods. This would also suggest the market indices on which these companies trade will outperform over the long-term. There is a strong case to be made that the superior domestic returns of the 2010's merely reflect US leadership in innovative global Technology companies. Investors are then left to evaluate whether that leadership is sustainable and whether those leaders remain reasonably priced.

GLOBAL ECONOMIC LANDSCAPE

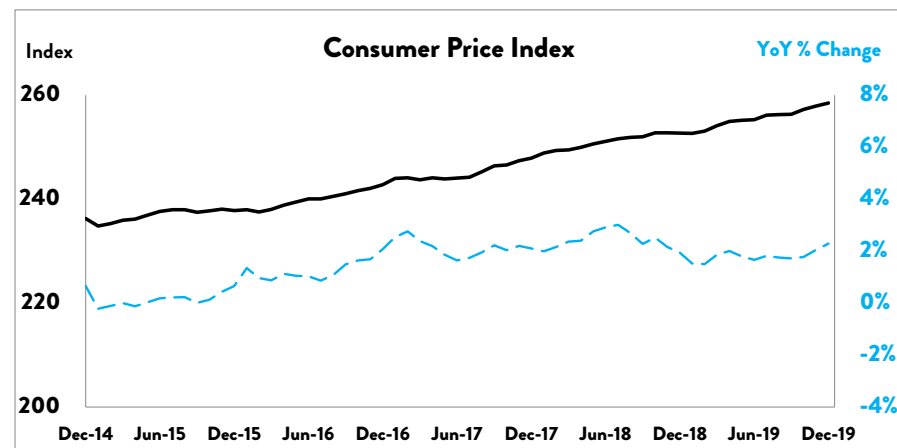
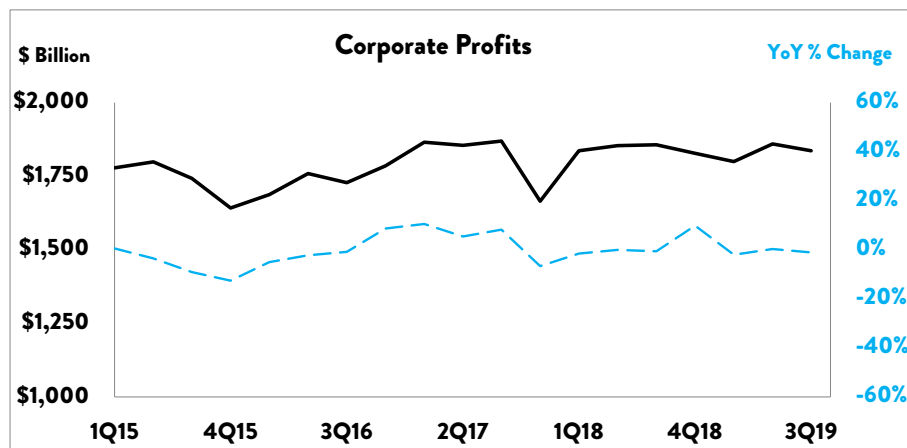
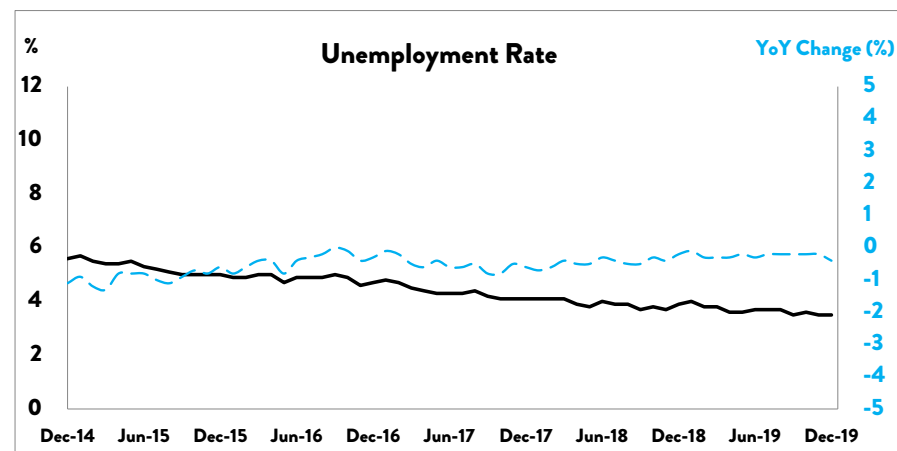
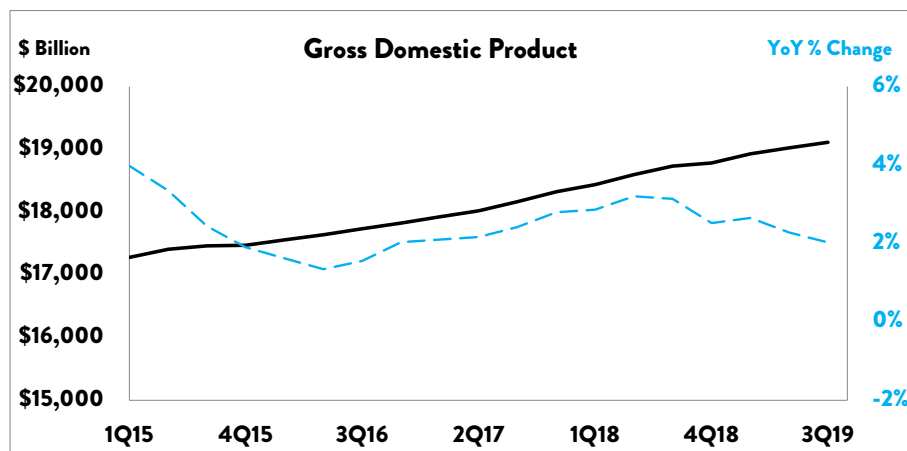
- After raising rates in December of 2018, the Federal Reserve (Fed) indicated that investors should expect multiple interest rate hikes in 2019. After a subsequent stock market collapse the Fed responded with a more neutral stance of no rate hikes in 2019. This “pause” then turned to a full “pivot” as global economic growth appeared to stall and turn negative. The Fed pivot resulted in three rate cuts in 2019 that essentially erased all the Fed’s rate increases of 2018.
- The unemployment rate held steady at 3.5% to end the year, its lowest reading since December 1969. This is well below the 50-year average rate of 6.2% and indicates an economy operating near full capacity. Contrary to popular opinion, this economy has benefited a broad range of employees. Unemployment for those with less than a high school education recently declined to 5.3%, a 30-year low. Wage growth continued its deliberate rise and now stands at 3.7%, just shy of its 50-year average rate of 4.0%.
- After much anticipation and plenty of false starts, the US and China agreed to a “Phase One” trade deal in December. In some small or not so small way, global investors may have pigs to thank for this progress. More specifically, China has come down with African swine fever, but this goes far beyond a prescription and extended bed rest. The fever has wiped out nearly half of China’s domestic pig herd in just over a year. China is the largest global pork consumer and local pork prices have increased over 100% in the last year. This has driven consumer price inflation (CPI) in China to 4.5% YOY, well above the central bank’s 3.0% target. Excluding the price increases of pork, CPI rose at a mere 1.0%. With higher inflation, China has less tolerance for the inflationary impact of a trade war.

GLOBAL FINANCIAL MARKETS

- Over the last 20 years, the 50 largest stocks in the Russell 3000 Index have averaged a combined total market cap of roughly four times the total market cap of the Russell 2000. At the end of 2019, that ratio was more than six times – higher than it was even at the height of the internet bubble of 2000.
- Despite domestic equity markets demonstrating historically high operating earnings and margins, valuations remain consistently above historical averages. The current forward price/earnings ratio for the S&P 500 Index is 18.2 times expected 2020 earnings. This compares to the 25-year average of 16.3. Price-to-book and price-to-cash flow also remain well above their historical averages.
- Developed market interest rates have declined consistently over the past decade, with several countries declining into negative rate territory. Declining interest rates have been strongly correlated to outperformance by momentum growth and low volatility stocks at the expense of value stocks. In the fourth quarter, global rates reversed course across nearly all developed markets. Correlations followed suit, with value stocks performing especially well versus low volatility stocks.
- Yield seekers with a penchant for volatility continue to be well rewarded for investing in emerging market debt. Despite the high-profile collapse of Argentinian debt, which saw bond prices cut in half in 3Q2019, the Barclays EM Debt Index rose over 2.0% for the quarter and 13.0% for the year. This often-dismissed asset class has benefited from significant gains in breadth. The asset class has five times more countries than at its inception in 1993 while the maximum weight to any single country has declined from 20.0% to less than 5.0%.

This report is being provided for informational purposes only. The information and opinions presented in this report do not constitute investment advice and have been obtained from sources believed by Hyas Group to be reliable. Hyas Group makes no representation as to their accuracy or completeness. All opinions expressed herein are subject to change.

4Q2019 Economic Data



Key: — Economic Series - - - Year-Over-Year Change

Labor Market Statistics (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	5-Yr Avg.	Date
Jobs Added/Lost Monthly	145,000	351,000	14,000	200,500	Dec-19
Unemployment Rate	3.5%	5.7%	3.5%	4.4%	Dec-19
Median Unemployment Length (Weeks)	8.4	13.5	6.6	10.2	Dec-19
Average Hourly Earnings	\$28.32	\$28.32	\$24.75	\$26.41	Dec-19

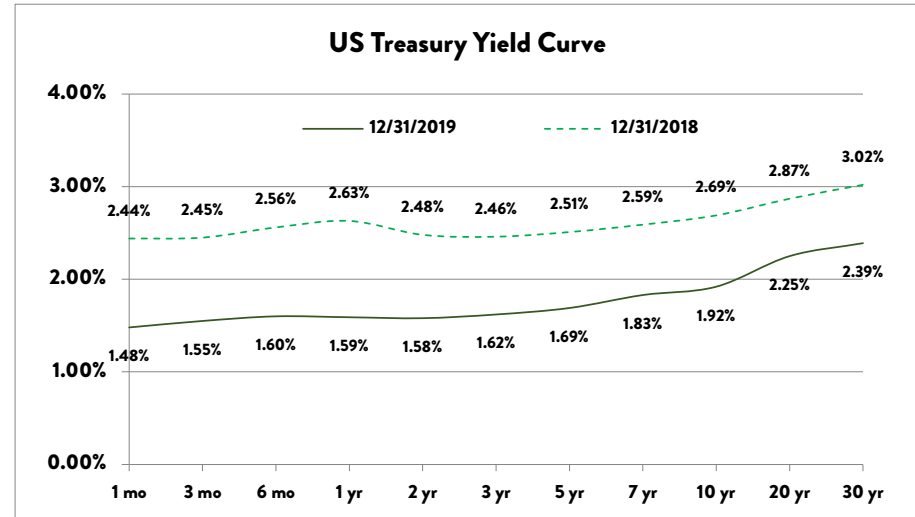
Source: Federal Reserve Bank of St. Louis and Bureau of Labor Statistics

Other Prices and Indexes (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	% Off Peak	Date
Gas: Price per Gallon	\$2.54	\$2.88	\$1.79	-11.9%	Dec-19
Spot Oil	\$59.88	\$70.98	\$30.32	-15.6%	Dec-19
Case-Shiller Home Price Index	218.1	218.1	173.1	26.0%*	Oct-19
Medical Care CPI	511.7	511.7	441.0	16%*	Dec-19

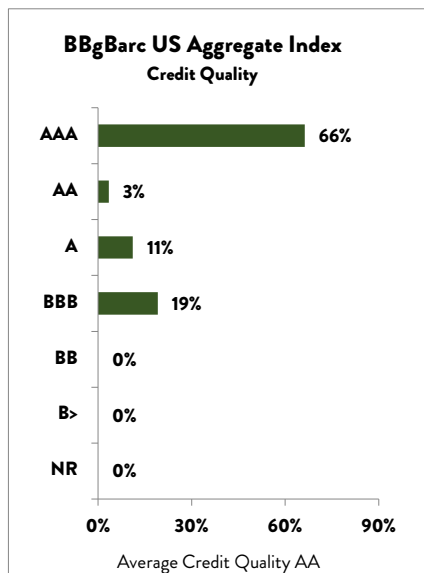
*% Off Low

4Q2019 Bond Market Data

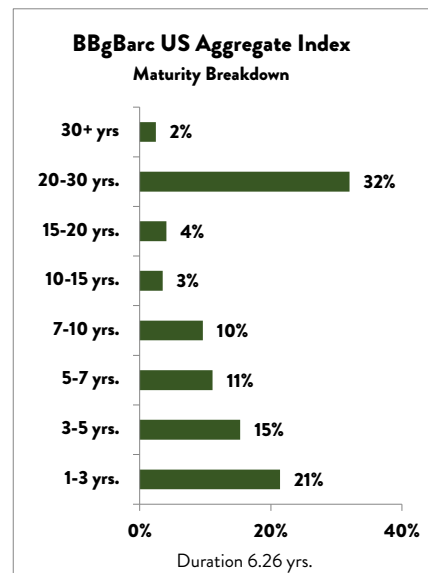
Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	0.46%	2.30%	2.30%	1.57%	0.99%	0.54%
BBgBarc US Aggregate	0.18%	8.72%	8.72%	4.03%	3.05%	3.75%
BBgBarc Short US Treasury	0.50%	2.46%	2.46%	1.71%	1.16%	0.67%
BBgBarc Int. US Treasury	0.01%	5.22%	5.22%	2.57%	1.99%	2.46%
BBgBarc Long US Treasury	-4.12%	14.83%	14.83%	6.95%	4.13%	7.01%
BBgBarc US TIPS	0.79%	8.43%	8.43%	3.32%	2.62%	3.36%
BBgBarc US Credit	1.05%	13.80%	13.80%	5.75%	4.39%	5.32%
BBgBarc US Mortgage-Backed	0.71%	6.35%	6.35%	3.25%	2.58%	3.15%
BBgBarc US Asset-Backed	0.39%	4.53%	4.53%	2.61%	2.22%	2.72%
BBgBarc US 20-Yr Municipal	0.65%	9.29%	9.29%	5.89%	4.39%	5.46%
BBgBarc US High Yield	2.61%	14.32%	14.32%	6.37%	6.13%	7.57%
BBgBarc Global	0.49%	6.84%	6.84%	4.27%	2.31%	2.48%
BBgBarc International	0.67%	5.09%	5.09%	4.36%	1.62%	1.50%
BBgBarc Emerging Market	2.09%	13.11%	13.11%	6.07%	5.84%	6.62%



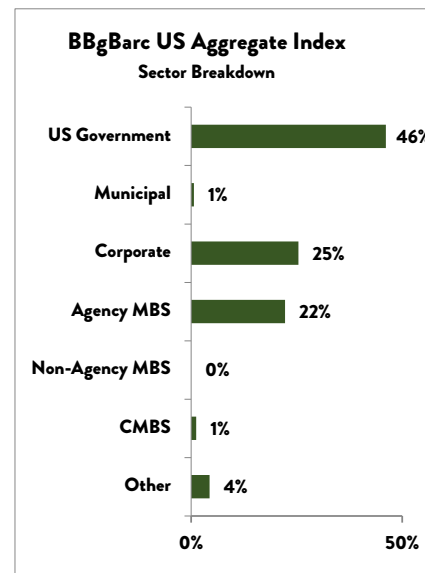
Source: Department of US Treasury



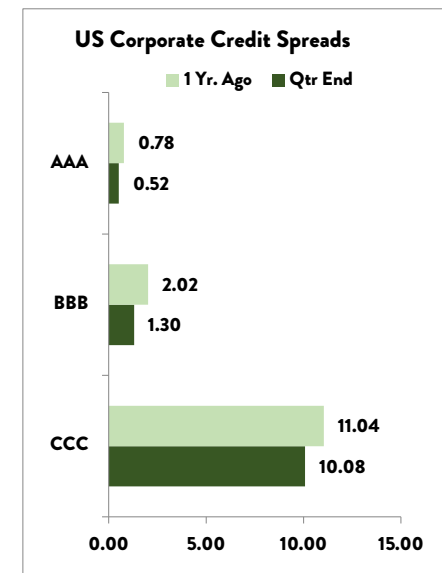
Source: Morningstar



Source: Morningstar



Source: Morningstar



Source: Federal Reserve / Bank of America

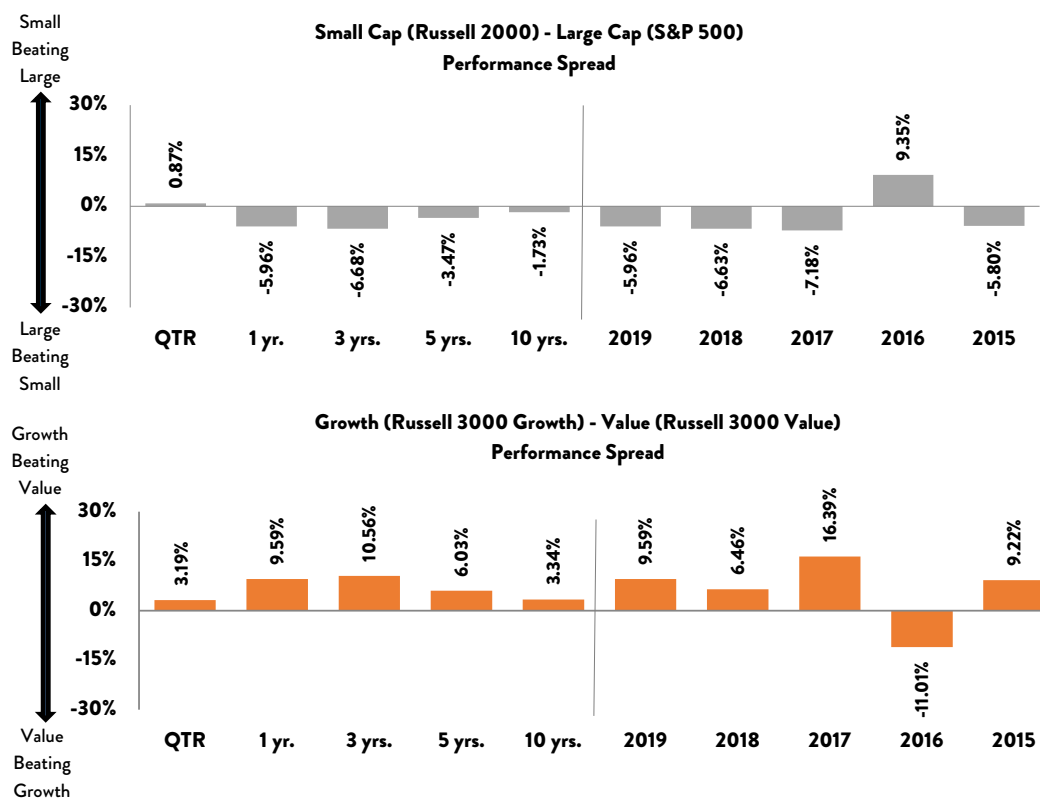
4Q2019 US Equity Market Data

Sectors Weights/Returns (ranked by quarter performance)

S&P 500 Index	Wgt.	Sector	QTR	YTD	1 yr.
	23%	Information Technology	14.40%	50.29%	50.29%
	14%	Health Care	14.37%	20.82%	20.82%
	13%	Financials	10.47%	32.13%	32.13%
	10%	Communication Services	9.00%	32.69%	32.69%
	3%	Materials	6.38%	24.58%	24.58%
	9%	Industrials	5.53%	29.37%	29.37%
	4%	Energy	5.49%	11.81%	11.81%
	10%	Consumer Discretionary	4.47%	27.94%	27.94%
	7%	Consumer Staples	3.51%	27.61%	27.61%
S&P Midcap 400 Index	Wgt.	Sector	QTR	YTD	1 yr.
	3%	Utilities	0.75%	26.35%	26.35%
	3%	Real Estate	-0.54%	29.01%	29.01%
	2%	Energy	13.27%	-12.43%	-12.43%
	16%	Information Technology	11.24%	42.91%	42.91%
	10%	Health Care	11.04%	22.68%	22.68%
	16%	Industrials	8.39%	33.55%	33.55%
	13%	Consumer Discretionary	7.76%	26.57%	26.57%
	6%	Materials	6.89%	20.88%	20.88%
	17%	Financials	5.15%	26.47%	26.47%
S&P Smallcap 600 Index	Wgt.	Sector	QTR	YTD	1 yr.
	2%	Communication Services	3.82%	16.29%	16.29%
	3%	Consumer Staples	3.03%	10.85%	10.85%
	11%	Real Estate	2.75%	24.17%	24.17%
	5%	Utilities	-2.11%	14.33%	14.33%
	12%	Health Care	14.06%	20.26%	20.26%
	14%	Information Technology	11.70%	39.59%	39.59%
	4%	Consumer Staples	8.53%	16.90%	16.90%
	18%	Financials	7.85%	20.52%	20.52%
	5%	Materials	7.44%	20.57%	20.57%

Index Performance Data

Index	QTR	YTD	1 yr.	Annualized		
				3 yrs.	5 yrs.	10 yrs.
S&P 500	9.07%	31.49%	31.49%	15.27%	11.70%	13.56%
Russell 1000 Value	7.41%	26.54%	26.54%	9.68%	8.29%	11.80%
Russell 1000 Growth	10.62%	36.39%	36.39%	20.49%	14.63%	15.22%
Russell Mid Cap	7.06%	30.54%	30.54%	12.06%	9.33%	13.19%
Russell Mid Cap Value	6.36%	27.06%	27.06%	8.10%	7.62%	12.41%
Russell Mid Cap Growth	8.17%	35.47%	35.47%	17.36%	11.60%	14.24%
Russell 2000	9.94%	25.52%	25.52%	8.59%	8.23%	11.83%
Russell 2000 Value	8.49%	22.39%	22.39%	4.77%	6.99%	10.56%
Russell 2000 Growth	11.39%	28.48%	28.48%	12.49%	9.34%	13.01%
Russell 3000	9.10%	31.02%	31.02%	14.57%	11.24%	13.42%
DJ US Select REIT	-1.23%	23.10%	23.10%	6.95%	6.40%	11.57%



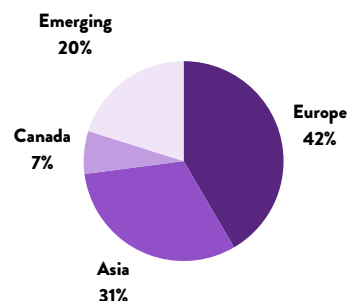
4Q2019 International Market Data

Index Performance Data (net)

Index (US\$)	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
MSCI ACWI ex-US	8.92%	21.51%	21.51%	9.87%	5.51%	4.97%
MSCI EAFE	8.17%	22.01%	22.01%	9.56%	5.67%	5.50%
Europe	8.84%	23.77%	23.77%	9.77%	5.06%	5.17%
United Kingdom	9.95%	21.05%	21.05%	8.32%	3.25%	5.05%
Germany	9.89%	20.77%	20.77%	6.27%	3.89%	5.18%
France	8.50%	25.72%	25.72%	12.19%	8.15%	4.99%
Pacific	7.03%	19.25%	19.25%	9.35%	7.00%	6.33%
Japan	7.64%	19.61%	19.61%	8.92%	7.70%	6.59%
Hong Kong	7.32%	10.34%	10.34%	11.47%	7.09%	8.12%
Australia	4.29%	22.92%	22.92%	9.07%	5.42%	5.01%
Canada	4.89%	27.50%	27.50%	7.01%	2.97%	3.59%
MSCI EM	11.84%	18.42%	18.42%	11.57%	5.61%	3.68%
MSCI EM Latin America	10.48%	17.46%	17.46%	10.74%	4.18%	-0.65%
MSCI EM Asia	12.51%	19.24%	19.24%	12.92%	6.63%	5.76%
MSCI EM Eur/Mid East	8.49%	19.33%	19.33%	8.32%	5.68%	0.03%
MSCI ACWI Value ex-US	8.21%	15.71%	15.71%	6.88%	3.65%	3.64%
MSCI ACWI Growth ex-US	9.58%	27.34%	27.34%	12.89%	7.30%	6.24%
MSCI ACWI Sm Cap ex-US	11.01%	22.42%	22.42%	9.65%	7.04%	6.92%

Regional Exposure

MSCI ACWI ex-USA

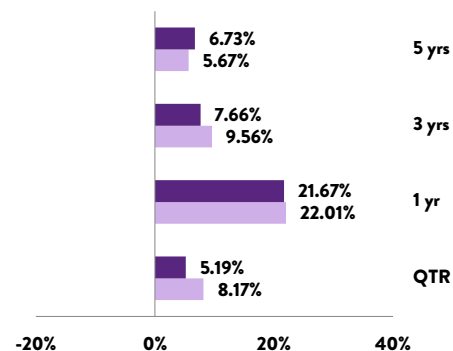


Top 10 Countries (MSCI AC World ex-USA)

Japan	16%
UK	11%
China	9%
France	8%
Canada	6%
Switzerland	6%
Germany	6%
Australia	5%
Taiwan	3%
South Korea	3%

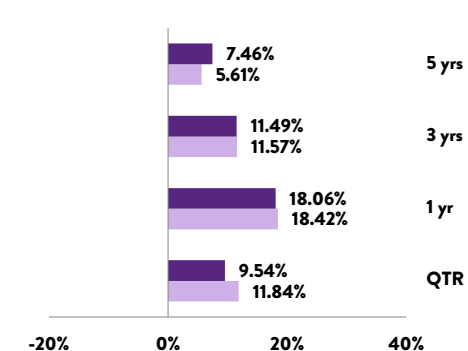
MSCI EAFE Index Return

Local US\$

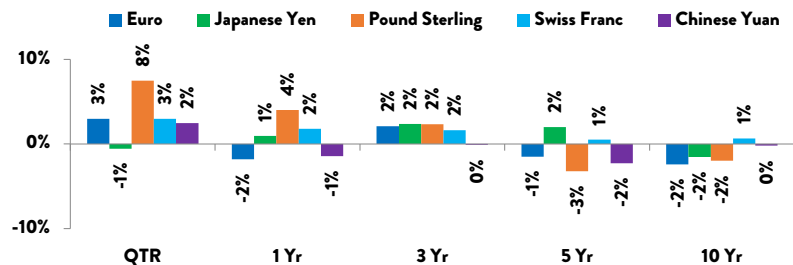


MSCI Emerging Index Return

Local US\$



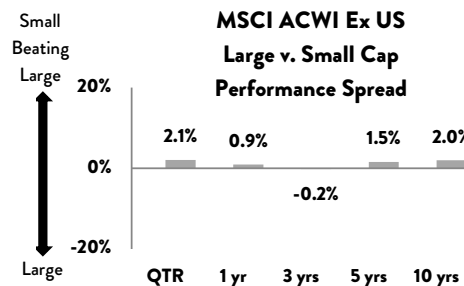
Foreign Currency v. US\$ Returns



Exchange Rates	QTR	3Q19	2Q19	1Q19	4Q18	3Q18
Japanese Yen	108.67	108.11	107.84	110.68	109.70	113.48
Euro	0.89	0.92	0.88	0.89	0.87	0.86
British Pound	0.75	0.81	0.79	0.77	0.78	0.77
Swiss Franc	0.97	1.00	0.98	1.00	0.98	0.98
Chinese Yuan	6.96	7.15	6.87	6.71	6.88	6.87

MSCI ACWI Ex US

Large v. Small Cap Performance Spread



Growth

Beating Value

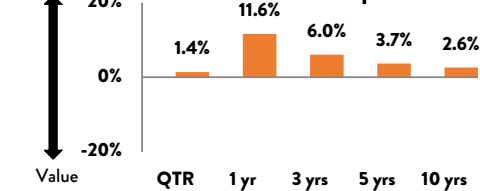
Value

Beating Growth

Growth

MSCI ACWI Ex US

Value v. Growth Performance Spread



Historical Market Returns

Ranked by Performance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	4Q19
Emerging Markets 25.55%	Emerging Markets 34.00%	Emerging Markets 32.14%	Emerging Markets 39.42%	US Bonds 5.24%	Emerging Markets 78.51%	Small Cap 26.85%	Core Real Estate 14.96%	Emerging Markets 18.22%	Small Cap 38.82%	Large Cap 13.68%	Core Real Estate 13.95%	Small Cap 21.30%	Emerging Markets 37.28%	Core Real Estate 7.36%	Large Cap 31.49%	Emerging Markets 11.84%
Intl 20.91%	Commod. 21.36%	Intl 26.65%	Intl 16.65%	Global Bonds 4.79%	High Yield 58.21%	Mid Cap 25.48%	TIPS 13.56%	Mid Cap 17.28%	Mid Cap 34.76%	Mid Cap 13.21%	Large Cap 1.38%	High Yield 17.12%	Intl 27.19%	Cash 1.69%	Mid Cap 30.54%	Small Cap 9.94%
Mid Cap 20.22%	Core Real Estate 20.15%	Small Cap 18.37%	Commod. 16.23%	Cash 1.39%	Intl 41.45%	Emerging Markets 18.88%	US Bonds 7.84%	Intl 16.83%	Large Cap 32.39%	Core Real Estate 11.44%	US Bonds 0.55%	Mid Cap 13.79%	Large Cap 21.83%	US Bonds 0.01%	Small Cap 25.52%	Large Cap 9.07%
Small Cap 18.33%	Intl 16.62%	Large Cap 15.79%	Core Real Estate 14.84%	TIPS -2.35%	Mid Cap 40.48%	Commod. 16.83%	Global Bonds 5.64%	Small Cap 16.35%	Intl 15.29%	US Bonds 5.97%	Cash 0.03%	Large Cap 11.95%	Mid Cap 18.52%	Global Bonds -1.20%	Intl 21.51%	Intl 8.92%
Global Balanced 12.18%	Mid Cap 12.65%	Core Real Estate 15.27%	TIPS 11.64%	Core Real Estate -10.70%	Small Cap 27.17%	Core Real Estate 15.26%	High Yield 4.98%	Large Cap 16.00%	Global Balanced 14.46%	Small Cap 4.89%	TIPS -1.43%	Commod. 11.76%	Global Balanced 15.87%	TIPS -1.26%	Global Balanced 18.86%	Mid Cap 7.06%
Core Real Estate 12.00%	Large Cap 4.91%	Mid Cap 15.26%	Global Bonds 9.48%	Global Balanced -24.51%	Large Cap 26.46%	High Yield 15.12%	Large Cap 2.11%	High Yield 15.81%	Core Real Estate 12.95%	TIPS 3.64%	Global Balanced -1.45%	Emerging Markets 11.18%	Small Cap 14.65%	High Yield -2.08%	Emerging Markets 18.42%	Global Balanced 5.33%
High Yield 11.13%	Small Cap 4.55%	Global Balanced 14.53%	Global Balanced 9.07%	High Yield -26.16%	Global Balanced 20.49%	Large Cap 15.06%	Cash 0.06%	Global Balanced 11.06%	High Yield 7.44%	Global Balanced 3.17%	Mid Cap -2.43%	Core Real Estate 7.76%	High Yield 7.50%	Large Cap -4.38%	High Yield 14.32%	Commod. 4.42%
Large Cap 10.88%	Global Balanced 4.16%	High Yield 11.85%	US Bonds 6.97%	Small Cap -33.79%	Commod. 18.91%	Intl 11.15%	Global Balanced -0.97%	Core Real Estate 9.76%	Cash 0.07%	High Yield 2.45%	Global Bonds -3.15%	Global Balanced 5.38%	Global Bonds 7.39%	Global Balanced -5.30%	US Bonds 8.72%	High Yield 2.61%
Global Bonds 9.27%	Cash 3.25%	Global Bonds 6.64%	Mid Cap 5.60%	Commod. -35.65%	TIPS 11.41%	Global Balanced 9.40%	Mid Cap -1.55%	TIPS 6.98%	US Bonds -2.02%	Global Bonds 0.59%	Small Cap -4.41%	TIPS 4.68%	Core Real Estate 6.66%	Mid Cap -9.06%	TIPS 8.43%	Core Real Estate 1.29%
Commod. 9.15%	TIPS 2.84%	Cash 4.85%	Large Cap 5.49%	Large Cap -37.00%	Global Bonds 6.93%	US Bonds 6.54%	Small Cap -4.18%	Global Bonds 4.32%	Global Bonds -2.60%	Cash 0.04%	High Yield -4.46%	Intl 4.50%	US Bonds 3.54%	Small Cap -11.01%	Commod. 7.69%	TIPS 0.79%
TIPS 8.46%	High Yield 2.74%	US Bonds 4.33%	Cash 4.44%	Mid Cap -41.46%	US Bonds 5.93%	TIPS 6.31%	Commod. -13.32%	US Bonds 4.21%	Emerging Markets -2.60%	Emerging Markets -2.18%	Intl -5.66%	US Bonds 2.65%	TIPS 3.01%	Commod. -11.25%	Global Bonds 6.84%	Global Bonds 0.49%
US Bonds 4.34%	US Bonds 2.43%	Commod. 2.07%	High Yield 1.87%	Intl -45.53%	Cash 0.16%	Global Bonds 5.54%	Intl -13.71%	Cash 0.08%	TIPS -8.61%	Intl -3.86%	Emerging Markets -14.90%	Global Bonds 2.09%	Commod. 1.70%	Intl -14.20%	Core Real Estate 4.41%	Cash 0.46%
Cash 1.44%	Global Bonds -4.49%	TIPS 0.41%	Small Cap -1.57%	Emerging Markets -53.33%	Core Real Estate -30.40%	Cash 0.15%	Emerging Markets -18.42%	Commod. -1.06%	Commod. -9.52%	Commod. -17.00%	Commod. -24.60%	Cash 0.25%	Cash 0.71%	Emerging Markets -14.58%	Cash 2.30%	US Bonds 0.18%

Global Balanced is composed of 60% MSCI World Stock Index, 35% BBgBarc Global Aggregate Bond Index, and 5% US 90-Day T-Bills.

Section 2

HRA VEBA TRUST

Employees in the Northwest

TRUST ASSET ALLOCATION

Fourth Quarter 2019

Fixed Income	Ticker	Assets	%
HRA VEBA Stable Value	-	\$109,581,330	17.9%
Metropolitan West Total Return Bond Plan	MWTSX	\$9,028,740	1.5%
Total		\$118,610,070	19.4%

Large Cap	Ticker	Assets	%
Vanguard Institutional Index Instl	VINIX	\$96,551,809	15.8%
Total		\$96,551,809	15.8%

Mid Cap	Ticker	Assets	%
Carillon Scout Mid Cap R6	CSMUX	\$11,150,307	1.8%
Total		\$11,150,307	1.8%

Small Cap	Ticker	Assets	%
Champlain Small Company Instl	CIPNX	\$10,157,982	1.7%
Total		\$10,157,982	1.7%

International	Ticker	Assets	%
American Funds EuroPacific Growth R6	RERGX	\$6,307,687	1.0%
Total		\$6,307,687	1.0%

Asset Allocation	Ticker	Assets	%
Vanguard Balanced Index I	VBAIX	\$74,103,460	12.1%
Vanguard LifeStrategy Income Inv	VASIX	\$88,507,210	14.5%
Vanguard LifeStrategy Cons Gr Inv	VSCGX	\$81,350,116	13.3%
Vanguard LifeStrategy Mod Gr Inv	VSMGX	\$45,483,087	7.4%
Vanguard LifeStrategy Growth Inv	VASGX	\$79,296,896	13.0%
Total		\$368,740,769	60.3%

TOTAL TRUST ASSETS

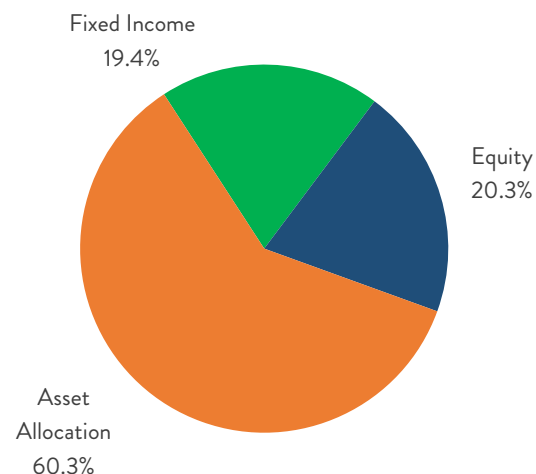
\$611,518,625

HRA VEBA TRUST

Employees in the Northwest

TRUST ASSET ALLOCATION

Fourth Quarter 2019



HISTORICAL TRUST ALLOCATION

Asset Class	4Q19	2018	2017	2016	2015	2014	2013	2012
Fixed Income	19.4%	19.1%	17.2%	19.6%	20.8%	21.4%	23.8%	28.4%
Large Cap	15.8%	15.4%	16.6%	16.0%	16.2%	17.2%	17.3%	15.3%
Mid Cap	1.8%	1.9%	2.0%	1.7%	1.6%	1.7%	1.7%	1.5%
Small Cap	1.7%	1.7%	1.7%	1.7%	1.6%	1.7%	1.9%	1.6%
International	1.0%	1.0%	1.2%	0.9%	1.0%	1.0%	1.2%	1.0%
Asset Allocation	60.3%	60.9%	61.3%	60.1%	58.8%	57.0%	54.0%	52.2%

EQUITY STYLE*

■ Core ■ Growth ■ Value

4 Q19	86.7%	13.3%
2018	86.5%	13.5%
2017	86.6%	13.4%
2016	87.0%	13.0%
2015	79.5%	20.5%
2014	79.7%	20.3%
2013	78.5%	21.5%
2012	79.0%	21.0%

BY EQUITY REGION*

■ US ■ Non-US

4 Q19	94.9%	5.1%
2018	94.8%	5.2%
2017	94.5%	5.5%
2016	95.5%	4.5%
2015	95.1%	4.9%
2014	95.2%	4.8%
2013	94.8%	5.2%
2012	94.9%	5.1%

ACTIVE V PASSIVE**

■ Active ■ Passive

4 Q19	60.2%	39.8%
2018	60.7%	39.3%
2017	57.2%	42.8%
2016	60.0%	40.0%
2015	60.7%	39.3%
2014	60.0%	40.0%
2013	62.2%	37.8%
2012	67.5%	32.5%

*Excludes Fixed Income and Asset Allocation assets

**Excludes Asset Allocation assets

HRA VEBA TRUST

Employees in the Northwest

TRUST ASSET ALLOCATION

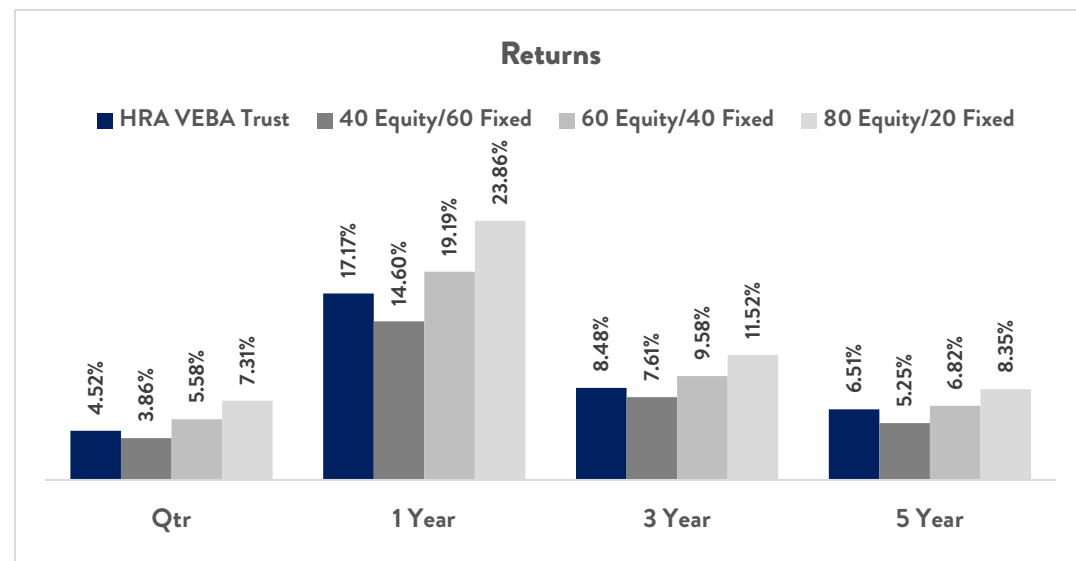
Fourth Quarter 2019

TRUST LEVEL CASH FLOWS

	Beginning Value	Net Cash Flow	Market Gain/Loss	Ending Value
Fixed Income	\$114,534,282	\$3,406,356	\$669,433	\$118,610,070
Large Cap	\$88,795,875	(\$255,793)	\$8,011,727	\$96,551,809
Mid Cap	\$10,700,571	(\$73,791)	\$523,527	\$11,150,307
Small Cap	\$9,807,617	(\$288,835)	\$639,200	\$10,157,982
International	\$5,736,247	(\$3,462)	\$574,902	\$6,307,687
Asset Allocation	\$348,709,417	\$4,134,018	\$15,897,333	\$368,740,769
Total	\$578,284,009	\$6,918,494	\$26,316,123	\$611,518,625

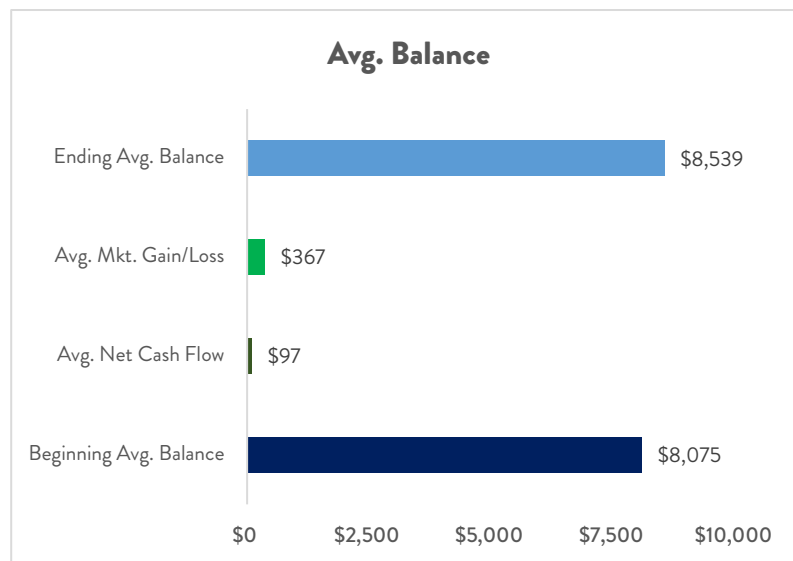
HISTORICAL TRUST CASH FLOWS

	Beginning Value	Net Cash Flow	Market Gain/Loss	Ending Value
4Q19	\$578,284,009	\$6,918,494	\$26,316,123	\$611,518,625
YTD	\$485,945,531	\$39,067,088	\$86,506,007	\$611,518,625
2018	\$465,730,499	\$35,198,031	(\$14,982,999)	\$485,945,531
2017	\$398,215,112	\$17,548,361	\$49,967,026	\$465,730,499
2016	\$357,293,760	\$15,351,569	\$25,569,783	\$398,215,112
2015	\$344,104,376	\$11,901,821	\$1,287,563	\$357,293,760



Equity Indices: Russell 3000, MSCI ACWI ex USA; Fixed Indices: US Treasury 3 Mo T-Bill, BBgBarc Global

Aggregate Bond (rebalanced quarterly)



Only active participants are included in the average.

Section 3

Key: (P) Pass / (F) Fail

Investment Policy Status

	Performance Factors	Qualitative Factors	On-Watch Date Initiated	Notes
HRA VEBA Stable Value	(P)	(P)	-	
Metropolitan West Total Return Bond Plan	(P)	(P)	-	
Vanguard Institutional Index Instl	(P)	(P)	-	
Carillon Scout Mid Cap R6	(P)	(P)	-	
Champlain Small Company Instl	(P)	(P)	-	
American Funds EuroPacific Growth R6	(P)	(P)	-	
Vanguard Balanced Index I	(P)	(P)	-	
Vanguard LifeStrategy Income Inv	(P)	(P)	-	
Vanguard LifeStrategy Cons Gr Inv	(P)	(P)	-	
Vanguard LifeStrategy Mod Gr Inv	(P)	(P)	-	
Vanguard LifeStrategy Growth Inv	(P)	(P)	-	

HRA VEBA TRUST

Employees in the Northwest

PERFORMANCE REVIEW

Fourth Quarter 2019

	QTR	YTD	1Yr	Annualized			2018	2017	2016	2015	2014	2013
				3Yr	5Yr	10Yr						
HRA VEBA Stable Value	0.56	2.34	2.34	1.97	1.77	1.62	1.92	1.64	1.52	1.42	1.56	1.27
5 Yr Constant Maturity US Treasury Yield	0.40	1.96	1.96	2.20	1.92	1.66	2.75	1.91	1.44	1.53	1.64	1.16
US 90 Day T-Bill	0.46	2.30	2.30	1.57	0.99	0.54	1.69	0.71	0.25	0.03	0.04	0.07
+/- Index	0.16	0.39	0.39	(0.24)	(0.15)	(0.04)	(0.83)	(0.27)	0.08	(0.11)	(0.08)	0.10
US Stable Value	40	30	30	36	37	70	43	39	40	40	25	49
	QTR	YTD	1Yr	3Yr	5Yr	10Yr	2018	2017	2016	2015	2014	2013
Metropolitan West Total Return Bond Plan	0.28	9.23	9.23	4.27	3.11	4.96	0.29	3.49	2.56	0.25	6.16	0.45
BBgBarc Capital US Aggregate Bond Index	0.18	8.72	8.72	4.03	3.05	3.75	0.01	3.54	2.65	0.55	5.97	-2.02
+/- Index	0.10	0.51	0.51	0.24	0.06	1.21	0.27	(0.05)	(0.09)	(0.30)	0.19	2.47
US Fund Intermediate Core-Plus Bond	60	53	53	39	58	15	17	78	83	31	27	17
	QTR	YTD	1Yr	3Yr	5Yr	10Yr	2018	2017	2016	2015	2014	2013
Vanguard Institutional Index Instl	9.06	31.46	31.46	15.24	11.67	13.53	-4.42	21.79	11.93	1.37	13.65	32.35
S&P 500 Index	9.07	31.49	31.49	15.27	11.70	13.56	-4.38	21.83	11.96	1.38	13.69	32.39
+/- Index	(0.01)	(0.02)	(0.02)	(0.04)	(0.03)	(0.03)	(0.04)	(0.04)	(0.03)	(0.01)	(0.04)	(0.04)
US Fund Large Blend	30	24	24	17	10	8	27	29	27	20	18	42
	QTR	YTD	1Yr	3Yr	5Yr	10Yr	2018	2017	2016	2015	2014	2013
Carillon Scout Mid Cap R6	4.94	20.84	20.84	10.62	10.18	12.62	-9.71	24.04	18.31	1.41	4.09	37.68
Russell Mid Cap Index	7.06	30.54	30.54	12.06	9.33	13.19	-9.06	18.52	13.80	-2.44	13.22	34.76
+/- Index	(2.12)	(9.70)	(9.70)	(1.44)	0.85	(0.58)	(0.65)	5.52	4.51	3.85	(9.13)	2.92
US Fund Mid-Cap Blend	89	88	88	33	10	18	30	3	23	7	86	25

HRA VEBA TRUST

Employees in the Northwest

PERFORMANCE REVIEW

Fourth Quarter 2019

	<i>Annualized</i>											
	QTR	YTD	1Yr	3Yr	5Yr	10Yr	2018	2017	2016	2015	2014	2013
Champlain Small Company Instl	6.62	25.35	25.35	10.46	11.29	13.21	-2.97	10.81	28.22	-1.21	4.07	36.21
Russell 2000 Index	9.94	25.52	25.52	8.59	8.23	11.83	-11.01	14.65	21.31	-4.41	4.89	38.82
Russell 2000 Growth Index	11.39	28.48	28.48	12.49	9.34	13.01	-9.31	22.17	11.32	-1.38	5.60	43.30
+/- Index	(3.32)	(0.18)	(0.18)	1.87	3.06	1.38	8.04	(3.83)	6.92	3.20	(0.82)	(2.61)
US Fund Small Blend	79	38	38	6	1	5	2	66	10	11	53	60
	QTR	YTD	1Yr	3Yr	5Yr	10Yr	2018	2017	2016	2015	2014	2013
American Funds EuroPacific Growth R6	10.09	27.40	27.40	12.45	7.41	6.73	-14.91	31.17	1.01	-0.48	-2.29	20.58
MSCI ACWI Ex-USA Growth (Net) Index	9.58	27.34	27.34	12.89	7.30	6.24	-14.43	32.01	0.12	-1.25	-2.65	15.49
+/- Index	0.51	0.06	0.06	(0.43)	0.11	0.49	(0.48)	(0.84)	0.89	0.77	0.36	5.09
US Fund Foreign Large Growth	34	59	59	47	44	55	58	44	20	66	27	36
	QTR	YTD	1Yr	3Yr	5Yr	10Yr	2018	2017	2016	2015	2014	2013
Vanguard Balanced Index I	5.39	21.79	21.79	10.46	8.07	9.70	-2.82	13.86	8.81	0.52	10.00	18.11
Vanguard Balanced Composite Index	5.41	21.87	21.87	10.51	8.17	9.84	-2.80	13.93	8.89	0.76	10.06	18.25
+/- Index	(0.02)	(0.08)	(0.08)	(0.05)	(0.10)	(0.14)	(0.02)	(0.07)	(0.08)	(0.24)	(0.06)	(0.14)
US Fund Allocation--50% to 70% Equity	40	18	18	13	10	10	11	43	21	12	9	37
	QTR	YTD	1Yr	3Yr	5Yr	10Yr	2018	2017	2016	2015	2014	2013
Vanguard LifeStrategy Income Inv	1.48	12.05	12.05	5.85	4.45	5.18	-1.05	6.98	4.58	0.22	6.76	3.40
Vanguard LifeStrategy Income Index	1.55	12.26	12.26	6.00	4.63	5.36	-0.98	7.15	4.79	0.47	6.84	3.71
+/- Index	(0.07)	(0.21)	(0.21)	(0.15)	(0.18)	(0.18)	(0.07)	(0.17)	(0.21)	(0.25)	(0.08)	(0.31)
US Fund Allocation--15% to 30% Equity	81	35	35	18	18	43	11	49	65	8	4	68

*The LifeStrategy funds may demonstrate longer-term tracking error due to the fact that prior to 2011 they applied some active amangement in the strategy. The funds moved to an all passive strategy in late 2011 and tracking error has been minor since this change.

HRA VEBA TRUST

Employees in the Northwest

PERFORMANCE REVIEW

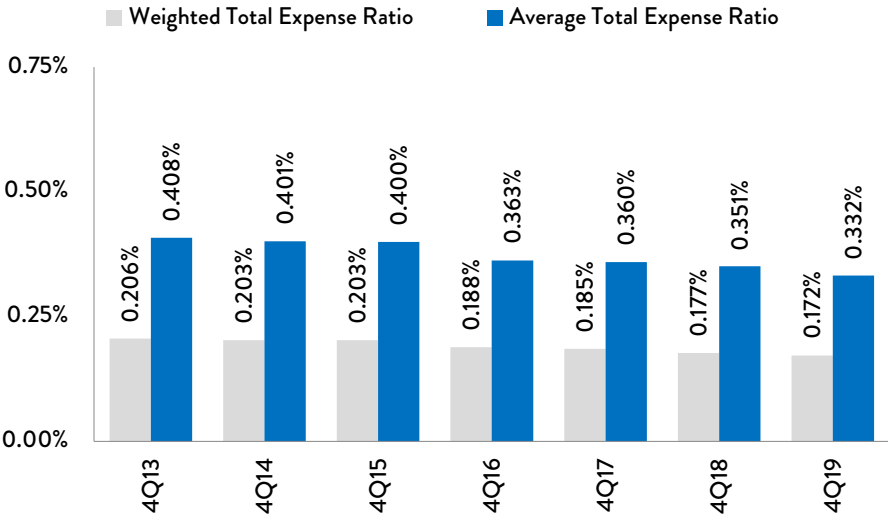
Fourth Quarter 2019

	QTR	YTD	1Yr	Annualized			2018	2017	2016	2015	2014	2013
				3Yr	5Yr	10Yr						
Vanguard LifeStrategy Cons Gr Inv	3.30	15.68	15.68	7.59	5.67	6.62	-2.95	10.92	5.96	-0.17	6.95	9.08
Vanguard LifeStrategy Conservative Growth Index	3.41	15.94	15.94	7.75	5.85	6.76	-2.88	11.11	6.11	-0.14	7.12	9.40
+/- Index	(0.11)	(0.26)	(0.26)	(0.16)	(0.18)	(0.14)	(0.07)	(0.19)	(0.15)	(0.03)	(0.17)	(0.32)
US Fund Allocation--30% to 50% Equity	55	36	36	16	18	29	14	30	54	12	9	33
	QTR	YTD	1Yr	3Yr	5Yr	10Yr	2018	2017	2016	2015	2014	2013
Vanguard LifeStrategy Mod Gr Inv	5.15	19.37	19.37	9.30	6.82	8.08	-4.91	15.04	7.13	-0.57	7.07	15.04
Vanguard LifeStrategy Moderate Growth Index	5.29	19.67	19.67	9.48	7.01	8.33	-4.81	15.19	7.37	-0.39	7.35	15.36
+/- Index	(0.14)	(0.30)	(0.30)	(0.18)	(0.19)	(0.25)	(0.10)	(0.15)	(0.24)	(0.18)	(0.28)	(0.32)
US Fund Allocation--50% to 70% Equity	54	53	53	37	34	44	39	26	42	32	38	68
	QTR	YTD	1Yr	3Yr	5Yr	10Yr	2018	2017	2016	2015	2014	2013
Vanguard LifeStrategy Growth Inv	7.07	23.13	23.13	10.97	7.91	9.35	-6.90	19.21	8.33	-1.17	7.18	21.20
Vanguard LifeStrategy Growth Index	7.19	23.46	23.46	11.18	8.12	9.60	-6.78	19.39	8.56	-0.94	7.54	21.58
+/- Index	(0.12)	(0.33)	(0.33)	(0.21)	(0.21)	(0.25)	(0.12)	(0.18)	(0.23)	(0.23)	(0.36)	(0.38)
US Fund Allocation--70% to 85% Equity	27	32	32	19	19	23	34	20	34	30	20	53

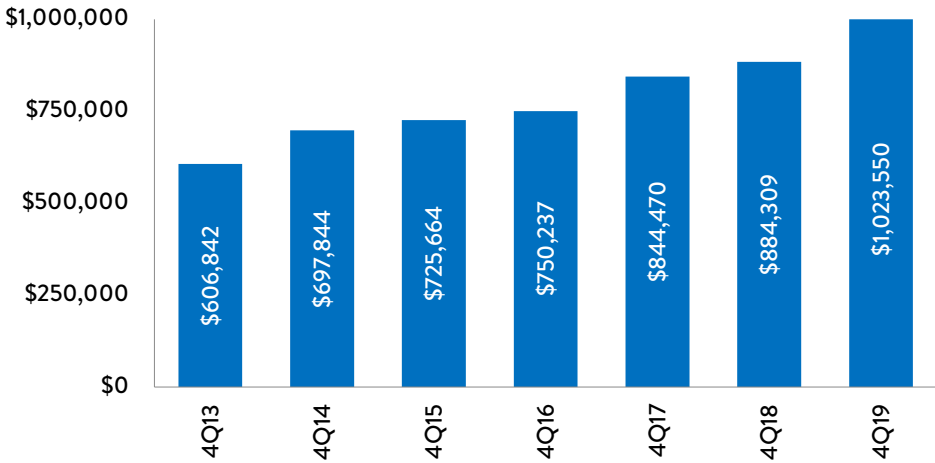
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Section 4

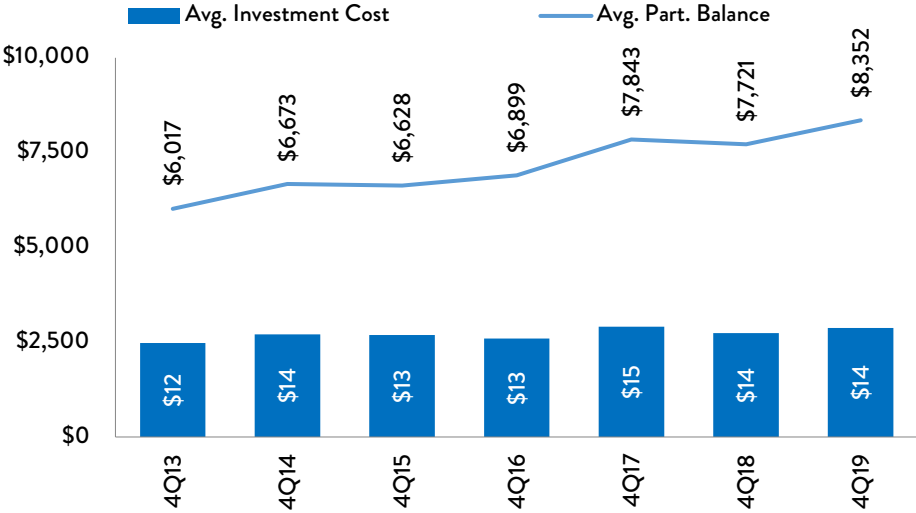
Annualized Investment Costs (%)



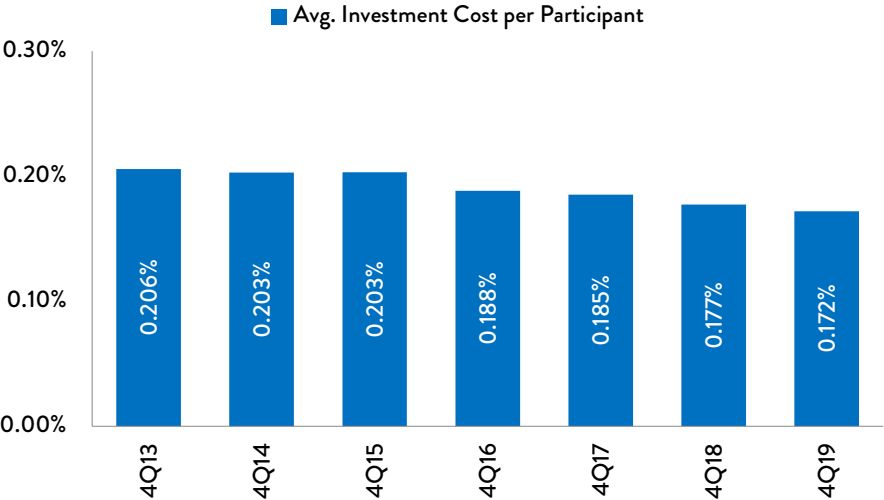
Annualized Investment Costs (\$)



Average Participant Balance & Investment Costs (\$)



Annualized Investment Cost Summary
(as a % of total assets)



HRA VEBA TRUST

Employees in the Northwest

TRUST FEE ANALYSIS

Fourth Quarter 2019

Fund	Ticker	Quarter Average Assets	Expense Ratio	Est. Annual Invest. Cost
HRA VEBA Stable Value	-	\$107,653,841	0.31%	\$333,569
Metropolitan West Total Return Bond Plan	MWTSX	\$8,918,335	0.37%	\$32,998
Vanguard Institutional Index Instl	VINIX	\$92,673,842	0.04%	\$32,436
Carillon Scout Mid Cap R6	CSMUX	\$10,925,439	0.90%	\$98,329
Champlain Small Company Instl	CIPNX	\$9,982,799	0.99%	\$98,830
American Funds EuroPacific Growth R6	RERGX	\$6,021,967	0.49%	\$29,508
Vanguard Balanced Index I	VBAIX	\$72,329,136	0.06%	\$43,397
Vanguard LifeStrategy Income Inv	VASIX	\$87,273,690	0.11%	\$96,001
Vanguard LifeStrategy Cons Gr Inv	VSCGX	\$79,641,373	0.12%	\$95,570
Vanguard LifeStrategy Mod Gr Inv	VSMGX	\$43,604,147	0.13%	\$56,685
Vanguard LifeStrategy Growth Inv	VASGX	\$75,876,748	0.14%	\$106,227
TOTAL		\$594,901,317		\$1,023,550

Weighted Expense Ratio: 0.17%

Average Expense Ratio: 0.33%

Total Number of Participants: 71,229

Average Participant Balance: \$8,352

Average Participant Investment Cost: \$14

Section 5

HRA VEBA TRUST

Employees in the Northwest

HRA VEBA STABLE VALUE (GS)

Fourth Quarter 2019

Portfolio Characteristics	12/31/2019
Average Credit Quality	AA-/Aa2
Net Spot Yield	2.36%
Portfolio Duration	2.34 yrs
Management Fees	0.15%
Wrap Fees	0.16%
3-Month Cash Flow	\$3,199,627

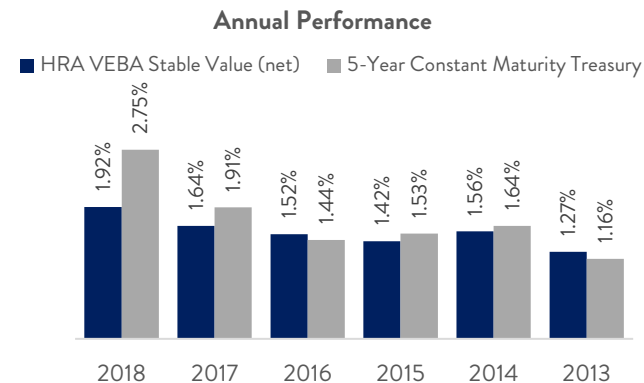
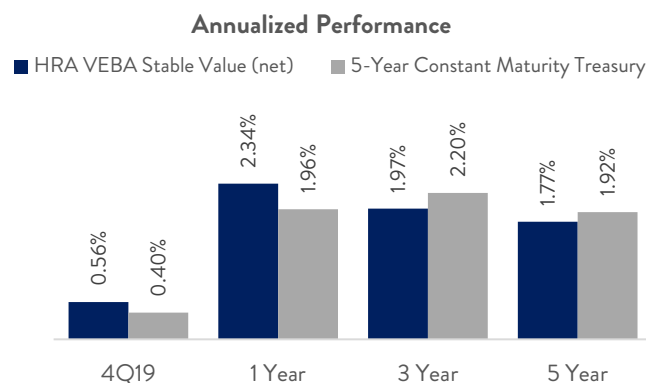
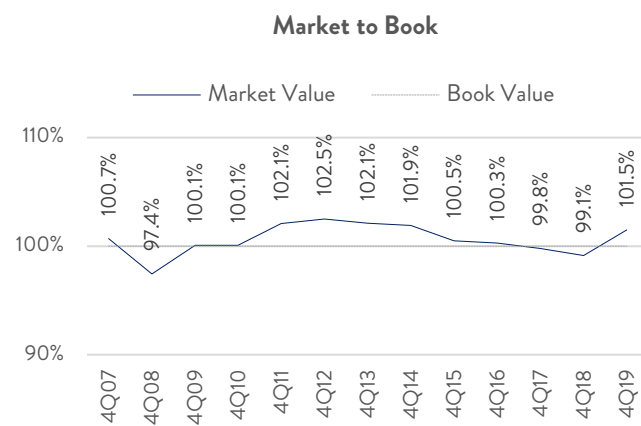
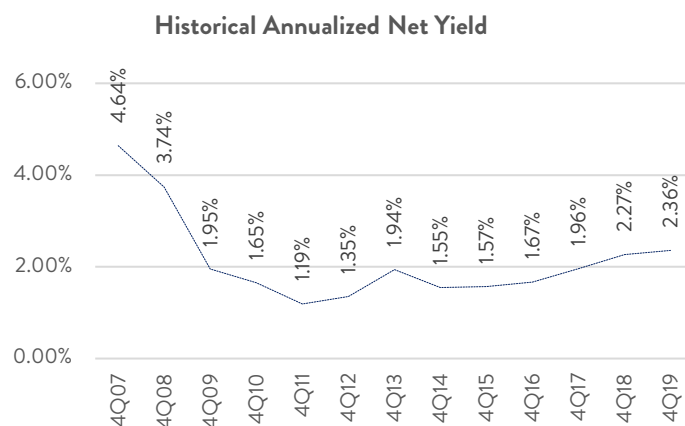
Portfolio Guidelines	Min/Max
Cash	0%-35%
GIC	0%-40%
Wrapped Fixed	0%-100%
Wrapped Broad Market	0%-100%
Duration	2.00 yrs-3.50 yrs

Period	Book Value	M/B Ratio
4Q18	\$84,977,799	99.1%
1Q19	\$92,303,380	100.3%
2Q19	\$99,159,982	101.4%
3Q19	\$105,788,501	101.6%
4Q19	\$109,631,451	101.5%

Sector Breakdowns	12/31/2019
US Treasury	38%
Agency	2%
Investment Grade Corporate	36%
Cash	9%
Mortgage-Backed Security	5%
ABS	7%
Non-Corp. Credit	3%

Credit Quality	12/31/2019
AAA	64%
AA	2%
A	18%
BBB	16%
<BBB	0%
NR	0%

Manager Allocation	12/31/2019
Goldman Sachs Govt MM Fund	9%
Collateral Account	0%
RGA Wrapped Bond	46%
State Street Wrapped Bond	46%



American Funds Europacific Growth R6 (USD)

Morningstar Analyst Rating™



09-18-2019

Overall Morningstar Rating™



405 US Fund Foreign Large Growth

Standard Index

MSCI ACWI Ex USA NR USD

Category Index

MSCI ACWI Ex USA Growth NR USD

Morningstar Cat

US Fund Foreign Large Growth

Performance 12-31-2019

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2017	9.37	7.69	6.86	4.23	31.17
2018	1.03	-2.82	-0.84	-12.59	-14.91
2019	13.20	3.87	-1.59	10.09	27.40

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	27.40	12.45	7.41	6.73	9.43
Std 12-31-2019	27.40	—	7.41	6.73	9.43
Total Return	27.40	12.45	7.41	6.73	9.43
+/- Std Index	5.89	2.59	1.90	1.76	—
+/- Cat Index	0.06	-0.43	0.11	0.49	—
% Rank Cat	59	47	44	55	—
No. in Cat	469	405	338	246	—

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield 11-30-19	1.03	1.03

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-421-4225 or visit www.americanfunds.com.

Fees and Expenses

Sales Charges

Front-End Load %

NA

Deferred Load %

NA

Fund Expenses

Management Fees %

0.41

12b1 Expense %

NA

Net Expense Ratio %

0.49

Gross Expense Ratio %

0.49

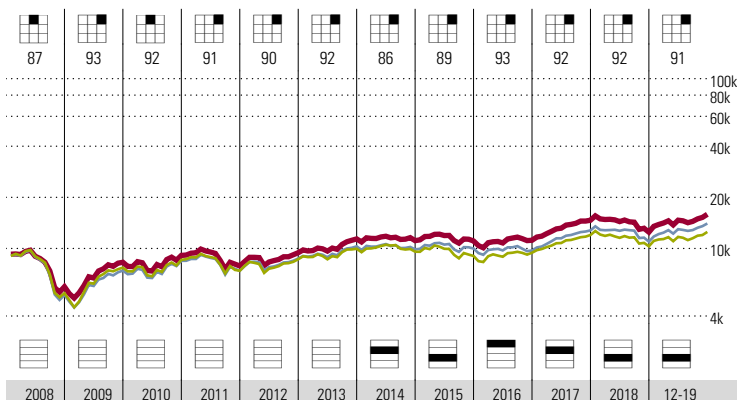
Risk and Return Profile

	3 Yr 405 funds	5 Yr 338 funds	10 Yr 246 funds
Morningstar Rating™	3★	3★	3★
Morningstar Risk	Avg	Avg	-Avg
Morningstar Return	Avg	Avg	Avg
Standard Deviation	12.25	12.16	14.11
Mean	12.45	7.41	6.73
Sharpe Ratio	0.88	0.56	0.49

MPT Statistics	Standard Index	Best Fit Index MSCI ACWI Ex USA Growth NR USD
Alpha	2.10	-0.71
Beta	1.04	1.04
R-Squared	95.48	97.07
12-Month Yield		1.36%
Potential Cap Gains Exp		32.93%

Operations

Family:	American Funds
Manager:	Multiple
Tenure:	18.6 Years
Objective:	Foreign Stock
Base Currency:	USD



Investment Style

Equity
Stocks %

Growth of \$10,000

American Funds Europacific Growth R6
15,890

Category Average
14,026

Standard Index
12,510

Performance Quartile (within category)

History

NAV/Price
27.40

Total Return %
+/- Standard Index
+/- Category Index

% Rank Cat
59

No. of Funds in Cat
469

Portfolio Analysis 09-30-2019

Asset Allocation %	Net %	Long %	Short %	Share Chg since 06-2019	Share Amount	Holdings : 324 Total Stocks, 10 Total Fixed-Income, 35% Turnover Ratio	Net Assets %
Cash	8.59	8.59	0.00				
US Stocks	1.59	1.59	0.00				
Non-US Stocks	89.75	89.75	0.00	⊖	32 mil	Airbus SE	2.61
Bonds	0.07	0.07	0.00	⊖	430 mil	AIA Group Ltd	2.56
Other/Not Clsfd	0.00	0.00	0.00	⊕	10 mil	Nintendo Co Ltd	2.41
Total	100.00	100.00	0.00	⊕	201 mil	Reliance Industries Ltd	2.38
				⊖	212 mil	HDPC Bank Ltd	2.32
				⊖	20 mil	Alibaba Group Holding Ltd ADR	2.12
				⊕	12 mil	ASML Holding NV	1.95
				⊖	62 mil	Samsung Electronics Co Ltd	1.61
				⊖	39 mil	Daiichi Sankyo Co Ltd	1.56
				⊖	95 mil	Kotak Mahindra Bank Ltd	1.39
				⊕	184 mil	Vale SA ADR	1.33
				⊖	232 mil	Taiwan Semiconductor Manufacturing	1.28
				⊕	4 mil	MercadoLibre Inc	1.24
				⊖	5 mil	LVMH Moet Hennessy Louis Vuitton SE	1.16
				⊖	26 mil	SK Hynix Inc	1.14

Credit Quality Breakdown —

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure

	Stocks %	Rel Std Index
Americas	12.0	1.13
Greater Europe	39.4	0.88
Greater Asia	48.5	1.09

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	40.0	0.95
Basic Materials	8.1	1.12
Consumer Cyclical	12.8	1.23
Financial Services	17.8	0.83
Real Estate	1.3	0.41
Sensitive	39.7	1.11
Communication Services	1.5	0.20
Energy	6.2	0.92
Industrials	11.8	0.99
Technology	20.2	2.11
Defensive	20.2	0.92
Consumer Defensive	6.1	0.64
Healthcare	10.9	1.19
Utilities	3.3	0.99

Carillon Scout Mid Cap R-6 (USD)

Morningstar Quantitative Rating™
Silver^a
11-30-2019

Overall Morningstar Rating™

☆☆☆

361 US Fund Mid-Cap Blend

Standard Index

S&P 500 TR USD

Category Index

Russell Mid Cap TR

USD

Morningstar Cat

US Fund Mid-Cap

Blend

Performance 12-31-2019

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2017	5.18	3.84	5.69	7.46	24.04
2018	-0.63	2.28	6.78	-16.80	-9.71
2019	14.58	1.16	-0.65	4.94	20.84
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	20.84	—	—	—	5.16
Std 12-31-2019	20.84	—	—	—	5.16
Total Return	20.84	10.62	10.18	12.62	5.16
+/- Std Index	-10.64	-4.66	-1.52	-0.94	—
+/- Cat Index	-9.70	-1.44	0.85	-0.58	—
% Rank Cat	88	33	10	18	—
No. in Cat	404	361	292	220	—

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	—	—

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-421-4184 or visit www.eagleasset.com.

Fees and Expenses
Sales Charges
Front-End Load %

NA

Deferred Load %

NA

Fund Expenses

Management Fees %

0.75

12b1 Expense %

0.00

Net Expense Ratio %

0.90

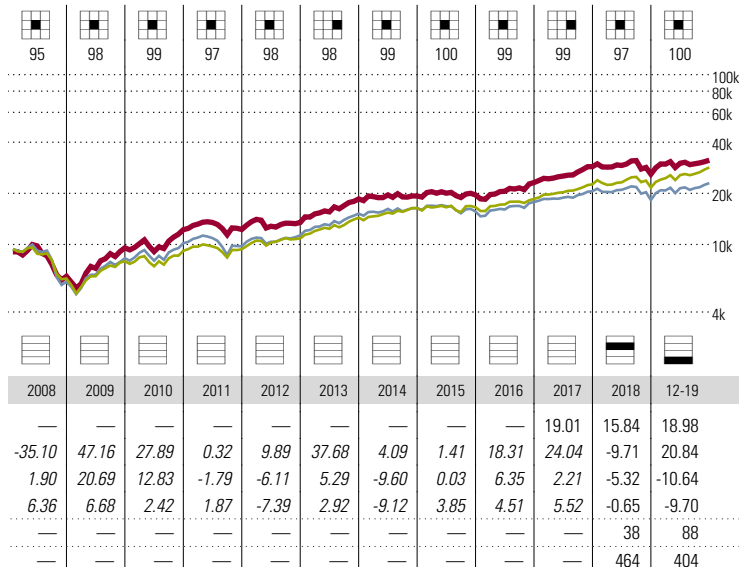
Gross Expense Ratio %

0.90

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	361 funds	292 funds	220 funds
Morningstar Rating™	4☆	5☆	4☆
Morningstar Risk	Avg	Avg	-Avg
Morningstar Return	+Avg	High	+Avg
	3 Yr	5 Yr	10 Yr
Standard Deviation	13.47	12.73	13.80
Mean	10.62	10.18	12.62
Sharpe Ratio	0.69	0.74	0.89

MPT Statistics	Standard Index	Best Fit Index
Alpha	-4.66	—
Beta	1.05	—
R-Squared	89.13	—
12-Month Yield	—	—
Potential Cap Gains Exp	—	—


Investment Style

Equity

Stocks %

Growth of \$10,000

Carillon Scout Mid Cap R-6
31,339

Category Average
22,975

Standard Index
28,417

Performance Quartile
(within category)

History

NAV/Price
18.98

Total Return %
20.84

+/- Standard Index
-9.71

+/- Category Index
-10.64

% Rank Cat
88

No. of Funds in Cat
404

Portfolio Analysis 12-31-2019

Asset Allocation % 09-30-2019	Net %	Long %	Short %
Cash	0.29	0.29	0.00
US Stocks	98.05	98.05	0.00
Non-US Stocks	1.67	1.67	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.00	0.00

Equity Style

Value	Blend	Growth
Large	—	—
Mid	—	—
Small	—	—

Portfolio Statistics

	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	20.6	0.91	0.93
P/C Ratio TTM	12.1	0.84	0.93
P/B Ratio TTM	2.4	0.72	1.05
Geo Avg Mkt Cap \$mil	13173	0.11	1.52

Fixed-Income Style

Ltd	Mod	Ext
High	—	—
Mid	—	—
Low	—	—

Avg Eff Maturity

Avg Eff Duration

Avg Wtd Coupon

Avg Wtd Price

Credit Quality Breakdown —

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure

	Stocks %	Rel Std Index
Americas	99.3	1.00
Greater Europe	0.2	0.23
Greater Asia	0.5	10.43

Top Holdings 09-30-2019

Share Chg since 09-2019	Share Amount	Holdings : 138 Total Stocks, 0 Total Fixed-Income, 170% Turnover Ratio	Net Assets %
—	1 mil	WEC Energy Group Inc	3.64
—	5 mil	AGNC Investment Corp	2.70
—	413,275	Dollar General Corp	2.33
—	363,550	Casey's General Stores Inc	2.08
—	416,100	Mid-America Apartment Communities	1.92
—	819,900	CMS Energy Corp	1.86
—	515,100	Marsh & McLennan Companies Inc	1.83
—	1 mil	Brown & Brown Inc	1.70
—	1 mil	Americold Realty Trust	1.69
—	417,649	Atmos Energy Corp	1.69
—	748,725	DocuSign Inc	1.65
—	894,100	Kirkland Lake Gold Ltd	1.42
—	500,974	EPR Properties	1.37
—	169,867	L3Harris Technologies Inc	1.26
—	280,900	American Water Works Co Inc	1.24

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	43.2	1.41
Basic Materials	5.4	2.33
Consumer Cyclical	12.2	1.27
Financial Services	14.4	0.91
Real Estate	11.3	3.85
Sensitive	40.0	0.91
Communication Services	3.3	0.32
Energy	3.4	0.78
Industrials	16.6	1.74
Technology	16.8	0.85
Defensive	16.8	0.67
Consumer Defensive	5.2	0.69
Healthcare	5.9	0.41
Utilities	5.7	1.71

Operations

Family: Carillon Family of Funds

Manager: Multiple

Tenure: 13.3 Years

Objective: Growth

Base Currency: USD

Ticker: CSMUX

ISIN: US14214M8495

Minimum Initial Purchase: \$0

Purchase Constraints: A

Incept: 11-20-2017

Type: MF

Total Assets: \$2,905.06 mil

Champlain Small Company Institutional (USD)

Morningstar Analyst Rating™
Gold
 10-04-2019

Overall Morningstar Rating™
★★★
 571 US Fund Small Growth

Standard Index
 S&P 500 TR USD

Category Index
 Russell 2000
 Growth TR USD

Morningstar Cat
 US Fund Small Growth

Performance 12-31-2019

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2017	2.22	2.87	3.37	1.95	10.81
2018	1.95	11.44	6.08	-19.49	-2.97
2019	15.11	3.46	-1.28	6.62	25.35
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	25.35	10.46	—	—	12.74
Std 12-31-2019	25.35	—	—	—	12.74
Total Return	25.35	10.46	11.29	13.21	12.74
+/- Std Index	-6.14	-4.81	-0.41	-0.35	—
+/- Cat Index	-3.14	-2.03	1.95	0.20	—
% Rank Cat	63	72	28	43	—
No. in Cat	640	571	505	379	—

	Subsidized	Unsubsidized
7-day Yield 01-10-20	0.00	—
30-day SEC Yield	—	—

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

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Fees and Expenses

Sales Charges

Front-End Load %

NA

Deferred Load %

NA

Fund Expenses

Management Fees %

0.81

12b1 Expense %

NA

Net Expense Ratio %

0.99

Gross Expense Ratio %

0.98

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	571 funds	505 funds	379 funds
Morningstar Rating™	3★	4★	4★
Morningstar Risk	Low	-Avg	Low
Morningstar Return	-Avg	+Avg	Avg

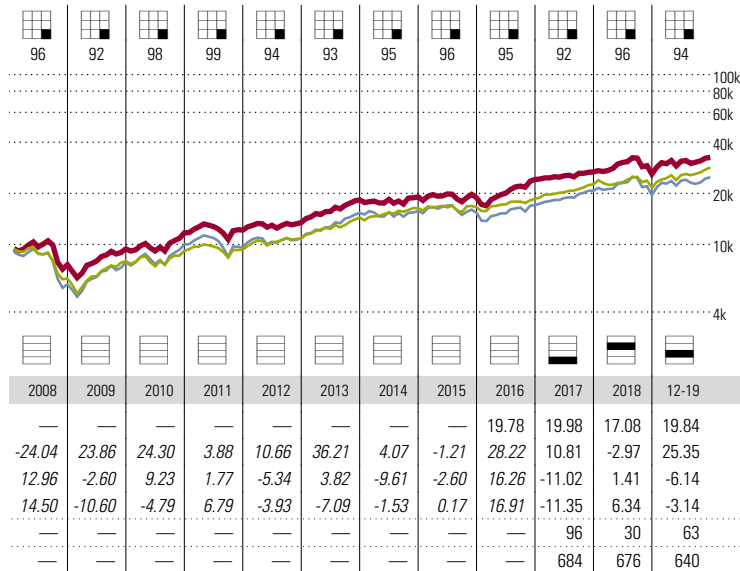
	3 Yr	5 Yr	10 Yr
Standard Deviation	14.65	14.97	14.63
Mean	10.46	11.29	13.21
Sharpe Ratio	0.64	0.72	0.88

MPT Statistics	Standard Index	Best Fit Index Russell 2000 TR USD
Alpha	-4.48	2.36
Beta	1.04	0.89
R-Squared	73.78	94.48

12-Month Yield	—
Potential Cap Gains Exp	35.37%

Operations

Family:	Champlain Funds
Manager:	Multiple
Tenure:	15.2 Years
Objective:	Small Company



Investment Style
 Equity
 Stocks %

Growth of \$10,000

Champlain Small Company Institutional	32,536
Category Average	24,895
Standard Index	28,417

Performance Quartile
 (within category)

History

NAV/Price	19.84
Total Return %	25.35
+/- Standard Index	-6.14
+/- Category Index	-3.14
% Rank Cat	63
No. of Funds in Cat	640

Portfolio Analysis 10-31-2019

Asset Allocation %	Net %	Long %	Short %	Share Chg since 07-2019	Share Amount	Holdings : 66 Total Stocks , 2 Total Fixed-Income, 30% Turnover Ratio	Net Assets %
Cash	1.00	1.00	0.00	—	—	—	—
US Stocks	91.75	91.75	0.00	—	—	—	—
Non-US Stocks	1.80	1.80	0.00	+	109 mil	Fidelity Treasury Port-I	5.46
Bonds	0.00	0.00	0.00	+	1 mil	Integra Lifesciences Holdings Corp	2.90
Other/Not Clsfd	5.46	5.46	0.00	+	3 mil	Pure Storage Inc A	2.83
Total	100.00	100.00	0.00	+	3 mil	Welbilt Inc	2.78
				+	460,000	MSA Safety Inc	2.76
				—	495,000	Commed Corp	2.72
				+	500,000	John Bean Technologies Corp	2.57
				+	780,000	Sensient Technologies Corp	2.44
				+	1 mil	Avanos Medical Inc	2.42
				+	4 mil	Hostess Brands Inc Class A	2.28
				+	615,000	O2 Holdings Inc	2.20
				+	641,530	UMB Financial Corp	2.09
				+	865,000	John Wiley & Sons Inc Class A	1.99
				+	2 mil	Yext Inc	1.97
				+	633,000	Argo Group International Holdings	1.96

Equity Style

Value	Blend	Growth
—	—	—
—	—	—
—	—	—
—	—	—

Portfolio Statistics

	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	23.3	1.03	0.82
P/C Ratio TTM	17.6	1.22	0.86
P/B Ratio TTM	2.8	0.83	0.71
Geo Avg Mkt Cap \$mil	2616	0.02	0.68

Fixed-Income Style

Ltd	Mod	Ext
—	—	—
—	—	—
—	—	—
—	—	—

Credit Quality Breakdown —

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure

	Stocks %	Rel Std Index
Americas	100.0	1.01
Greater Europe	0.0	0.00
Greater Asia	0.0	0.00

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	24.9	0.81
Basic Materials	6.1	2.63
Consumer Cyclical	4.2	0.44
Financial Services	14.7	0.92
Real Estate	0.0	0.00
Sensitive	38.7	0.88
Communication Services	2.1	0.20
Energy	0.0	0.00
Industrials	17.5	1.84
Technology	19.1	0.97
Defensive	36.3	1.44
Consumer Defensive	14.3	1.89
Healthcare	22.0	1.53
Utilities	0.0	0.00

Metropolitan West Total Return Bd Plan (USD)

Overall Morningstar Rating™ ★★★
530 US Fund Intermediate Core-Plus Bond

Standard Index BBgBarc US Agg Bond TR USD

Category Index BBgBarc US Universal TR USD

Morningstar Cat US Fund Intermediate Core-Plus Bond

Performance 12-31-2019					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2017	0.96	1.36	0.74	0.39	3.49
2018	-1.30	-0.01	0.12	1.49	0.29
2019	3.15	3.27	2.26	0.28	9.23
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	9.23	4.27	3.11	—	4.08
Std 12-31-2019	9.23	—	3.11	—	4.08
Total Return	9.23	4.27	3.11	4.96	4.08
+/- Std Index	0.51	0.24	0.06	1.21	—
+/- Cat Index	-0.06	-0.03	-0.33	0.83	—
% Rank Cat	53	39	57	15	—
No. in Cat	613	530	444	332	—

	Subsidized	Unsubsidized
7-day Yield 01-10-20	1.94	—
30-day SEC Yield 12-31-19	2.38	2.98

Performance Disclosure

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Fees and Expenses

Sales Charges

Front-End Load %

NA

Deferred Load %

NA

Fund Expenses

Management Fees %

0.35

12b1 Expense %

NA

Net Expense Ratio %

0.37

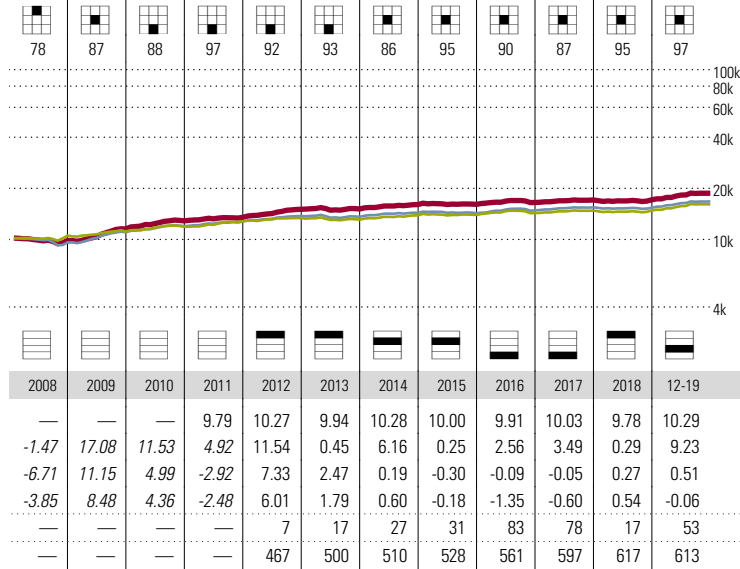
Gross Expense Ratio %

0.37

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	530 funds	444 funds	332 funds
Morningstar Rating™	3★	3★	4★
Morningstar Risk	+Avg	Avg	Avg
Morningstar Return	Avg	Avg	+Avg
	3 Yr	5 Yr	10 Yr
Standard Deviation	2.87	2.86	2.91
Mean	4.27	3.11	4.96
Sharpe Ratio	0.89	0.71	1.48

MPT Statistics	Standard Index	Best Fit Index
	BBgBarc US Agg	Bond TR USD
Alpha	0.28	0.28
Beta	0.98	0.98
R-Squared	99.12	99.12
12-Month Yield		2.80%
Potential Cap Gains Exp		-2.48%



Portfolio Analysis 11-30-2019

Asset Allocation %	Net %	Long %	Short %	Share Chg since 10-2019	Share Amount	Holdings : 3 Total Stocks , 1,712 Total Fixed-Income, 255% Turnover Ratio	Net Assets %
Cash	-2.71	2.83	5.54				
US Stocks	0.03	0.03	0.00				
Non-US Stocks	0.00	0.00	0.00	⊕	5,049 mil	United States Treasury Notes 1.5%	6.28
Bonds	102.18	102.29	0.11	⊕	2,879 mil	United States Treasury Notes 1.5%	3.59
Other/Not Clsfd	0.49	0.49	0.00	⊗	2,516 mil	United States Treasury Notes 1.5%	3.13
Total	100.00	105.65	5.65	⊖	2,482 mil	United States Treasury Notes 1.5%	3.09
				⊗	2,321 mil	United States Treasury Bonds 2.38%	3.01
				⊗	2,346 mil	Federal National Mortgage Associat	2.96
				⊖	2,272 mil	United States Treasury Notes 1.5%	2.83
				⊖	1,868 mil	United States Treasury Notes 1.25%	2.30
				⊗	1,568 mil	Government National Mortgage Assoc	2.02
				⊕	843 mil	United States Treasury Bonds 1%	1.20
				⊕	886 mil	United States Treasury Notes 0.25%	1.12
				⊖	817 mil	United States Treasury Bonds 2.25%	1.03
				⊗	717 mil	United States Treasury Notes 2.38%	0.93
				⊖	691 mil	Federal Home Loan Mortgage Corpora	0.91
				⊖	600 mil	Federal Home Loan Mortgage Corpora	0.79

Equity Style	Value	Blend	Growth	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	—	—	—	—	—	—
P/C Ratio TTM	—	—	—	—	—	—
P/B Ratio TTM	—	—	—	—	—	—
Geo Avg Mkt Cap \$mil	—	—	—	—	—	—

Fixed-Income Style	Ltd	Mod	Ext	High	Med	Low
Avg Eff Maturity	—	—	—	—	—	7.69
Avg Eff Duration	—	—	—	—	—	5.75
Avg Wtd Coupon	—	—	—	—	—	3.05
Avg Wtd Price	—	—	—	—	—	102.63

Credit Quality Breakdown 09-30-2019	Bond %
AAA	66.48
AA	1.95
A	7.77
BBB	18.26
BB	1.68
B	0.71
Below B	3.12
NR	0.03

Regional Exposure	Stocks %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Sector Weightings	Stocks %	Rel Std Index
Cyclical	—	—
Basic Materials	—	—
Consumer Cyclical	—	—
Financial Services	—	—
Real Estate	—	—
Sensitive	—	—
Communication Services	—	—
Energy	—	—
Industrials	—	—
Technology	—	—
Defensive	—	—
Consumer Defensive	—	—
Healthcare	—	—
Utilities	—	—

Operations

Family:	Metropolitan West Funds
Manager:	Multiple
Tenure:	22.8 Years
Objective:	Corporate Bond - General

Base Currency:	USD
Ticker:	MWTSX
ISIN:	US5929057645
Minimum Initial Purchase:	\$25 mil

Purchase Constraints:	A
Incept:	07-29-2011
Type:	MF
Total Assets:	\$81,066.30 mil

Vanguard Balanced Index I (USD)

Performance 12-31-2019

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2017	3.78	2.43	3.02	3.96	13.86
2018	-0.87	2.28	4.26	-8.06	-2.82
2019	9.57	3.74	1.68	5.39	21.79
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	21.79	10.46	8.07	9.70	6.69
Std 12-31-2019	21.79	—	8.07	9.70	6.69
Total Return	21.79	10.46	8.07	9.70	6.69
+/- Std Index	2.77	1.32	1.32	1.98	—
+/- Cat Index	2.77	1.32	1.32	1.98	—
% Rank Cat	18	13	10	10	
No. in Cat	697	643	570	420	

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield 01-09-20	1.94	1.94

Performance Disclosure

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Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	0.06
12b1 Expense %	NA
Net Expense Ratio %	0.06
Gross Expense Ratio %	0.06

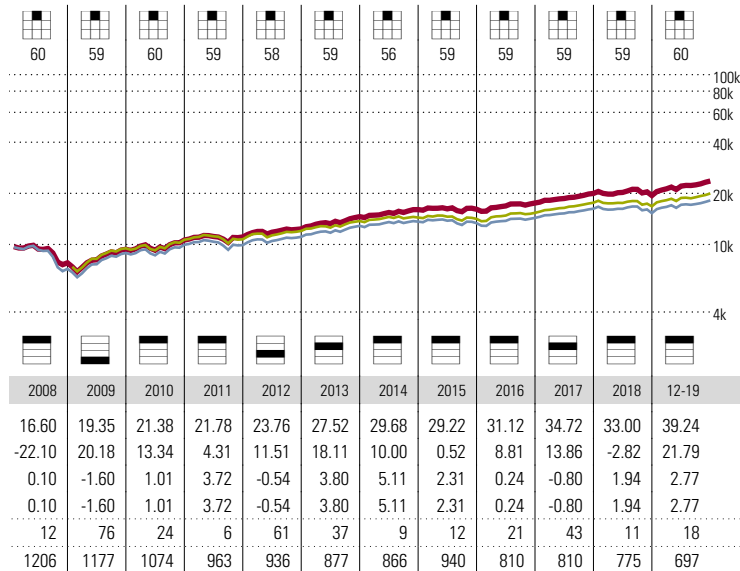
Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	643 funds	570 funds	420 funds
Morningstar Rating™	4★	5★	5★
Morningstar Risk	Avg	-Avg	-Avg
Morningstar Return	+Avg	High	High
	3 Yr	5 Yr	10 Yr
Standard Deviation	7.33	7.19	7.51
Mean	10.46	8.07	9.70
Sharpe Ratio	1.16	0.97	1.20

MPT Statistics	Standard Index	Best Fit Index
		Russell 1000 TR
		USD
Alpha	0.91	0.76
Beta	1.05	0.59
R-Squared	93.75	97.60
12-Month Yield		2.12%
Potential Cap Gains Exp		34.25%

Operations

Family:	Vanguard
Manager:	Multiple
Tenure:	6.9 Years
Objective:	Balanced



Portfolio Analysis 11-30-2019

Asset Allocation %	Net %	Long %	Short %	Share Chg since 10-2019	Share Amount	Holdings :	3,319 Total Stocks , 9,773 Total Fixed-Income, 44% Turnover Ratio	Net Assets %
Cash	1.77	1.77	0.00					
US Stocks	59.04	59.04	0.00					
Non-US Stocks	0.55	0.55	0.00	⊖	7 mil	Microsoft Corp		2.22
Bonds	38.41	38.41	0.00	⊖	4 mil	Apple Inc		2.09
Other/Not Clsfd	0.24	0.24	0.00	⊖	362,555	Amazon.com Inc		1.45
Total	100.00	100.00	0.00	⊖	2 mil	Facebook Inc A		0.93
				⊖	2 mil	Berkshire Hathaway Inc B		0.77
				⊖	3 mil	JPMorgan Chase & Co		0.77
				⊖	257,261	Alphabet Inc Class C		0.75
				⊖	255,603	Alphabet Inc A		0.74
				⊖	2 mil	Johnson & Johnson		0.70
				⊖	1 mil	Visa Inc Class A		0.61
				⊖	2 mil	Procter & Gamble Co		0.59
				⊖	4 mil	Exxon Mobil Corp		0.55
				⊖	7 mil	Bank of America Corporation		0.53
				⊖	6 mil	AT&T Inc		0.52
				⊖	2 mil	The Walt Disney Co		0.52

Equity Style	Value	Blend	Growth

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	21.7	1.18	1.04
P/C Ratio TTM	13.6	1.19	1.08
P/B Ratio TTM	3.1	1.47	1.10
Geo Avg Mkt Cap \$mil	70061	1.88	0.73

Fixed-Income Style	Ltd	Mod	Ext

Credit Quality Breakdown 11-30-2019	Bond %
AAA	66.05
AA	3.34
A	10.98
BBB	19.63
BB	0.00
B	0.00
Below B	0.00
NR	0.00

Regional Exposure	Stocks %	Rel Std Index
Americas	99.2	1.60
Greater Europe	0.7	0.04
Greater Asia	0.1	0.01

Sector Weightings	Stocks %	Rel Std Index
Cyclical	32.6	0.81
Basic Materials	2.5	0.53
Consumer Cyclical	9.9	1.01
Financial Services	15.9	0.90
Real Estate	4.4	0.55
Sensitive	43.0	1.17
Communication Services	9.5	1.37
Energy	3.9	0.74
Industrials	10.5	0.92
Technology	19.1	1.44
Defensive	24.4	1.06
Consumer Defensive	6.9	0.87
Healthcare	14.3	1.27
Utilities	3.2	0.83

Vanguard Institutional Index I (USD)

Morningstar Analyst Rating™
Gold
 03-08-2019

Overall Morningstar Rating™
 ★★★★★
 1,203 US Fund Large Blend

Standard Index
 S&P 500 TR USD

Category Index
 Russell 1000 TR USD

Morningstar Cat
 US Fund Large Blend

Performance 12-31-2019

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2017	6.05	3.08	4.48	6.63	21.79
2018	-0.77	3.42	7.70	-13.53	-4.42
2019	13.65	4.30	1.69	9.06	31.46
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	31.46	15.24	11.67	13.53	10.08
Std 12-31-2019	31.46	—	11.67	13.53	10.08
Total Return	31.46	15.24	11.67	13.53	10.08
+/- Std Index	-0.02	-0.04	-0.03	-0.03	—
+/- Cat Index	0.04	0.19	0.19	-0.01	—
% Rank Cat	24	17	10	8	—
No. in Cat	1387	1203	1058	808	—

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield 01-10-20	1.85	1.85

Performance Disclosure

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Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	0.03
12b1 Expense %	NA
Net Expense Ratio %	0.04
Gross Expense Ratio %	0.04

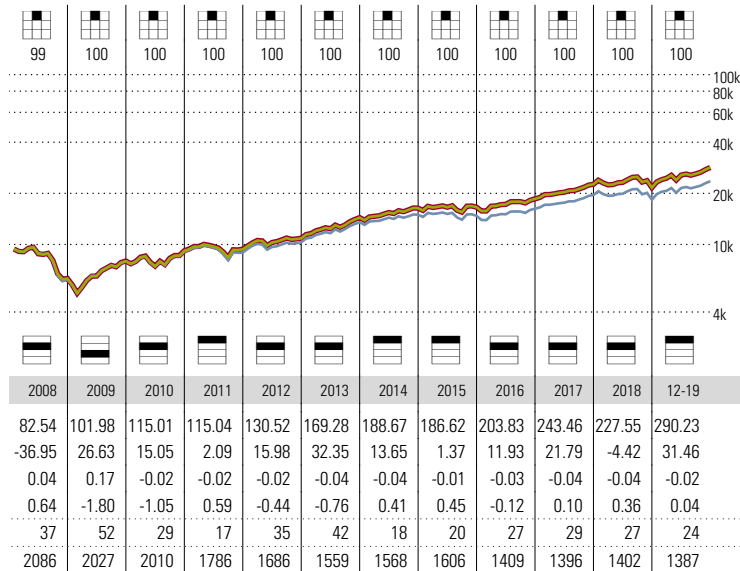
Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	1203 funds	1058 funds	808 funds
Morningstar Rating™	4★	4★	5★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	+Avg	High	High
	3 Yr	5 Yr	10 Yr
Standard Deviation	12.10	11.98	12.46
Mean	15.24	11.67	13.53
Sharpe Ratio	1.10	0.89	1.04

MPT Statistics	Standard Index	Best Fit Index
	S&P 500 TR USD	S&P 500 TR USD
Alpha	-0.03	-0.03
Beta	1.00	1.00
R-Squared	100.00	100.00
12-Month Yield		1.89%
Potential Cap Gains Exp		43.75%

Operations

Family:	Vanguard
Manager:	Multiple
Tenure:	19.1 Years
Objective:	Growth and Income



Portfolio Analysis 11-30-2019

Asset Allocation %	Net %	Long %	Short %
Cash	0.31	0.31	0.00
US Stocks	98.74	98.74	0.00
Non-US Stocks	0.95	0.95	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.00	0.00

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	22.0	0.97	0.98
	P/C Ratio TTM	14.0	0.97	0.94
	P/B Ratio TTM	3.3	0.97	0.85
	Geo Avg Mkt Cap \$mil	119868	0.97	0.64

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
Ltd Mod Ext	—	—	—	—
	—	—	—	—
	—	—	—	—
	—	—	—	—

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	99.0	1.00
Greater Europe	0.9	0.99
Greater Asia	0.1	1.06

Share Chg since 10-2019	Share Amount	Holdings : 508 Total Stocks , 1 Total Fixed-Income, 6% Turnover Ratio	Net Assets %
—	69 mil	Microsoft Corp	4.41
—	39 mil	Apple Inc	4.33
—	4 mil	Amazon.com Inc	2.86
—	22 mil	Facebook Inc A	1.85
—	18 mil	Berkshire Hathaway Inc B	1.65
—	29 mil	JPMorgan Chase & Co	1.59
—	3 mil	Alphabet Inc Class C	1.50
—	3 mil	Alphabet Inc A	1.49
—	24 mil	Johnson & Johnson	1.38
—	16 mil	Visa Inc Class A	1.22
—	23 mil	Procter & Gamble Co	1.17
—	38 mil	Exxon Mobil Corp	1.10
—	76 mil	Bank of America Corporation	1.07
—	66 mil	AT&T Inc	1.04
—	16 mil	The Walt Disney Co	1.04

Sector Weightings	Stocks %	Rel Std Index
Cyclical	30.9	1.01
Basic Materials	2.3	1.00
Consumer Cyclical	9.6	1.01
Financial Services	16.0	1.00
Real Estate	3.0	1.02
Sensitive	43.8	1.00
Communication Services	10.4	1.00
Energy	4.2	0.97
Industrials	9.8	1.03
Technology	19.4	0.98
Defensive	25.3	1.00
Consumer Defensive	7.6	1.01
Healthcare	14.4	1.00
Utilities	3.3	0.99

Vanguard LifeStrategy Cnsvr Gr Inv (USD)

Morningstar Analyst Rating™

Gold

03-04-2019

Overall Morningstar Rating™

★★★★

506 US Fund Allocation--30%
to 50% Equity

Standard Index

Morningstar Mod

Tgt Risk TR USD

Category Index

Morningstar Mod

Con Tgt Risk TR

Morningstar Cat

US Fund Allocation--

30% to 50% Equity

USD

Performance 12-31-2019

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2017	3.07	2.32	2.51	2.61	10.92
2018	-0.65	0.51	1.69	-4.42	-2.95
2019	6.75	3.20	1.65	3.30	15.68
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	15.68	7.59	5.67	6.62	6.94
Std 12-31-2019	15.68	—	5.67	6.62	6.94
Total Return	15.68	7.59	5.67	6.62	6.94
+/- Std Index	-3.34	-1.55	-1.08	-1.11	—
+/- Cat Index	0.43	0.12	0.12	0.36	—
% Rank Cat	36	16	18	29	—
No. in Cat	562	506	419	270	—

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield 01-10-20	2.41	2.41

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

Fees and Expenses

Sales Charges

Front-End Load %

NA

Deferred Load %

NA

Fund Expenses

Management Fees %

0.00

12b1 Expense %

NA

Net Expense Ratio %

0.12

Gross Expense Ratio %

0.12

Risk and Return Profile

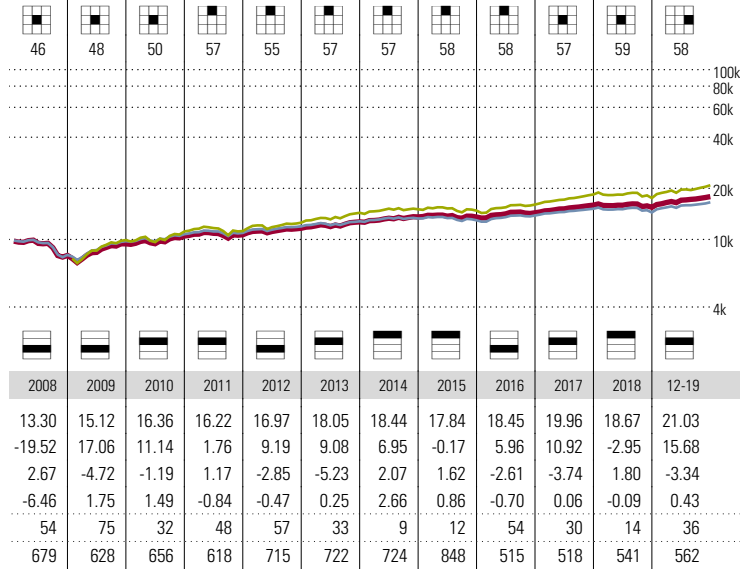
	3 Yr	5 Yr	10 Yr
	506 funds	419 funds	270 funds
Morningstar Rating™	4★	4★	4★
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	+Avg	+Avg	+Avg
	3 Yr	5 Yr	10 Yr
Standard Deviation	4.58	4.73	5.26
Mean	7.59	5.67	6.62
Sharpe Ratio	1.25	0.96	1.14

MPT Statistics

	Standard Index	Best Fit Index
		Morningstar
		Lifetime Mod 2015
		TR USD
Alpha	0.93	0.48
Beta	0.66	0.90
R-Squared	94.29	98.49
12-Month Yield		2.58%
Potential Cap Gains Exp		22.02%

Operations

Family:	Vanguard
Manager:	Management Team
Tenure:	25.3 Years
Objective:	Asset Allocation



Investment Style

Fixed-Income

Bond %

Growth of \$10,000

Vanguard LifeStrategy Cnsvr Gr Inv	17,877
Category Average	16,546
Standard Index	20,861

Performance Quartile (within category)

History

NAV/Price	21.03
Total Return %	15.68
+/- Standard Index	-3.34
+/- Category Index	0.43
% Rank Cat	36
No. of Funds in Cat	562

Portfolio Analysis 11-30-2019

Asset Allocation %	Net %	Long %	Short %	Share Chg since 10-2019	Share Amount	Holdings :	Net Assets %
Cash	1.78	1.81	0.03			9,580 Total Stocks , 16,721 Total Fixed-Income, 9% Turnover Ratio	
US Stocks	24.20	24.20	0.00				
Non-US Stocks	15.83	15.83	0.00	⊕	404 mil	Vanguard Total Bond Market II Idx	42.11
Bonds	57.90	57.91	0.01	⊖	33 mil	Vanguard Total Stock Mkt Idx Inv	24.38
Other/Not Clsfd	0.29	0.29	0.00	⊕	158 mil	Vanguard Total Intl Bd Idx Investor	17.31
Total	100.00	100.03	0.04	⊖	99 mil	Vanguard Total Intl Stock Index Inv	16.15

Equity Style

Value	Blend	Growth
Large		
Mid		
Small		

Portfolio Statistics

	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	18.7	1.02	0.89
P/C Ratio TTM	11.5	1.01	0.90
P/B Ratio TTM	2.2	1.05	0.82
Geo Avg Mkt Cap \$mil	45613	1.23	0.46

Fixed-Income Style

Ltd	Mod	Ext
High		
Mid		
Low		

	Avg Eff Maturity	8.70
	Avg Eff Duration	6.80
	Avg Wtd Coupon	2.91
	Avg Wtd Price	107.08

Credit Quality Breakdown 10-31-2019

	Bond %
AAA	52.97
AA	10.32
A	15.65
BBB	21.06
BB	0.00
B	0.00
Below B	0.00
NR	0.00

Regional Exposure

	Stocks %	Rel Std Index
Americas	64.3	1.04
Greater Europe	18.0	0.98
Greater Asia	17.6	0.90

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	36.5	0.91
Basic Materials	4.5	0.96
Consumer Cyclical	10.2	1.05
Financial Services	17.6	0.99
Real Estate	4.3	0.53
Sensitive	40.3	1.09
Communication Services	8.6	1.23
Energy	4.9	0.94
Industrials	11.6	1.02
Technology	15.2	1.14
Defensive	23.2	1.01
Consumer Defensive	7.8	0.98
Healthcare	12.2	1.08
Utilities	3.2	0.85

Vanguard LifeStrategy Growth Inv (USD)

Performance 12-31-2019

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2017	5.58	3.54	4.19	4.67	19.21
2018	-0.56	0.87	3.53	-10.35	-6.90
2019	10.55	3.45	0.56	7.07	23.13
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	23.13	10.97	7.91	9.35	8.18
Std 12-31-2019	23.13	—	7.91	9.35	8.18
Total Return	23.13	10.97	7.91	9.35	8.18
+/- Std Index	4.10	1.84	1.16	1.63	—
+/- Cat Index	0.18	0.09	-0.05	0.27	—
% Rank Cat	32	19	19	23	—
No. in Cat	334	304	273	193	—

7-day Yield	Subsidized	Unsubsidized
30-day SEC Yield 01-10-20	2.28	2.28

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

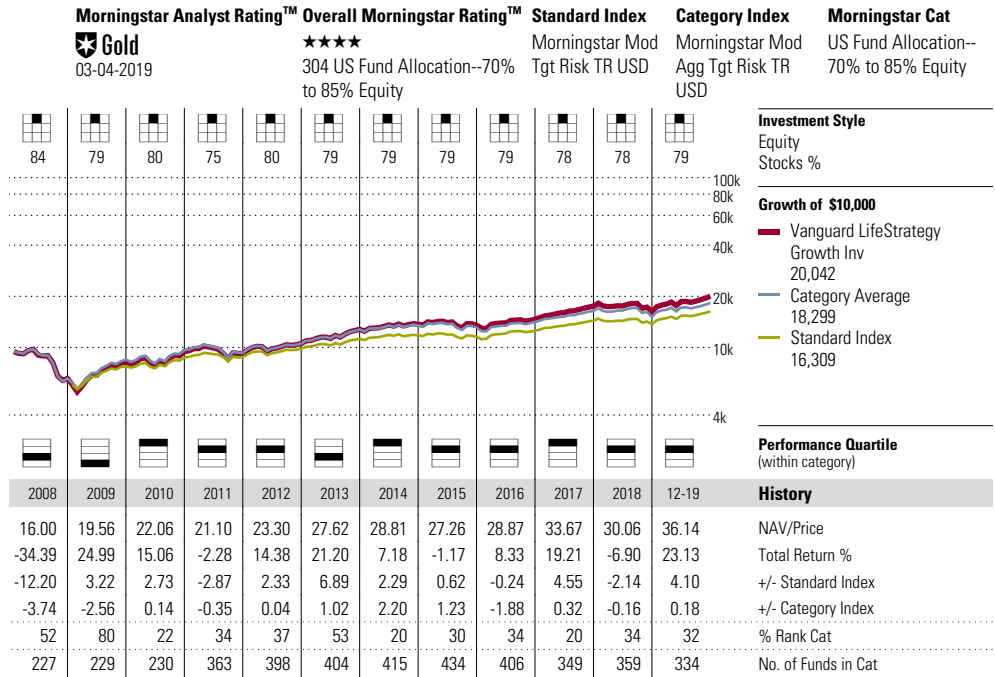
Management Fees %	0.00
12b1 Expense %	NA
Net Expense Ratio %	0.14
Gross Expense Ratio %	0.14

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	4★	4★
Morningstar Risk	-Avg	-Avg	Avg
Morningstar Return	+Avg	+Avg	+Avg
Standard Deviation	9.15	9.25	10.31
Mean	10.97	7.91	9.35
Sharpe Ratio	1.00	0.75	0.86
MPT Statistics	Standard Index	Best Fit Index	Morningstar Mod
Alpha	-0.65	0.01	0.01
Beta	1.35	1.01	1.01
R-Squared	98.87	99.53	99.53
12-Month Yield	2.32%		
Potential Cap Gains Exp	37.18%		

Operations

Family:	Vanguard
Manager:	Management Team
Tenure:	25.3 Years
Objective:	Asset Allocation



Portfolio Analysis 11-30-2019

Asset Allocation %	Net %	Long %	Short %	Share Chg since 10-2019	Share Amount	Holdings : 10,234 Total Stocks , 15,303 Total Fixed-Income, 6% Turnover Ratio	Net Assets %
Cash	1.41	1.46	0.05				
US Stocks	48.39	48.39	0.00				
Non-US Stocks	31.12	31.12	0.00	⊖	102 mil	Vanguard Total Stock Mkt Idx Inv	48.77
Bonds	18.96	18.96	0.00	⊖	298 mil	Vanguard Total Intl Stock Index Inv	31.74
Other/Not Clsfd	0.12	0.12	0.00	⊕	202 mil	Vanguard Total Bond Market II Idx	13.73
Total	100.00	100.05	0.05	⊕	80 mil	Vanguard Total Intl Bd Idx Investor	5.73

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	Sector Weightings	Stocks %	Rel Std Index
Value Blend Growth	P/E Ratio TTM	18.7	1.02	0.91	Cyclical	36.5	0.91
Large Mid Small	P/C Ratio TTM	11.5	1.01	0.92	Basic Materials	4.4	0.96
	P/B Ratio TTM	2.2	1.05	0.86	Consumer Cyclical	10.2	1.05
	Geo Avg Mkt Cap \$mil	45820	1.23	0.72	Financial Services	17.6	0.99
					Real Estate	4.3	0.53
Fixed-Income Style					Sensitive	40.3	1.09
Ltd Mod Ext	Avg Eff Maturity		8.71		Communication Services	8.6	1.23
High Mid Low	Avg Eff Duration		6.81		Energy	4.9	0.93
	Avg Wtd Coupon		2.90		Industrials	11.6	1.02
	Avg Wtd Price		—		Technology	15.2	1.14
					Defensive	23.2	1.01
					Consumer Defensive	7.8	0.98
					Healthcare	12.2	1.08
					Utilities	3.2	0.85

Credit Quality Breakdown 10-31-2019

	Bond %
AAA	52.82
AA	10.39
A	15.70
BBB	21.09
BB	0.00
B	0.00
Below B	0.00
NR	0.00

Regional Exposure	Stocks %	Rel Std Index
Americas	64.7	1.04
Greater Europe	17.8	0.97
Greater Asia	17.5	0.89

Vanguard LifeStrategy Income Inv (USD)

Performance 12-31-2019

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2017	1.83	1.73	1.65	1.59	6.98
2018	-0.77	0.30	0.81	-1.38	-1.05
2019	4.87	3.06	2.16	1.48	12.05
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	12.05	5.85	4.45	5.18	6.24
Std 12-31-2019	12.05	—	4.45	5.18	6.24
Total Return	12.05	5.85	4.45	5.18	6.24
+/- Std Index	-6.98	-3.28	-2.29	-2.54	—
+/- Cat Index	0.83	0.31	0.40	0.65	—
% Rank Cat	35	18	18	43	—
No. in Cat	199	179	155	89	—

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield 01-10-20	2.47	2.47

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	0.00
12b1 Expense %	NA
Net Expense Ratio %	0.11
Gross Expense Ratio %	0.11

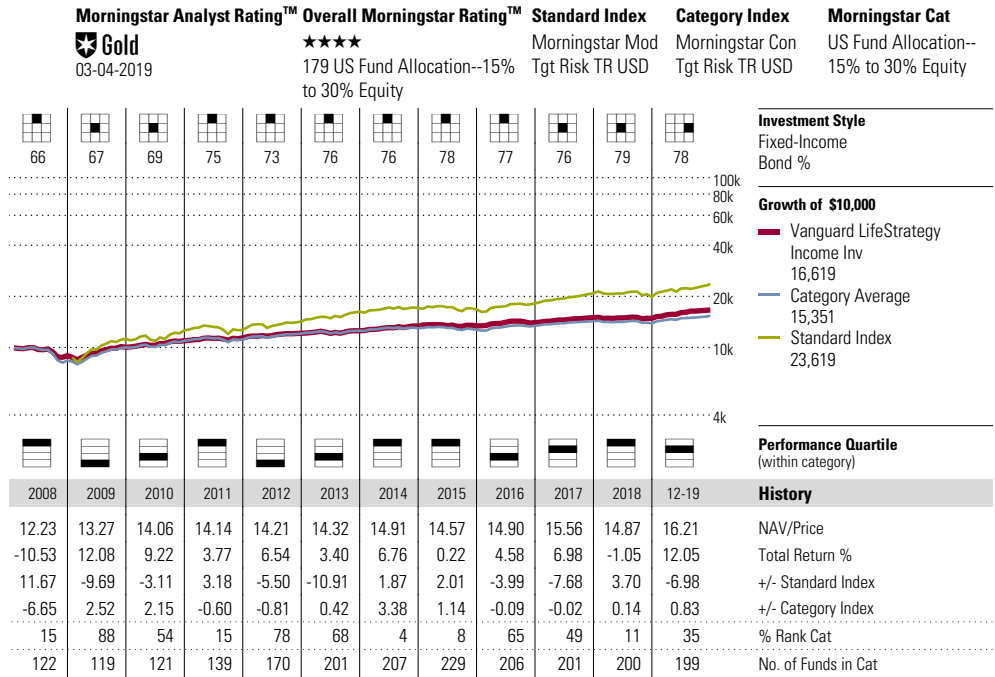
Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	4★	3★
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	+Avg	+Avg	Avg
Standard Deviation	2.82	3.09	3.17
Mean	5.85	4.45	5.18
Sharpe Ratio	1.43	1.08	1.43

MPT Statistics	Standard Index	Best Fit Index
Alpha	1.74	0.34
Beta	0.32	0.99
R-Squared	57.70	93.55
12-Month Yield	—	2.71%
Potential Cap Gains Exp	—	10.41%

Operations

Family:	Vanguard
Manager:	Management Team
Tenure:	25.3 Years
Objective:	Asset Allocation



Portfolio Analysis 11-30-2019

Asset Allocation %	Net %	Long %	Short %	Share Chg since 10-2019	Share Amount	Holdings :	Net Assets
Cash	1.95	1.96	0.01			8,575 Total Stocks, 17,005 Total Fixed-Income, 6% Turnover Ratio	%
US Stocks	11.98	11.98	0.00				
Non-US Stocks	7.82	7.82	0.00	⊕	243 mil	Vanguard Total Bond Market II Idx	56.46
Bonds	77.87	77.88	0.01	⊕	96 mil	Vanguard Total Intl Bd Idx Investor	23.45
Other/Not Clsfd	0.38	0.38	0.00	⊖	7 mil	Vanguard Total Stock Mkt Idx Inv	12.07
Total	100.00	100.03	0.03	⊖	22 mil	Vanguard Total Intl Stock Index Inv	7.98

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	Sector Weightings	Stocks %	Rel Std Index
Value Blend Growth	P/E Ratio TTM	18.7	1.02	0.93	Cyclical	36.5	0.91
	P/C Ratio TTM	11.5	1.01	0.93	Basic Materials	4.5	0.96
	P/B Ratio TTM	2.2	1.05	0.84	Consumer Cyclical	10.2	1.05
	Geo Avg Mkt Cap \$mil	45636	1.23	0.94	Financial Services	17.6	0.99
					Real Estate	4.3	0.53
					Sensitive	40.3	1.09
					Communication Services	8.6	1.23
					Energy	4.9	0.94
					Industrials	11.6	1.02
					Technology	15.2	1.14
					Defensive	23.2	1.01
					Consumer Defensive	7.8	0.98
					Healthcare	12.2	1.08
					Utilities	3.2	0.85

Credit Quality Breakdown 10-31-2019

	Bond %
AAA	52.87
AA	10.37
A	15.68
BBB	21.08
BB	0.00
B	0.00
Below B	0.00
NR	0.00

Regional Exposure	Stocks %	Rel Std Index
Americas	64.4	1.04
Greater Europe	18.0	0.98
Greater Asia	17.6	0.90

Vanguard LifeStrategy Moderate Gr Inv (USD)

Performance 12-31-2019

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2017	4.35	2.95	3.35	3.63	15.04
2018	-0.59	0.67	2.64	-7.42	-4.91
2019	8.63	3.34	1.13	5.15	19.37
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	19.37	9.30	6.82	8.08	7.69
Std 12-31-2019	19.37	—	6.82	8.08	7.69
Total Return	19.37	9.30	6.82	8.08	7.69
+/- Std Index	0.34	0.17	0.08	0.36	—
+/- Cat Index	0.34	0.17	0.08	0.36	—
% Rank Cat	53	37	34	44	—
No. in Cat	697	643	570	420	—

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield 01-10-20	2.35	2.35

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	0.00
12b1 Expense %	NA
Net Expense Ratio %	0.13
Gross Expense Ratio %	0.13

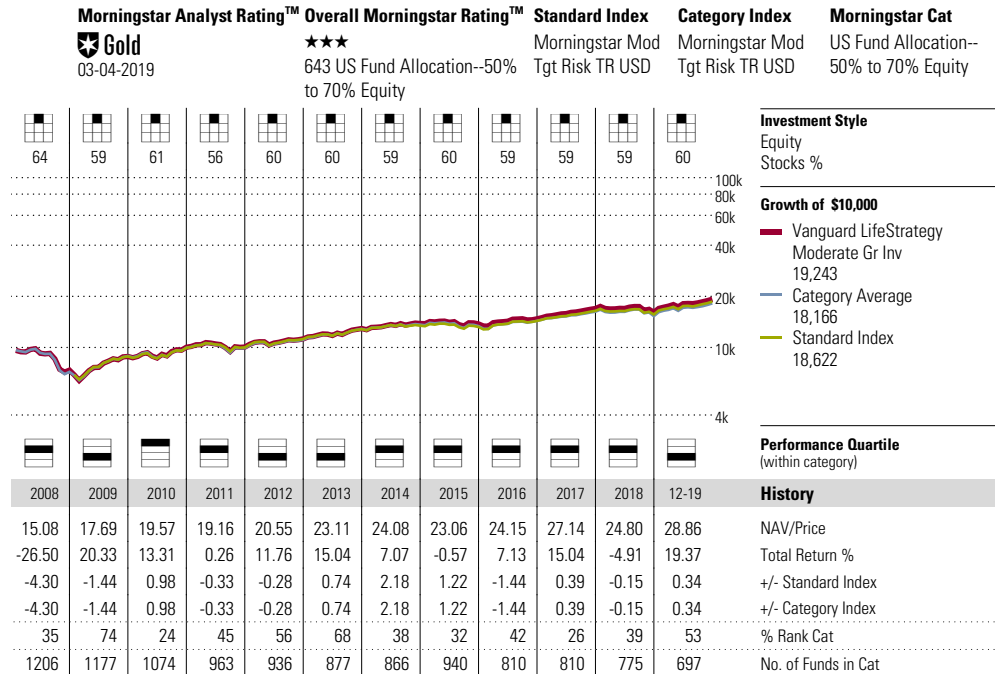
Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	643 funds	570 funds	420 funds
Morningstar Rating™	3★	4★	3★
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	Avg	Avg	Avg
	3 Yr	5 Yr	10 Yr
Standard Deviation	6.81	6.91	7.67
Mean	9.30	6.82	8.08
Sharpe Ratio	1.09	0.83	0.98

MPT Statistics	Standard Index	Best Fit Index
		Morningstar
		Lifetime Mod 2030
		TR USD
Alpha	0.13	0.21
Beta	1.00	0.89
R-Squared	99.22	99.35
12-Month Yield		2.45%
Potential Cap Gains Exp		30.38%

Operations

Family:	Vanguard
Manager:	Management Team
Tenure:	25.3 Years
Objective:	Asset Allocation



Portfolio Analysis 11-30-2019

Asset Allocation %	Net %	Long %	Short %	Share Chg since 10-2019	Share Amount	Holdings : 10,000 Total Stocks , 16,217 Total Fixed-Income, 9% Turnover Ratio	Net Assets %
Cash	1.62	1.65	0.04				
US Stocks	36.23	36.23	0.00				
Non-US Stocks	23.56	23.56	0.00	⊖	82 mil	Vanguard Total Stock Mkt Idx Inv	36.51
Bonds	38.39	38.39	0.01	⊕	442 mil	Vanguard Total Bond Market II Idx	27.77
Other/Not Clsfd	0.21	0.21	0.00	⊖	244 mil	Vanguard Total Intl Stock Index Inv	24.03
Total	100.00	100.04	0.04	⊕	175 mil	Vanguard Total Intl Bd Idx Investor	11.62

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	18.7	1.02	0.90
	P/C Ratio TTM	11.5	1.01	0.92
	P/B Ratio TTM	2.2	1.05	0.79
	Geo Avg Mkt Cap \$mil	45689	1.23	0.47

Fixed-Income Style	Avg Eff Maturity	8.71
Ltd Mod Ext	Avg Eff Duration	6.81
	Avg Wtd Coupon	2.90
	Avg Wtd Price	107.09

Credit Quality Breakdown 10-31-2019	Bond %
AAA	52.80
AA	10.40
A	15.71
BBB	21.09
BB	0.00
B	0.00
Below B	0.00
NR	0.00

Regional Exposure	Stocks %	Rel Std Index
Americas	64.5	1.04
Greater Europe	18.0	0.98
Greater Asia	17.6	0.90

Sector Weightings	Stocks %	Rel Std Index
Cyclical	36.5	0.91
Basic Materials	4.5	0.96
Consumer Cyclical	10.2	1.05
Financial Services	17.6	0.99
Real Estate	4.3	0.53
Sensitive	40.3	1.09
Communication Services	8.6	1.23
Energy	4.9	0.93
Industrials	11.6	1.02
Technology	15.2	1.14
Defensive	23.2	1.01
Consumer Defensive	7.8	0.98
Healthcare	12.2	1.08
Utilities	3.2	0.85

AGENDA ITEM 4.2: INVESTMENT POLICY STATEMENT UPDATE

 **SNAPSHOT:** Hyas Group is recommending one minor change to the Trust's **Investment Policy Statement**.

 **ACTION ITEM**

 **RELEVANT GOAL(S):** None

BACKGROUND

Hyas Group completed its annual review of the Trust's **Investment Policy Statement** (IPS) and is recommending only one minor change: update the Total Return Bonds Peer Group category to stipulate Core-Plus Bonds. A redlined copy is attached for the Board's review.

The IPS provides qualitative and quantitative investment evaluation metrics for the Trust's available investment menu. The IPS also outlines the process for evaluating the investment menu and underlying investment options, and provides for Trustee actions when investment options fall short of prescribed metrics. The Board and its investment consultant, Hyas Group, review the IPS annually make updates as necessary.

ACTION ITEM

☒ YES

☐ NO

SAMPLE MOTION

I move to approve the updated Investment Policy Statement as presented and discussed.

HRA VEBA Trust
For Public Employees in the
Northwest

October 2006
(Revised February 2012)
(Revised December 2012)
(Revised September 2013)
(Revised June 2014)
(Revised June 2015)
(Revised February 2016)
(Reviewed February 2017)
(Reviewed February 2018)
(Revised February 2019)
[\(Revised February 2020\)](#)

INVESTMENT POLICY STATEMENT

INTRODUCTION AND PURPOSE

The Trustees for the Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest ("Trustees"), that manage the HRA VEBA Trust for Public Employees in the Northwest ("Trust"), adopt this Investment Policy Statement to provide a clear understanding of the Trustees' investment policies, guidelines, and objectives with respect to the Trust. It also gives other parties an understanding of the guidelines, limitations, and direction that the Trustees feel are most appropriate for the Trust.

The Trust's purpose is to provide a qualified health reimbursement arrangement for participants. Employers make contributions for the benefit of Trust participants. The Trustees make the final decision regarding the selection of investment fund options. Trust participants direct the investment of the assets in their individual accounts.

The Trust shall provide participants with a choice of investments to meet the varying needs, wants, and time frames of participants. These choices shall provide for a different range of risks and asset classes, using successful investment advisors at a competitive cost.

The purpose of this Investment Policy Statement is to assist the Trustees in effectively supervising and monitoring the re-investment of its assets by:

1. Stating in a written document the Trustees' objectives and expectations regarding investment of Trust assets;
2. Establishing guidelines for the investment of the Trust's assets that are consistent with the expectations of participants in the HRA VEBA program and the HRA VEBA Trustees; and

3. Establishing criteria to monitor and evaluate the performance results achieved with the Trust assets.

This Investment Policy Statement is intended to be consistent with the investment objectives and policies of the Trust and will be reviewed on a regular basis and revised when necessary or appropriate to ensure that they continue to be responsive to the objectives of the participants and the Trustees.

INVESTMENT POLICY STATEMENT REVIEW

This Investment Policy Statement is designed to endure multiple market environments and to not be reactive to what might be considered normal short-term events. This Investment Policy Statement should be reviewed every three years, or more often whenever a significant change in Trust characteristics occurs (such as a change in investment products).

TRUST FIDUCIARIES AND OTHER PARTIES

Several fiduciaries, as well as other parties, have varying responsibilities with respect to the Trust. Trust fiduciaries include:

Trustees

The Trustees' responsibilities are detailed in a separate trust agreement, but in summary they include:

- Establishing and maintaining the Investment Policy Statement;
- Selecting investment products;
- Determining an appropriate asset allocation for any custom pre-mixed fund-of-funds;
- Periodically evaluating the investment products' performance and recommending investment product changes;
- Selecting, hiring, delegating responsibilities to, and monitoring the recordkeeper, investment management consultant, and the trust custodian;
- Communicating expectations and responsibilities to the Trust's service providers (the Custodian, Recordkeeper, Investment Manager, and Investment Management Consultant);
- Interpreting provisions of the Trust;
- Managing and controlling the operation and administration of the Trust; and
- Monitoring the Trust for compliance with all applicable laws, rules, and regulations.

Custodian

The custodian's responsibilities include:

- Carrying out appropriate instructions from the Trustees;
- Holding and accounting for Trust assets; and
- Making benefit payments to Trust participants as directed.

Recordkeeper

To the extent specified in the recordkeeping and administrative services agreement with the Trust, the recordkeeper is responsible for maintaining and updating individual account balances as well as information regarding Trust contributions, withdrawals, and distributions.

Investment Manager and Investment Products

An investment manager, as defined in this Investment Policy Statement, is an entity that manages assets for the Trust. The typical vehicle through which the investment manager manages assets for the Trust is an investment product. Investment products are pools of assets managed on behalf of the investor and

these pools may not be exclusively managed for the Trust. Mutual funds are the most common example of investment products selected for similar Trusts.

Investment Management Consultant

The investment management consultant is responsible for providing advice to the Trustees on the following:

- Developing and making decisions with regard to the Investment Policy Statement and appropriate changes thereto;
- Selecting appropriate asset classes for any custom fund-of-funds which are each comprised of investment products;
- Developing an appropriate asset allocation, if applicable;
- Investment product selection, monitoring, and replacement;
- Determining appropriate market benchmarks and peer groups for the asset classes and the investment products;
- Monitoring and reporting to the Trustees on adherence of investment products to the Investment Policy Statement;
- Periodic, unbiased performance reporting and advice to the Trustees regarding each investment product versus appropriate benchmarks and peer groups;
- Periodic due diligence on the existing investment managers responsible for managing the investment products.

GENERAL INVESTMENT OBJECTIVES AND STANDARDS

The Trust is designed to provide investments for participants with varying requirements for risk and return:

- 1) The segment of the participant base that seeks access to full diversification based on their particular risk profile and/or time horizon.
- 2) The segment of the participant base that wishes to make asset allocation and individual investment product selection decisions.

The Trustees shall periodically, and no less than two times per year, review the investment products' progress in meeting the Trust's investment objectives. The Trustees realize investment products should be given a full market cycle to achieve stated objectives. Market cycles normally occur over 3-5 year time periods. The Trustees expect investment products to meet or exceed their predetermined benchmark index, net of fees. The Trustees also recognize that styles of investment management have historically cycled in and out of favor. Investment products are expected to perform within the upper half of a recognized sample of same style peers identified by the investment management consultant, net of fees.

INVESTMENTS

The Trust is designed to meet its objectives by providing the following combinations of investment choices:

- a) **Asset Class Funds**
 - Stable Value Fund
 - Total Return Bonds
 - Large Cap Stocks
 - Mid Cap Stocks
 - Small Cap Stocks
 - International Stocks

b) Premixed Funds

- Income Portfolio
- Conservative Growth Portfolio
- Balanced Portfolio
- Moderate Growth Portfolio
- Growth Portfolio

The Trustees shall periodically review the above categories and add or delete categories over time, as they deem appropriate.

INVESTMENT OBJECTIVES

The following outlines the objectives and benchmarks for each of the Trust's investment options.

ASSET CLASS OR PRE-MIXED FUND**BENCHMARKS****PEER GROUP****STABLE VALUE FUND**

- Provide preservation of capital. Within this objective, the Manager will also seek to achieve a reasonably stable monthly return, a high level of liquidity for participant withdrawals, and a total return which, over time, exceeds that of the 5-Year Treasury Constant Maturity.

Five-Year Treasury
Constant Maturity Index

Stable Value

Investment strategy, permissible investments, fund structure, duration, liquidity, and other information is detailed in the investment guidelines between the fund's investment manager and the Trust.

TOTAL RETURN BONDS

- Provide capital appreciation and income through a diversified fixed income portfolio. The expected duration and credit quality for the portfolio shall, on average, be comparable to that of its benchmark or peer group. The fund may at times make tactical deviations from these levels as management sees fit. The fixed income portfolio shall normally be comprised of money market instruments and U.S. Government and Agency bonds, mortgage-backed securities, and corporate bonds (including convertibles). Foreign holdings and corporate securities rated below investment grade may comprise a minority portion of the portfolio.

Barclays Capital
Aggregate Bond Index

Intermediate-Term Core-Plus Bonds

ASSET CLASS OR PRE-MIXED FUND**BENCHMARKS****PEER GROUP****LARGE CAP EQUITY**

- Provide long-term capital appreciation through a diversified common stock portfolio with an average market capitalization of greater than \$10 billion. Stocks of foreign companies that are traded in the U.S. may also be included in the portfolio, and may constitute a minority portion of the portfolio.

- Standard & Poor's 500 Index
- Russell 1000 Growth Index
- Russell 1000 Value Index

- Large Cap Blend
- Large Cap Growth
- Large Cap Value

MID CAP EQUITY

- Provide long-term capital appreciation through a diversified common stock portfolio with an average market capitalization between \$2 billion and \$10 billion. Stocks of foreign companies that are traded in the U.S. may also be included in the portfolio, and may constitute a minority portion of the portfolio.

- Russell Mid Cap Index
- Russell Mid Cap Growth Index
- Russell Mid Cap Value Index

- Mid Cap Blend
- Mid Cap Growth
- Mid Cap Value

SMALL CAP EQUITY

- Provide long-term capital appreciation through a diversified common stock portfolio with the average market capitalization between \$500 million and \$2 billion. Stocks of foreign companies that are traded in the U.S. may also be included; and may constitute a minority portion of the portfolio.

- Russell 2000 Index
- Russell 2000 Growth Index
- Russell 2000 Value Index

- Small Cap Blend
- Small Cap Growth
- Small Cap Value

INTERNATIONAL EQUITY

- Provide long-term capital appreciation through a diversified portfolio of international equities. Stocks of emerging countries may be used at the discretion of the manager, and may constitute a minority portion of the portfolio.

- MSCI All Country World Index ex-U.S.
- MSCI All Country World Index ex-U.S. Growth
- MSCI All Country World Index ex-U.S. Value

- Foreign Large Blend
- Foreign Large Growth
- Foreign Large Value

INCOME

- Provide current income with minimal growth of capital through a combination of Stocks and Bonds. The portfolio shall be well diversified including Fixed Income and Stock investments, primarily from the US. Stocks generally shall constitute a minority portion of the total portfolio, generally between 15% and 30%.

Custom Income Index

15% to 30% Equity Allocation

ASSET CLASS OR PRE-MIXED FUND**BENCHMARKS****PEER GROUP****CONSERVATIVE GROWTH**

- Provide current income and low to moderate growth of capital through a combination of Stocks and Bonds. The portfolio shall be well diversified including Fixed Income and Stock investments, primarily from the US. Stocks generally shall constitute a moderate portion of the portfolio, generally between 30%- and 50%.

Custom Conservative Growth Index

30% to 50% Equity Allocation

BALANCED

- Provide moderate growth of capital and current income through a combination of Stocks and Bonds, primarily from the US. Stocks generally shall range from 50%-70% of the total portfolio. Fixed Income investments shall generally constitute the remainder of the portfolio.

Custom Balanced Index

50% to 70% Equity Allocation

MODERATE GROWTH

- Provide moderate growth of capital and current income through a combination of Stocks and Bonds. The portfolio shall be well diversified including Stock and Fixed Income investments, primarily from the US. Stocks shall generally constitute a moderate majority portion of the portfolio, generally between 50% and 70%.

Custom Moderate Growth Index

50% to 70% Equity Allocation

GROWTH

- Provide growth of capital through a combination of Stocks and Bonds. The portfolio shall be well diversified including Stock and Fixed Income investments, primarily from the US. Stocks generally shall constitute a majority portion of the portfolio generally greater than 70%.

Custom Growth Index

70% to 85% Equity Allocation

Investment Guidelines

- The Trustees require that the investment managers and investment products comply with all applicable laws, rules and regulations.
- All assets must have readily ascertainable market values and be easily marketable, except for Stable Value contracts. Investment products with deferred sales charges shall be avoided.
- The Trustees desire that each investment product be adequately diversified to reduce risk. The interpretation of "adequate" diversification shall be left to the investment manager.
- Compliance with the prospectus and this Investment Policy Statement is required. The criteria for review may include, but not be limited to, a review of the investment product's:
 - Portfolios;
 - Investment style;
 - Investment process and philosophy;
 - Investment personnel; and

- Regulatory or other legal issues.
- Performance results shall be evaluated using comparisons with the guidelines, pertinent market indices, and other investment products. While long-term performance shall be emphasized, performance trends based on short-term returns shall also be reviewed and evaluated.
- Periodic meetings with the investment management consultant and investment managers may be conducted.

Investment Product Selection Process

Before selecting or removing any investment product, the Trustee, with the help of its investment management consultant, shall identify and outline the asset classes and styles to be implemented. The Trustees, with the help of the investment management consultant, shall only pursue investment products whose investment process, style, and return history are consistent with the Trust's risk profile and that match the asset class and style criteria. In general, an investment manager shall have at least a three-year tenure with the investment product, or similar experience managing assets in the same style. However, an appropriate time frame shall depend on the facts and circumstances of the investment product being evaluated. An investment manager who has already demonstrated a competency in managing other investment products using similar philosophies, processes, and personnel may be given special consideration for a new investment product that has less than a 3-year actual performance history.

At a minimum, all actively managed investment products being considered generally should:

- Outperform the asset class benchmarks on a five-year basis.
- Have return performance that ranks in the top half versus same style peers during these same periods. Benchmarks should be style specific, where appropriate, and the peer universe should also closely match the investment product's investment style and asset class.
- Have no pending regulatory investigations, censures, or material legal proceedings.

At a minimum, all passively managed investment products being considered generally should:

- Match the performance of the specific market index that the option is designed to replicate, less investment management expense, with marginal tracking error.
- Have no pending regulatory investigations, censures, or material legal proceedings.

The Trustees, with the assistance of the investment management consultant, shall select the investment product that they believe is most appropriate for the Trust.

- The final selection decision shall incorporate the Trustees' knowledge of the structure and intent of the Trust, and shall not be made based on any one performance statistic.
- The investment product selected shall have an investment style that is complementary to the structure of the Trust and risk characteristics that are complementary to the risk profile of the Trust.
- The Trustees' decision may result in the selection of an investment product whose characteristics the Trustees find more complementary to the Trust's overall intent rather than the best absolute recent performance.
- Interviews of any investment manager candidates are left to the discretion of the Trustees.
- The Trustees reserve the right to deviate from the selection process and criteria stated above if facts and circumstances, in the Trustees' judgment, appear to warrant doing so.

Investment Product Monitoring

Once selected, an investment product is expected to consistently outperform the asset class and style benchmarks, as well as same style peers. The Trustees shall review the performance of the investment products no less frequently than two times per year, and as defined under the investment guidelines section above. Performance results shall be evaluated using comparisons with the guidelines, pertinent market indices, and other investment products. The following sections define the procedures and guidelines for evaluating investment products not meeting performance benchmarks.

Watch Status – Non-performance Reasons

An Investment Product may be placed “on watch” for any number of non-performance related reasons such as:

- Personnel turnover;
- Changes in the investment philosophy, process, or style;
- Excessive or rapid asset growth;
- Changes in firm ownership;
- Filing of securities regulatory or criminal charges against the investment manager or an investment product

The investment management consultant shall conduct additional due diligence on any investment manager and investment product placed on the watch list and provide recommendations to the Trustees regarding the status of the investment product and action recommended.

Watch Status – Performance Related Reasons

Options employing active management are expected to outperform their stated asset class benchmark net of all management fees over a trailing five year time period; and to rank above the 50th percentile of the appropriate peer group for the same trailing five year time period. It is also expected that the risk of each option, defined as the standard deviation of returns, be commensurate with the prescribed strategy relative to the appropriate market index and/or peer group.

Options employing passive management are expected to track the performance of the index strategy that the option is designed to replicate, less management fees, with marginal tracking error. It is also expected that the risk of each passive option, as defined by standard deviation of returns, be commensurate with the appropriate market index.

A watch status for an actively managed investment product may be initiated when the investment product, on a five-year basis, trails both of the following:

- Benchmark as assigned in this Investment Policy Statement
- Median ranking within the same style peer universe.

A watch status for a passively managed investment product may be initiated when the investment product, on a five-year basis, has net of fee performance tracking error relative to the respective index that is greater than 15 basis points.

It should also be noted that certain passive investment options operate in a marketplace that includes foreign markets whose exchanges close prior to that of the United States. In these instances, some fund managers may engage in a method of “Fair Value Pricing,” whereby the managers adjust the pricing of securities in the Fund to reflect any information that has become available after the close of the applicable foreign exchange market. Discrepancies in performance between the applicable investment option and its

performance benchmark that are due to “Fair Value Pricing” will be taken into consideration in evaluating performance of the affected investment options and generally will not be counted as underperformance.

Poor performance for the most recent period should be noted and evaluated, but in the absence of any seminal event, should not be cause for considering an investment product “on watch”.

Watch Status – Monitoring

- Concerns shall be noted and the investment management consultant shall initiate a conference call with the investment manager to discuss the reasons behind the issue(s) of concern.
- During the duration of the watch status, the investment management consultant shall have regular communications with the investment manager to monitor the investment product’s progress.
- If the investment product’s trailing performance does not return to acceptable performance levels within an acceptable period given market conditions, it should be considered for termination as soon as is beneficial for the Trust.
- An investment product may stay “on watch” for a number of quarters if performance is primarily attributable to severe market conditions, but the product’s investment process has not been impaired.
- Two consecutive quarters of performance in compliance with the expectations of this Investment Policy Statement are generally required for removal of the “on watch” status.
- If the watch is initiated for non-performance related issues, the investment product may be considered for termination if the watch concerns are not resolved to the Trustees’ satisfaction within a reasonable time period.

Termination

The Trustees reserve the right to terminate investment option relationships at any time, for any reason when it is determined that such termination is in the best interests of the Trust and its beneficiaries. Upon termination, further contributions or transfers to an investment option may be frozen, or the option may be replaced with or without transferring existing assets from the replaced option. Once the decision to terminate an option and remove it from the Trust is made, asset transfer and liquidation should be handled to the best advantage of the Trust, with due consideration given to the anticipated effect on affected beneficiaries.

AGENDA ITEM 4.3: NEW PRE-MIXED PORTFOLIOS; DEFAULT INVESTMENT FUND

📷 SNAPSHOT: Hyas Group has prepared an analysis for the Board's consideration regarding replacement of the current Vanguard LifeStrategy and Balanced index funds with custom pre-mixed portfolios. The proposed custom pre-mixes would result in even lower expense ratios for participants. Along with this, Hyas Group is recommending a default investment fund other than Stable Value.

👉 ACTION ITEM

🎯 **RELEVANT GOAL(S):** 1. Provide best-in-class service and a high level of personalized care.

BACKGROUND

At the Board's October 2019 meeting, Hyas Group presented an analysis that showed replacing the current Vanguard LifeStrategy and Balanced index funds with custom premixes would result in even lower expense ratios for participants. The Board directed Hyas Group to further develop this concept for consideration at this meeting (see attached **Cost Review** prepared by Hyas Group).

Also, the Board has been discussing the possible need and merits of designating a default investment fund other than the HRA VEBA Stable Value fund. The HRA VEBA Stable Value fund is the Trust's most conservative fund option. For many years it has been the default investment for new participants until they choose a different allocation.

The Board understands that investment default offerings for retirement plans have evolved over the years. And, for a number of years, ERISA regulations for retirement plans have specified using something other than stable value. Another consideration is that it appears fewer participants are making investment elections (more are remaining in the default) since the shift to paperless enrollment in April 2018.

The question is: *Is the HRA VEBA Stable Value fund the most appropriate default fund for the majority of these participants?* Hyas Group's **Default Fund Analysis** (presented to the Board last October; copy attached) suggested the Board may want to designate a different default fund, such as one with a conservative to moderately-conservative mix of stocks and bonds.

ACTION ITEM

YES

NO

SAMPLE MOTIONS

1. I move to approve replacement of the Vanguard LifeStrategy and Balanced funds with the custom pre-mixed portfolios as presented and discussed to become effective no later than Q3-2020.
2. I move to designate the <<fund name>> as the Trust's default investment fund in place of the current default fund, which is the HRA VEBA Stable Value fund, as presented and discussed to become effective no later than Q3-2020.

HRA VEBA Trust

Vanguard LifeStrategy/Balanced Cost Review - February 2020

	Income	Conservative Growth	Moderate Growth	Growth	Total
Trust Assets	\$88,507,210	\$81,350,116	\$45,483,087	\$79,296,896	\$294,637,309
Current: Underlying Fund/Expense Ratio	Current Portfolio Cost				
Vanguard Total Bond Market II/0.09%	\$44,528	\$30,677	\$11,339	\$9,920	\$96,464
Vanguard Total Intl Bond Index II/0.13%	\$27,614	\$19,142	\$7,273	\$6,288	\$60,317
Vanguard Total Stock Market Index Adm/0.04%	\$4,284	\$7,940	\$6,622	\$15,384	\$34,229
Vanguard Intl Stock Index Adm/0.11%	\$7,789	\$13,960	\$11,807	\$27,476	\$61,032
Total Cost	\$84,215	\$71,718	\$37,041	\$59,068	\$252,043
Expense Ratio	0.10%	0.09%	0.08%	0.07%	0.09%
Option #1: Underlying Fund/Expense Ratio	Custom Using Vanguard Institutional Share Class				
Vanguard Total Bond Market I/0.035%	\$17,316	\$11,930	\$4,410	\$3,858	\$37,514
Vanguard Total Intl Bond Index I/0.07%	\$14,869	\$10,307	\$3,916	\$3,386	\$32,478
Vanguard Total Stock Market Index I/0.03%	\$3,213	\$5,955	\$4,967	\$11,538	\$25,672
Vanguard Intl Stock Index I/0.08%	\$5,664	\$10,152	\$8,587	\$19,983	\$44,387
Total Cost	\$41,063	\$38,344	\$21,880	\$38,764	\$140,051
Expense Ratio	0.046%	0.047%	0.048%	0.049%	0.048%
Cost Savings From Current	51%	47%	41%	34%	44%
Option #2: Underlying Fund/Expense Ratio	Custom Using Vanguard Index Plus S&P 500 and Extended Market Fund				
Vanguard Total Bond Market I/0.035%	\$17,316	\$11,930	\$4,410	\$3,858	\$37,514
Vanguard Total Intl Bond Index I/0.07%	\$14,869	\$10,307	\$3,916	\$3,386	\$32,478
Vanguard S&P 500 Idx Plus/0.015%	\$1,124	\$2,084	\$1,738	\$4,038	\$8,985
Vanguard Extended Market Index I/0.06%	\$1,928	\$3,573	\$2,980	\$6,923	\$15,403
Vanguard Intl Stock Index I/0.08%	\$5,664	\$10,152	\$8,587	\$19,983	\$44,387
Total Cost	\$40,902	\$38,047	\$21,631	\$38,187	\$138,768
Expense Ratio	0.046%	0.047%	0.048%	0.048%	0.047%
Cost Savings From Current	51%	47%	42%	35%	45%
Additional savings from switching to Vanguard S&P 500 Institutional Plus:					\$14,483
Option #3: Underlying Fund/Expense Ratio	Custom Using Fidelity Index Funds				
Fidelity US Bond Index/0.025%	\$12,369	\$8,521	\$3,150	\$2,756	\$26,796
Fidelity Intl Bond Index/0.06%	\$12,745	\$8,835	\$3,357	\$2,902	\$27,839
Fidelity Total Market Index/0.015%	\$1,606	\$2,977	\$2,483	\$5,769	\$12,836
Fidelity Global ex US Index/0.06%	\$4,248	\$7,614	\$6,440	\$14,987	\$33,290
Total Cost	\$30,969	\$27,948	\$15,430	\$26,414	\$100,760
Expense Ratio	0.035%	0.034%	0.034%	0.033%	0.034%
Cost Savings From Current	63%	61%	58%	55%	60%

HRA VEBA Trust

Vanguard LifeStrategy/Balanced Cost Review - February 2020

**Vanguard
Balanced I**
Trust Assets \$74,103,460

Current: Underlying Fund/Expense Ratio	Current
Vanguard Balanced Index I	\$44,462
Total Cost	\$44,462
Expense Ratio	0.06%

Option #1: Underlying Fund/Expense Ratio	Vanguard
Vanguard Total Bond Market I/0.035%	\$10,374
Vanguard Total Stock Market Index I/0.03%	\$13,339
Total Cost	\$23,713
Expense Ratio	0.032%
Cost Savings From Current	47%

Option #2: Underlying Fund/Expense Ratio	Vanguard
Vanguard Total Bond Market I/0.035%	\$10,374
Vanguard S&P 500 Idx Plus/0.015%	\$4,669
Vanguard Extended Market Index I/0.06%	\$8,003
Total Cost	\$23,046
Expense Ratio	0.031%
Cost Savings From Current	48%

Option #3: Underlying Fund/Expense Ratio	Fidelity
Fidelity US Bond Index/0.025%	\$7,410
Fidelity Total Market Index/0.015%	\$6,669
Total Cost	\$14,080
Expense Ratio	0.019%
Cost Savings From Current	68%

HRA VEBA Trust

Employees in the Northwest

Default Fund Analysis

September 2019



HYAS GROUP

— INVESTMENT ADVISORS —

HRA VEBA Trust

Employees in the Northwest

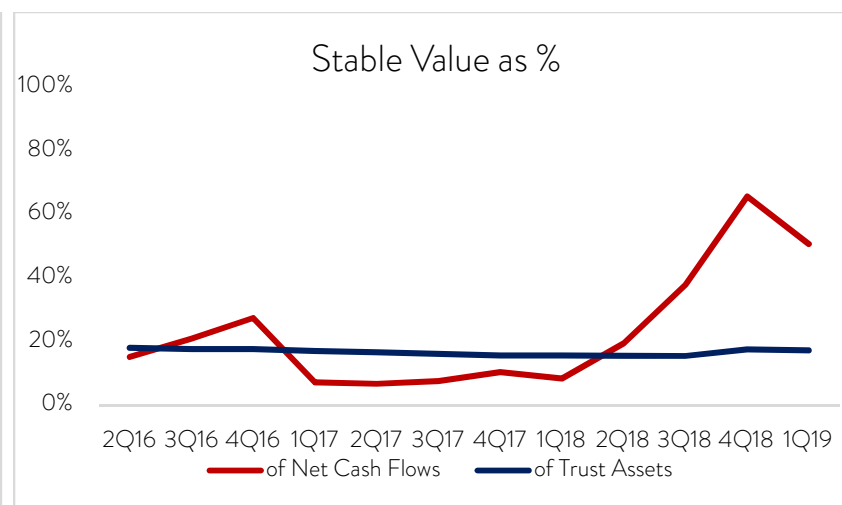
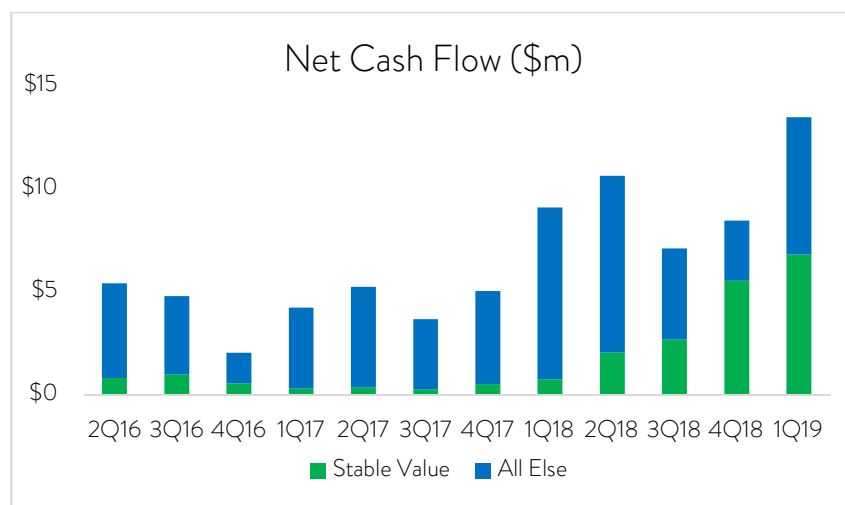
Default Fund Analysis

SUMMARY

HRA VEBA Trust (“Trust”) utilizes the HRA VEBA Stable Value separate account as the default option for participants who have not made an affirmative investment election. This document has been prepared to compare the necessity and investment merit of this approach, based upon the Trust’s net cash flows and a comparison of investment returns against diversified, alternative funds.

CASH FLOWS

From 2Q16-1Q19 net cash flows into the Trust have been \$79.0m, of which \$21.6m (27%) have gone into the Stable Value fund. Over this period the Trust has grown from \$378.8m to \$537.1m (42%). The charts below illustrate the split of net cash flows between Stable Value and all other funds and its proportion of net cash flows to percentage of Trust assets. In theory, if all participants had deliberately constructed portfolios, then the Stable Value fund’s percentages of net cash flows and Trust assets would be close, any differences being mainly attributable to reallocation of defaulted assets. Over the past several years the policy of utilizing Stable Value as a default option did not appear to materially impact the Trust’s asset allocation. However, the Trust’s recent switch to paperless enrollment appears to have altered this pattern. Under this new approach, approximately 14% of participants make affirmative investment elections, leading to net inflows into the Stable Value fund that are disproportionate to its percentage of Trust assets. In 1Q19 for example, 51% of net cash flows went into the Stable Value fund. While this cash flow trend is still fairly early, if continued it is likely to steer the Trust’s asset allocation towards Stable Value.



HRA VEBA Trust

Employees in the Northwest

Default Fund Analysis

The Trust's may also be examined by age-bracket to further inform this deliberation. It is generally noted that participating employers are tending more towards the Trust's participant-directed model, increasing participation particularly among younger employees. From 2016-2018 for example, the Trust's average age decreased from 50 to 48, while the number of active participants increased from 57,719 to 64,641 (12%). Likewise, the majority of net cash flows have gone to participants ages 50 and younger, who are likely to have a longer time horizon. For example, 38% of Trust assets (equal to 56% of Trust accounts) at the start of 2018 were held by participants under age 51; yet 64% of net cash flows went to this demographic. The table below provides a breakdown of 2018's net cash flows by age bracket (where age is available), further illustrating how younger participants, who Stable Value on average is less likely to be an appropriate default option for, are the most cash flow positive.

Age Range	Balances			Net Cash Flows		
	\$	% of Trust	% of Accounts	\$	% of Balance	% of Trust
<31	\$13,222,481	3%	10%	\$5,029,465	38%	1%
31-40	\$59,607,953	13%	21%	\$9,040,135	15%	2%
41-50	\$104,039,833	23%	25%	\$11,690,089	11%	3%
51-60	\$138,722,964	30%	24%	\$11,767,092	8%	3%
> 60	\$146,426,285	32%	21%	\$971,156	1%	0%

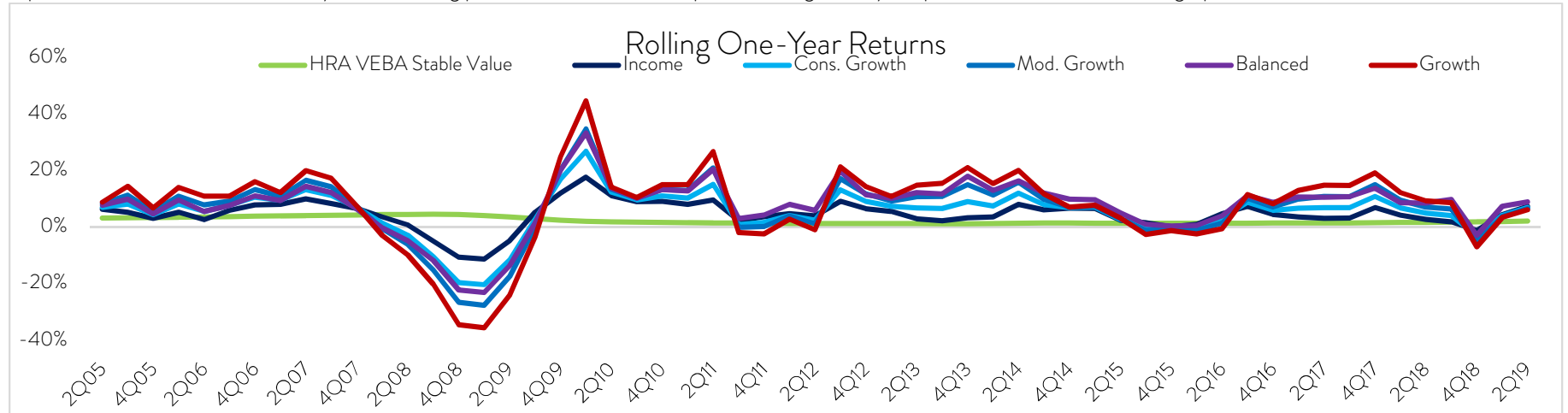
HRA VEBA Trust

Employees in the Northwest

Default Fund Analysis

INVESTMENT PERFORMANCE

Over longer periods, the Stable Value fund can be expected to have the lowest performance as it invests most conservatively and is designed for principal and income protection rather than the pursuit of gain. As diversified alternatives to Stable Value, the Trust offers a variety of risk-based funds investing in combinations of equities and conservative bonds, which may be appropriate for those with longer time horizons and greater risk tolerance. These are the Vanguard LifeStrategy Income (20% equity / 80% fixed income), Conservative Growth (40/60), Moderate Growth (60/40), and Growth (80/20), which invest in a combination of US and International equities and bonds. The Trust also offers the Vanguard Balanced fund, which invests in a 60/40 split of US equities and bonds. Over relatively short holding periods, the risk-based options have generally outperformed as shown in the graphic and table below.



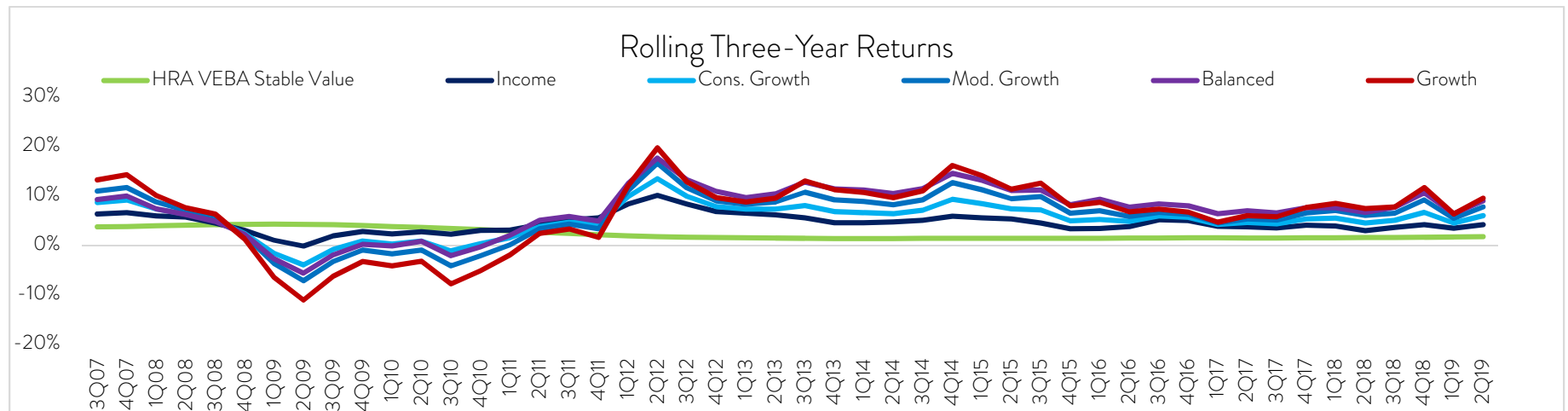
	Rolling One-Year Returns					
	Stable Value	Income	Cons. Growth	Mod. Growth	Balanced	Growth
Average	2.3%	4.6%	5.6%	6.6%	7.6%	7.6%
% Positive	100%	91%	88%	82%	88%	74%
Worst	1.2%	-11.2%	-20.2%	-27.6%	-23.0%	-35.5%
% < Stable Value	0%	19%	21%	25%	19%	26%
Worst vs. SV	0.0%	-15.4%	-24.4%	-31.7%	-27.2%	-39.7%

HRA VEBA Trust

Employees in the Northwest

Default Fund Analysis

The risk-based funds have frequently fared better than the Stable Value fund when held over moderately longer (three-year) periods. The graphics below show how each option has broadly outperformed the Stable Value fund and has provided positive returns (though they are not guaranteed to provide capital preservation as Stable Value is). Over an average three-year period, the risk-based funds have provided cumulative returns that were 7% to 16% higher than Stable Value.



	Rolling Three-Year Returns					
	Stable Value	Income	Cons. Growth	Mod. Growth	Balanced	Growth
Average	2.3%	4.5%	5.2%	5.9%	7.2%	6.4%
% Positive	100%	98%	92%	83%	88%	81%
Worst	1.4%	-0.1%	-4.0%	-7.2%	-5.6%	-11.1%
% < Stable Value	0%	19%	21%	21%	21%	25%
Worst vs. SV	0.0%	-4.4%	-8.2%	-11.4%	-9.9%	-15.3%

HRA VEBA Trust

Employees in the Northwest

Default Fund Analysis

CONCLUSION

The recent switch to paperless enrollment appears to be altering the Trust's cash flow dynamics in a manner that could eventually skew the asset allocation to be increasingly conservative. Considering that almost 50% of the Trust's growth over the past three years through 1Q19 is attributable to net cash flows (especially noteworthy given that investment returns have been strong over this period, the S&P 500 for example has returned 13.5% annually), and the high degree of non-investment election, the specification of a default investment option is likely to have a significant influence on participant investment outcomes. Considering further that participants with longer periods until retirement (who are likely on average to have a higher risk tolerance and time horizon) are receiving the majority of net cash flows indicates that some amount of market exposure may be appropriate.

Using Vanguard's target date series as a proxy for age-appropriate asset allocation, near-retirement participants (the Vanguard 2020 target date) have an equity allocation of 51% and those in the 2035 fund have 76% in equities. Using these allocations as a reference point, it may be reasonable for the Trust to utilize a more conservatively allocated fund considering that some defaulted Trust participants may make withdrawals prior to retirement, that a target date fund becomes increasingly conservative over time (whereas a risk-based fund does not), and that Vanguard's expected retirement date of 65 is likely higher than what may be applicable to the Trust's public sector clientele. As such, the Conservative Growth or Moderate Growth funds may be the most appropriate option (the Balanced Fund is not recommended due to its lack of international diversification).

The Hyas Group will work with the Trust to coordinate any change in default option. Additionally, Goldman Sachs, investment manager of the Stable Value fund requests to be informed of any decision to change default investment options though it does not foresee any problems in making such a change.

AGENDA ITEM 5.1: ANNUAL TRUST AUDIT AND IRS FORM 990

 **SNAPSHOT:** Schoedel & Schoedel will present its **Financial Statements with Independent Auditor's Report** and a draft **Form 990** to the Board for acceptance and approval. Both items have been reviewed by Gallagher and Trust counsel.

ACTION ITEM

 **RELEVANT GOAL(S):** 5. Provide Trustee education and training; and 6. Monitor regulatory, legislative, and compliance issues that affect HRAs and VEBAs.

BACKGROUND

Schoedel & Schoedel will present its annual **Financial Statements with Independent Auditor's Report** (copy enclosed) for the plan year ending September 30, 2019. Schoedel & Schoedel has also prepared a draft **Form 990** (copy enclosed) for the Board's review and approval.

The annual audit and draft Form 990 have been reviewed by Gallagher and Trust counsel, Russell Greenblatt.

ACTION ITEM

☒ YES

☐ NO

SAMPLE MOTIONS

I move to accept the annual audit and Form 990 as presented by Schoedel & Schoedel for the plan year ending September 30, 2019.

DRAFT

**VOLUNTARY EMPLOYEES'
BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
IN THE NORTHWEST**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**
September 30, 2019 and 2018

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
IN THE NORTHWEST

AUDITED FINANCIAL STATEMENTS
September 30, 2019 and 2018

DRAFT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Voluntary Employees' Beneficiary Association Trust
for Public Employees in the Northwest

Report on the Financial Statements

We have audited the accompanying financial statements of the Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest (the Trust), a tax-exempt organization, which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Trust's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

DRAFT

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of September 30, 2019 and 2018, and activities and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Spokane, Washington
February 6, 2020

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
IN THE NORTHWEST

STATEMENTS OF FINANCIAL POSITION
As of September 30, 2019 and 2018

DRAFT

	<u>2019</u>	<u>2018</u>
ASSETS:		
Cash and cash equivalents	\$ 2,500,964	\$ 1,899,888
Prepaid expenses	1,880	22,786
Investments:		
Short-term investment fund, at fair value	6,045,561	10,374,677
Synthetic guaranteed investment contracts, at contract value	99,705,202	68,570,125
Mutual funds, at fair value	<u>473,405,470</u>	<u>433,304,461</u>
	<u><u>\$ 581,659,077</u></u>	<u><u>\$ 514,171,937</u></u>
LIABILITIES:		
Accounts payable and accrued expenses	\$ 696,674	\$ 678,721
Deferred contributions	1,177,385	1,302,163
Benefits payable	400,000	465,000
Claims incurred but not reported	<u>9,000,000</u>	<u>8,300,000</u>
Total liabilities	11,274,059	10,745,884
NET ASSETS AVAILABLE FOR BENEFITS, with donor restrictions	<u>570,385,018</u>	<u>503,426,053</u>
	<u><u>\$ 581,659,077</u></u>	<u><u>\$ 514,171,937</u></u>

The accompanying notes are an integral part of these financial statements.

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
IN THE NORTHWEST

STATEMENT OF ACTIVITIES
For the year ended September 30, 2019

DRAFT

	Participant Accounts	Administration	Total
REVENUES:			
Contributions, net	\$ 113,086,335	\$ -	\$ 113,086,335
Net investment income	26,441,506	582	26,442,088
Miscellaneous income	-	95	95
Total revenues	<u>139,527,841</u>	<u>677</u>	<u>139,528,518</u>
EXPENSES:			
Benefits paid to or for participants	66,249,324	-	66,249,324
Accounting and audit fees	-	33,348	33,348
Asset based fees	6,150,044	(6,150,044)	-
Bank charges	-	12,528	12,528
Client service fees	-	2,453,921	2,453,921
Consulting fees	-	1,441,192	1,441,192
Custodian fees	-	136,705	136,705
Customer care center	-	377,265	377,265
Debit card administration, net	-	159,693	159,693
Eligibility and claims administration	-	279,909	279,909
Insurance and bonding	-	20,906	20,906
Investment consultant	-	31,400	31,400
Legal fees	-	38,503	38,503
Mail, fulfillment and scanning services	-	93,653	93,653
Miscellaneous expense	-	1,149	1,149
Monthly and debit card account fees	751,043	(751,043)	-
Patient-centered outcomes research institute fee	155,494	-	155,494
Postage, printing, supplies and mailing services	-	98,580	98,580
Software administration	-	842,284	842,284
Stable value management fees	-	127,455	127,455
Trustee meetings	-	15,578	15,578
Website maintenance and programming costs	-	666	666
Total expenses	<u>73,305,905</u>	<u>(736,352)</u>	<u>72,569,553</u>
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	66,221,936	737,029	66,958,965
NET ASSETS AVAILABLE FOR BENEFITS, with donor restrictions:			
Beginning of the year	<u>503,315,873</u>	<u>110,180</u>	<u>503,426,053</u>
End of the year	<u>\$ 569,537,809</u>	<u>\$ 847,209</u>	<u>\$ 570,385,018</u>

The accompanying notes are an integral part of these financial statements.

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
IN THE NORTHWEST

STATEMENT OF ACTIVITIES
For the year ended September 30, 2018

DRAFT

	Participant Accounts	Administration	Total
REVENUES:			
Contributions, net	\$ 96,826,216	\$ -	\$ 96,826,216
Net investment income	34,686,691	4,299	34,690,990
Miscellaneous income	-	37	37
Total revenues	<u>131,512,907</u>	<u>4,336</u>	<u>131,517,243</u>
EXPENSES:			
Benefits paid to or for participants	57,072,121	-	57,072,121
Accounting and audit fees	-	32,572	32,572
Asset based fees	5,180,908	(5,180,908)	-
Bank charges	-	16,921	16,921
Client service fees	-	2,363,538	2,363,538
Consulting fees	-	1,388,109	1,388,109
Custodian fees	-	125,961	125,961
Customer care center	-	340,626	340,626
Debit card administration, net	-	188,531	188,531
Eligibility and claims administration	-	252,669	252,669
HIPAA risk assessment	-	4,242	4,242
Insurance and bonding	-	20,874	20,874
Investment consultant	-	31,200	31,200
Legal fees	-	30,403	30,403
Mail, fulfillment and scanning services	-	94,815	94,815
Miscellaneous expense	-	2,655	2,655
Monthly and debit card account fees	722,363	(722,363)	-
Patient-centered outcomes research institute fee	136,834	-	136,834
Postage, printing, supplies and mailing services	-	95,365	95,365
Software administration	-	807,158	807,158
Stable value management fees	-	84,885	84,885
Trustee meetings	-	18,471	18,471
Website maintenance and programming costs	-	321	321
Total expenses	<u>63,112,226</u>	<u>(3,955)</u>	<u>63,108,271</u>
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	68,400,681	8,291	68,408,972
NET ASSETS AVAILABLE FOR BENEFITS, with donor restrictions:			
Beginning of the year	435,615,671	101,889	435,717,560
Transfers to other plans	<u>(700,479)</u>	<u>-</u>	<u>(700,479)</u>
End of the year	<u>\$ 503,315,873</u>	<u>\$ 110,180</u>	<u>\$ 503,426,053</u>

The accompanying notes are an integral part of these financial statements.

TRUST FOR PUBLIC EMPLOYEES
IN THE NORTHWEST

STATEMENTS OF CASH FLOWS
For the years ended September 30, 2019 and 2018

DRAFT

	2019	2018
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Change in net assets	\$ 66,958,965	\$ 68,408,972
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:		
Investment earnings reinvested	(17,269,657)	(12,053,933)
Realized investment losses (gains)	(9,128,562)	(6,306,774)
Unrealized investment losses (gains)	(43,869)	(16,827,715)
Change in:		
Prepaid expenses	20,906	119
Accounts payable and accrued expenses	17,953	93,026
Deferred contributions	(124,778)	140,134
Benefits payable and claims incurred but not reported	635,000	(1,305,000)
Net cash flows provided by operating activities	<u>41,065,958</u>	<u>32,148,829</u>
CASH FLOWS USED BY INVESTING ACTIVITIES:		
Proceeds from the sale and redemption of investments	99,545,981	71,334,952
Purchases of investments	<u>(140,010,863)</u>	<u>(102,553,779)</u>
Net cash flows used by investing activities	<u>(40,464,882)</u>	<u>(31,218,827)</u>
CASH FLOWS USED BY FINANCING ACTIVITIES:		
Transfers to other plans	<u>-</u>	<u>(700,479)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	601,076	229,523
CASH AND CASH EQUIVALENTS:		
Beginning of the year	<u>1,899,888</u>	<u>1,670,365</u>
End of the year	<u><u>\$ 2,500,964</u></u>	<u><u>\$ 1,899,888</u></u>

The accompanying notes are an integral part of these financial statements.

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
IN THE NORTHWEST

NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

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NOTE 1 - DESCRIPTION OF THE TRUST AND PLAN:

The Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest (HRA VEBA Trust or the Trust) was formed on October 1, 1990 to administer the Voluntary Employees' Beneficiary Association's one or more health and welfare benefit plans for Public Employees in the Northwest. Participants should refer to the Plan documents, summaries and other descriptive plan literature for a complete description of the provisions of the HRA Plans.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The summary of significant accounting policies of the Trust is presented to assist in understanding the Trust's financial statements. The financial statements and notes are representations of the Board of Trustees, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements.

Basis of Presentation - The financial statements of the Trust are prepared using the accrual basis of accounting.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board of Trustees to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Cash and Cash Equivalents - For purposes of the cash flow statement, the Trust considers investments which are not subject to withdrawal restrictions and can be converted to cash on short notice and are used in the operating activities of the Trust, specifically cash in demand accounts at financial institutions, to be cash equivalents. The Trust does not consider investments in short-term investment funds (money market accounts and equivalents) used in the investing activities of the Trust to be cash equivalents.

Synthetic Guaranteed Investment Contract Valuation - For the portion of the Trust's net assets available for benefits related to fully benefit-responsive investment contracts (synthetic guaranteed investment contracts), the relevant measurement is contract value. Contract value is the amount the Trust would receive if it were to initiate permitted transactions under the terms of its contracts.

Mutual Fund Valuation - In general, mutual funds are required to be reported at fair value. For a further discussion of fair value measurements, see Note 9.

Benefits Payable and Claims Incurred But Not Reported - Trust obligations for benefits payable and claims incurred but not reported as of the end of the trust year are estimated by management

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
IN THE NORTHWEST

NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

based on prior claims experience and claims reported after year-end which pertain to claims actually incurred prior to such date.

Valuation of Other Financial Instruments - The Trust recognizes other financial instruments at historical cost, which approximates fair value, due to the short maturities of those instruments.

Revenue Recognition - The Trust recognizes revenue in the form of contributions as received from an eligible employer with respect to its employees or on behalf of the employer itself. The Board of Trustees does not have a right to require any contribution to be made to this Plan. The Board of Trustees does not have a duty to determine that the amounts contributed to the Plan comply with the various programs of the employers which allow for contribution. The employers have the duty to ensure that all contributions to this Plan comply with the various programs of the employers which allow for contribution.

Investment Income Recognition - Investment transactions are recorded on a trade-date basis. Acquisition costs are included in the cost of investments purchased, and sales are recorded net of selling expenses. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized gains and losses from security transactions are determined by the average cost method. Gains, losses, and income on investments are reported as revenues in the Statements of Activities.

Net Asset Restrictions - All net assets are designated to provide benefits and related administrative support.

Recent Accounting Standard Updates - Accounting Standards Update (ASU) 2016-14, *Not-for-profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, is effective for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. The amendments in this ASU are intended to improve financial statement presentation for not-for-profit organizations. Topics within ASU 2016-014 include net asset classification, information about liquidity and availability of resources, expense presentation, and statement of cash flow presentation.

ASU 2016-014 requires net assets to be classified as either with donor restrictions or without donor restrictions in addition to more detailed disclosure regarding specific restrictions and Executive Board designations, as applicable. All net assets of the Trust are with donor restrictions.

ASU 2016-014 requires disclosure improving the financial statement user's ability to assess the not-for-profit's available financial resources and liquidity. Disclosure is required of both quantitative and qualitative information about the availability of resources and how the not-for-profit manages its liquid available resources to meet its cash needs for general expenditures within one year of the date of the statement of financial position. See Note 3.

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
IN THE NORTHWEST

NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

In order to make information about expenses more comparable and useful, ASU 2016-014 requires all not-for-profits to provide information about operating expenses by both nature and function. This requirement is not a change for this organization since all expenditures provide benefits and related administrative support.

NOTE 3 - LIQUIDITY AND AVAILABILITY:

As of September 30, 2019 and 2018, the Trust had liquid assets of approximately \$475,000,000 and \$435,000,000, respectively, which consists of cash and cash equivalents and mutual funds. However, the availability of assets for purposes other than to provide benefits for participants are limited. The Trust had net administration funds available of \$847,209 and \$110,180, at September 30, 2019 and 2018, respectively. The Trust receives funds to pay expenses on a monthly basis by withholding amounts from participant accounts on a per participant per month basis and/or on an asset based fee basis. These funds are then utilized to pay the expenses of the Trust. Due to the nature of the methodology of paying for Trust's administrative expenses, the Trustees do not believe that, at the present time, it is required to have a large amount of liquid assets available for general and administrative expenses.

The organization manages liquidity needed for operations primarily by monitoring monthly cash inflows and outflows.

NOTE 4 - INCOME TAX STATUS:

The Trust established to hold the assets of the Plan is qualified pursuant to Section 501(c)(9) of the Internal Revenue Code (IRC) as a tax-exempt organization. The Trust obtained its most recent favorable determination letter from the Internal Revenue Service (IRS) dated March 14, 2000, in which the IRS stated that the Trust, as then designed, was in compliance with the applicable requirements of the IRC. The trust agreement and plan document have subsequently been amended. In a letter dated September 12, 2014, the Trust received notice from the Internal Revenue Service that the Trust's files with the Service had been updated. The Board of Trustees believes the Trust and related Plans are designed and have been operated through September 30, 2019 in accordance with applicable provisions of the IRC.

NOTE 5 - RISKS AND UNCERTAINTIES:

In determining the fair value of financial instruments, the Board of Trustees uses a variety of methods and assumptions that are based on market conditions and risks existing at the date of the Statement of Financial Position. All methods of assessing fair value result in a general approximation of value, and such value may never actually be realized.

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
IN THE NORTHWEST

NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

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NOTE 5 - RISKS AND UNCERTAINTIES (Continued):

The U.S. Federal Deposit Insurance Corporation (FDIC) provides coverage up to \$250,000 per depositor per ownership category on deposit accounts at FDIC-insured institutions. As of September 30, 2019, insured accounts totaled \$2,500,965.

The Trust maintains money market accounts which are not insured by the FDIC. The investments are collateralized by government backed securities. As of September 30, 2019, the Trust's investment in these accounts totaled \$6,376,033.

The Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Financial Position.

A portion of the Trust's investments included collateralized mortgage obligations, commercial mortgage-backed securities, residential mortgage-backed securities and asset-backed securities. These investments may have exposure to the issuers' overall financial capacity to pay financial obligations. As of September 30, 2019, the Trust has no designated reserves for the contract issuers' creditworthiness.

The Trust invests in contracts with insurance companies and other financial institutions in accordance with the provisions of its Investment Policy Statement. Although the Trust attempts to enter into contracts with a diversified group of issuers, there are a limited number of issuers meeting the Trust's investment policy requirements regarding issuer credit ratings.

NOTE 6 - SYNTHETIC GUARANTEED INVESTMENT CONTRACTS:

Synthetic guaranteed investment contracts (synthetic GICs) are agreements with high quality insurance companies and other financial institutions which are designed to help preserve principal and provide a stable crediting rate. These contracts provide that trust-initiated withdrawals permitted under a participating plan will be paid at contract value. In the event of forced liquidation, a contract may be subject to a market valuation adjustment which could result in less than the contract value being received by the Trust. The Board of Trustees does not believe that any events which would limit the Trust's ability to transact at contract value are probable of occurring. Wrap agreements permit the Trust or issuer to terminate upon notice at market value, and provide for automatic termination of the contract if the contract value or the market value of the contract equals zero.

In a synthetic GIC structure the underlying assets are owned by the Trust. The Trust then purchases a wrap contract, typically from an insurance company or other financial institution. The underlying assets generally consist of a portfolio of bonds and/or other fixed income securities that are maintained separately from the wrap issuer's general assets, usually by a third

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
IN THE NORTHWEST

NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

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NOTE 6 - SYNTHETIC GUARANTEED INVESTMENT CONTRACTS (Continued):

party custodian. The wrap issuer is obligated to provide an interest rate not less than zero. The wrap contract typically provides that administrative fees related to the maintenance of the wrap contract and realized and unrealized gains and losses related to the underlying assets are not reflected immediately in the assets of the Trust, but rather are amortized, usually over the time to maturity or the duration of the underlying investments, through adjustments to the future interest crediting rate. The wrap issuer guarantees that all qualified withdrawals will occur at contract value. See Note 7.

All synthetic GICs held by the Trust are deemed to be fully benefit-responsive investment contracts. As described in Note 2, contract value is the relevant measurement attribute for these investment contracts.

NOTE 7 - INVESTMENTS INCLUDED IN THE SYNTHETIC GUARANTEED INVESTMENT CONTRACTS:

The following is a schedule, as of September 30, 2019, of the Trust's investments included in the synthetic guaranteed investment contract by type.

	Issuer Rating* S&P/ Moody's (unaudited)	Investments at Fair Value	Wrapped Contracts at Fair Value	Adjustment to Contract Value	Contract Value
Wrapped Portfolio:					
<i>Short-term Investment Fund</i>	AAA/Aaa	\$ 330,472			
<i>Residential Mortgage Backed Securities</i>	Agcy/Agcy	1,324,897			
	BBB-/Ba1 to				
<i>Corporate Investment Grade Bonds</i>	AAA/Aa3	39,022,232			
<i>Treasury Notes</i>	Govt/Govt	41,879,972			
<i>Agency Securities</i>	Agcy/Agcy	2,109,424			
<i>Non-Corporate Credit Securities</i>	AAA/Aaa	3,832,697			
<i>Collateralized Mortgage Obligations</i>	Agcy/Agcy	4,553,485			
	NR/NR				
<i>Asset Backed Securities</i>	to AAA/Aaa	8,356,156			
<i>Wrap Agreements:</i>					
RGA, 2.56%	AA-/Aa2		\$ -		
State Street Bank & Trust Company, 2.56%	AA-/Aa2		\$ -		
TOTAL WRAPPED PORTFOLIO		<u>\$ 101,409,335</u>	<u>\$ -</u>	<u>\$ (1,704,133)</u>	<u>\$ 99,705,202</u>

The following is a schedule, as of September 30, 2018, of the Trust's investments included in the synthetic guaranteed investment contract by type.

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
IN THE NORTHWEST

NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

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NOTE 7 - INVESTMENTS INCLUDED IN THE SYNTHETIC GUARANTEED INVESTMENT CONTRACTS (Continued):

	Issuer Rating* S&P/ Moody's (unaudited)	Investments at Fair Value	Wrapped Contracts at Fair Value	Adjustment to Contract Value	Contract Value
Wrapped Portfolio:					
<i>Short-term Investment Fund</i>	AAA/Aaa	\$ 311,401			
<i>Residential Mortgage Backed Securities</i>	Agcy/Agcy	1,893,939			
	Baa3/BBB-				
<i>Corporate Investment Grade Bonds</i>	A1/AA+	26,868,721			
<i>Treasury Notes</i>	Govt/Govt	18,539,494			
<i>Agency Securities</i>	Agcy/Agcy	3,294,295			
<i>Non-Corporate Credit Securities</i>	Aaa/AAA	5,166,164			
<i>Collateralized Mortgage Obligations</i>	Agcy/Agcy	4,919,586			
	NR/NR				
<i>Asset Backed Securities</i>	to Aaa/AAA	6,466,742			
<i>Wrap Agreements:</i>					
RGA, 2.25%	Aa2/AA-				
State Street Bank & Trust Company, 2.22%	Aa2/AA-		\$ -		
TOTAL WRAPPED PORTFOLIO		<u>\$ 67,460,342</u>	<u>\$ -</u>	<u>\$ 1,109,783</u>	<u>\$ 68,570,125</u>

* The Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's") ratings as of September 30, 2019 and 2018 are current assessments of the contract issuer's overall financial capacity (its creditworthiness) to pay its financial obligations. Ratings shown for security-backed contracts are assessed on the issuer of the contract wrap and not the underlying securities.

NOTE 8 - SCHEDULE OF MUTUAL FUNDS:

The following is a schedule, as of September 30, 2019 and 2018, of the Trust's investments in mutual funds, at fair market value.

	2019	2018
Champlain Small Company Institutional Fund	\$ 9,807,617	\$ 10,181,984
American EuroPacific Growth Fund	5,736,247	5,787,930
Vanguard Balanced Index Fund	70,554,812	68,058,035
Carillon Scout Mid Cap Equity Portfolio	10,700,571	-
Scout Mid Cap Equity Portfolio	-	11,382,790
Vanguard Institutional Index Fund	88,795,875	86,783,934
Vanguard Conservative Growth Fund	78,332,139	67,328,274
Vanguard Growth Fund	72,456,600	66,305,732
Vanguard Income Fund	86,488,473	75,743,703
Vanguard Moderate Growth Fund	41,725,206	33,985,185
Metropolitan West Total Return Fund	8,807,930	7,746,894
	<u>\$ 473,405,470</u>	<u>\$ 433,304,461</u>

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
IN THE NORTHWEST

NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

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NOTE 9 - FAIR VALUE MEASUREMENTS:

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial instruments, including estimates of timing, amount of expected future cash flows and credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value hierarchy are described as follows:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Trust has the ability to access.

Level 2 inputs to the valuation methodology include the following: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from, or corroborated by, observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2019 and 2018.

Cash equivalents, short-term investment funds and amounts due to brokers - Because of the nature of these assets and liabilities, carrying amounts approximate fair values. Fair values of cash equivalents may be determined using public quotations, when available.

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
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NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

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NOTE 9 - FAIR VALUE MEASUREMENTS (Continued):

Mutual funds - Valued at quoted market prices in active markets, which are derived by the fair values of the underlying assets and liabilities of the specific fund.

Fixed income obligations - Valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Treasury notes - Valued at the closing price reported in active markets in which the individual securities are traded.

As of September 30, 2019, the following financial assets of the Trust were measured at fair value on a recurring basis consistent with the fair value hierarchy provisions:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 6,045,561	\$ -	\$ -	\$ 6,045,561
Mutual funds	473,405,470	-	-	473,405,470
	<u>\$ 479,451,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 479,451,031</u>

As of September 30, 2019, the following financial assets, comprised of the assets underlying the synthetic guaranteed investment contracts of the Trust, were measured at fair value on a recurring basis consistent with the fair value hierarchy provisions:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Securities underlying synthetic investment contracts:				
Fixed income obligations:				
Agency securities	\$ -	\$ 2,109,424	\$ -	\$ 2,109,424
Corporate investment grade bond obligations	-	39,022,232	-	39,022,232
Non-corporate credit sec.	-	3,832,697	-	3,832,697
Residential mortgage-backed securities	-	1,324,897	-	1,324,897
Collateralized mortgage obligations	-	4,553,485	-	4,553,485
Asset-backed securities	-	8,356,156	-	8,356,156
Treasury notes	41,879,972	-	-	41,879,972
Short-term investment funds	330,472	-	-	330,472
	<u>\$ 42,210,444</u>	<u>\$ 59,198,891</u>	<u>\$ -</u>	<u>\$ 101,409,335</u>

As of September 30, 2018, the following financial assets of the Trust were measured at fair value on a recurring basis consistent with the fair value hierarchy provisions:

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
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NOTES TO FINANCIAL STATEMENTS
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NOTE 9 - FAIR VALUE MEASUREMENTS (Continued):

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 10,374,677	\$ -	\$ -	\$ 10,374,677
Mutual funds	433,304,461	-	-	433,304,461
	<u>\$ 443,679,138</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 443,679,138</u>

As of September 30, 2018, the following financial assets, comprised of the assets underlying the synthetic guaranteed investment contract of the Trust, were measured at fair value on a recurring basis consistent with the fair value hierarchy provisions:

	Level 1	Level 2	Level 3	Total
Securities underlying synthetic investment contracts:				
Fixed income obligations:				
Agency securities	\$ -	\$ 3,294,295	\$ -	\$ 3,294,295
Corporate investment grade bond obligations	-	26,868,721	-	26,868,721
Non-corporate credit sec.	-	5,166,164	-	5,166,164
Residential mortgage-backed securities	-	1,893,939	-	1,893,939
Collateralized mortgage obligations	-	4,919,586	-	4,919,586
Asset-backed securities	-	6,466,742	-	6,466,742
Treasury notes	18,539,494	-	-	18,539,494
Short-term investment funds	311,401	-	-	311,401
	<u>\$ 18,850,895</u>	<u>\$ 48,609,447</u>	<u>\$ -</u>	<u>\$ 67,460,342</u>

NOTE 10 - NET INVESTMENT INCOME:

For the years ended September 30, 2019 and 2018, net investment income consisted of the following:

	2019	2018
Short-term investment fund dividends	\$ 144,265	\$ 95,285
Earnings from fully benefit-responsive contracts:		
Synthetic guaranteed investment contracts	2,113,952	1,445,916
Mutual fund dividends and capital gain distributions	15,222,972	10,334,598
Realized gains from mutual funds, net	9,190,861	6,058,513
Unrealized gains from mutual funds, net	(229,962)	16,756,678
	<u>\$ 26,442,088</u>	<u>\$ 34,690,990</u>

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
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NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

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NOTE 10 - NET INVESTMENT INCOME (Continued):

For the years ended September 30, 2019 and 2018, earnings from synthetic guaranteed investment contracts consisted of:

	2019	2018
Interest and dividends from underlying investments	\$ 1,902,420	\$ 1,394,927
Realized gains (losses)	(62,299)	(248,261)
Unrealized gains (losses)	1,995,508	(1,187,251)
Net increase (decrease) in contract value adjustment	(1,721,677)	1,486,501
	<u>\$ 2,113,952</u>	<u>\$ 1,445,916</u>

NOTE 11 - FIDUCIARY LIABILITY INSURANCE AND FIDELITY BONDING:

As of September 30, 2019, the Trust was covered by fiduciary liability insurance and fidelity bonding from Travelers Casualty & Surety Company providing \$5,000,000 and \$500,000 of coverage, respectively.

NOTE 12 - PARTICIPANT FUND ALLOCATIONS:

As of September 30, 2019 and 2018, the participant accounts of the Trust are attributed to the investment fund options as follows:

	2019	2018
Stable Value Fund	\$ 105,726,352	\$ 78,927,477
Balanced Fund	70,554,812	68,058,035
Large Cap Equity Fund	88,795,875	86,783,934
Total Return Bond Fund	8,807,930	7,746,894
Mid Cap Equity Fund	10,700,571	11,382,790
Small Cap Equity Fund	9,807,617	10,181,984
International Equity Fund	5,736,247	5,787,930
Lifestyle Income Fund	86,040,170	75,743,703
Lifestyle Conservative Growth Fund	77,932,630	67,328,274
Lifestyle Moderate Growth Fund	41,725,206	33,985,185
Lifestyle Growth Fund	72,456,600	66,305,732
Benefits payable	(400,000)	(465,000)
Claims incurred but not reported	(9,000,000)	(8,300,000)
Unallocated	653,799	(151,065)
	<u>\$ 569,537,809</u>	<u>\$ 503,315,873</u>

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST FOR PUBLIC EMPLOYEES
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NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

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NOTE 13 - ADDITIONAL INFORMATION REQUIRED BY THE STATEMENTS OF CASH FLOWS:

During each of the years ended September 30, 2019 and 2018, there were no income taxes paid or received, no interest paid, and there were no non-cash investing or financing activities.

NOTE 14 - FINANCIAL STATEMENT PRESENTATION:

Certain balances in the financial statements as of and for the year ended September 30, 2018 have been reclassified to conform to the presentation of the financial statements as of and for the year ended September 30, 2019. These reclassifications had no effect on net assets.

NOTE 15 - SUBSEQUENT EVENTS:

The Board of Trustees has evaluated events subsequent from September 30, 2019 through February 6, 2020 (the date the financial statements were available to be issued) and has identified no events that, if disclosed, would influence the readers' opinion concerning these financial statements.



DARCY A. SKJOTHAUG, C.P.A.
SCOTT A. OPPERUD, C.P.A.

U.S. BANK BUILDING
422 W. RIVERSIDE, STE. 1420
SPOKANE, WA 99201-0395
PH 509•747•2158 FAX 509•458•2723
www.schoedel.com

January 29, 2020

VEBA Trust for Public Employees
in the Northwest
906 West 2nd Avenue No. 400
Spokane, WA 99201-4502

Enclosed is the organization's 2018 Exempt Organization
return.

A copy of the return is enclosed for your files. We suggest
that you retain this copy indefinitely.

SINCERELY,

SCHOEDEL & SCHOEDEL, CPAS PLLC

Form **8879-EO****IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2018, or fiscal year beginning OCT 1, 2018, and ending SEP 30, 2019**2018**Department of the Treasury
Internal Revenue Service

▶ Do not send to the IRS. Keep for your records.

▶ Go to www.irs.gov/Form8879EO for the latest information.

Name of exempt organization

**VEBA Trust for Public Employees
in the Northwest**

Employer identification number

94-3131623

Name and title of officer

**Douglas G Detling
Chairman****Part I Type of Return and Return Information** (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a**, **2a**, **3a**, **4a**, or **5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b**, **2b**, **3b**, **4b**, or **5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a Form 990 check here ▶ ☒	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b <u>139,484,649.</u>
2a Form 990-EZ check here ▶ ☐	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ ☐	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ ☐	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ ☐	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2018 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize **SCHOEDEL & SCHOEDEL, CPAS PLLC**

ERO firm name

to enter my PIN **22139**Enter five numbers, but
do not enter all zeros

as my signature on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶

Date ▶

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

91313048935

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2018 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶

Date ▶ **01/29/20**

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

LHA For Paperwork Reduction Act Notice, see instructions.

Form **8879-EO** (2018)

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018Open to Public
Inspection**A** For the 2018 calendar year, or tax year beginning **OCT 1, 2018** and ending **SEP 30, 2019****B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization**VEBA Trust for Public Employees
in the Northwest**

Doing business as

Number and street (or P.O. box if mail is not delivered to street address)

906 West 2nd Avenue

Room/suite

400

City or town, state or province, country, and ZIP or foreign postal code

Spokane, WA 99201-4502**F** Name and address of principal officer: **Douglas G Detling****same as C above****D** Employer identification number**94-3131623****E** Telephone number**(509) 838-5571****G** Gross receipts \$ **229,902,068.****H(a)** Is this a group returnfor subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶**I** Tax-exempt status: ☐ 501(c)(3) ☒ 501(c) (**9**) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ **www.hraveba.org****K** Form of organization: ☐ Corporation ☒ Trust ☐ Association ☐ Other ▶**L** Year of formation: **1990** **M** State of legal domicile: **WA****Part I Summary**

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: To provide qualified health and welfare benefits		
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	0	
	6 Total number of volunteers (estimate if necessary)	0	
	7a Total unrelated business revenue from Part VIII, column (C), line 12	0.	
	b Net unrelated business taxable income from Form 990-T, line 38	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	0.	0.
	9 Program service revenue (Part VIII, line 2g)	96,826,216.	113,086,335.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	17,635,062.	26,398,219.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	37.	95.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	114,461,315.	139,484,649.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	57,072,121.	66,249,324.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶	0.	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	6,036,150.	6,320,229.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	63,108,271.	72,569,553.
	19 Revenue less expenses. Subtract line 18 from line 12	51,353,044.	66,915,096.
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	514,171,937.	581,659,077.
	21 Total liabilities (Part X, line 26)	10,745,884.	11,274,059.
	22 Net assets or fund balances. Subtract line 21 from line 20	503,426,053.	570,385,018.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date	
	Douglas G Detling, Chairman Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed PTIN
	SCOTT OPPERUD, CPA	<i>Scott Oppert CPA</i>	01/29/20	P00542597
	Firm's name ▶ SCHOEDEL & SCHOEDEL, CPAS PLLC	Firm's EIN ▶ 91-0614823		
	Firm's address ▶ 422 W RIVERSIDE AVE, STE 1420 SPOKANE, WA 99201-0395	Phone no. (509) 747-2158		

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

VEBA Trust for Public Employees
in the Northwest

Form 990 (2018)

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:

The Trust provides public employees a tax-free health reimbursement arrangement (HRA), compliant with regulatory requirements, efficient administration, prudent investments and superb service.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ including grants of \$) (Revenue \$)

This trust holds the assets of the Voluntary Employees' Beneficiary Association Health Care Reimbursement Plan for Public Employees in the Northwest (the Plan) for employees of county, city, town, special purpose district or similar entity in Washington, Oregon or Idaho, whose purpose is to provide public services to its citizens and is authorized to do so by state statute. The Plan provides a method of funding qualified health and welfare benefits to its participants and their dependents.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶

Form 990 (2018)

**VEBA Trust for Public Employees
in the Northwest**

Form 990 (2018)

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Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	1	X
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	2	X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	4	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	5	X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	8	X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	9	X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	10	X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	11a	X
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	11b	X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	11c	X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	11d	X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	11e	X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	11f	X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	12a	X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	12b	X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	14b	X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	15	X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>	16	X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>	17	X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18	X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19	X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a	X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	X

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Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b	
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	X

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	128
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X

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Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

	Yes	No
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return 2a 0		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	3b	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7 Organizations that may receive deductible contributions under section 170(c).		
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	
d If "Yes," indicate the number of Forms 8282 filed during the year 7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8	
9 Sponsoring organizations maintaining donor advised funds.		
a Did the sponsoring organization make any taxable distributions under section 4966?	9a	
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b	
10 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on Part VIII, line 12 10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b		
11 Section 501(c)(12) organizations. Enter:		
a Gross income from members or shareholders 11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.		
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b		
c Enter the amount of reserves on hand 13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.	15	X
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16	X

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI ☒

Section A. Governing Body and Management

		Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a	7	
b Enter the number of voting members included in line 1a, above, who are independent	1b	7	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6 Did the organization have members or stockholders?	6		X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a The governing body?	8a	X	
b Each committee with authority to act on behalf of the governing body?	8b	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a		X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	X	
13 Did the organization have a written whistleblower policy?	13	X	
14 Did the organization have a written document retention and destruction policy?	14	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a The organization's CEO, Executive Director, or top management official	15a		X
b Other officers or key employees of the organization	15b		X
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► None

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records ►
Arthur J. Gallagher & Co. - (509) 838-5571
906 West 2nd Avenue, Suite 400, Spokane, WA 99201

Check if Schedule O contains a response or note to any line in this Part VII

X

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-total								0.	0.	0.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								0.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Arthur J Gallagher & Co, 906 West 2nd Avenue; Suite 400, Spokane, WA 99201	Consulting, marketing and client	4,272,378.
Empire Innovation Group LLC 410 Main Street, Suite 5, Buffalo, NY 14202	Software administrator, eligi	1,281,886.
Washington Trust Bank PO Box 2127, Spokane, WA 99210	Investment and custodial fees	136,704.
Goldman Sachs Asset Management, 100 Bank Street, 8th Floor, Burlington, VT 05401	Asset management fees	127,456.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **4**

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f: \$					
	h Total. Add lines 1a-1f					
Program Service Revenue	Business Code					
	2 a Plan contributions	525100	113,086,335.	113,086,335.		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		113,086,335.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		17,269,657.			17,269,657.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real				
		(ii) Personal				
		b Less: rental expenses				
		c Rental income or (loss)				
	d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		b Less: cost or other basis and sales expenses				
		c Gain or (loss)				
	d Net gain or (loss)		9,128,562.			9,128,562.
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
		b Less: direct expenses				
		c Net income or (loss) from fundraising events				
	9 a Gross income from gaming activities. See Part IV, line 19	a				
		b Less: direct expenses				
		c Net income or (loss) from gaming activities				
	10 a Gross sales of inventory, less returns and allowances	a				
b Less: cost of goods sold						
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code				
11 a Other income	525100	95.	95.			
b						
c						
d All other revenue						
e Total. Add lines 11a-11d		95.				
12 Total revenue. See instructions		139,484,649.	113,086,430.	0.	26,398,219.	

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.				
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members	66,249,324.			
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management	1,752,804.			
b Legal	38,503.			
c Accounting	33,348.			
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	295,560.			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	3,895,113.			
12 Advertising and promotion				
13 Office expenses	100,395.			
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	15,578.			
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	20,906.			
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>PCORI fees</u>	155,494.			
b <u>Bank charges</u>	12,528.			
c				
d				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	72,569,553.			
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	1,899,888.	1	2,500,964.
	2 Savings and temporary cash investments	10,374,677.	2	6,045,561.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	22,786.	9	1,880.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b	10c	
	11 Investments - publicly traded securities	433,304,461.	11	473,405,470.
	12 Investments - other securities. See Part IV, line 11	68,570,125.	12	99,705,202.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	514,171,937.	16	581,659,077.	
Liabilities	17 Accounts payable and accrued expenses	678,721.	17	696,674.
	18 Grants payable		18	
	19 Deferred revenue	1,302,163.	19	1,177,385.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	8,765,000.	25	9,400,000.
	26 Total liabilities. Add lines 17 through 25	10,745,884.	26	11,274,059.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets	503,426,053.	28	570,385,018.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	503,426,053.	33	570,385,018.
34 Total liabilities and net assets/fund balances	514,171,937.	34	581,659,077.	

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	139,484,649.
2	Total expenses (must equal Part IX, column (A), line 25)	2	72,569,553.
3	Revenue less expenses. Subtract line 2 from line 1	3	66,915,096.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	503,426,053.
5	Net unrealized gains (losses) on investments	5	43,869.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	570,385,018.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☐

		Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2a	X
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2b	X
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	

Form **990** (2018)

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Name of the organization **VEBA Trust for Public Employees
in the Northwest**

Employer identification number
94-3131623

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No		
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No		

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)	☐ Preservation of a historically important land area
☐ Protection of natural habitat	☐ Preservation of a certified historic structure
☐ Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 ▶ \$

(ii) Assets included in Form 990, Part X ▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 ▶ \$

b Assets included in Form 990, Part X ▶ \$

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2018

PDF Page #235

**VEBA Trust for Public Employees
in the Northwest**

Schedule D (Form 990) 2018

94-3131623 Page **3**

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) Synthetic guaranteed		
(B) investment contracts	99,705,202.	Cost
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	99,705,202.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Benefit claims payable	9,400,000.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	9,400,000.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Schedule D (Form 990) 2018

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization	VEBA Trust for Public Employees in the Northwest	Employer identification number 94-3131623

Form 990, Part VI, Section A, line 7a:

There are seven Trustees from two Public Service Agency Categories (PSAC): counties, cities and towns; and special purpose districts. Within each PSAC, one Trustee is elected by the employers from the respective PSAC participating in the Trust, and one Trustee is elected by participants from the respective PSAC. The third Trustee within each PSAC is elected by all remaining Trustees, regardless of their PSAC affiliation. The seventh Trustee is elected by all other Trustees.

Form 990, Part VI, Section B, line 11b:

The Form 990 was prepared by the independent accounting firm of SCHOEDEL & SCHOEDEL, Certified Public Accountants, PLLC based on information provided by the third-party administrators. Draft copies of the Trust's financial statements and Form 990 were first provided to the Trust's consultants and advisors, for review and comment. Any questions, concerns or issues raised by the consultants and advisors were addressed and any necessary revisions were made to the Form 990. The revised Form 990 was then provided to the Finance Committee for its review and approval. Any additional questions, concerns, or issues raised by the Finance Committee were addressed, and any necessary revisions were made to the Form 990. The revised Form 990 was then provided to the Board of Trustees for its review and approval. Any additional questions, concerns, or issues raised by the Board of Trustees were addressed, and any necessary revisions were made to the Form 990. The final version of the Form 990 was reviewed and approved for filing by the Board of Trustees.

Name of the organization	VEBA Trust for Public Employees in the Northwest	Employer identification number	94-3131623

Form 990, Part VI, Section B, Line 12c:

Trustees, service providers, third-party administrators, or any other person having responsibility for the management or administration of the Trust's finances, investments, or other proprietary information concerning the Trust are considered interested persons. An interested person is under a continuing obligation to disclose any potential conflict of interest to the Board of Trustees as soon as it is known or reasonably should be known. The interested person is given the opportunity to disclose all material facts to the Trustees when considering the proposed transaction or arrangement. After disclosure of the financial, professional, or personal interest and all material facts, and after any discussion with the interested person, he/she leaves the Trustees meeting while the determination of a conflict of interest is considered.

If the disinterested Trustees determine a conflict of interest exists, the Chairman of the Board, if appropriate, appoints a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Trustees determine whether the Trust can obtain with reasonable efforts a more advantageous transaction or arrangement with a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee determines by majority vote of the disinterested Trustees whether the transaction agreement or arrangement is in the Trust's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination the Trustees

Name of the organization **VEBA Trust for Public Employees
in the Northwest**

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make a decision as to whether to enter into the transaction agreement or arrangement.

The minutes of the meeting reflect that the conflict disclosure was made to the Board, the vote taken and, where applicable, the abstention from voting and participation by the interested party. Whenever possible, the minutes frame the decision of the Board in such a way to provide guidance for consideration of future conflict of interest situations.

To ensure the Trust operates in a manner consistent with its tax-exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, the Board of Trustees conducts periodic reviews. The periodic reviews include, at a minimum, the following subjects:

Whether the contractual arrangements with service providers and the services provided are reasonable, based on competent market and survey information, and the result of arm's length negotiation.

Whether contractual arrangements with service providers and arrangements with other organizations conform to written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further tax-exempt purposes, and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Whether any transaction conducted by the Trust during the review period involves or could possibly give rise to a conflict of interest.

Form 990, Part VI, Section B, Line 15:

Name of the organization **VEBA Trust for Public Employees
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There are no compensated management officials, officers or key employees of the Trust. If the Trust had such compensated individuals, policies and procedures would be developed to determine compensation.

Form 990, Part VI, Section C, Line 19:

The Trust makes its governing documents, conflict of interest policy, financial statements, and Form 990 available to the public upon written request by contacting the Trust at 906 West 2nd Avenue, Suite 400, Spokane, WA 99201.

Form 990, Part VII, Section A, Line 1A

The Trust does not compensate the members of the Board of Trustees for their duties as Trustees. The Board of Trustees is made up of seven individuals, six of whom are employees of counties, cities, towns or special purpose districts in Washington, Oregon or Idaho. The remaining Trustee is a former employee in a county, city or town. The Trust does not readily have access to information related to the compensation paid by other entities to the Trustees. The Trustees serve on a voluntary basis, and receive no known compensation adjustment from their employers, or any other party, for their services on the Board.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

**VEBA Trust for Public Employees
in the Northwest**

Employer identification number

94-3131623

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
Adams County Fire Protection District #5							
Alderwood Water Wastewater Dis							
American Falls School District 381							
Applegate Valley Rural Fire 9							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2018

VEBA Trust for Public Employees
in the Northwest

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Area Agency on Aging and Disabilities of SW WA							
Arlington School District							
Ashland Parks & Rec Commission							
Asotin County							
Asotin County Health District							
Association of Idaho Cities							
Astoria School District							
Athena Weston School Dist							
Aumsville Rural Fire District							
Aurora Rural Fire Protection							
Bainbridge Island Fire Dept							
Baker Charter Schools							

VEBA Trust for Public Employees
in the Northwest

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Baker County							
Banks Fire District #13							
Banks School District #13							
Bellingham Housing Authority							
Ben Franklin Transit							
Benton County Oregon							
Benton County Central							
Benton County Fire District #1							
Benton Cty Fire Prot Dist 2							
Benton Franklin Health Dist							
Benton Pud							
Bingham Academy DBA Idaho Stem Academy							

**VEBA Trust for Public Employees
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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Birch Bay Water and Sewer Dist							
Black Butte Ranch Police Dept							
Blackfoot Charter Community							
Blue Mountain Hospital District							
Camas Valley School District							
Canby Fire District 62							
Canby Utility Board							
Cascade Irrigation District							
Cascade Water Alliance							
Cascadia Conservation District							
Cedar River Water Sewer Dist							
Central Kitsap Fire Rescue							

**VEBA Trust for Public Employees
in the Northwest**

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Central Lincoln People's Utility District							
Central Pierce Fire and Rescue							
Central School District 13J							
Chelan County							
Chelan County Fire District #3							
Chelan County Pud							
Chelan-Douglas Transportation Council							
City County Insurance Services							
City of Aberdeen							
City of Airway Heights							
City of Albany							
City of Arlington							

VEBA Trust for Public Employees
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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
City of Ashland							
City of Astoria							
City of Baker City							
City of Bay City							
City of Beaverton							
City of Bend							
City of Blaine							
City of Boardman							
City of Boise							
City of Bremerton							
City of Brookings							
City of Burien							

VEBA Trust for Public Employees
in the Northwest

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
City of Caldwell							
City of Canby							
City of Central Point							
City of Centralia							
City of Chehalis							
City of Chelan							
City of Cheney							
City of Clarkston							
City of Clatskanie							
City of Cle Elum							
City of Coeur D Alene							
City of Columbia City							

VEBA Trust for Public Employees
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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) control ed organization?	
						Yes	No
City of Colville							
City of Coos Bay							
City of Cottage Grove							
City of Cottonwood							
City of Covington							
City of Dallas							
City of Des Moines							
City of Dundee							
City of Dupont							
City of East Wenatchee							
City of Ellensburg							
City of Elma							

VEBA Trust for Public Employees
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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
City of Enumclaw							
City of Ephrata							
City of Estacada							
City of Federal Way							
City of Fife							
City of Forest Grove							
City of Forks							
City of Garden City							
City of Garibaldi							
City of Gervais							
City of Gig Harbor							
City of Gladstone							

**VEBA Trust for Public Employees
in the Northwest**

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
City of Grandview							
City of Gresham							
City of Hailey							
City of Happy Valley							
City of Harrisburg							
City of Hermiston							
City of Hillsboro							
City of Hood River							
City of Idaho Falls							
City of Independence							
City of Kalama							
City of Kelso							

**VEBA Trust for Public Employees
in the Northwest**

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
City of Kenmore							
City of King City							
City of Klamath Falls Oregon							
City of La Center							
City of la Grande							
City of La Pine							
City of Lacey							
City of Lake Oswego							
City of Lake Stevens							
City of Leavenworth							
City of Lebanon							
City of Lewiston							

VEBA Trust for Public Employees
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Schedule R (Form 990)

94-3131623

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
City of Liberty Lake							
City of Longview							
City of Madras							
City of Marysville							
City of McMinnville							
City of Medford							
City of Medina							
City of Mercer Island							
City of Millwood							
City of Milton							
City of Milwaukie							
City of Molalla							

VEBA Trust for Public Employees
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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
City of Monmouth							
City of Monroe							
City of Moscow Idaho							
City of Mountlake Terrace							
City of Myrtle Creek							
City of Nampa							
City of Nehalem							
City of New Plymouth							
City of Newberg							
City of Newport							
City of Nezperce							
City of Normandy Park							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
City of Oakridge							
City of Okanogan							
City of Olympia							
City of Omak							
City of Oregon City							
City of Orofino							
City of Palouse							
City of Pasco							
City of Pendleton							
City of Philomath							
City of Phoenix							
City of Pilot Rock							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
City of Pocatello							
City of Port Orchard							
City of Portland							
City of Post Falls							
City of Poulsbo							
City of Pullman							
City of Rathdrum							
City of Redmond (OR)							
City of Redmond (WA)							
City of Reedsport							
City of Rexburg							
City of Richland							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
City of Ridgefield							
City of Rigby							
City of Rockaway Beach							
City of Roseburg							
City of Roy							
City of Salem							
City of Salem Firefighters							
City of Sandpoint							
City of Seattle							
City of Sedro Woolley							
City of Selah							
City of Shelton							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
City of Sheridan							
City of Sherwood							
City of Silverton							
City of Spokane							
City of Springfield							
City of St Helens							
City of St Maries Idaho							
City of Stanfield							
City of Stayton							
City of Stevenson							
City of Sublimity							
City of Sun Valley							

**VEBA Trust for Public Employees
in the Northwest**

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
City of Sunnyside							
City of Tacoma							
City of Talent							
City of The Dalles							
City of Tigard							
City of Tillamook							
City of Troutdale							
City of Tualatin							
City of Tukwila							
City of Tumwater							
City of Umatilla							
City of Union							

VEBA Trust for Public Employees
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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
City of Vancouver							
City of Vernonia							
City of Waldport							
City of Washougal							
City of West Linn							
City of West Richland							
City of Willamina							
City of Woodburn Oregon							
City of Yakima							
Clackamas County							
Clackamas River Water							
Clallam County							

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Clallam County Pud 1							
Clallam Cty Fire Protect Dst3							
Clallam Transit System							
Clark CO Fire Dist 3							
Clark County Fire & Rescue							
Clark County Fire Dist 6							
Clark County Public Transport							
Clark Public Utilities							
Clatskanie Pud							
Clatskanie School District							
Clatsop County							
Clean Water Services							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Cloverdale Rural Fire Dist							
Coal Creek Utility District							
Columbia 911 Comm Dist							
Columbia Basin Hydropower							
Columbia CO Rural Library Dist							
Columbia County							
Columbia County of Oregon							
Columbia County Public Transportation							
Columbia River Fire & Rescue							
Columbia River Pud							
Community Library Network							
Condon School District 25J							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Consolidated Diking Imprvmnt							
Coos County							
Corbett School District							
County of Boise School Dist 72							
County of Douglas							
County of Linn							
Covington Water District							
Cowlitz 911							
Cowlitz County							
Cowlitz County Fire #5							
Cowlitz County Fire District 6							
Cowlitz County Pud							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Cowlitz-Wahkiakum Council							
Crescent Rural Fire Protection							
Crook County Fire & Rescue							
Crooked River Ranch F & R							
Cross Valley Water District							
Curry County							
Dayville School District 16J							
Depoe Bay Fire District							
Douglas County							
Douglas County Fire Dist 2							
Douglas County Pud No 1							
Douglas County Sewer Dist 1							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Douglas Okanogan County Fd #15							
Duvall Fire							
Eagle Fire Protection District							
East Pierce Fire & Rescue							
East Wenatchee Water Dist							
Emergency Comm Southern Oregon							
Energy Northwest							
Estacada Rural Fire Dist #69							
Eugene Water Electric Board							
Ferry County Pud							
Franklin County							
Franklin County Emergency Mgmt							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Franklin County Fire District #3							
Franklin County Pud							
Garfield County							
Gilliam County							
Goshen Fire District							
Grant County Esd							
Grant County Pud #2							
Grant School District #3							
Grays Harbor County Pud							
Great Rivers Behavioral Health Organization							
Greater Albany Public SD 8J							
Greater Columbia Behavioral Hl							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Green Sanitary District							
Hartstene Pointe Water - Sewer District							
Highline Water District							
Hood River CO Library District							
Hood River County							
Hood River School District							
Housing Auth of Clackamas CO							
Housing Authority of Yamhill County							
Idaho Sci&Tech Charter School							
Illinois Valley Rural Fire							
Inland Power & Light Company							
Intermountain Esd							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Island County							
Island County Emergency Services							
Communication ICOM							
Jackson County							
Jackson County Fire #5							
Jackson County Fire Dist No 3							
Jefferson County Fire Dist 1							
Jefferson County Oregon							
Jefferson County Pud							
Jefferson Cty Fire Protect Dst							
Jefferson Transit Authority							
Jewell School District 8							
Josephine County							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Keizer Fire District							
King County							
King County Fire Protection Dist #27							
King County Water Dist #20							
King County Water Dist #49							
King County Water Dist 125							
King County Water Dist 45							
Kitsap County Fire Dist #18							
Kitsap Public Health District							
Kitsap Regional Library							
Kittitas County							
Kittitas County Fire District #2							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Kittitas County Pud							
Klamath County							
Klamath Emrg Communication Dst							
Klickitat County Pud #1							
Kootenai CO Emerg Medical Serv							
Kootenai County							
Lacey Fire District 3							
Lake Chelan Reclamation Dist							
Lake County Esd							
Lake Meridian Water District							
Lake Oswego School District							
Lake Stevens Sewer District							

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Lake Whatcom Water and Sewer Dist							
Lakehaven Water and Sewer District							
Lakes Highway District							
Lane Fire Authority							
Lane Library District							
League of Oregon Cities							
Lebanon Comm School Dist 9							
Lebanon Fire District							
Lewis County							
Lewis County Pud							
Lewiston Orchards Irrigat Dist							
Lincoln County							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Lincoln County Oregon							
Lincoln County School District							
Link Transit							
Lott Clean Water Alliance							
Lyons Rural Fire Protection District							
Madison County							
Malaga Water District							
Manchester Water District							
Marion CO Housing Authority							
Marion County Fire Dist #1							
Marysville Fire District							
Mason County Pud 1							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Mason County Washington							
Mason Fire District #5							
McKenzie Fire & Rescue							
McMinnville School Dist #40							
McMinnville Water and Light							
Medford Water Commission							
Metcom 911							
Metro Parks Tacoma							
Mid Columbia Center for Living							
Mid-Columbia Fire and Rescue							
Midway Sewer District							
Mid-Willamette Valley Council of Governments							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Mohawk Valley Rural Fire Dist							
Molalla Rural Fire Protection District #73							
Monument School District							
Morrow County							
Morrow County School District							
Mt Angel Fire District							
Mukilteo Water Wastewater Dist							
Multnomah County							
Multnomah Esd							
NE Sammamish Sewer & Water Dst							
NE Tri County Health Dist							
Neah-Kah-Nie School District 56							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Neahkahnie Water District							
Nestucca Valley School Dist							
Nez Perce County							
No Mason Reg Fire Authority							
North Central ESD							
North City Water District							
North Kootenai Water & Sewer Dist							
North Lincoln Fire # Rescue Dist #1							
North Marion School Dst #15							
North Perry Ave Water District							
North Santiam School District							
North Wasco County SD 21							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Northern Lakes Fire Dist							
Northern Wasco County Pud							
Northwest Regional Esd							
Northwest Seaport Alliance							
Nw Oregon Housing Authority							
Okanogan County							
Okanogan County Public Health							
Okanogan County Pud 1							
Olympic View Water&Sewer Dist							
Oregon City School District							
Pacific County							
Pangborn Memorial Airport							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Pend Oreille County							
Pend Oreille County Library District							
Pend Oreille County Pud							
Pendleton School District 16R							
Peninsula Light Company							
Perrydale School District							
Philomath School District							
Pierce County							
Pierce County Library							
Pierce County Noxious Weed Control Board							
Pleasant Home Water District							
Polk County Fire District 1							

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Polk Soil & Water Conservation District							
Port Ludlow Fire and Rescue							
Port of Bremerton							
Port of Camas - Washougal							
Port of Chehalis							
Port of Chelan County							
Port of Columbia County							
Port of Everett							
Port of Kalama							
Port of Kennewick							
Port of Longview							
Port of Morrow							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Port of Olympia							
Port of Pasco							
Port of Peninsula							
Port of Port Angeles							
Port of Portland							
Port of Skamania County							
Port of Tacoma							
Port of Vancouver							
Port of Walla Walla/Reg Airpor							
Port of Willapa Harbor							
Port Orford Langlois SD 2Cj							
Post Falls Highway District							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Prairie City School District							
Prosper Portland							
Public Utility Dist 2 Pacific							
Puget Sound Regional Council							
Puget Sound Regional Fire Authority							
Redmond Fire & Rescue							
Riverdale School District 51J							
Riverside Fire Authority							
Roberts Creek Water District							
Rockwood Water PUD							
Rogue River Fire District							
Rogue Valley Transportation Dist							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Roseburg Urban Sanitary Authority							
Salem Area Transit							
San Juan County							
San Juan County Fire Protection District 3							
Sandy Fire District #72							
Scappoose Rural Fire District							
Scappoose School District 1J							
Scio School District							
SE Thurston Fire Authority							
Seaside School District 10							
Sheridan School District							
Sherwood School District							

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Shoshone County							
Si View Metro Parks Dist							
Silver Lake Water Sewer Dist							
Silverdale Water District							
Silverton Fire District							
Sisters Camp Sherman Fire Dist							
Siuslaw Valley Fire and Rescue							
Skagit 911							
Skagit County							
Skagit Transit							
Skamania County							
Skamania County Pud 1							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Skamania EMS							
Skyway Water and Sewer Dist							
Snohomish Conservation Dist							
Snohomish County							
Snohomish County Fire #5							
Snohomish County Fire Dept 26							
Snohomish County Fire Dist 4							
Snohomish Cty Fire Pro Dist 7							
Snohomish Health District							
Soos Creek Water & Sewer District							
South Beach Fire and EMS							
South Fork Water Board							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
South Gilliam CO Health Dist							
South King Fire and Rescue							
South Kitsap Fire & Rescue							
South Lane Fire & Rescue							
South Lane School District							
Southwest Suburban Sewer Dist							
Spokane County							
Spokane County Fire Dist #4							
Spokane County Fire Dist #9							
Spokane County Fire District 10							
Spokane County Noxious Weed CO							
Spokane Housing Authority							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Spokane Transit Authority							
Spokane Valley Fire Department							
Springfield Utility Board							
Stanfield School District 61R							
Star Fire Protection Dist							
Stevens County							
Stevens County Fire Protection Dist 1							
Stevens County Pud #1							
Stevens Cty Conservation Dist							
Sublimity Fire District							
Sunriver Service District							
Sunset Empire Parks/Rec Dist							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Three Rivers Regional Wastewater Authority							
Thurston County							
Thurston County Fire Protection District 8							
Thurston Cty Pud No 1							
Tigard-Tualatin S.D. 23J							
Tillamook County							
Tillamook County Trans. Dist.							
Tillamook Fire District							
Tillamook Pud							
Tillamook School District #9							
Town of Coulee Dam							
Treasure Valley Community College							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Tri County Econ Development							
Trimet							
Tualatin Valley Water District							
Turner Fire District							
Umatilla CO School District 6R							
Umatilla County							
Umatilla County Fire District #1							
Umatilla Cty (Hermiston) SD 8R							
Valley Transit							
Valley View Sewer District							
Valley Water Dist							
Vera Water and Power							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
W Multnomah Soil & Water Cons							
WA Association of Prosecuting Attorneys							
WA County Consolidated Comm Agency (WCCCA)							
WA St Assoc of Counties							
Wahkiakum County							
Wahkiakum Pud							
Wahtonka Community School							
Walla Walla County							
Walla Walla County Fire District 4							
Walla Walla County Fire Protection Dist No 5							
Wallowa County							
Warrenton Hammond School 30							

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(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Washington Association of County Officials							
Washington Cities Insurance Authori							
Washington County							
Washington Pud Association							
Water & Sewer Risk Mgmt Pool							
West Pierce Fire & Rescue							
West Sound Utility Dist							
West Thurston Regional Fire Authority							
Western Lane Ambulance Dist							
Whitman County							
Winston-Dillard Fire Dist No 5							
Wood River Fire Protection Dist							

[illegible]

Page 2

Part III

Part IV

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Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)		X
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.



906 W 2nd Avenue, Suite 400
Spokane, WA 99201

Board of Trustees

Counties, Cities & Towns
Doug Detling, Chair
Teresa Benner
Heather Buchanan
Kristy Wolf

Special Purpose Districts
Randy Anderson
Beverly Freeman
Sylvia Hubbard

TRUSTEE REPRESENTATION LETTER

February 6, 2020

SCHOEDEL & SCHOEDEL,
Certified Public Accountants, PLLC
422 W. Riverside Avenue, Suite 1420
Spokane, WA 99201

NONATTEST ACCOUNTING SERVICES

This representation letter is provided in connection with the nonattest accounting services performed by you for the HRA VEBA Trust (the Trust) as of September 30, 2019, and for the year then ended. Namely, the accounting services included: assisting in the determination of any necessary journal entries to adjust the Trust's records to reflect the full accrual method of accounting in accordance with accounting principles generally accepted in the United States of America; proposing such journal entries to us; posting the approved journal entries; assisting, from information provided by us, in the preparation of the draft annual statements of financial position as of September 30, 2019 and 2018 and the related statements of activities and cash flows along with the related notes and disclosures; and preparing the Trust's Form 990, including required schedules, for the year ended September 30, 2019.

We confirm that we, as the members of the Board of Trustees, are responsible for the financial statements and accompanying information as well as all representations contained therein, and that we collectively have the skill, knowledge, experience, and resources to oversee the nonattest accounting services performed by you.

In addition, in regards to the nonattest accounting services performed by you, we have:

- 1) Assumed all management responsibilities.
- 2) Evaluated the adequacy and results of the services performed.
- 3) Accepted responsibility for the results of the services.
- 4) Established and maintained internal controls, including monitoring ongoing activities.

We have reviewed, understood, approved and accepted responsibility for the:

- 1) Attached adjusted trial balance.
- 2) Attached journal entries.
- 3) Financial statements with related notes and disclosures.
- 4) Form 990, including required schedules.

AUDIT SERVICES

This representation letter is provided in connection with your audits of the financial statements of the HRA VEBA Trust (the Trust), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 6, 2020, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 24, 2019 and signed June 28, 2019, including our responsibility for the preparation and fair presentation of the financial statements, which include the note disclosures.
- 2) The financial statements, referred to above, are fairly presented in conformity with U.S. GAAP, the notes include all disclosures required by laws and regulations to which the Plan is subject.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) No events have occurred subsequent to the date of the financial statements for which U.S. GAAP requires adjustment or disclosure.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- 9) You have proposed adjusting journal entries that have been posted to the Plan's accounts. A list of the proposed adjusting journal entries is attached to the representation letter. We are in agreement with those adjustments.
- 10) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP.
- 11) We are not aware of any breaches of fiduciary responsibilities, nonexempt transactions, loans or leases in default, or events that may jeopardize the tax status of the Trust that must be disclosed in the financial statements under U.S. GAAP.

- 12) Significant estimates and material concentrations in operations have been properly disclosed in accordance with U.S. GAAP.
- 13) Financial instruments with concentrations of credit risk have been properly recorded or disclosed in the financial statements.
- 14) There are no guarantees, whether written or oral, under which the Plan is contingently liable, which should be recorded or disclosed in accordance with U.S. GAAP.

Information Provided

- 1) We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. All minutes of the meetings of the Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - c. Additional information that you have requested from us for the purpose of the audit.
 - d. Unrestricted access to persons from whom you determined it necessary to obtain audit evidence.
 - e. Plan instruments, trust agreements, insurance contracts, or investment contracts and amendments to such documents entered into during the year, including amendments to comply with applicable laws.
- 2) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 3) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 4) We have no knowledge of any fraud or suspected fraud that affects the Plan and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
- 5) We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan's financial statements communicated by employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators, or others.
- 6) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations (including IRS regulations) whose effects should be considered when preparing financial statements.
- 7) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 8) We are not aware of any ongoing or upcoming examinations by regulatory agencies.
- 9) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP.

- 10) We have disclosed to you the identity of the Plan's related parties and parties in interest and all the related-party and party-in-interest relationships and transactions of which we are aware.
- 11) The Plan has satisfactory title to all owned assets, which are recorded at fair value, and there are no liens, encumbrances, or security interests requiring disclosure in the financial statements.
- 12) We have no:
 - a. Plans or intentions that may materially affect the carrying value or classification of assets or liabilities.
 - b. Intentions to terminate the Plan and related Trust.
- 13) There have been no amendments to the Plan Document subsequent to the amendments and restatements adopted effective January 1, 2017.
- 14) There have been no amendments to the Trust Agreement subsequent to the amendment effective on July 1, 2017.
- 15) The Trust has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 16) The methods and significant assumptions used to estimate fair values of financial instruments, including nonreadily marketable securities, are as follows: Mutual funds are valued at quoted market prices in active markets, which are derived by the fair values of the underlying assets and liabilities of the specific funds. Fixed income obligations are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Treasury notes are valued at the closing price reported in active markets in which the individual securities are traded. The methods and significant assumptions used result in a measure of fair value appropriate for financial measurement and disclosure purposes.
- 17) The methods and significant assumptions used to determine the contract value of the fully benefit-responsive guaranteed investment contract is as follows:

In regards to synthetic guaranteed investment contracts, the underlying investments are owned by the Trust. A wrap contract, typically from an insurance company or other financial institution, is purchased by the Trust. The wrap issuer is obligated to provide an interest rate not less than zero. The wrap contract typically provides that administrative fees related to the maintenance of the wrapper contract and realized and unrealized gains and losses related to the underlying assets are not reflected immediately in the assets of the Trust, but rather are amortized, usually over the time to maturity or the duration of the underlying investments, through adjustments to the future interest crediting rate. The wrap issuer guarantees that all qualified withdrawals will occur at contract value. Contract value is the amount the Trust would receive if it were to initiate permitted transactions under the terms of its contract. Contract value is considered the relevant measure of value.

- 18) We have made all required filings of the Plan and Trust documents with the appropriate agencies.
- 19) The Plan and the trust established under the Plan are qualified under the appropriate sections of the Internal Revenue Code. The Trust obtained its tax determination letter on March 14, 2000. In the letter, the Internal Revenue Service stated that the Trust, as then designed, was in compliance with the applicable requirements of the Internal Revenue code (IRC). The Trust has been amended since receiving these letter, and copies of the amendments were sent to the Internal Revenue Service on May 15, 2014. The Trust received notice from the Internal Revenue Service on September 12, 2014 that it had received the information provided by the Trust, and the Trust's file had been updated. We believe

that the Trust and related Plan are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, we believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date, and we intend to continue them as a qualified plan and trust.

- 20) The Trustees do not have a right to require any contribution to be made to this Trust. The Trustees do not have a duty to determine that the amounts contributed to the Trust comply with the various programs of the employers which allow for contribution. The employers have the duty to ensure that all contributions to the Trust comply with the various programs of the employers which allow for contribution. To enable the third-party administrator to perform its functions, the employers retain responsibility for supplying it with full and timely information on all matters relating to employer contributions with respect to participants, the employee's eligibility to participate in the Trust and related plan, the employee's termination of employment, and information relative to the employee's vesting percentage and eligibility to receive benefits.

To the best of our knowledge and belief, no events have occurred subsequent to the date of the Trust's financial statements and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Trustee Signature

Client: 221390 - HRA VEBA Trust
Engagement: 221390 - 2019 HRA VEBA Trust
Period Ending: 09/30/19
Trial Balance: 2019 - Trial Balance

Account	Description	1st PP-FINAL 09/30/18	UNADJ 09/30/19	JE Ref #	AJE	JE Ref #	RJE	FINAL 09/30/19	< WPRRef
0-101-1	Expense account	560,546.35	291,458.47				473,215.20	764,673.67	A-310
						RJE - 102	473,215.20		
0-101-2	Claims account	0.00	0.00					0.00	A-110
0-101-3	Clearing account	0.00	0.00					0.00	
0-101-4	Contribution Account	1,302,163.35	1,177,385.39					1,177,385.39	A-210
0-101-5	WTB - Debit Card Cash	37,178.50	14,905.74					14,905.74	A-510
0-101-6	Debit card collateral	0.00	544,000.00					544,000.00	A-610
0-102-0	WTB - Balanced Fund	68,039,083.91	70,554,811.70				(19,448.84)	70,535,362.86	C-315
						RJE - 101	(19,448.84)		
0-103-0	WTB - Growth Fund	86,783,934.39	88,795,874.57					88,795,874.57	C-315
0-104-0	Stable Value (GSAM)	78,849,109.98	105,726,351.51		180.00		(101,411.93)	105,625,119.58	C-315
				AJE - 6	180.00	RJE - 101	(125,643.44)		
						RJE - 104	24,231.51		
0-104-1	Due from WTB - Money market	0.00	0.00					0.00	
0-104-2	Fair value to contract value adjustment	0.00	0.00					0.00	
0-105-0	WTB - Money market	0.00	0.00					0.00	A-410
0-105-1	Due to Stable Value (GSAM)	0.00	0.00					0.00	
0-106-0	WTB - Total Return Bond	0.00	0.00					0.00	
0-106-1	Total Return fund - Metropolitan West	7,710,322.63	8,807,930.51				(49,099.29)	8,758,831.22	C-315
						RJE - 101	(49,099.29)		
0-107-0	WTB - Mid Cap Equity	11,382,790.03	10,700,571.08					10,700,571.08	C-315
0-108-0	WTB - Small Cap Equity	10,181,984.45	9,807,616.55					9,807,616.55	C-315
0-109-0	WTB - International Equity	0.00	0.00					0.00	
0-109-1	American Funds EuroPacific Gr F-2	5,787,929.55	5,736,247.23					5,736,247.23	C-315
0-109-2	Vanguard - Cons Growth	67,328,274.35	77,932,630.06		399,508.87			78,332,138.93	C-315
				AJE - 4	399,508.87				
0-109-3	Vanguard - Growth	66,305,731.63	72,456,599.78					72,456,599.78	C-315
0-109-4	Vanguard - Income	75,743,702.53	86,040,169.55		448,303.36			86,488,472.91	C-315
				AJE - 4	448,303.36				
0-109-5	Vanguard - Moderate Growth	33,985,184.81	41,725,206.36					41,725,206.36	C-315
0-110-1	WTB Expense Investments - GSAM	95,692.10	0.00				125,643.44	125,643.44	C-505
						RJE - 101	125,643.44		
0-110-2	WTB Expense Investments - Metropolitan West	36,571.71	0.00				49,099.29	49,099.29	C-505
						RJE - 101	49,099.29		
0-110-3	WTB Expense Investments - Vanguard	18,951.30	0.00				19,448.84	19,448.84	C-505
						RJE - 101	19,448.84		
0-111-0	Accounts receivable	0.00	0.00					0.00	
0-115-0	Other receivables	0.00	0.00					0.00	
0-170-0	Prepaid Expenses	22,786.00	0.00		1,880.25			1,880.25	E-100
				AJE - 2	1,880.25				
0-201-0	Accounts payable (Deferred Revenue)	(1,302,163.35)	(1,177,385.39)					(1,177,385.39)	A-210

Account	Description	1st PP-FINAL 09/30/18	UNADJ 09/30/19	JE Ref #	AJE	JE Ref #	RJE	FINAL 09/30/19	< WPreRef
0-201-1	Debit card - accounts payable	(37,178.50)	(14,905.74)					(14,905.74)	
0-202-0	Accrued Payables	(504,736.51)	0.00		(28,761.27)		(497,446.71)	(526,207.98)	AA-100
				AJE - 5	(28,761.27)	RJE - 102	(473,215.20)		
						RJE - 104	(24,231.51)		
0-210-0	Benefits payable	(465,000.00)	0.00		(400,000.00)			(400,000.00)	EE-100
				AJE - 3	(400,000.00)				
0-220-0	Claims incurred but not reported	(8,300,000.00)	0.00		(9,000,000.00)			(9,000,000.00)	EE-100
				AJE - 3	(9,000,000.00)				
0-250-0	PCOR fee payable	(136,805.52)	(155,560.35)					(155,560.35)	AA-160
0-301-0	Reserves for Benefits	(435,470,961.97)	(511,160,865.62)		8,764,461.55			(502,396,404.07)	
				AJE - 1	8,764,461.55				
0-302-0	Expense Reserve - Investments	(151,215.11)	(194,191.57)					(194,191.57)	C-505
0-303-0	WTB Expense reserve	(95,382.92)	(835,458.47)					(835,458.47)	
0-401-0	HRA VEBA Contributions	(96,824,259.99)	(113,080,713.14)					(113,080,713.14)	10-10
0-401-1	HRA VEBA COBRA Contributions	(1,955.22)	(5,621.90)					(5,621.90)	
0-415-0	Investment income	(34,690,989.89)	(25,466,789.93)		(847,842.23)		(127,456.18)	(26,442,088.34)	10-190
				AJE - 1	150.00	RJE - 103	(127,456.18)		
				AJE - 4	(847,812.23)				
				AJE - 6	(180.00)				
0-415-3	Investment management fees (GSAM)	0.00	0.00					0.00	
0-415-4	Wrapper fees	0.00	0.00					0.00	
0-417-0	Small Account Fees	0.00	0.00					0.00	
0-417-5	Debit card account fee	(49,335.47)	(1,193.00)					(1,193.00)	0-518-5
0-418-0	Other income	(37.36)	(95.32)					(95.32)	
0-419-0	Monthly Account Fee	(673,027.90)	(749,850.34)					(749,850.34)	0-518-0
0-430-0	Heir Forfeitures	0.00	0.00					0.00	
0-500-0	Transfer to another plan	0.00	0.00					0.00	
0-501-0	Medical Premiums	10,858,489.89	12,062,862.24					12,062,862.24	20-120
0-502-0	Claims Reimbursed	26,168,677.13	26,131,358.79					26,131,358.79	20-120
0-502-5	Debit card claims	21,349,954.12	27,420,102.68					27,420,102.68	
0-503-0	Claims and Premiums IBNR adjustment	(1,305,000.00)	0.00		635,000.00			635,000.00	EE-100
				AJE - 1	(8,765,000.00)				
				AJE - 3	9,400,000.00				
0-505-0	Transfers to other plans	700,478.94	0.00					0.00	10-500
0-517-0	Small Account Fees	0.00	0.00					0.00	
0-518-0	Monthly Account Fee	673,027.90	749,850.34					749,850.34	0-419-0
0-518-5	Debit card account fee	49,335.47	1,193.00					1,193.00	0-417-5
0-520-0	Account Forfeitures	0.00	0.00					0.00	
0-530-0	Heir Forfeitures	0.00	0.00					0.00	
0-601-0	Administration Fee	0.00	0.00					0.00	
0-601-1	Transition set-up fee	0.00	0.00					0.00	
0-601-2	Customer Care Center - GV	340,625.85	377,265.10					377,265.10	30-510c
0-601-3	Eligibility and Claims Admin - EIG	252,669.05	279,908.90					279,908.90	
0-601-4	Mail/fullfillment service - KS	67,898.92	70,822.09		192.10			71,014.19	
				AJE - 1	(4,642.12)				

Account	Description	1st PP-FINAL 09/30/18	UNADJ 09/30/19	JE Ref #	AJE	JE Ref #	RJE	FINAL 09/30/19	< WPreRef
0-601-5	Scanning - SIS	26,916.12	22,552.85	AJE - 5	4,834.22			22,638.88	
				AJE - 1	86.03				
				AJE - 5	(1,596.23)				
					1,682.26				
0-601-6	Software administrator - EIG	807,157.65	842,284.20					842,284.20	
0-601-7	Debit card account fee - EIG	234,355.00	228,139.00					228,139.00	
0-601-8	Debit card implementation fee - EIG	0.00	0.00					0.00	
0-601-9	Debit card rebate - EIG	(45,824.10)	(68,446.17)					(68,446.17)	
0-603-0	Consulting fees (GV 37%)	1,388,109.42	1,441,191.86					1,441,191.86	30-510c
0-604-0	Client service fee (GV 63%)	2,363,537.65	2,453,921.27					2,453,921.27	30-510c
0-605-0	Mailing Service	0.00	0.00					0.00	
0-606-0	COBRA Admin	0.00	0.00					0.00	
0-608-0	Fiduciary liability insurance	20,721.50	0.00		20,756.42			20,756.42	E-100
				AJE - 1	22,486.00				
				AJE - 2	(1,729.58)				
0-609-0	Trustee Meetings	14,137.36	10,050.42					10,050.42	
0-609-1	Trustee Travel	4,333.71	5,528.08					5,528.08	
0-610-0	Participant Address Search	0.00	0.00					0.00	
0-612-0	Postage	47,340.78	48,058.53					48,058.53	
0-613-0	Legal Retainer	30,000.00	30,000.00					30,000.00	
0-613-1	Special Attorney	402.50	2,433.75		6,069.10			8,502.85	
				AJE - 5	6,069.10				
0-614-0	Consulting retainer (Hyas)	31,200.00	31,333.34		66.67			31,400.01	
				AJE - 1	(2,600.00)				
				AJE - 5	2,666.67				
0-615-0	Fidelity Bond	152.00	0.00		149.33			149.33	
				AJE - 1	300.00				
				AJE - 2	(150.67)				
0-616-0	GSAM management fees	84,884.81	0.00				127,456.18	127,456.18	30-585
						RJE - 103	127,456.18		
0-617-0	Custodial Fees	125,961.43	135,537.61		1,167.31			136,704.92	
				AJE - 1	(10,999.09)				
				AJE - 5	12,166.40				
0-617-1	Bank Charge	16,920.74	13,785.01		(1,257.16)			12,527.85	
				AJE - 1	(1,257.16)				
0-618-0	Printing & Supplies	48,023.97	50,481.98		39.67			50,521.65	
				AJE - 1	(1,302.95)				
				AJE - 5	1,342.62				
0-619-0	Computer programming & Website Maintenance	321.00	665.91					665.91	
0-619-1	PCOR fee	136,834.48	155,493.91					155,493.91	
0-620-0	Audit Expense	32,572.13	33,348.04					33,348.04	
0-621-0	Computer programming	0.00	0.00					0.00	
0-622-0	HIPPA risk assessment	4,241.69	0.00					0.00	
0-625-0	Miscellaneous	2,655.03	1,149.54					1,149.54	
9-999-0	Suspense	0.00	0.00					0.00	

Account	Description	1st PP-FINAL 09/30/18	UNADJ 09/30/19	JE Ref #	AJE	JE Ref #	RJE	FINAL 09/30/19	< WPre
9-999-9	Income Transfer	0.00	0.00					0.00	
Total		(0.00)	(0.00)		0.00		(0.00)	0.00	
	Net (Income) Loss	(67,708,493.69)	(66,773,391.36)		(185,572.76)		0.00	(66,958,964.12)	

Client: 221390 - HRA VEBA Trust
Engagement: 221390 - 2019 HRA VEBA Trust
Period Ending: 09/30/19
Trial Balance: 2019 - Trial Balance
Workpaper: Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
Adjust for prior year AJEs - not recorded				
0-301-0	Reserves for Benefits		8,764,461.55	
0-415-0	Investment income		150.00	
0-608-0	Fiduciary liability insurance		22,486.00	
0-615-0	Fidelity Bond		300.00	
0-503-0	Claims and Premiums IBNR adjustment			8,765,000.00
0-601-4	Mail/fullfillment service - KS			4,642.12
0-601-5	Scanning - SIS			1,596.23
0-614-0	Consulting retainer (Hyas)			2,600.00
0-617-0	Custodial Fees			10,999.09
0-617-1	Bank Charge			1,257.16
0-618-0	Printing & Supplies			1,302.95
Total			8,787,397.55	8,787,397.55
Adjusting Journal Entries JE # 2				
Adjust for prepaid insurance.				
		E-100		
0-170-0	Prepaid Expenses		1,880.25	
0-608-0	Fiduciary liability insurance			1,729.58
0-615-0	Fidelity Bond			150.67
Total			1,880.25	1,880.25
Adjusting Journal Entries JE # 3				
Record IBNR and claims payable				
		EE-100		
0-503-0	Claims and Premiums IBNR adjustment		9,400,000.00	
0-210-0	Benefits payable			400,000.00
0-220-0	Claims incurred but not reported			9,000,000.00
Total			9,400,000.00	9,400,000.00
Adjusting Journal Entries JE # 4				
Record income on final days of year				
		C-315		
0-109-2	Vanguard - Cons Growth		399,508.87	
0-109-4	Vanguard - Income		448,303.36	
0-415-0	Investment income			847,812.23
Total			847,812.23	847,812.23
Adjusting Journal Entries JE # 5				
Record additional A/P at 9/30/19				
		AA-100		
0-601-4	Mail/fullfillment service - KS		4,834.22	
0-601-5	Scanning - SIS		1,682.26	
0-613-1	Special Attorney		6,069.10	
0-614-0	Consulting retainer (Hyas)		2,666.67	
0-617-0	Custodial Fees		12,166.40	
0-618-0	Printing & Supplies		1,342.62	
0-202-0	Accrued Payables			28,761.27
Total			28,761.27	28,761.27
Adjusting Journal Entries JE # 6				
Record monthly bank charges for transfer to GSAM				

Client: **221390 - HRA VEBA Trust**
Engagement: **221390 - 2019 HRA VEBA Trust**
Period Ending: **09/30/19**
Trial Balance: **2019 - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
0-104-0	Stable Value (GSAM)		180.00	
0-415-0	Investment income			180.00
Total			180.00	180.00

Client: **221390 - HRA VEBA Trust**
Engagement: **221390 - 2019 HRA VEBA Trust**
Period Ending: **09/30/19**
Trial Balance: **2019 - Trial Balance**
Workpaper: **Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 101				
To reclassify expense investment accounts		C-505		
0-110-1	WTB Expense Investments - GSAM		125,643.44	
0-110-2	WTB Expense Investments - Metropolitan West		49,099.29	
0-110-3	WTB Expense Investments - Vanguard		19,448.84	
0-102-0	WTB - Balanced Fund			19,448.84
0-104-0	Stable Value (GSAM)			125,643.44
0-106-1	Total Return fund - Metropolitan West			49,099.29
Total			194,191.57	194,191.57
Reclassifying Journal Entries JE # 102				
Reclaissify for expenses paid in October 2019, but recorded as September disbursements (s/b payables)		A-310		
0-101-1	Expense account		473,215.20	
0-202-0	Accrued Payables			473,215.20
Total			473,215.20	473,215.20
Reclassifying Journal Entries JE # 103				
Reclassify stable value fees		30-585c		
0-616-0	GSAM management fees		127,456.18	
0-415-0	Investment income			127,456.18
Total			127,456.18	127,456.18
Reclassifying Journal Entries JE # 104				
Reclassify for stable value fees payable at 9/30/19		30-585c		
0-104-0	Stable Value (GSAM)		24,231.51	
0-202-0	Accrued Payables			24,231.51
Total			24,231.51	24,231.51

Client: 221390 - HRA VEBA Trust
Engagement: 221390 - 2019 HRA VEBA Trust
Period Ending: 09/30/19
Trial Balance: 2019 - Trial Balance
Workpaper: Passed JE Report

Account	Description	W/P Ref	Debit	Credit
Proposed JE # 300		C-201a		
PAJE - stable value fund timing differences				
0-104-0	Stable Value (GSAM)		62,150.00	
0-415-0	Investment income			62,150.00
Total			62,150.00	62,150.00

February 6, 2020

To the Board of Trustees of the
Voluntary Employees' Beneficiary Association
Trust for Public Employees in the Northwest

We have audited the financial statements of the Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest (the Trust) for the year ended September 30, 2019, and have issued our report thereon dated February 6, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 24, 2019 and signed by you on June 28, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Trust are described in Note 2 to the financial statements. During the year ended September 30, 2019, the Trust adopted Accounting Standards Update (ASU) 2016-14, *Not-for-profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU are intended to improve financial statement presentation for not-for-profit organizations. Topics within ASU 2016-014 include net asset classification, information about liquidity and availability of resources, expense presentation, and liquidity disclosures. We noted no transactions entered into by the Trust during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates can be particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimates of the fair values of the Trust's investments in fixed income obligations are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Management's estimate of claims incurred but not reported is determined by historical claims-cost data utilized to estimate anticipated future incurred claims costs as well as subsequent information.

We evaluated the key factors and assumptions used to develop the estimates of valuation of these investments and liabilities in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

For the portion of the Trust's net assets available for benefits related to fully benefit-responsive investment contracts (synthetic guaranteed investment contracts), the relevant measurement is contract value. Contract value is the amount the Trust would receive if it were to initiate permitted transactions under the terms of its contracts.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. It has been represented to us in the Trustee representation letter, dated February 6, 2020, that you have considered the effects of uncorrected misstatements, and that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Trustee Representations

We have requested certain representations from The Board of Trustees that are included in the trustee representation letter dated February 6, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Trust's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Trust's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees and management of the Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Scott G. Schoedel CPA". The signature is fluid and cursive, with the "CPA" part written in a slightly more formal, blocky style.

SCHOEDEL & SCHOEDEL,
Certified Public Accountants, PLLC

AGENDA ITEM 6.1: FINANCIAL REPORT FOR PERIOD ENDING DECEMBER 31, 2019

 **SNAPSHOT:** OneBridge will present the most recent **financial reporting package**, which is enclosed for the Board's advance review.

 **RELEVANT GOAL(S):** 4. Retain and grow Trust participation; 5. Provide Trustee education and training; and 7. Monitor Trust service providers.

BACKGROUND

Enclosed for the Board's review is the **financial reporting package** for the period ending December 31, 2019, which includes:

1. Balance Sheet	7. Expense Reserve Report
2. Income Statements	8. Participant Account Status Report
3. Reserve Rollforward	9. PCORI Detail
4. Claims and Premiums Paid	10. Fee Summary
5. Contributions & Assets by Employer	11. Growth Summary and Charts
6. Detail of Expenses	12. Quarterly Dashboard

ACTION ITEM

YES

NO

SAMPLE MOTION

None.

HRA VEBA TRUST
BALANCE SHEET
YTD Actual versus YTD History and Change - Favorable (Unfavorable)
3 Period(s) Ending Dec 31, 2019 and Dec 31, 2018

	December 31, 2019	December 31, 2018	Change
ASSETS			
HRA VEBA STABLE VALUE	\$ 109,581,330	\$ 84,882,510	\$ 24,698,820
VANGUARD BALANCED INDEX INSTITUTIONAL	74,103,460	61,776,293	12,327,166
VANGUARD INSTITUTIONAL INDEX (S&P 500)	96,551,809	74,653,472	21,898,337
VANGUARD LIFESTRATEGY CONSERVATIVE GROWTH	81,350,116	65,960,388	15,389,728
VANGUARD LIFESTRATEGY GROWTH	79,296,896	59,806,092	19,490,804
VANGUARD LIFESTRATEGY INCOME	88,507,210	76,544,228	11,962,981
VANGUARD LIFESTRATEGY MODERATE GROWTH	45,483,087	32,004,957	13,478,130
METROPOLITAN WEST TOTAL RETURN BOND	9,028,740	7,740,795	1,287,945
CARILLON SCOUT MID CAP	11,150,307	-	11,150,307
SCOUT MID CAP	-	9,411,479	(9,411,479)
CHAMPLAIN SMALL COMPANY INSTITUTIONAL	10,157,982	8,155,884	2,002,098
AMERICAN FUNDS EUROPACIFIC GROWTH	6,307,687	5,009,432	1,298,255
TOTAL INVESTMENTS	\$ 611,518,625.46	\$ 485,945,531	\$ 125,573,095
NO ENROLLMENT DEPOSITS	\$ -	\$ 13,129	\$ (13,129)
PENDING DEPOSITS	1,622,945	1,757,513	(134,568)
TOTAL CONTRIBUTION CASH	1,622,945	1,770,642	(147,697)
EXPENSE CASH	165,062	26,498	138,564
DEBIT CARD COLLATERAL	577,000	420,000	157,000
DEBIT CARD CASH	41,682	11,106	30,576
TOTAL CASH	\$ 2,406,689	\$ 2,228,246	\$ 178,443
TOTAL ASSETS	\$ 613,925,315	\$ 488,173,777	\$ 125,751,538
LIABILITIES			
ACCOUNTS PAYABLE	\$ 1,622,945	\$ 1,770,642	\$ (147,697)
DEBIT CARD ACCOUNTS PAYABLE	41,682	11,106	30,576
PCORI FEE	155,640	174,449	(18,809)
TOTAL LIABILITIES	\$ 1,820,267	\$ 1,956,197	\$ (135,929)
RESERVES			
EXPENSE CASH	\$ 742,062	\$ 26,498	\$ 715,564
EXPENSE RESERVE	196,460	-	196,460
BENEFIT RESERVE	611,166,525	486,191,082	124,975,443
TOTAL RESERVE	\$ 612,105,048	\$ 486,217,580	\$ 125,887,467

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HRA VEBA TRUST
INCOME STATEMENT
Actual versus History and Change - Favorable (Unfavorable)
1 Period Ending Dec 31, 2019 and Dec 31, 2018

	December 31, 2019	December 31, 2018	Change
RECEIPTS			
HRA VEBA CONTRIBUTIONS	\$ 9,860,735	\$ 10,826,990	\$ (966,256)
HRA VEBA COBRA CONTRIBUTIONS	1,332	420	912
TOTAL CONTRIBUTIONS	\$ 9,862,066	\$ 10,827,410	\$ (965,344)
INVESTMENT EARNINGS (LOSSES)			
HRA VEBA STABLE VALUE	\$ 224,975	\$ 149,284	\$ 75,691
VANGUARD BALANCED INDEX INSTITUTIONAL	1,202,946	(3,208,149)	4,411,095
VANGUARD INSTITUTIONAL INDEX (S&P 500)	2,823,797	(7,419,454)	10,243,251
VANGUARD LIFESTRATEGY CONSERVATIVE GROWTH	989,830	(1,338,449)	2,328,279
VANGUARD LIFESTRATEGY GROWTH	2,061,134	(3,583,022)	5,644,156
VANGUARD LIFESTRATEGY INCOME	424,795	(110,219)	535,014
VANGUARD LIFESTRATEGY MODERATE GROWTH	859,243	(1,287,020)	2,146,263
METROPOLITAN WEST TOTAL RETURN BOND	3,496	139,428	(135,932)
CARILLON SCOUT MID CAP	221,718	-	221,718
SCOUT MID CAP	-	(889,606)	889,606
CHAMPLAIN SMALL COMPANY INSTITUTIONAL	91,100	(977,077)	1,068,177
AMERICAN FUNDS EUROPACIFIC GROWTH	258,654	(270,156)	528,810
TOTAL EARNINGS (LOSSES)	\$ 9,161,686	\$ (18,794,441)	\$ 27,956,127
MONTHLY ACCOUNT FEE	\$ 65,631	\$ 61,698	\$ 3,933
DEBIT CARD ACCOUNT FEE	65	12	53
FORFEITURES	-	-	-
OTHER INCOME	4	11	(6)
TOTAL RECEIPTS	\$ 19,089,453	\$ (7,905,310)	\$ 26,994,763
BENEFITS PAID & FEES COLLECTED			
AUTOMATIC PREMIUM REIMBURSEMENTS	\$ 995,147	\$ 949,203	\$ 45,944
CLAIMS REIMBURSEMENTS	2,196,175	1,979,702	216,473
DEBIT CARD CLAIMS	2,445,448	1,761,066	684,382
MONTHLY ACCOUNT FEE	65,631	61,698	3,933
DEBIT CARD ACCOUNT FEE	65	12	53
PCORI FEE	-	37,562	(37,562)
FORFEITURES	-	-	-
TRANSITION GROUPS	-	-	-
TOTAL	\$ 5,702,465	\$ 4,789,242	\$ 913,223
CHANGE IN ASSETS AVAILABLE FOR BENEFITS	\$ 13,386,988	\$ (12,694,552)	\$ 26,081,540
TRUST OPERATING EXPENSES			
EMPLOYER/PARTICIPANT EDUCATION	\$ 226,836	\$ 200,688	\$ 26,148
CONSULTANT/LOCAL SERVICE	133,221	117,864	15,357
CUSTOMER CARE CENTER	33,570	30,295	3,275
SOFTWARE ADMINISTRATOR	72,226	69,088	3,137
ELIGIBILITY AND CLAIMS ADMIN	24,917	22,481	2,436
DEBIT CARD ACCOUNT FEE	23,159	22,503	656
DEBIT CARD REBATE	(11,746)	-	(11,746)
INVESTMENT/CUSTODIAL FEES	12,433	10,722	1,710
BANK CHARGES	1,036	1,472	(436)
INVESTMENT CONSULTANT RETAINER	2,667	2,600	67
LEGAL COUNSEL (RETAINER)	2,500	2,500	-
LEGAL COUNSEL (PROJECTS)	2,661	-	2,661
LEGAL COUNSEL (WA PROJECTS)	-	-	-
ANNUAL AUDIT	-	-	-
HIPAA RISK ASSESSMENT	-	-	-
FIDELITY BOND	-	-	-
FIDUCIARY LIABILITY	-	-	-
MAIL/FULFILLMENT SERVICE	4,226	5,807	(1,581)
PRINTING	744	4,819	(4,075)
POSTAGE	191	-	191
SCANNING	1,736	1,689	47
TRUSTEE MEETING	-	-	-
TRUSTEE TRAVEL	-	419	(419)
WEBSITE HOST & DESIGN	-	-	-
MISCELLANEOUS	91	-	91
TOTAL TRUST OPERATING EXPENSES	\$ 530,465	\$ 492,947	\$ 37,518
INCOME (LOSS)	\$ 12,856,523	\$ (13,187,499)	\$ 26,044,023

HRA VEBA TRUST
INCOME STATEMENT
YTD Actual versus YTD History and Change - Favorable (Unfavorable)
3 Period(s) Ending Dec 31, 2019 and Dec 31, 2018

	December 31, 2019	December 31, 2018	Change
RECEIPTS			
HRA VEBA CONTRIBUTIONS	\$ 25,389,406	\$ 24,962,776	\$ 426,630
HRA VEBA COBRA CONTRIBUTIONS	2,409	1,368	1,042
TOTAL CONTRIBUTIONS	\$ 25,391,815	\$ 24,964,143	\$ 427,672
INVESTMENT EARNINGS (LOSSES)			
HRA VEBA STABLE VALUE	\$ 643,390	\$ 430,805	\$ 212,585
VANGUARD BALANCED INDEX INSTITUTIONAL	3,790,896	(5,475,477)	9,266,373
VANGUARD INSTITUTIONAL INDEX (S&P 500)	8,011,727	(11,724,926)	19,736,653
VANGUARD LIFESTRATEGY CONSERVATIVE GROWTH	2,991,535	(2,992,772)	5,984,307
VANGUARD LIFESTRATEGY GROWTH	5,176,602	(6,869,480)	12,046,082
VANGUARD LIFESTRATEGY INCOME	1,731,690	(1,043,181)	2,774,871
VANGUARD LIFESTRATEGY MODERATE GROWTH	2,206,610	(2,551,258)	4,757,868
METROPOLITAN WEST TOTAL RETURN BOND	26,043	113,370	(87,326)
CARILLON SCOUT MID CAP	523,527	-	523,527
SCOUT MID CAP	-	(1,908,579)	1,908,579
CHAMPLAIN SMALL COMPANY INSTITUTIONAL	639,200	(1,974,558)	2,613,758
AMERICAN FUNDS EUROPACIFIC GROWTH	574,902	(727,037)	1,301,940
TOTAL EARNINGS (LOSSES)	\$ 26,316,123	\$ (34,723,094)	\$ 61,039,217
MONTHLY ACCOUNT FEE	\$ 196,824	\$ 182,392	\$ 14,432
DEBIT CARD ACCOUNT FEE	223	199	24
FORFEITURES	2,658	-	2,658
OTHER INCOME	15	27	(13)
TOTAL RECEIPTS	\$ 51,907,658	\$ (9,576,333)	\$ 61,483,991
BENEFITS PAID & FEES COLLECTED			
AUTOMATIC PREMIUM REIMBURSEMENTS	\$ 3,077,274	\$ 2,878,214	\$ 199,060
CLAIMS REIMBURSEMENTS	6,494,786	6,204,594	290,192
DEBIT CARD CLAIMS	7,387,584	5,623,640	1,763,944
MONTHLY ACCOUNT FEE	196,824	182,392	14,432
DEBIT CARD ACCOUNT FEE	223	199	24
PCORI FEE	80	37,643	(37,564)
FORFEITURES	-	-	-
TRANSITION GROUPS	-	-	-
TOTAL	\$ 17,156,771	\$ 14,926,683	\$ 2,230,088
CHANGE IN ASSETS AVAILABLE FOR BENEFITS	\$ 34,750,887	\$ (24,503,016)	\$ 59,253,903
TRUST OPERATING EXPENSES			
EMPLOYER/PARTICIPANT EDUCATION	\$ 661,068	\$ 604,368	\$ 56,700
CONSULTANT/LOCAL SERVICE	388,246	354,946	33,300
CUSTOMER CARE CENTER	100,201	90,144	10,057
SOFTWARE ADMINISTRATOR	216,198	206,558	9,640
ELIGIBILITY AND CLAIMS ADMIN	74,367	66,888	7,479
DEBIT CARD ACCOUNT FEE	67,547	66,730	817
DEBIT CARD REBATE	(34,059)	(8,308)	(25,751)
INVESTMENT/CUSTODIAL FEES	36,803	32,509	4,294
BANK CHARGES	3,311	4,351	(1,040)
INVESTMENT CONSULTANT RETAINER	8,000	7,800	200
LEGAL COUNSEL (RETAINER)	7,500	7,500	-
LEGAL COUNSEL (PROJECTS)	12,032	-	12,032
LEGAL COUNSEL (WA PROJECTS)	-	-	-
ANNUAL AUDIT	-	-	-
HIPAA RISK ASSESSMENT	-	-	-
FIDELITY BOND	-	-	-
FIDUCIARY LIABILITY	30,638	-	30,638
MAIL/FULFILLMENT SERVICE	15,729	16,810	(1,081)
PRINTING	5,594	7,034	(1,440)
POSTAGE	482	2,179	(1,697)
SCANNING	5,138	5,228	(90)
TRUSTEE MEETING	7,977	4,174	3,803
TRUSTEE TRAVEL	2,758	1,651	1,107
WEBSITE HOST & DESIGN	-	-	-
MISCELLANEOUS	216	(642)	858
TOTAL TRUST OPERATING EXPENSES	\$ 1,609,747	\$ 1,469,919	\$ 139,827
INCOME (LOSS)	\$ 33,141,141	\$ (25,972,935)	\$ 59,114,076

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HRA VEBA TRUST
INCOME STATEMENT
YTD Actual versus YTD Budget and Change - Favorable (Unfavorable)
3 Period(s) Ending Dec 31, 2019

	December 31, 2019	YTD Budget	Difference
RECEIPTS			
HRA VEBA CONTRIBUTIONS	\$ 25,389,406	\$ 30,000,000	\$ (4,610,594)
HRA VEBA COBRA CONTRIBUTIONS	2,409	675	1,734
TOTAL CONTRIBUTIONS	\$ 25,391,815	\$ 30,000,675	\$ (4,608,860)
INVESTMENT EARNINGS (LOSSES)			
HRA VEBA STABLE VALUE	\$ 643,390	\$ 673,646	\$ (30,256)
VANGUARD BALANCED INDEX INSTITUTIONAL	3,790,896	848,914	2,941,982
VANGUARD INSTITUTIONAL INDEX (S&P 500)	8,011,727	1,432,418	6,579,309
VANGUARD LIFESTRATEGY CONSERVATIVE GROWTH	2,991,535	821,368	2,170,167
VANGUARD LIFESTRATEGY GROWTH	5,176,602	979,313	4,197,290
VANGUARD LIFESTRATEGY INCOME	1,731,690	797,334	934,356
VANGUARD LIFESTRATEGY MODERATE GROWTH	2,206,610	488,086	1,718,524
METROPOLITAN WEST TOTAL RETURN BOND	26,043	63,476	(37,433)
CARILLON SCOUT MID CAP	523,527	187,627	335,900
SCOUT MID CAP	-	-	-
CHAMPLAIN SMALL COMPANY INSTITUTIONAL	639,200	176,304	462,896
AMERICAN FUNDS EUROPACIFIC GROWTH	574,902	-	574,902
TOTAL EARNINGS (LOSSES)	\$ 26,316,123	\$ 6,468,488	\$ 19,847,635
MONTHLY ACCOUNT FEE	\$ 196,824	\$ 193,348	\$ 3,476
DEBIT CARD ACCOUNT FEE	223	300	(77)
FORFEITURES	2,658	-	2,658
OTHER INCOME	15	15	(0)
TOTAL RECEIPTS	\$ 51,907,658	\$ 36,662,826	\$ 15,244,832
BENEFITS PAID & FEES COLLECTED			
AUTOMATIC PREMIUM REIMBURSEMENTS	\$ 3,077,274	\$ 3,150,000	\$ (72,726)
CLAIMS REIMBURSEMENTS	6,494,786	6,300,000	194,786
DEBIT CARD CLAIMS	7,387,584	7,500,000	(112,416)
MONTHLY ACCOUNT FEE	196,824	193,348	3,476
DEBIT CARD ACCOUNT FEE	223	300	(77)
PCORI FEE	80	-	80
FORFEITURES	-	-	-
TRANSITION GROUPS	-	-	-
TOTAL	\$ 17,156,771	\$ 17,143,648	\$ 13,122
CHANGE IN ASSETS AVAILABLE FOR BENEFITS	\$ 34,750,887	\$ 19,519,178	\$ 15,231,710
TRUST OPERATING EXPENSES			
EMPLOYER/PARTICIPANT EDUCATION	\$ 661,068	\$ 644,253	\$ 16,815
CONSULTANT/LOCAL SERVICE	388,246	378,371	9,875
CUSTOMER CARE CENTER	100,201	101,955	(1,754)
SOFTWARE ADMINISTRATOR	216,198	217,898	(1,700)
ELIGIBILITY AND CLAIMS ADMIN	74,367	75,653	(1,287)
DEBIT CARD ACCOUNT FEE	67,547	300	67,247
DEBIT CARD REBATE	(34,059)	(30,000)	(4,059)
INVESTMENT/CUSTODIAL FEES	36,803	39,255	(2,452)
BANK CHARGES	3,311	3,495	(184)
INVESTMENT CONSULTANT RETAINER	8,000	8,000	-
LEGAL COUNSEL (RETAINER)	7,500	7,500	-
LEGAL COUNSEL (PROJECTS)	12,032	2,500	9,532
LEGAL COUNSEL (WA PROJECTS)	-	500	(500)
ANNUAL AUDIT	-	8,625	(8,625)
HIPAA RISK ASSESSMENT	-	-	-
FIDELITY BOND	-	-	-
FIDUCIARY LIABILITY	30,638	6,852	23,786
MAIL/FULFILLMENT SERVICE	15,729	18,000	(2,271)
PRINTING	5,594	12,963	(7,369)
POSTAGE	482	12,600	(12,118)
SCANNING	5,138	6,180	(1,042)
TRUSTEE MEETING	7,977	3,625	4,352
TRUSTEE TRAVEL	2,758	1,375	1,383
WEBSITE HOST & DESIGN	-	168	(168)
MISCELLANEOUS	216	75	141
TOTAL TRUST OPERATING EXPENSES	\$ 1,609,747	\$ 1,520,143	\$ 89,603
INCOME (LOSS)	\$ 33,141,141	\$ 17,999,034	\$ 15,142,106

HRA VEBA TRUST BENEFIT RESERVE ROLLFORWARD
3 Period(s) Ending Dec 31, 2019

	Current Month	Total Year
Beginning Reserve Balance	599,248,524	578,963,907.02
Current Income (Loss)	12,856,523	33,141,141
Ending Reserve Balance	612,105,048	612,105,047.59
	-	-

HRA VEB TRUST
CLAIMS AND PREMIUMS PAID

	2019			2020									YTD TOTAL
	October	November	December	January	February	March	April	May	June	July	August	September	
AUTOMATIC PREMIUM REIMBURSEMENTS	1,065,621	1,016,506	995,147										3,077,274
CLAIMS REIMBURSEMENTS	2,230,855	2,067,756	2,196,175										6,494,786
DEBIT CARD CLAIMS	2,526,136	2,416,000	2,445,448										7,387,584
MONTHLY ACCOUNT FEE	65,548	65,645	65,631										196,824
TOTALS	\$ 5,888,160	\$ 5,565,908	\$ 5,702,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,156,468

HRA TRUST
CURRENT CONTRIBUTIONS & ASSETS BY EMPLOYER
12/31/2019

Totals By State	Number	Current Month Contributions	Active Participants	Participant Asset Value	Suspense Account Value	Employer Asset Value	Total Asset Value
Washington	310	4,163,465	30,662	322,966,433	158,711	-	323,125,143
Oregon	277	4,966,299	33,803	243,069,561	9,779	-	243,079,340
Idaho	51	730,970	7,148	45,066,777	4,886	242,480	45,314,142
Grand Total - All Groups	638	\$ 9,860,735	71,613	\$ 611,102,770	\$ 173,376	\$ 242,480	\$ 611,518,625

Name	Number	State	Current Month Contributions	Active Participants	Participant Asset Value	Suspense Account Value	Employer Asset Value	Total Asset Value
Benton County Central	YA251	WA	89,612	821	7,265,415	-	-	7,265,415
City of Bend	YA428	OR	724,669	697	7,033,710	36	-	7,033,746
City of Boise	YA360	ID	96,026	2,288	19,107,580	1,350	242,480	19,351,409
City of Coeur D Alene	YA060	ID	129,385	522	8,931,159	-	-	8,931,159
City of Gresham	YA101	OR	58,167	963	6,511,121	-	-	6,511,121
City of Hillsboro	YA107	OR	109,394	1,134	10,640,253	-	-	10,640,253
City of Medford	YA151	OR	236,057	777	16,001,922	-	-	16,001,922
City of Portland	YA286	OR	116,155	932	29,790,490	-	-	29,790,490
Cowlitz County	YA068	WA	132,511	403	17,407,218	-	-	17,407,218
Douglas County Pud No 1	YA085	WA	57,518	274	7,506,443	-	-	7,506,443
Energy Northwest	YA088	WA	495,611	1,228	18,180,978	183	-	18,181,162
Eugene Water Electric Board	YA089	OR	197,047	858	15,167,915	-	-	15,167,915
Franklin County	YA097	WA	144,503	490	7,358,677	6,604	-	7,365,281
Grant County Pud #2	YA103	WA	107,181	1,064	11,797,142	-	-	11,797,142
King County	YA116	WA	110,266	1,158	13,809,088	-	-	13,809,088
Multnomah County	YA158	OR	153,082	3,519	14,542,490	2,998	-	14,545,489
Port of Tacoma	YA296	WA	39,393	396	9,591,372	-	-	9,591,372
Snohomish Cty Fire Pro Dist 7	YA209	WA	172,571	238	10,462,195	-	-	10,462,195
Soos Creek Water & Sewer District	YA213	WA	43,697	61	6,351,748	83,066	-	6,434,814
Umatilla Cty (Hermiston) SD 8R	YA319	OR	221,234	492	6,045,993	-	-	6,045,993
Total - Top Employer Groups	20		\$ 3,434,078	18,315	\$ 243,502,910	\$ 94,237	\$ 242,480	\$ 243,839,627

Name	Number	Type	Current Month Contributions	Active Participants	Participant Asset Value	Suspense Account Value	Employer Asset Value	Total Asset Value
Adams County	YA003	WA	-	155	451,054	-	-	451,054
Adams County Fire Protection District #	YA20193	WA	300	6	8,007	-	-	8,007
Alderwood Water Wastewater Dis	YA004	WA	15,223	55	5,280,830	-	-	5,280,830
American Falls School District 381	YA20268	ID	2,750	12	22,626	-	-	22,626
Applegate Valley Rural Fire 9	YA401	OR	594	10	61,860	-	-	61,860
Arch Cape Sanitary District	YA351	OR	-	2	7,583	-	-	7,583
Arch Cape Water District	YA350	OR	-	2	7,591	-	-	7,591
Area Agency on Aging and Disabilities c	YA20186	WA	828	8	3,378	-	-	3,378
Arlington School District	YA473	OR	8,669	46	290,679	-	-	290,679
Ashland Parks & Rec Commission	YA008	OR	3,782	67	397,172	-	-	397,172
Asotin County	YA009	WA	3,435	143	331,433	-	-	331,433
Asotin County Health District	YA002	WA	631	9	23,518	-	-	23,518
Association of Idaho Cities	YA109	ID	799	8	71,617	-	-	71,617
Astoria School District	YA375	OR	49,450	86	271,546	-	-	271,546
Athena Weston School Dist	YA367	OR	11,871	37	384,257	-	-	384,257
Aumsville Rural Fire District	YA20010	OR	713	19	13,223	-	-	13,223
Aurora Rural Fire Protection	YA416	OR	-	7	15,686	-	-	15,686
Bainbridge Island Fire Dept	YA249	WA	3,860	65	2,627,488	-	-	2,627,488
Bainbridge Island Parks & Rec	YA384	WA	-	6	7,374	-	-	7,374
Baker Charter Schools	YA20266	OR	13,372	147	133,849	-	-	133,849
Baker County	YA475	OR	-	18	58,502	-	-	58,502
Banks Fire District #13	YA20179	OR	200	6	7,117	-	-	7,117
Banks School District #13	YA20184	OR	1,800	58	75,220	-	-	75,220
Beacon Hill Sewer District	YA349	WA	-	7	155,600	-	-	155,600
Bellingham Housing Authority	YA250	WA	2,400	85	207,196	-	-	207,196
Ben Franklin Transit	YA014	WA	4,200	112	434,821	-	-	434,821
Benton County Fire District #1	YA555	WA	-	15	117,460	-	-	117,460
Benton County, Oregon	YA20250	OR	-	9	11,190	-	-	11,190
Benton Cty Fire Prot Dist 2	YA459	WA	570	1	66,663	-	-	66,663
Benton Franklin Health Dist	YA013	WA	5,290	154	506,961	-	-	506,961
Benton Pud	YA017	WA	24,217	235	2,664,338	-	-	2,664,338
Bingham Academy DBA Idaho Stem Ac	YA20189	ID	1,825	15	48,587	-	-	48,587
Birch Bay Water and Sewer Dist	YA015	WA	23,135	27	3,166,820	-	-	3,166,820
Black Butte Ranch Police Dept	YA498	OR	-	5	24,705	-	-	24,705
Blackfoot Charter Community	YA320	ID	7,069	57	155,695	-	-	155,695
Blue Mountain Hospital District	YA20228	OR	12,325	41	187,639	-	-	187,639
Boring Fire District	YA016	OR	-	22	137,882	-	-	137,882

Name	Number	State	Current Month Contributions	Active Participants	Participant Asset Value	Suspense Account Value	Employer Asset Value	Total Asset Value
Camas Valley School District	YA373	OR	4,800	5	160,053	-	-	160,053
Canby Fire District 62	YA019	OR	-	36	379,097	-	-	379,097
Canby Utility Board	YA436	OR	3,625	44	113,424	-	-	113,424
Cannon Beach Rural Fire Prot Dist	YA020	OR	-	1	2,675	-	-	2,675
Canyon Highway District No. 4	YA20182	ID	-	4	10,081	-	-	10,081
Cascade Irrigation District	YA20165	WA	-	4	2,127	-	-	2,127
Cascade Valley Hospital	YA021	WA	-	18	58,488	-	-	58,488
Cascade Water Alliance	YA497	WA	2,548	16	75,692	-	-	75,692
Cascadia Conservation District	YA20231	WA	2,820	10	45,852	-	-	45,852
Cedar River Water Sewer Dist	YA028	WA	26,085	52	3,250,996	-	-	3,250,996
Central Kitsap Fire Rescue	YA048	WA	52,200	143	4,726,481	-	-	4,726,481
Central Lincoln People's Utility District	YA20208	OR	16,596	144	599,444	-	-	599,444
Central Pierce Fire and Rescue	YA072	WA	2,642	42	687,414	-	-	687,414
Central School District 13J	YA540	OR	91,967	211	1,718,841	-	-	1,718,841
Chelan County	YA032	WA	85,930	735	5,667,644	-	-	5,667,644
Chelan County Fire District #3	YA20227	WA	-	7	7,822	-	-	7,822
Chelan County Pud	YA033	WA	91,003	1,065	5,482,393	344	-	5,482,737
Chelan Cty Fire Protect Dist 9	YA034	WA	-	1	19,410	-	-	19,410
Chelan-Douglas Transportation Council	YA243	WA	2,741	9	104,079	-	-	104,079
City County Insurance Services	YA326	OR	21,826	75	356,583	-	-	356,583
City of Aberdeen	YA20190	WA	1,700	41	49,100	-	-	49,100
City of Airway Heights	YA035	WA	19,415	94	540,989	-	-	540,989
City of Albany	YA20188	OR	9,780	402	1,486,277	-	-	1,486,277
City of Arlington	YA038	WA	18,961	151	1,529,599	-	-	1,529,599
City of Ashland	YA007	OR	33,109	307	1,869,402	-	-	1,869,402
City of Astoria	YA20003	OR	2,084	33	31,640	-	-	31,640
City of Baker City	YA520	OR	-	5	9,969	-	-	9,969
City of Bay City	YA011	OR	2,200	13	52,524	-	-	52,524
City of Beaverton	YA345	OR	137,263	883	5,025,799	-	-	5,025,799
City of Blaine	YA20171	WA	900	9	69,841	-	-	69,841
City of Boardman	YA20225	OR	3,800	32	55,319	-	-	55,319
City of Bremerton	YA018	WA	2,200	152	826,799	-	-	826,799
City of Brewster	YA253	WA	-	1	16,092	-	-	16,092
City of Brookings	YA461	OR	-	3	31,983	-	-	31,983
City of Burien	YA022	WA	4,200	42	602,422	-	-	602,422
City of Caldwell	YA524	ID	46,976	18	317,997	-	-	317,997
City of Canby	YA400	OR	27,651	58	405,368	-	-	405,368
City of Cashmere	YA254	WA	-	6	21,129	-	-	21,129
City of Central Point	YA077	OR	11,310	125	748,707	-	-	748,707
City of Centralia	YA023	WA	16,443	188	846,826	-	-	846,826
City of Chehalis	YA256	WA	5,497	45	684,739	-	-	684,739
City of Chelan	YA025	WA	2,865	71	521,376	-	-	521,376
City of Cheney	YA024	WA	3,455	64	58,554	-	-	58,554
City of Clarkston	YA467	WA	700	44	242,855	66	-	242,922
City of Clatskanie	YA464	OR	140	20	15,278	-	-	15,278
City of Cle Elum	YA026	WA	2,831	38	214,823	-	-	214,823
City of Columbia City	YA027	OR	1,050	18	105,074	-	-	105,074
City of Colville	YA308	WA	225	16	31,574	-	-	31,574
City of Coos Bay	YA480	OR	-	14	107,592	-	-	107,592
City of Cornelius	YA502	OR	-	5	5,371	-	-	5,371
City of Cottage Grove	YA065	OR	10,895	111	417,634	-	-	417,634
City of Cottonwood	YA457	ID	-	4	31,666	-	-	31,666
City of Covington	YA386	WA	14,767	79	404,518	-	-	404,518
City of Dallas	YA383	OR	1,500	28	110,378	-	-	110,378
City of Dayton	YA549	OR	-	1	2,519	-	-	2,519
City of Deer Park	YA20214	WA	-	1	15,115	-	-	15,115
City of Des Moines	YA492	WA	-	164	660,680	-	-	660,680
City of Donnelly	YA445	ID	-	2	1,763	-	-	1,763
City of Dundee	YA086	OR	1,860	15	92,394	-	-	92,394
City of Dupont	YA338	WA	-	13	45,688	-	-	45,688
City of East Wenatchee	YA538	WA	8,866	32	180,361	-	-	180,361
City of Ellensburg	YA261	WA	4,450	102	421,287	-	-	421,287
City of Elma	YA262	WA	-	6	15,151	-	-	15,151
City of Enumclaw	YA460	WA	25,580	103	648,958	-	-	648,958
City of Ephrata	YA389	WA	5,625	63	353,285	-	-	353,285
City of Estacada	YA20219	OR	1,870	22	35,863	-	-	35,863
City of Federal Way	YA093	WA	6,925	210	728,847	-	-	728,847
City of Fife	YA031	WA	22,836	136	1,191,828	-	-	1,191,828
City of Forest Grove	YA095	OR	35,709	239	1,848,465	-	-	1,848,465
City of Forks	YA096	WA	313	38	57,342	-	-	57,342
City of Garden City	YA20301	ID	-	1	2,478	-	-	2,478
City of Garibaldi	YA324	OR	1,720	14	56,856	-	-	56,856
City of Gervais	YA20290	OR	280	11	4,872	-	-	4,872

Name	Number	State	Current Month Contributions	Active Participants	Participant Asset Value	Suspense Account Value	Employer Asset Value	Total Asset Value
City of Gig Harbor	YA100	WA	4,575	43	290,266	-	-	290,266
City of Gladstone	YA407	OR	5,000	68	138,689	-	-	138,689
City of Grandview	YA265	WA	420	63	113,025	-	-	113,025
City of Hailey	YA105	ID	1,892	115	440,464	-	-	440,464
City of Happy Valley	YA20263	OR	5,500	65	52,614	-	-	52,614
City of Harrisburg	YA332	OR	1,375	17	57,882	-	-	57,882
City of Hermiston	YA382	OR	-	94	284,442	-	-	284,442
City of Hood River	YA333	OR	-	78	189,595	-	-	189,595
City of Idaho Falls	YA387	ID	10,222	70	808,717	-	-	808,717
City of Independence	YA110	OR	2,347	50	661,281	-	-	661,281
City of John Day	YA036	OR	-	15	6,982	-	-	6,982
City of Junction City	YA402	OR	-	5	24,255	-	-	24,255
City of Kalama	YA047	WA	1,600	33	80,749	-	-	80,749
City of Kelso	YA481	WA	22,112	99	881,691	-	-	881,691
City of Kenmore	YA20222	WA	-	37	29,674	-	-	29,674
City of King City	YA20223	OR	2,250	14	19,256	-	-	19,256
City of Klamath Falls Oregon	YA419	OR	2,005	143	195,752	-	-	195,752
City of La Center	YA20204	WA	2,002	12	16,708	-	-	16,708
City of la Grande	YA408	OR	-	120	332,388	3,067	-	335,456
City of La Pine	YA20264	OR	2,155	9	27,823	-	-	27,823
City of Lacey	YA20172	WA	142,785	340	606,206	-	-	606,206
City of Lake Oswego	YA170	OR	35,151	451	3,221,849	2	-	3,221,851
City of Lake Stevens	YA20192	WA	1,115	9	27,692	-	-	27,692
City of Langley	YA398	WA	-	1	13,915	-	-	13,915
City of Leavenworth	YA053	WA	2,320	50	122,699	-	-	122,699
City of Lebanon	YA425	OR	-	79	1,066,744	-	-	1,066,744
City of Lewiston	YA054	ID	50,645	243	853,996	178	-	854,174
City of Liberty Lake	YA136	WA	-	57	144,080	-	-	144,080
City of Longview	YA056	WA	28,984	339	5,425,936	-	-	5,425,936
City of Mabton	YA447	WA	-	2	263	-	-	263
City of Madras	YA552	OR	-	4	9,175	-	-	9,175
City of Marysville	YA318	WA	17,050	232	1,315,270	-	-	1,315,270
City of McClary	YA276	WA	-	3	2,879	-	-	2,879
City of McMinnville	YA478	OR	226,650	242	1,175,752	-	-	1,175,752
City of Medina	YA348	WA	250	8	24,549	-	-	24,549
City of Mercer Island	YA451	WA	10,762	279	2,581,750	-	-	2,581,750
City of Millwood	YA330	WA	700	7	14,688	-	-	14,688
City of Milton	YA494	WA	1,400	21	49,105	-	-	49,105
City of Milwaukie	YA037	OR	7,608	206	463,977	-	-	463,977
City of Molalla	YA155	OR	2,162	92	244,248	-	-	244,248
City of Monmouth	YA20239	OR	7,351	60	142,135	-	-	142,135
City of Monroe	YA277	WA	5,833	142	450,537	-	-	450,537
City of Moscow Idaho	YA157	ID	1,183	211	378,164	489	-	378,652
City of Mountlake Terrace	YA518	WA	-	15	44,078	-	-	44,078
City of Myrtle Creek	YA470	OR	3,750	44	173,291	-	-	173,291
City of Nampa	YA20260	ID	800	374	469,428	-	-	469,428
City of Nehalem	YA20221	OR	17,500	4	41,173	-	-	41,173
City of New Plymouth	YA437	ID	300	8	6,331	-	-	6,331
City of Newberg	YA160	OR	6,660	87	831,859	-	-	831,859
City of Newport	YA486	OR	-	14	56,007	-	-	56,007
City of Nezperce	YA455	ID	-	5	3,777	-	-	3,777
City of Normandy Park	YA165	WA	4,549	56	208,134	-	-	208,134
City of North Bonneville	YA541	WA	-	5	6,206	-	-	6,206
City of Oakridge	YA359	OR	-	39	161,143	-	-	161,143
City of Okanogan	YA20234	WA	300	14	19,897	-	-	19,897
City of Olympia	YA20237	WA	-	66	77,766	-	-	77,766
City of Omak	YA496	WA	-	2	2,729	-	-	2,729
City of Oregon City	YA169	OR	14,850	296	1,128,677	-	-	1,128,677
City of Orofino	YA317	ID	6,600	31	190,027	-	-	190,027
City of Palouse	YA040	WA	935	9	147,795	-	-	147,795
City of Pasco	YA070	WA	3,476	49	593,920	-	-	593,920
City of Pendleton	YA071	OR	-	59	416,817	-	-	416,817
City of Philomath	YA175	OR	-	31	197,411	-	-	197,411
City of Phoenix	YA176	OR	2,000	43	127,543	-	-	127,543
City of Pilot Rock	YA177	OR	583	16	55,658	-	-	55,658
City of Pocatello	YA180	ID	86,364	701	3,620,260	-	-	3,620,260
City of Port Orchard	YA441	WA	6,065	95	179,189	-	-	179,189
City of Post Falls	YA041	ID	70,262	327	3,684,645	-	-	3,684,645
City of Poulsbo	YA182	WA	18,137	140	1,330,395	-	-	1,330,395
City of Pullman	YA287	WA	1,450	122	531,646	-	-	531,646
City of Rathdrum	YA20178	ID	20,410	46	123,473	-	-	123,473
City of Redmond (OR)	YA413	OR	-	250	1,289,641	-	-	1,289,641
City of Redmond (WA)	YA20295	WA	-	644	4,816,952	-	-	4,816,952

Name	Number	State	Current Month Contributions	Active Participants	Participant Asset Value	Suspense Account Value	Employer Asset Value	Total Asset Value
City of Reedsport	YA542	OR	-	2	7,567	-	-	7,567
City of Rexburg	YA403	ID	144,500	135	601,010	2,870	-	603,880
City of Richland	YA493	WA	37,619	76	1,398,452	-	-	1,398,452
City of Ridgefield	YA288	WA	1,400	18	75,186	-	-	75,186
City of Rigby	YA391	ID	-	35	34,403	-	-	34,403
City of Rockaway Beach	YA20215	OR	604	18	13,473	-	-	13,473
City of Roseburg	YA042	OR	17,716	203	1,075,382	-	-	1,075,382
City of Roy	YA20277	WA	-	1	2,926	-	-	2,926
City of Salem	YA043	OR	20,741	351	1,203,957	81	-	1,204,039
City of Salem Firefighters	YA188	OR	13,542	215	2,465,671	-	-	2,465,671
City of Sandpoint	YA507	ID	-	67	260,142	-	-	260,142
City of Seatac	YA039	WA	-	13	484,637	-	-	484,637
City of Seattle	YA075	WA	10,012	770	4,726,917	10,109	-	4,737,027
City of Sedro Woolley	YA196	WA	5,150	40	245,352	-	-	245,352
City of Selah	YA063	WA	5,217	75	249,206	-	-	249,206
City of Shelton	YA20245	WA	4,773	83	74,425	-	-	74,425
City of Sheridan	YA198	OR	-	21	97,818	-	-	97,818
City of Sherwood	YA20252	OR	2,350	20	30,670	-	-	30,670
City of Silverton	YA20284	OR	189	2	2,727	-	-	2,727
City of Spokane	YA064	WA	3,485	101	307,640	-	-	307,640
City of Springfield	YA20008	OR	-	30	431,477	-	-	431,477
City of St Helens	YA220	OR	10,722	113	812,319	-	-	812,319
City of St Maries Idaho	YA221	ID	-	36	90,860	-	-	90,860
City of Stanfield	YA20195	OR	-	2	6,937	-	-	6,937
City of Stayton	YA405	OR	-	44	137,589	-	-	137,589
City of Stevenson	YA20236	WA	6,322	13	48,513	-	-	48,513
City of Sublimity	YA20257	OR	1,818	2	28,360	-	-	28,360
City of Sun Valley	YA20198	ID	3,096	3	17,757	-	-	17,757
City of Sunnyside	YA295	WA	3,600	29	125,583	-	-	125,583
City of Sweet Home	YA512	OR	-	2	2,635	-	-	2,635
City of Tacoma	YA076	WA	230,548	357	3,860,314	342	-	3,860,656
City of Talent	YA223	OR	1,265	50	122,891	179	-	123,070
City of The Dalles	YA081	OR	653	75	519,147	-	-	519,147
City of Tigard	YA044	OR	19,049	489	2,240,803	2,890	-	2,243,693
City of Tillamook	YA489	OR	-	32	80,887	-	-	80,887
City of Tonasket	YA20229	WA	-	1	2,785	-	-	2,785
City of Troutdale	YA488	OR	22,000	48	80,851	-	-	80,851
City of Tualatin	YA366	OR	-	59	321,860	-	-	321,860
City of Tukwila	YA297	WA	16,543	146	2,283,783	-	-	2,283,783
City of Tumwater	YA298	WA	15,039	137	509,288	-	-	509,288
City of Umatilla	YA440	OR	-	53	90,439	-	-	90,439
City of Union	YA458	OR	1,050	9	30,653	-	-	30,653
City of Vancouver	YA080	WA	150	17	201,793	-	-	201,793
City of Vernonia	YA463	OR	-	11	19,334	-	-	19,334
City of Waldport	YA20205	OR	1,417	16	22,920	-	-	22,920
City of Washougal	YA045	WA	2,164	51	96,997	-	-	96,997
City of West Linn	YA244	OR	-	160	470,015	-	-	470,015
City of West Richland	YA525	WA	18,825	86	336,147	-	-	336,147
City of Willamina	YA20212	OR	1,275	11	19,840	-	-	19,840
City of Woodburn Oregon	YA474	OR	1,750	12	42,645	-	-	42,645
City of Yakima	YA046	WA	19,244	287	3,921,444	-	-	3,921,444
Clackamas County	YA353	OR	3,629	801	1,188,390	-	-	1,188,390
Clackamas River Water	YA050	OR	-	47	127,290	-	-	127,290
Clallam County	YA055	WA	18,645	215	478,439	-	-	478,439
Clallam County Pud 1	YA051	WA	26,523	216	3,382,716	-	-	3,382,716
Clallam Cty Fire Protect Dst3	YA454	WA	18,020	49	730,847	-	-	730,847
Clallam Transit System	YA057	WA	18,791	145	645,733	-	-	645,733
Clark CO Fire Dist 3	YA553	WA	600	37	74,676	-	-	74,676
Clark County Fire & Rescue	YA029	WA	11,700	59	659,402	-	-	659,402
Clark County Fire Dist 6	YA030	WA	12,200	87	1,110,908	-	-	1,110,908
Clark County Public Transport	YA078	WA	3,050	352	559,357	-	-	559,357
Clark Public Utilities	YA258	WA	27,354	304	2,500,255	-	-	2,500,255
Clatskanie Pud	YA052	OR	16,196	72	2,354,386	-	-	2,354,386
Clatskanie School District	YA372	OR	781	10	82,602	-	-	82,602
Clatsop County	YA516	OR	42	19	15,855	-	-	15,855
Clean Water Services	YA058	OR	-	215	1,546,332	-	-	1,546,332
Cloverdale Rural Fire Dist	YA526	OR	400	3	8,711	-	-	8,711
Coal Creek Utility District	YA341	WA	4,365	27	208,519	-	-	208,519
Coburg Fire Board	YA059	OR	-	3	32,301	-	-	32,301
Columbia 911 Comm Dist	YA049	OR	2,561	35	464,269	-	-	464,269
Columbia Basin Hydropower	YA099	WA	11,626	35	385,732	-	-	385,732
Columbia CO Rural Library Dist	YA340	WA	1,112	9	25,363	-	-	25,363
Columbia County	YA325	WA	17,388	111	588,249	-	-	588,249

Name	Number	State	Current Month Contributions	Active Participants	Participant Asset Value	Suspense Account Value	Employer Asset Value	Total Asset Value
Columbia County of Oregon	YA061	OR	7,843	275	656,038	-	-	656,038
Columbia County Public Transportation	YA20235	WA	2,034	8	13,275	-	-	13,275
Columbia Hlth Dist/Publ Hlth A	YA368	OR	-	9	2,955	-	-	2,955
Columbia River Fire & Rescue	YA316	OR	-	55	306,376	-	-	306,376
Columbia River Pud	YA259	OR	99,020	86	1,720,697	-	-	1,720,697
Community Library Network	YA385	ID	-	37	159,066	-	-	159,066
Condon School District 25J	YA311	OR	600	6	117,143	-	-	117,143
Consolidated Diking Imprvmnt	YA543	WA	5,919	10	380,752	-	-	380,752
Coos County	YA062	OR	3,569	175	517,581	-	-	517,581
Corbett School District	YA374	OR	-	58	374,907	-	-	374,907
County of Boise School Dist 72	YA361	ID	-	87	61,194	-	-	61,194
County of Douglas	YA20167	OR	17,334	358	1,348,447	-	-	1,348,447
County of Linn	YA20177	OR	1,134	15	33,139	-	-	33,139
Covington Water District	YA066	WA	17,425	80	1,483,209	-	-	1,483,209
Cowlitz 911	YA20276	WA	20,682	30	1,093,539	-	-	1,093,539
Cowlitz County Fire #5	YA067	WA	-	19	200,520	-	-	200,520
Cowlitz County Fire District 6	YA20267	WA	5,146	7	59,531	-	-	59,531
Cowlitz County Pud	YA069	WA	24,000	253	2,736,123	-	-	2,736,123
Cowlitz-Wahkiakum Council	YA550	WA	1,437	4	201,576	-	-	201,576
Crescent Rural Fire Protection	YA073	OR	1,200	16	64,896	-	-	64,896
Creswell School District 40	YA508	OR	-	2	44,069	-	-	44,069
Crook County Fire & Rescue	YA411	OR	-	32	493,859	-	-	493,859
Crooked River Ranch F & R	YA422	OR	1,500	7	67,225	-	-	67,225
Cross Valley Water District	YA074	WA	-	6	171,597	-	-	171,597
Curry County	YA079	OR	2,100	95	107,179	-	-	107,179
Dayville School District 16J	YA20185	OR	469	1	13,164	-	-	13,164
Depoe Bay Fire District	YA429	OR	-	13	66,006	-	-	66,006
Douglas County	YA083	WA	33,154	280	1,602,743	-	-	1,602,743
Douglas County Fire Dist 2	YA082	OR	27,813	121	3,062,957	-	-	3,062,957
Douglas County Sewer Dist 1	YA397	WA	3,089	13	118,604	-	-	118,604
Douglas Okanogan County Fd #15	YA084	WA	608	9	51,460	-	-	51,460
Duvall Fire	YA087	WA	2,979	26	441,074	-	-	441,074
Eagle Fire Protection District	YA20173	ID	2,465	64	583,614	-	-	583,614
East Pierce Fire & Rescue	YA260	WA	5,983	27	735,210	-	-	735,210
East Umatilla County Health District	YA20174	OR	-	1	17,358	-	-	17,358
East Wenatchee Water Dist	YA090	WA	-	36	952,353	-	-	952,353
Eastmont Metro Park District	YA362	WA	-	2	1,932	-	-	1,932
Emergency Comm Southern Oregon	YA355	OR	6,575	80	242,562	-	-	242,562
Employer Unknown	YA000	WA	-	36	149,683	-	-	149,683
Estacada Rural Fire Dist #69	YA312	OR	400	22	293,958	-	-	293,958
Ferry County Pud	YA094	WA	3,450	37	374,959	-	-	374,959
Four Rivers Community School	YA20307	OR	1,450	3	1,215	-	-	1,215
Franklin County Emergency Mgmt	YA091	WA	2,574	10	102,228	-	-	102,228
Franklin County Fire District #3	YA20200	WA	300	8	18,595	-	-	18,595
Franklin County Pud	YA098	WA	58,306	176	3,111,018	-	-	3,111,018
Fremont County	YA323	ID	-	56	55,378	-	-	55,378
Garfield County	YA482	WA	4,200	12	237,776	-	-	237,776
Gervais School District #1	YA468	OR	-	2	6,927	-	-	6,927
Gilliam County	YA513	OR	-	4	9,603	-	-	9,603
Goshen Fire District	YA423	OR	400	2	4,849	-	-	4,849
Grant County	YA102	WA	-	125	38,953	-	-	38,953
Grant County Esd	YA432	OR	2,982	16	235,309	-	-	235,309
Grant School District #3	YA471	OR	13,085	53	324,478	-	-	324,478
Grays Harbor County Pud	YA266	WA	6,201	75	545,934	-	-	545,934
Great Rivers Behavioral Health Organiz	YA20176	WA	-	17	199,202	-	-	199,202
Greater Albany Public SD 8J	YA472	OR	93,645	372	5,168,930	-	-	5,168,930
Greater Columbia Behavioral HI	YA012	WA	1,571	24	276,928	6,680	-	283,608
Green Sanitary District	YA267	OR	-	6	86,892	-	-	86,892
Hartstene Pointe Water - Sewer District	YA20255	WA	-	3	5,693	-	-	5,693
Highline Water District	YA268	WA	8,043	47	1,032,093	-	-	1,032,093
Hood River CO Library District	YA450	OR	466	4	17,251	-	-	17,251
Hood River County	YA108	OR	4,680	103	308,675	-	-	308,675
Hood River School District	YA269	OR	37,829	583	2,777,017	-	-	2,777,017
Housing Auth of Clackamas CO	YA354	OR	47	20	39,438	-	-	39,438
Housing Authority of Thurston County	YA20201	WA	-	2	15,347	-	-	15,347
Housing Authority of Yamhill County	YA106	OR	5,376	53	142,964	-	-	142,964
HRA VEBA	YA999	WA	-	1	196,460	-	-	196,460
Idaho Sci&Tech Charter School	YA321	ID	4,979	41	238,734	-	-	238,734
Illinois Valley Rural Fire	YA554	OR	13,000	14	25,243	-	-	25,243
Inland Power & Light Company	YA20280	WA	3,272	60	467,243	-	-	467,243
Intermountain Esd	YA539	OR	23,560	38	331,593	-	-	331,593
Island County	YA446	WA	19,654	205	684,667	-	-	684,667
Island County Emergency Services Com	YA20230	WA	850	24	13,832	-	-	13,832

Name	Number	State	Current Month Contributions	Active Participants	Participant Asset Value	Suspense Account Value	Employer Asset Value	Total Asset Value
Jackson County	YA20224	OR	11,200	130	257,678	-	-	257,678
Jackson County Fire #5	YA111	OR	-	33	194,891	-	-	194,891
Jackson County Fire Dist No 3	YA528	OR	30,479	68	1,123,773	-	-	1,123,773
Jefferson County Fire Dist 1	YA487	OR	-	7	60,536	-	-	60,536
Jefferson County Oregon	YA112	OR	6,959	133	267,489	-	-	267,489
Jefferson County Pud	YA517	WA	2,600	72	73,016	-	-	73,016
Jefferson Cty Fire Protect Dst	YA342	WA	3,150	51	446,769	-	-	446,769
Jefferson Transit Authority	YA113	WA	1,705	84	256,365	-	-	256,365
Jewell School District 8	YA378	OR	(14,751)	70	100,124	-	-	100,124
Josephine County	YA521	OR	18,872	237	828,754	-	-	828,754
Karcher Creek Sewer District	YA125	WA	-	1	4,270	-	-	4,270
Keizer Fire District	YA119	OR	9,250	59	687,704	-	-	687,704
King CO Water Dist 90	YA443	WA	-	1	24,077	-	-	24,077
King County Fire Protection Dist #27	YA20279	WA	1,069	13	13,850	-	-	13,850
King County Water Dist #20	YA121	WA	15,779	25	1,481,070	-	-	1,481,070
King County Water Dist #49	YA114	WA	10,506	18	1,154,881	-	-	1,154,881
King County Water Dist 125	YA118	WA	6,241	17	481,693	-	-	481,693
Kitsap County Fire Dist #18	YA123	WA	15,111	59	1,346,886	-	-	1,346,886
Kitsap Public Health District	YA124	WA	7,933	97	1,268,117	-	-	1,268,117
Kitsap Regional Library	YA442	WA	-	255	856,478	-	-	856,478
Kittitas County	YA271	WA	67,545	441	3,373,773	-	-	3,373,773
Kittitas County Fire District #2	YA20232	WA	-	45	175,370	-	-	175,370
Kittitas County Pud	YA130	WA	5,051	40	292,964	-	-	292,964
Klamath County	YA126	OR	146,080	405	2,842,424	-	-	2,842,424
Klamath Emrg Communication Dst	YA453	OR	3,200	30	66,840	-	-	66,840
Klickitat County Pud #1	YA272	WA	10,331	130	1,912,780	-	-	1,912,780
Knappa School District	YA377	OR	-	18	15,892	-	-	15,892
Kootenai CO Emerg Medical Serv	YA483	ID	600	6	37,690	-	-	37,690
Kootenai County	YA129	ID	11,756	233	905,733	-	-	905,733
Lacey Fire District 3	YA485	WA	10,628	155	1,554,615	-	-	1,554,615
Lake Chelan Reclamation Dist	YA135	WA	-	3	17,688	-	-	17,688
Lake County Esd	YA370	OR	333	17	25,953	-	-	25,953
Lake Meridian Water District	YA242	WA	4,800	21	717,457	-	-	717,457
Lake Oswego School District	YA415	OR	47,143	725	1,426,983	-	-	1,426,983
Lake Stevens Sewer District	YA337	WA	-	40	322,362	24	-	322,386
Lake Whatcom Water and Sewer Dist	YA143	WA	1,030	24	89,694	-	-	89,694
Lakehaven Water and Sewer District	YA264	WA	23,070	144	852,139	-	-	852,139
Lakeland Joint SD #272	YA273	ID	-	15	140,118	-	-	140,118
Lakes Highway District	YA390	ID	10,000	37	296,339	-	-	296,339
Lane Fire Authority	YA519	OR	174,000	46	1,288,821	-	-	1,288,821
Lane Library District	YA504	OR	150	3	1,052	-	-	1,052
Latah County Library District	YA132	ID	-	17	23,213	-	-	23,213
League of Oregon Cities	YA20170	OR	2,125	27	27,491	-	-	27,491
Lebanon Comm School Dist 9	YA346	OR	137,978	318	4,775,661	-	-	4,775,661
Lebanon Fire District	YA438	OR	25,343	59	482,075	-	-	482,075
Lewis & Clark Rural Fire Protection Dis	YA20312	OR	1,350	1	1,349	-	-	1,349
Lewis County	YA490	WA	3,400	53	211,415	-	-	211,415
Lewis County Pud	YA140	WA	48,579	183	4,317,109	-	-	4,317,109
Lewiston Orchards Irrigat Dist	YA139	ID	3,450	31	156,747	-	-	156,747
Lincoln County	YA331	WA	17,580	60	881,482	2,423	-	883,905
Lincoln County Oregon	YA479	OR	-	50	143,627	-	-	143,627
Lincoln County School District	YA424	OR	80,481	243	2,501,492	-	-	2,501,492
Link Transit	YA137	WA	10,531	124	248,318	-	-	248,318
Local Highway Technical Assistance Co	YA20220	ID	8,986	1	8,982	-	-	8,982
Lott Clean Water Alliance	YA537	WA	7,480	111	525,475	-	-	525,475
Lyons Rural Fire Protection District	YA20254	OR	570	5	5,605	-	-	5,605
Madison County	YA499	ID	-	112	343,908	-	-	343,908
Madison Memorial Hospital	YA20304	ID	-	457	233,840	-	-	233,840
Malaga Water District	YA309	WA	250	2	25,931	-	-	25,931
Manchester Water District	YA328	WA	3,245	11	11,846	-	-	11,846
Marion CO Housing Authority	YA551	OR	200	5	5,678	-	-	5,678
Marion County Fire Dist #1	YA247	OR	17,161	89	1,361,160	-	-	1,361,160
Marysville Fire District	YA275	WA	-	141	763,888	-	-	763,888
Mason County Pud 1	YA145	WA	4,900	42	654,886	-	-	654,886
Mason County PUD No. 3	YA20243	WA	-	131	5,902,986	7,150	-	5,910,136
Mason County Washington	YA144	WA	-	9	166,040	-	-	166,040
Mason Fire District #5	YA313	WA	600	12	26,797	-	-	26,797
McKenzie Fire & Rescue	YA149	OR	4,200	7	119,738	-	-	119,738
McMinnville School Dist #40	YA365	OR	173,812	458	4,580,776	-	-	4,580,776
McMinnville Water and Light	YA20213	OR	21,000	78	354,678	-	-	354,678
Medford Water Commission	YA150	OR	6,000	77	342,357	-	-	342,357
Metcom 911	YA279	OR	1,524	32	117,184	-	-	117,184
Metro Parks Tacoma	YA152	WA	-	42	502,544	-	-	502,544

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Mid Columbia Center for Living	YA477	OR	-	7	15,410	-	-	15,410
Mid Columbia Council of Gov	YA484	OR	-	44	77,279	-	-	77,279
Mid-Columbia Fire and Rescue	YA548	OR	-	33	131,958	-	-	131,958
Midway Sewer District	YA153	WA	13,406	47	1,941,744	-	-	1,941,744
Mid-Willamette Valley Council of Gover	YA20287	OR	728	21	14,034	-	-	14,034
Minet	YA412	OR	-	12	10,050	-	-	10,050
Mohawk Valley Rural Fire Dist	YA534	OR	1,050	3	7,074	-	-	7,074
Molalla Rural Fire Protection District #7	YA20202	OR	250	14	37,372	-	-	37,372
Monument School District	YA431	OR	3,348	9	42,200	-	-	42,200
Morrow County	YA154	OR	3,250	50	142,930	-	-	142,930
Morrow County School District	YA156	OR	46,605	58	1,295,048	-	-	1,295,048
Mt Angel Fire District	YA20007	OR	-	1	9,444	-	-	9,444
Mukilteo Water Wastewater Dist	YA278	WA	46,773	39	1,389,209	-	-	1,389,209
Multnomah Esd	YA533	OR	7,200	87	116,601	-	-	116,601
NE Sammamish Sewer & Water Dst	YA380	WA	9,806	17	296,502	-	-	296,502
NE Tri County Health Dist	YA505	WA	4,993	34	91,133	-	-	91,133
Neah-Kah-Nie School District 56	YA20162	OR	32,315	146	1,098,249	-	-	1,098,249
Neahkahnie Water District	YA20253	OR	1,200	2	36,526	-	-	36,526
Nestucca Valley School Dist	YA167	OR	8,664	21	241,521	-	-	241,521
Nez Perce County	YA161	ID	80	225	229,091	-	-	229,091
No Mason Reg Fire Authority	YA148	WA	30,645	43	894,469	-	-	894,469
North Central ESD	YA20163	OR	-	8	6,826	-	-	6,826
North City Water District	YA291	WA	6,831	30	402,404	-	-	402,404
North Kootenai Water & Sewer Dist	YA20289	ID	1,250	12	8,484	-	-	8,484
North Lincoln Fire # Rescue Dist #1	YA163	OR	-	25	181,160	-	-	181,160
North Marion School Dst #15	YA465	OR	14,425	101	795,368	-	-	795,368
North Perry Ave Water District	YA166	WA	9,537	25	654,516	-	-	654,516
North Santiam School District	YA434	OR	23,690	187	784,720	-	-	784,720
North Wasco County SD 21	YA314	OR	-	130	951,985	-	-	951,985
Northern Lakes Fire Dist	YA164	ID	-	58	388,642	-	-	388,642
Northern Wasco County Pud	YA280	OR	9,472	82	1,163,500	-	-	1,163,500
Northwest Regional Esd	YA376	OR	42,525	227	1,309,754	-	-	1,309,754
Northwest Seaport Alliance	YA20199	WA	9,737	67	1,193,615	-	-	1,193,615
Nw Oregon Housing Authority	YA448	OR	910	26	15,393	-	-	15,393
Oakland School District #1	YA427	OR	-	7	72,093	-	-	72,093
Okanogan County	YA168	WA	9,545	269	497,672	-	-	497,672
Okanogan County Public Health	YA20009	WA	750	17	30,682	-	-	30,682
Okanogan County Pud 1	YA282	WA	14,400	140	1,777,940	-	-	1,777,940
Olympic View Water&Sewer Dist	YA283	WA	4,887	8	563,877	-	-	563,877
Oregon City School District	YA514	OR	41,102	417	902,185	-	-	902,185
Pacific County	YA322	WA	22,997	129	986,718	-	-	986,718
Pangborn Memorial Airport	YA363	WA	-	3	6,835	-	-	6,835
Pend Oreille County	YA174	WA	14,838	207	919,999	-	-	919,999
Pend Oreille County Library District	YA20216	WA	930	6	15,665	-	-	15,665
Pend Oreille County Pud	YA184	WA	13,325	155	2,427,505	-	-	2,427,505
Pendleton School District 16R	YA356	OR	33,069	261	1,097,292	-	-	1,097,292
Peninsula Development District	YA339	WA	-	1	30,388	-	-	30,388
Peninsula Light Company	YA284	WA	-	76	1,881,043	33,749	-	1,914,791
Perrydale School District	YA430	OR	11,750	63	418,813	-	-	418,813
Philomath Fire & Rescue	YA352	OR	-	3	932	-	-	932
Philomath School District	YA379	OR	280	17	21,808	-	-	21,808
Pierce County	YA173	WA	2,679	205	2,388,951	2,355	-	2,391,306
Pierce County Library	YA172	WA	-	30	175,718	-	-	175,718
Pierce County Noxious Weed Control Bo	YA20238	WA	-	1	21,318	-	-	21,318
Pilot Rock SD 2R	YA439	OR	2,280	21	19,459	-	-	19,459
Pleasant Home Water District	YA20203	OR	800	1	22,545	-	-	22,545
Polk County Fire District 1	YA393	OR	-	25	101,126	-	-	101,126
Polk Soil & Water Conservation District	YA20262	OR	673	4	10,637	-	-	10,637
Port Ludlow Fire and Rescue	YA414	WA	600	2	13,161	-	-	13,161
Port of Bremerton	YA252	WA	7,401	83	594,612	-	-	594,612
Port of Camas - Washougal	YA329	WA	2,607	7	137,127	-	-	137,127
Port of Chehalis	YA171	WA	2,769	8	51,758	-	-	51,758
Port of Chelan County	YA336	WA	-	6	23,999	-	-	23,999
Port of Columbia County	YA404	OR	-	15	19,941	-	-	19,941
Port of Everett	YA20269	WA	33	33	110,969	-	-	110,969
Port of Kalama	YA270	WA	6,125	35	606,149	-	-	606,149
Port of Kennewick	YA335	WA	-	19	189,516	-	-	189,516
Port of Longview	YA274	WA	11,095	67	1,085,546	-	-	1,085,546
Port of Morrow	YA20283	OR	-	121	236,596	-	-	236,596
Port of Moses Lake	YA179	WA	-	3	16,063	-	-	16,063
Port of Olympia	YA181	WA	-	5	72,251	-	-	72,251
Port of Pasco	YA20259	WA	15,412	5	30,130	-	-	30,130
Port of Peninsula	YA183	WA	500	9	66,510	-	-	66,510

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Port of Port Angeles	YA005	WA	35,770	63	1,062,377	-	-	1,062,377
Port of Portland	YA20251	OR	26,353	66	1,160,354	-	-	1,160,354
Port of Seattle	YA290	WA	-	1	18,545	-	-	18,545
Port of Skamania County	YA202	WA	582	9	123,231	-	-	123,231
Port of Vancouver	YA299	WA	20,625	162	2,059,392	-	-	2,059,392
Port of Walla Walla/Reg Airpor	YA381	WA	1,250	3	44,920	-	-	44,920
Port of Willapa Harbor	YA530	WA	500	1	20,976	-	-	20,976
Port Orford Langlois SD 2Cj	YA469	OR	8,640	24	363,936	-	-	363,936
Post Falls Highway District	YA315	ID	6,300	29	147,475	-	-	147,475
Prairie City School District	YA20210	OR	1,826	7	25,683	-	-	25,683
Prosper Portland	YA515	OR	563	8	27,992	-	-	27,992
Public Utility Dist 2 Pacific	YA185	WA	9,049	79	1,420,176	-	-	1,420,176
Puget Sound Regional Council	YA396	WA	-	7	130,346	-	-	130,346
Puget Sound Regional Fire Authority	YA399	WA	13,326	20	504,356	-	-	504,356
Redmond Fire & Rescue	YA501	OR	-	59	612,802	-	-	612,802
Riverdale School District 51J	YA20187	OR	6,487	11	125,917	-	-	125,917
Riverside Fire Authority	YA529	WA	1,569	3	48,718	-	-	48,718
Roberts Creek Water District	YA535	OR	-	10	25,206	-	-	25,206
Rockwood Water PUD	YA20249	OR	2,160	26	19,187	-	-	19,187
Rogue River Fire District	YA476	OR	3,600	20	132,393	-	-	132,393
Rogue Valley Transportation Dist	YA186	OR	10,105	90	121,183	-	-	121,183
Ronald Waste Water	YA187	WA	-	29	586,029	-	-	586,029
Roseburg Urban Sanitary Authority	YA20218	OR	-	16	11,801	-	-	11,801
Salem Area Transit	YA190	OR	4,620	284	1,021,549	-	-	1,021,549
San Juan County	YA289	WA	-	77	638,631	-	-	638,631
San Juan County Fire Protection District	YA20241	WA	-	8	46,337	-	-	46,337
Sandy Fire District #72	YA191	OR	2,938	24	202,905	-	-	202,905
Santa Clara Rfpd	YA192	OR	-	6	84,544	-	-	84,544
Scappoose Rural Fire District	YA417	OR	10,284	32	846,311	-	-	846,311
Scappoose School District 1J	YA20011	OR	37,736	190	864,901	-	-	864,901
Scio School District	YA369	OR	23,788	124	473,256	-	-	473,256
SE Thurston Fire Authority	YA20273	WA	300	3	3,373	-	-	3,373
Seaside School District 10	YA410	OR	10,773	235	1,081,425	-	-	1,081,425
Selkirk Fire Rescue & Ems	YA189	ID	-	8	78,306	-	-	78,306
Sheridan School District	YA435	OR	13,337	46	486,910	-	-	486,910
Sherwood School District	YA420	OR	6,150	126	407,808	-	-	407,808
Shoshone County	YA199	ID	-	185	403,404	-	-	403,404
Si View Metro Parks Dist	YA503	WA	824	20	34,171	-	-	34,171
Silver Lake Water Sewer Dist	YA208	WA	32,344	49	3,979,031	-	-	3,979,031
Silverdale Water District	YA200	WA	2,676	20	506,290	-	-	506,290
Silverton Fire District	YA462	OR	910	10	65,286	-	-	65,286
Sisters Camp Sherman Fire Dist	YA527	OR	-	17	296,530	-	-	296,530
Siuslaw Valley Fire and Rescue	YA20242	OR	-	9	23,382	-	-	23,382
Skagit 911	YA204	WA	4,808	82	254,674	-	-	254,674
Skagit County	YA536	WA	-	440	284,985	-	-	284,985
Skagit Transit	YA20217	WA	-	129	62,732	-	-	62,732
Skamania County	YA201	WA	1,800	64	364,875	-	-	364,875
Skamania County Pud 1	YA216	WA	20,250	51	835,415	-	-	835,415
Skamania EMS	YA20275	WA	3,845	18	311,683	-	-	311,683
Skyway Water and Sewer Dist	YA205	WA	2,492	20	407,902	-	-	407,902
Snohomish Conservation Dist	YA522	WA	813	19	90,742	-	-	90,742
Snohomish County	YA358	WA	3,100	33	669,331	1,516	-	670,847
Snohomish County Fire #5	YA212	WA	3,833	66	277,650	-	-	277,650
Snohomish County Fire Dept 26	YA292	WA	5,743	138	406,623	957	-	407,580
Snohomish County Fire Dist 4	YA194	WA	14,600	88	1,625,240	-	-	1,625,240
Snohomish Health District	YA211	WA	-	37	480,876	-	-	480,876
South Beach Fire and EMS	YA20168	WA	3,629	15	108,962	-	-	108,962
South Fork Water Board	YA197	OR	658	11	61,794	-	-	61,794
South Gilliam CO Health Dist	YA409	OR	1,200	7	59,690	-	-	59,690
South King County Water	YA203	WA	-	1	14,107	-	-	14,107
South King Fire and Rescue	YA452	WA	29,384	171	1,344,514	-	-	1,344,514
South Kitsap Fire & Rescue	YA500	WA	36,877	128	3,478,084	-	-	3,478,084
South Lane Fire & Rescue	YA206	OR	-	41	566,913	-	-	566,913
South Lane School District	YA371	OR	45,970	170	3,050,128	-	-	3,050,128
Southwest Suburban Sewer Dist	YA217	WA	29,146	62	2,376,874	-	-	2,376,874
Spokane County	YA214	WA	-	106	616,137	-	-	616,137
Spokane County Fire Dist #4	YA195	WA	10,140	84	545,468	-	-	545,468
Spokane County Fire Dist #9	YA193	WA	10,810	89	606,730	-	-	606,730
Spokane County Fire District 10	YA20169	WA	500	59	16,832	-	-	16,832
Spokane Housing Authority	YA510	WA	11,382	95	297,944	684	-	298,627
Spokane Transit Authority	YA218	WA	23,405	835	1,424,251	-	-	1,424,251

Name	Number	State	Current Month Contributions	Active Participants	Participant Asset Value	Suspense Account Value	Employer Asset Value	Total Asset Value
Spokane Valley Fire Department	YA222	WA	-	223	991,662	-	-	991,662
Springfield Utility Board	YA215	OR	10,025	50	629,918	-	-	629,918
Stanfield School District 61R	YA20265	OR	1,639	5	16,841	-	-	16,841
Star Fire Protection Dist	YA20282	ID	-	17	7,306	-	-	7,306
Stevens County	YA219	WA	64,619	586	1,952,544	-	-	1,952,544
Stevens County Fire Protection Dist 1	YA20286	WA	-	11	14,998	-	-	14,998
Stevens County Pud #1	YA294	WA	1,300	18	64,428	-	-	64,428
Stevens Cty Conservation Dist	YA511	WA	550	5	3,992	-	-	3,992
Sublimity Fire District	YA426	OR	-	3	53,308	-	-	53,308
Sunriver Service District	YA444	OR	200	38	231,760	-	-	231,760
Sunset Empire Parks/Rec Dist	YA532	OR	588	11	7,605	-	-	7,605
Three Rivers Regional Wastewater Auth	YA20191	WA	3,000	6	320,986	-	-	320,986
Thurston County	YA20281	WA	12,974	127	384,585	-	-	384,585
Thurston County Fire Protection District	YA20196	WA	975	15	44,752	-	-	44,752
Thurston Cty Pud No 1	YA232	WA	4,640	48	279,752	-	-	279,752
Thurston Fire #13	YA228	WA	-	3	8,211	-	-	8,211
Tigard-Tualatin S.D. 23J	YA357	OR	78,026	1,059	4,461,661	-	-	4,461,661
Tillamook CO Emergency Comm Dist	YA225	OR	-	7	6,969	-	-	6,969
Tillamook County	YA230	OR	22,233	415	1,499,701	-	-	1,499,701
Tillamook County Trans. Dist.	YA226	OR	4,831	45	80,115	-	-	80,115
Tillamook Fire District	YA406	OR	-	3	10,693	-	-	10,693
Tillamook Pud	YA231	OR	23,675	126	3,360,312	-	-	3,360,312
Tillamook School District #9	YA364	OR	53,325	445	2,138,683	-	-	2,138,683
Timberlands Regional Support	YA310	WA	-	2	3,485	-	-	3,485
Town of Coulee Dam	YA20246	WA	550	12	10,614	-	-	10,614
Treasure Valley Community College	YA20211	OR	5,800	16	23,337	-	-	23,337
Tri County Econ Development	YA233	WA	839	18	25,047	-	-	25,047
Trimet	YA546	OR	25,368	42	422,521	-	-	422,521
Tualatin Valley Water District	YA234	OR	-	173	1,322,437	-	-	1,322,437
Turner Fire District	YA456	OR	1,440	10	179,344	-	-	179,344
Umatilla CO School District 6R	YA418	OR	32,605	99	1,555,554	-	-	1,555,554
Umatilla County	YA235	OR	25,068	511	1,051,841	473	-	1,052,314
Umatilla County Fire District #1	YA334	OR	-	41	255,375	-	-	255,375
Valley Regional Transit	YA237	ID	-	45	88,781	-	-	88,781
Valley Transit	YA241	WA	6,056	34	101,624	-	-	101,624
Valley View Sewer District	YA238	WA	5,818	23	621,796	-	-	621,796
Valley Water Dist	YA236	WA	4,475	15	139,885	-	-	139,885
Vera Water and Power	YA239	WA	2,565	46	529,770	-	-	529,770
W Multnomah Soil & Water Cons	YA544	OR	1,414	12	49,010	-	-	49,010
WA Association of Prosecuting Attorney	YA20288	WA	1,375	11	10,966	-	-	10,966
WA County Consolidated Comm Agency	YA20005	OR	8,400	121	146,007	-	-	146,007
WA St Assoc of Counties	YA547	WA	6,130	24	263,431	-	-	263,431
Wahkiakum County	YA300	WA	11,844	71	462,022	-	-	462,022
Wahkiakum Pud	YA245	WA	960	12	64,946	-	-	64,946
Wahtonka Community School	YA20270	OR	350	4	7,620	-	-	7,620
Walla Walla County	YA394	WA	97,265	314	2,920,914	-	-	2,920,914
Walla Walla County Fire District 4	YA20226	WA	1,326	6	14,665	-	-	14,665
Walla Walla County Fire Protection Dist	YA20183	WA	300	6	6,596	-	-	6,596
Wallowa County	YA301	OR	-	10	23,194	-	-	23,194
Warrenton Hammond School 30	YA433	OR	3,330	105	763,215	-	-	763,215
Washington Association of County Office	YA20209	WA	1,635	3	28,509	-	-	28,509
Washington Cities Insurance Authori	YA302	WA	-	6	125,788	-	-	125,788
Washington County	YA466	OR	11,228	692	2,383,828	52	-	2,383,880
Washington Pud Association	YA395	WA	6,400	10	101,592	-	-	101,592
Water & Sewer Risk Mgmt Pool	YA344	WA	300	7	21,636	-	-	21,636
West Pierce Fire & Rescue	YA20261	WA	-	233	3,157,240	-	-	3,157,240
West Sound Utility Dist	YA303	WA	2,743	39	733,750	-	-	733,750
West Thurston Regional Fire Authority	YA227	WA	5,275	29	305,997	-	-	305,997
Western Lane Ambulance Dist	YA506	OR	-	22	193,146	-	-	193,146
Whitman County	YA246	WA	17,671	185	584,238	-	-	584,238
Willamette Esd	YA491	OR	-	9	27,659	-	-	27,659

Name	Number	State	Current Month Contributions	Active Participants	Participant Asset Value	Suspense Account Value	Employer Asset Value	Total Asset Value
Winston-Dillard Fire Dist No 5	YA531	OR	-	13	100,954	-	-	100,954
Wood River Fire Protection Dist	YA20294	ID	-	11	38,031	-	-	38,031
Woodburn Fire District	YA509	OR	3,405	20	130,268	-	-	130,268
Woodinville Water District	YA305	WA	14,707	57	1,633,413	-	-	1,633,413
Worley Highway Dist	YA449	ID	-	26	147,999	-	-	147,999
Yakima County	YA306	WA	33,432	712	925,196	2,459	-	927,655
Yakima County Fire Dist 5	YA388	WA	1,800	24	273,112	-	-	273,112
Yakima County Fire PD #12	YA20160	WA	-	5	45,381	-	-	45,381
Yakima Health District	YA327	WA	-	4	61,172	-	-	61,172
Yamhill Communications Agency	YA20194	OR	1,400	19	28,169	-	-	28,169
Yamhill County	YA248	OR	53,265	850	2,580,149	-	-	2,580,149

Total - Other Employer Groups	618		\$ 6,426,657	\$ 53,298	\$ 367,599,860	\$ 79,138	\$ -	\$ 367,678,998

HRA VEBA TRUST
DETAIL OF EXPENSES - YTD

	2019			2020								YTD TOTAL	
	October	November	December	January	February	March	April	May	June	July	August	September	
<u>GALLAGHER BENEFIT SERVICES, INC.</u>													
EMPLOYER/PARTICIPANT EDUCATION	218,109	216,124	226,836										661,068
CONSULTANT/LOCAL SERVICE	128,095	126,930	133,221										388,246
CUSTOMER CARE CENTER	33,245	33,386	33,570										100,201
<u>ONEBRIDGE BENEFITS</u>													
SOFTWARE ADMINISTRATOR	71,919	72,053	72,226										216,198
ELIGIBILITY AND CLAIMS ADMIN	24,672	24,778	24,917										74,367
DEBIT CARD ACCOUNT FEE	21,750	22,638	23,159										67,547
DEBIT CARD REBATE	(10,869)	(11,444)	(11,746)										(34,059)
<u>Kave-Smith</u>													
MAIL/FULFILLMENT SERVICE	4,834	6,670	4,226										15,729
PRINTING	1,343	3,507	744										5,594
POSTAGE	16	275	191										482
<u>WASHINGTON TRUST BANK</u>													
INVESTMENT/CUSTODIAL FEES	12,166	12,204	12,433										36,803
BANK CHARGES	979	1,297	1,036										3,311
<u>OTHER VENDORS</u>													
SCANNING	1,682	1,720	1,736										5,138
INVESTMENT CONSULTANT RETAINER	2,667	2,667	2,667										8,000
LEGAL COUNSEL (RETAINER)	2,500	2,500	2,500										7,500
LEGAL COUNSEL (PROJECTS)	6,069	3,302	2,661										12,032
LEGAL COUNSEL (WA PROJECTS)	-	-	-										-
ANNUAL AUDIT	-	-	-										-
FIDELITY BOND	-	-	-										-
FIDUCIARY LIABILITY	-	30,638	-										30,638
HIPAA RISK ASSESSMENT	-	-	-										-
TRUSTEE MEETING	7,977	-	-										7,977
TRUSTEE TRAVEL	2,758	-	-										2,758
WEBSITE HOST & DESIGN	-	-	-										-
MISCELLANEOUS	(131)	256	91										216
TOTAL EXPENSES	529,782	549,500	530,465	-	-	-	-	-	-	-	-	-	1,609,747

**HRA TRUST
EXPENSE RESERVE REPORT
3 Period(s) Ending Dec 31, 2019**

Account Number	Asset Name	Active Allocation	Beginning Balance	Gain Loss	Deposits	Withdrawals	Other	Ending Balance
000977918-001	HRA VEBA Stable Value	65	125,976	262	-	(85)	-	126,152
000977918-001	Metropolitan West Total Return Bond	25	49,155	17	-	(33)	-	49,139
000977918-001	Vanguard Institutional Index (S&P 500)	10	20,564	619	-	(14)	-	21,170
Total		100	\$ 195,695	\$ 898	\$ -	\$ (133)	\$ -	\$ 196,460

HRA Stable Value Ending Balance is 81% of 2019 PCORI fee liability of \$155,640 (Payable in July 2020)

**HRA TRUST
PARTICIPANTS by STATUS**

	Active	New	Inactive to Active	Active to Inactive
Jan-17	58,413	945	119	(373)
Feb-17	58,951	686	99	(247)
Mar-17	59,189	498	10	(270)
Apr-17	59,240	337	27	(313)
May-17	56,532	363	18	(3,089)
Jun-17	56,753	421	28	(228)
Jul-17	56,929	339	49	(212)
Aug-17	57,187	466	43	(251)
Sep-17	57,182	383	23	(411)
Oct-17	57,707	728	74	(277)
Nov-17	57,920	529	15	(331)
Dec-17	58,111	386	38	(233)
Jan-18	59,728	1,681	147	(211)
Feb-18	60,412	894	39	(249)
Mar-18	60,633	517	8	(304)
Apr-18	61,023	623	14	(247)
May-18	61,525	744	20	(262)
Jun-18	61,843	540	17	(239)
Jul-18	62,446	767	41	(205)
Aug-18	62,756	499	48	(237)
Sep-18	62,913	414	14	(271)
Oct-18	63,569	813	83	(240)
Nov-18	64,140	843	6	(278)
Dec-18	64,641	730	19	(248)
Jan-19	66,082	1,488	164	(211)
Feb-19	66,965	1,095	41	(253)
Mar-19	67,220	525	4	(274)
Apr-19	67,433	454	18	(259)
May-19	68,221	1,041	22	(275)
Jun-19	68,416	393	32	(230)
Jul-19	69,007	773	47	(229)
Aug-19	69,517	738	38	(266)
Sep-19	69,865	562	28	(242)
Oct-19	70,931	1,271	55	(260)
Nov-19	71,229	536	20	(258)
Dec-19	71,613	608	25	(249)

**HRA TRUST
ACTIVE PARTICIPANTS by GROUP TYPE**

	CityCounty	SpecialPurpose	Total
Jan-17	33,326	25,087	58,413
Feb-17	33,713	25,238	58,951
Mar-17	33,884	25,305	59,189
Apr-17	33,999	25,241	59,240
May-17	33,908	22,624	56,532
Jun-17	34,061	22,692	56,753
Jul-17	34,213	22,716	56,929
Aug-17	34,423	22,764	57,187
Sep-17	34,519	22,663	57,182
Oct-17	34,606	23,101	57,707
Nov-17	34,585	23,335	57,920
Dec-17	34,686	23,425	58,111
Jan-18	35,800	23,928	59,728
Feb-18	35,800	23,928	59,728
Mar-18	36,511	24,122	60,633
Apr-18	36,671	24,352	61,023
May-18	37,109	24,416	61,525
Jun-18	37,339	24,504	61,843
Jul-18	37,800	24,646	62,446
Aug-18	38,035	24,721	62,756
Sep-18	38,118	24,795	62,913
Oct-18	38,307	25,262	63,569
Nov-18	38,729	25,411	64,140
Dec-18	38,848	25,793	64,641
Jan-19	39,407	26,675	66,082
Feb-19	39,763	27,202	66,965
Mar-19	39,934	27,286	67,220
Apr-19	40,042	27,391	67,433
May-19	40,803	27,418	68,221
Jun-19	40,965	27,451	68,416
Jul-19	41,501	27,506	69,007
Aug-19	41,940	27,577	69,517
Sep-19	42,057	27,808	69,865
Oct-19	42,235	28,696	70,931
Nov-19	42,345	28,884	71,229
Dec-19	42,599	29,014	71,613

**HRA TRUST
ACTIVE PARTICIPANT by ACCOUNT BALANCE**

	< \$5,000	\$5,000 - \$10,000	\$10,000 +	Total
Jan-17	39,755	7,746	10,912	58,413
Feb-17	39,980	7,856	11,115	58,951
Mar-17	40,322	7,700	11,167	59,189
Apr-17	40,260	7,665	11,315	59,240
May-17	37,362	7,706	11,464	56,532
Jun-17	37,455	7,769	11,529	56,753
Jul-17	37,450	7,776	11,703	56,929
Aug-17	37,598	7,797	11,792	57,187
Sep-17	37,468	7,854	11,860	57,182
Oct-17	37,824	7,888	11,995	57,707
Nov-17	37,856	7,936	12,128	57,920
Dec-17	37,858	7,970	12,283	58,111
Jan-18	38,969	8,119	12,640	59,728
Feb-18	38,969	8,119	12,640	59,728
Mar-18	40,115	8,104	12,414	60,633
Apr-18	40,453	8,138	12,432	61,023
May-18	40,656	8,200	12,669	61,525
Jun-18	40,897	8,210	12,736	61,843
Jul-18	41,197	8,235	13,014	62,446
Aug-18	41,331	8,254	13,171	62,756
Sep-18	41,489	8,269	13,155	62,913
Oct-18	42,498	8,294	12,777	63,569
Nov-18	42,899	8,323	12,918	64,140
Dec-18	43,505	8,350	12,786	64,641
Jan-19	43,914	8,742	13,426	66,082
Feb-19	44,500	8,782	13,683	66,965
Mar-19	44,588	8,745	13,887	67,220
Apr-19	44,569	8,780	14,084	67,433
May-19	45,058	9,286	13,877	68,221
Jun-19	44,815	9,299	14,302	68,416
Jul-19	45,075	9,394	14,538	69,007
Aug-19	45,331	9,509	14,677	69,517
Sep-19	45,608	9,493	14,764	69,865
Oct-19	46,474	9,469	14,988	70,931
Nov-19	46,585	9,429	15,215	71,229
Dec-19	46,698	9,431	15,484	71,613

Status Definitions:

Active	Participants with activity on their account in the last 45 days.
New	Participants who are new to the Trust and who became active in the last month.
Inactive	Participants with no activity on their account in the last 45 day.

HRA VEBA TRUST
PCORI Detail
YTD

2019 PCORI Fee Liability	155,640

PCORI Fee Liability	<u>\$ 155,640</u>

HRA VEBA Fee Summary as of December 2019

Total Assets

\$613,925,315

Total Participants

71,613

YTD Operating Expense per participant per month

\$7.49

YTD Op Expense as % of Total Assets

1.05%

Current Participant Expense Ratios

High End AER	1.01%
Low End AER ⁽¹⁾	0.76%
Blended AER	0.87%

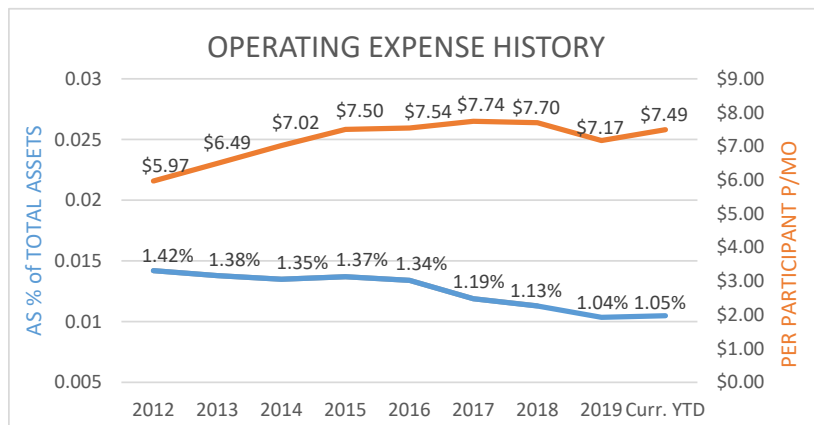
⁽¹⁾ This reflects large account .25% fee discount.

December Operating Expenses

Annual Audit	\$	-
Bank Charges - WTB		1,036
Consulting/Local Service		133,221
Inv./Custodial - WTB		12,433
CCC - GV		33,570
Debit Card Account - EIG		23,159
Debit Card Rebate - EIG		(11,746)
Debit Card Implementation		
Elig. and Claims Admin		24,917
Employer/Participant Edu.		226,836
Fidelity Bond		
Fiduciary Liability		-
HIPAA Risk Assessment		-
Investment Con. Retainer		2,667
Legal Counsel Retainer		2,500
Legal Counsel (Projects)		2,661
Legal Counsel (WA Projects)		
Mail/Fulfillment Service		4,226
Miscellaneous		91
Postage		191
Printing		744
Scanning		1,736
Software Admin		72,226
Transaction Audit		-
Trustee Meeting		-
Trustee Travel		-
Website Host & Design		-
Total Expenses		\$530,465

Current PPM

Under \$5,000	\$1.50
Above \$5,000	\$0.00
Debit Card	\$0.00



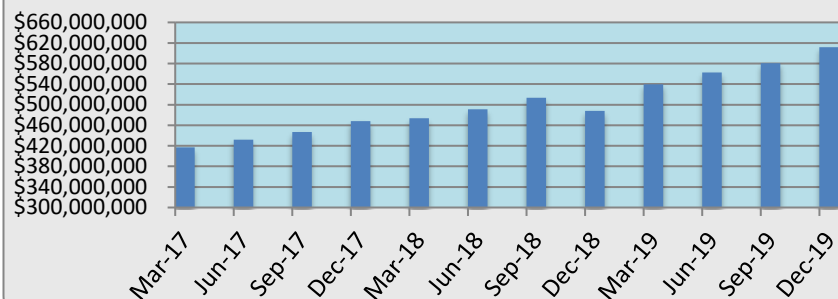
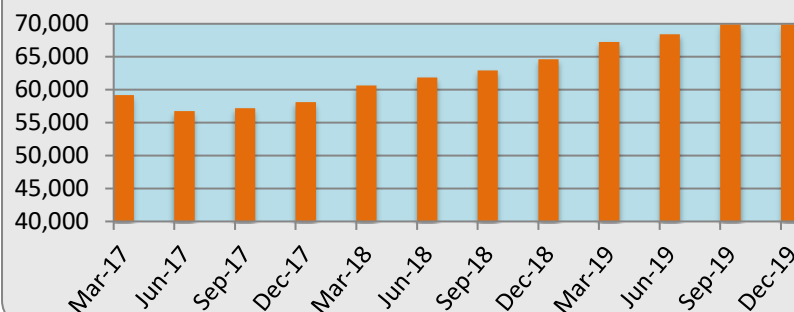
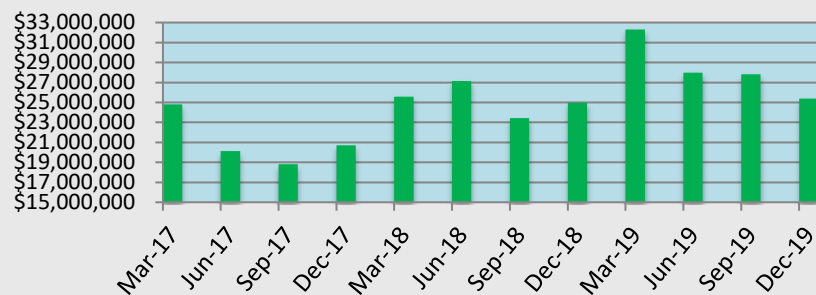
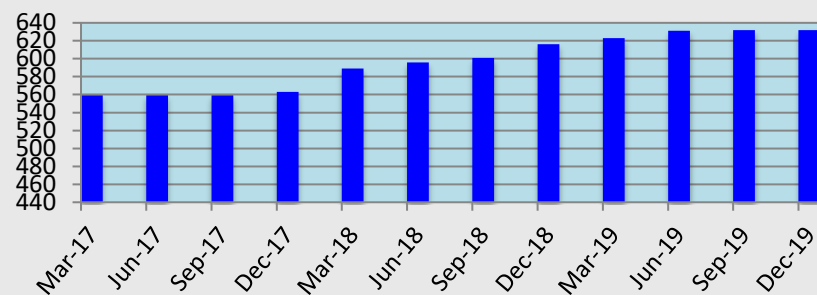
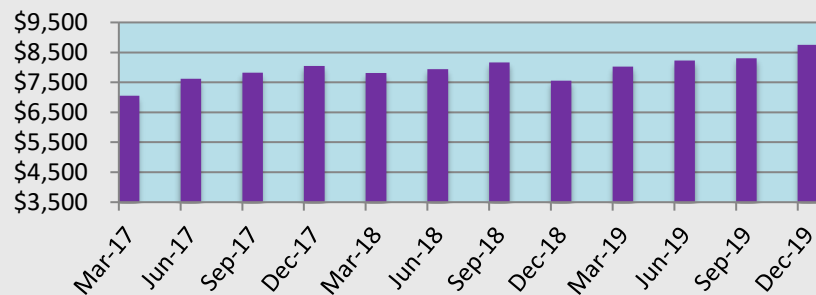
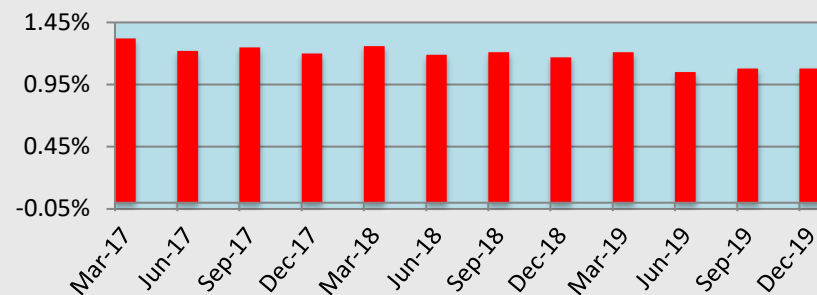
Total Participant % Fee					
Fund Name	Assets	Total Mgmt Fees/Month	Investment Mgmt Fee	Blended Expense Ratio	Total %
GSAM Stable Value	\$109,581,330	\$28,309	0.31%	0.87%	1.18%
Vanguard Balanced	74,103,460	3,705	0.06%	0.87%	0.93%
Vanguard Institutional	96,551,809	2,816	0.035%	0.87%	0.91%
MetWest Total Return Bd	9,028,740	2,784	0.37%	0.87%	1.24%
Carillon Scout Mid Cap	11,150,307	8,363	0.90%	0.87%	1.77%
Champlain Small Cap	10,157,982	8,380	0.99%	0.87%	1.86%
American Europacific	6,307,687	2,576	0.49%	0.87%	1.36%
Vanguard LS Cons. Gr.	81,350,116	8,135	0.12%	0.87%	0.99%
Vanguard LS Growth	79,296,896	9,251	0.14%	0.87%	1.01%
Vanguard LS Income	88,507,210	8,113	0.11%	0.87%	0.98%
Vanguard LS Mod. Gr.	45,483,087	4,927	0.13%	0.87%	1.00%

Growth Summary

Quarter	Assets	Participants	Quarterly Contribution	Employers	Average Account Balance	Administrative Cost ¹
12/31/19	\$611,518,625	69,865	\$25,389,406	632	\$8,753	1.08%
9/30/19	\$580,311,759	69,865	\$27,808,845	632	\$8,306	1.08%
6/30/19	\$562,854,500	68,416	\$27,993,413	631	\$8,227	1.05%
3/31/19	\$539,298,157	67,220	\$32,315,680	623	\$8,023	1.21%
12/31/18	\$488,173,777	64,641	\$24,962,775	616	\$7,552	1.17%
9/30/18	\$513,666,663	62,913	\$23,411,204	601	\$8,165	1.21%
6/30/18	\$491,194,010	61,843	\$27,143,097	596	\$7,943	1.19%
3/31/18	\$473,601,749	60,633	\$25,558,852	589	\$7,811	1.26%
12/31/17	\$467,802,036	58,111	\$20,711,106	563	\$8,050	1.20%
9/30/17	\$447,090,000	57,182	\$18,813,000	559	\$7,819	1.25%
6/30/17	\$432,135,000	56,753	\$20,128,000	559	\$7,614	1.22%
3/31/17	\$417,190,000	59,189	\$24,794,000	559	\$7,048	1.32%

¹ Note: Participant accounts are charged a flat monthly fee of \$1.50, which is waived on account balances over \$5,000. The flat monthly fee reduces the percentage amount charged to participant accounts to cover remaining administrative costs. For purposes of this report, the flat monthly fee is converted to a percentage of Trust assets ((Current Quarter Expenses/Average Assets over the quarter)*4) and is included in the Administrative Cost percentage. This provides a better comparison quarter over quarter and a less blended expense total.

Growth Summary

Assets**Participants****Quarterly Contributions****Employers****Average Account Balance****Administrative Cost**

HRA VEBA Trust - Financial Statistics

Balance Sheet Information	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Stable Value Fund	\$84,472,510	\$92,042,736	\$98,987,505	\$105,726,352	\$109,581,330
Investment Options	\$401,063,021	\$444,971,793	\$461,786,769	\$472,557,657	\$501,937,295
Contribution Cash Account	\$1,770,642	\$1,509,200	\$1,234,342	\$1,177,385	\$1,622,945
Debit Card Collateral Account (Bancorp)	\$420,000	\$483,000	\$512,000	\$544,000	\$577,000
Debit Card Collateral Account (UMB)	\$410,000	\$123,000	\$0	\$0	\$0
Expense Cash Account	\$26,498	\$126,395	\$289,609	\$291,458	\$165,062
Debit Card Expense	\$11,106	\$42,033	\$44,274	\$14,906	\$41,682
Claim Cash Account	\$0	\$0	\$0	\$0	\$0
Total	\$488,173,777	\$539,298,157	\$562,854,500	\$580,311,759	\$613,925,315

Expense Reserve	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Cash Expense Reserve	\$26,498	\$126,395	\$289,609	\$291,458	\$165,062
Invested Expense Reserve	\$0	\$0	\$192,453	\$194,192	\$196,460
PCORI Fee Liability	(\$174,449)	(\$212,934)	(\$252,243)	(\$155,560)	(\$155,640)
Total	(\$147,951)	(\$86,540)	\$229,820	\$330,090	\$205,883

Income Statement Information	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Contributions	\$24,964,143	\$32,316,882	\$27,994,765	\$27,810,075	\$25,391,440
Investment Earnings / Losses	(\$34,723,094)	\$37,759,289	\$14,040,446	\$8,390,149	\$26,316,123
Claims Paid	(\$6,204,594)	(\$7,275,688)	(\$6,257,159)	(\$6,393,917)	(\$6,494,786)
Premiums (APR) Paid	(\$2,878,214)	(\$2,986,699)	(\$3,040,918)	(\$3,157,032)	(\$3,077,274)
Debit Card Claims	(\$5,623,640)	(\$6,905,710)	(\$7,458,781)	(\$7,431,971)	(\$7,387,584)
Transition Groups	\$0	\$0	\$0	\$0	\$0
Operating Expenses	(\$1,507,563)	(\$1,591,688)	(\$1,488,725)	(\$1,578,365)	(\$1,609,743)
Total	(\$25,972,963)	\$51,316,386	\$23,789,628	\$17,638,939	\$33,138,177

Participant Fees Charged	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
PCORI Fee	\$37,643	\$38,485	\$39,309	\$40,056	\$80
Asset Based Fee	\$1,451,500	\$1,489,781	\$1,605,519	\$1,467,751	\$1,316,551
Account Fee	\$182,392	\$187,218	\$188,962	\$191,278	\$196,824
Debit Card Fee (Dependent)	\$199	\$591	\$208	\$195	\$223
Total	\$1,671,734	\$1,716,075	\$1,833,998	\$1,699,280	\$1,513,678

HRA VEBA Trust - Financial Statistics (cont.)

Participant Financial Stats	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Active Participants	64,641	67,220	68,416	69,865	71,613
Asset Value Per Participant	\$7,552	\$8,023	\$8,227	\$8,306	\$8,573
Operating Expenses (per PPPM)	\$7.88	\$8.05	\$7.32	\$7.61	\$7.59
Operating Expenses (per PPPY)	\$94.55	\$96.57	\$87.81	\$91.31	\$91.02
Operating Expenses (as % of Assets)*	1.17%	1.21%	1.05%	1.08%	1.08%
Quarterly Claim Spend Per Participant	\$228	\$255	\$245	\$243	\$237

*Not including PCORI Expense

HRA VEBA Trust - Participant Statistics

Active Participant Information	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Active Participants	64,641	67,220	68,416	69,865	71,613
Registered on the Portal	42,143	45,213	46,770	46,178	47,629
E-Communication Elected	48,037	50,741	52,060	51,207	52,436
Direct Deposit Elected	36,367	38,491	39,519	39,045	40,101
E-Mail Address on File	59,072	62,652	64,103	63,495	65,293
Bad Addresses	2,262	2,715	2,521	2,467	2,415
Total Debit Cards Issued	52,564	27,036	28,919	30,721	33,249
Debit Cards Activated	22,503	16,504	19,216	21,246	23,159
Suspended Debit Cards	1,010	1,055	1,500	1,876	2,191

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
65%	67%	68%	66%	67%
74%	75%	76%	73%	73%
56%	57%	58%	56%	56%
91%	93%	94%	91%	91%
3%	4%	4%	4%	3%
81%	40%	42%	44%	46%
43%	61%	66%	69%	70%
4%	6%	8%	9%	9%

Claim Lines Submitted	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Manual Paper - Quantity	11,902	13,249	9,977	9,796	10,413
Online/Mobile - Quantity	37,021	41,177	35,272	36,772	37,279
Total	48,923	54,426	45,249	46,568	47,692

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
24%	24%	22%	21%	22%
76%	76%	78%	79%	78%

Manual Paper - Amount	1,236,646	1,560,452	1,178,638	1,138,533	1,293,898
Online/Mobile - Amount	4,786,785	5,744,143	4,942,179	5,267,003	5,037,535
Total	6,023,431	7,304,594	6,120,817	6,405,536	6,331,433

21%	21%	19%	18%	20%
79%	79%	81%	82%	80%

Debit Card Transactions	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Requiring Substantiation - Quantity	20,748	21,470	22,832	23,233	23,026
Auto-Substantiated - Quantity	36,737	39,392	45,234	46,130	48,475
Total	57,485	60,862	68,066	69,363	71,501

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
36%	35%	34%	33%	32%
64%	65%	66%	67%	68%

Requiring Substantiation - Amount	3,769,148	4,789,197	5,110,090	4,986,641	4,886,894
Auto-Substantiated - Amount	1,855,633	2,116,662	2,348,938	2,445,260	2,502,729
Total	5,624,781	6,905,859	7,459,028	7,431,900	7,389,623

67%	69%	69%	67%	66%
33%	31%	31%	33%	34%

HRA VEBA Trust - Employer Statistics

Employer Information	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Total Active Employers	614	630	633	634	638
Registered on Portal	582	598	601	602	606

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
95%	95%	95%	95%	95%

Contribution Reports Submitted	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Submitted Via Mail / E-mail - Quantity	205	227	192	192	179
Submitted Via Portal - Quantity	1,847	1,967	1,839	1,925	1,949
Total	2,052	2,194	2,031	2,117	2,128

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
10%	10%	9%	9%	8%
90%	90%	91%	91%	92%

Submitted Via Mail / E-mail - Amount	4,369,121	4,550,993	2,777,684	5,011,816	2,542,610
Submitted Via Portal - Amount	20,608,354	27,871,998	25,278,042	22,827,390	22,886,507
Total	24,977,476	32,422,990	28,055,726	27,839,206	25,429,117

17%	14%	10%	18%	10%
83%	86%	90%	82%	90%

Enrollments	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Online - Submitted Via Employer Portal	1,094	968	842	1,273	1,131
Census - Submitted Via Employer File	1,347	582	1,255	419	1,000
Manual - Submitted Via Enrollment Doc	333	447	251	329	361
Total	2,774	1,997	2,348	2,021	2,492

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
39%	48%	36%	63%	45%
49%	29%	53%	21%	40%
12%	22%	11%	16%	14%

HRA VEBA Trust - Processing Statistics

Claims Volume	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Claim Lines Processed	50,600	56,014	47,323	47,036	49,413
Average Claim Lines Per Claim	3	3	3	3	3
Business Days	61	62	64	66	65
Claims Processed by Administrator	16,647	19,590	17,788	17,834	18,288
Average Claims Per Business Day	273	316	278	270	281
Average Claim Lines Per Business Day	830	903	739	713	760

Claims	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Claims in 3 Business Days	16,546	19,054	17,755	17,440	18,193
Claims in 4-5 Business Days	93	513	18	390	76
Claims in 6+ Business Days	8	23	15	9	15
Total	16,647	19,590	17,788	17,839	18,284

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
99.4%	97.3%	99.8%	97.8%	99.5%
0.6%	2.6%	0.1%	2.2%	0.4%
0.0%	0.1%	0.1%	0.1%	0.1%

Contribution Reports	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Reports in 1 Business Day	2,000	2,153	1,998	2,089	2,100
Reports in 2-3 Business Days	41	34	18	23	21
Reports in 4+ Business Days	11	7	15	5	7
Total	2,052	2,194	2,031	2,117	2,128

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
97.5%	98.1%	98.4%	98.7%	98.7%
2.0%	1.5%	0.9%	1.1%	1.0%
0.5%	0.3%	0.7%	0.2%	0.3%

Enrollments	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Enrollments in 1 Business Day	321	446	246	328	353
Enrollments in 2-3 Business Days	12	1	5	0	8
Enrollments in 4+ Business Days	0	0	0	0	0
Total	333	447	251	328	361

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
96.4%	99.8%	98.0%	100.0%	97.8%
3.6%	0.2%	2.0%	0.0%	2.2%
0.0%	0.0%	0.0%	0.0%	0.0%

Debit Card Transactions	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Transactions in 3 Business Days	24,057	27,260	29,369	29,995	30,513
Transactions in 4-10 Business Days	17	10	14	9	13
Transactions in 11+ Business Days	4	3	4	9	5
Total	24,078	27,273	29,387	30,013	30,531

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
99.9%	100.0%	99.9%	99.9%	99.9%
0.1%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%

HRA VEBA Trust - Processing Statistics (cont.)

Claim Line Denials	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Approved	41,592	46,814	39,073	39,137	41,542
Approved - Insufficient Funds	3,398	3,332	2,955	1,274	1,352
Denied	5,610	5,868	5,295	6,625	6,519
Total	50,600	56,014	47,323	47,036	49,413

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
82%	84%	83%	83%	84%
7%	6%	6%	3%	3%
11%	10%	11%	14%	13%

Overpayments ▲	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Beginning Balance - Quantity	5,581	5,775	5,863	5,930	6,566
New Overpayments applied - Quantity	1,291	1,289	1,087	1,783	1,671
Resolved Overpayments - Quantity	-1,051	-1,119	-936	-1,079	-1,182
Overpayments Removed - Quantity	-46	-82	-84	-68	0
Total	5,775	5,863	5,930	6,566	7,055

Beginning Balance - Amount	1,378,088	1,449,081	1,496,889	1,561,824	1,724,137
New Overpayments applied - Amount	310,183	294,112	262,571	419,288	365,752
Resolved Overpayments - Amount	-230,187	-232,052	-187,990	-245,837	-254,102
Overpayments Removed - Amount	-9,004	-14,252	-9,646	-11,138	0
Total	1,449,081	1,496,889	1,561,824	1,724,137	1,835,787

HRA VEBA Trust - Call Log Statistics

Employer	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Claims (Employer)	7	10	13	4	3
Contributions (Employer)	282	323	243	251	238
Forms	4	5	2	6	3
Portal	21	18	16	18	26
Enrollment/Participant	60	81	67	42	49
Reports	2	2	0	4	2
Other (Employer)	100	93	70	74	84
Total	476	532	411	399	405

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
1%	2%	3%	1%	1%
59%	61%	59%	63%	59%
1%	1%	0%	2%	1%
4%	3%	4%	5%	6%
13%	15%	16%	11%	12%
0%	0%	0%	1%	0%
21%	17%	17%	19%	21%

Participant	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Account	2,035	3,177	2,243	2,275	2,015
Claims (Participant)	1,637	2,012	1,553	1,676	1,550
Debit Card	3,623	5,538	3,727	3,503	3,305
Web	462	485	383	346	440
Auto Withdrawals	336	424	242	287	356
Other (Participant)	155	112	73	44	22
Total	8,248	11,748	8,221	8,131	7,688

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
25%	27%	27%	28%	26%
20%	17%	19%	21%	20%
44%	47%	45%	43%	43%
6%	4%	5%	4%	6%
4%	4%	3%	4%	5%
2%	1%	1%	1%	0%

Call Summary	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Total Calls	8,724	12,280	8,632	8,530	8,093
Business Days	61	62	64	66	65
Average Calls Per Day	143	198	135	129	125

First Call Resolution	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Resolved	8,449	11,850	8,298	8,253	7,818
Not Resolved	13	24	10	8	5
N/A	262	406	324	269	270
Total	8,724	12,280	8,632	8,530	8,093

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
97%	96%	96%	97%	97%
0%	0%	0%	0%	0%
3%	3%	4%	3%	3%

HRA VEBA Trust - Scan & Print Statistics

Incoming Documents (Scan)	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Claims Documents	2,280	2,301	1,985	2,010	1,866
Contribution Reports	188	211	218	204	200
Enrollments	284	427	221	299	317
Account Updates	731	787	661	754	742
Returned Mail	1,540	4,737	2,124	1,145	197
Other Documents	376	273	229	198	233
Debit Card Documents	1,291	1,372	1,549	1,598	1,588
Total	6,690	10,108	6,987	6,208	5,143

Fulfillment Statistics	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Welcome Letters	2,553	3,176	1,949	2,011	2,646
APR Letters	281	293	315	324	153
Med65 Letter	282	262	253	251	262
Debit Card Letters	2,252	1,925	2,406	2,678	2,467
Claim Denial Letters	0	0	0	38	454
Other Letter Correspondence	541	505	454	605	877
Total	5,909	6,161	5,377	5,907	6,859

Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
43%	52%	36%	34%	39%
5%	5%	6%	5%	2%
5%	4%	5%	4%	4%
38%	31%	45%	45%	36%
0%	0%	0%	1%	7%
9%	8%	8%	10%	13%

Paper EOBs	2,547	2,783	2,576	2,284	0
e-EOBs	26,774	29,605	27,779	24,383	0
Total	29,321	32,388	30,355	26,667	0

9%	9%	8%	9%
91%	91%	92%	91%

Total Paper Checks	2,549	2,453	2,248	2,208	2,188
Total ACHs	17,040	18,887	17,874	17,890	18,146
Total	19,589	21,340	20,122	20,098	20,334

13%	11%	11%	11%	11%
87%	89%	89%	89%	89%

Quarterly e-Statements	66,214	69,136	69,809	71,334	73,177
Half-Year Print Statements	17,577		18,474		19,658

AGENDA ITEM 6.2: SERVICE PROVIDER PERFORMANCE REPORTS

 **SNAPSHOT:** Enclosed for the Board's review and information is a collection of service provider reports that contain performance guarantee reporting and general comments from each of the Trust's contracted service providers as listed below.

 **RELEVANT GOAL(S):** 1. Provide best-in-class service and a high level of personalized care; and 7. Monitor Trust service providers.

BACKGROUND

Enclosed for the Board's review and information are the **Service Provider Performance Reports** for the period May through December 2019.

- **SIS NW**—incoming mail (scan and upload)
- **Kaye-Smith**—outgoing mail (fulfillment)
- **Washington Trust Bank**—bank custodian
- **Gallagher**—Customer Care Center
- **OneBridge**—claims and administrative processing; software administration and recordkeeping

The individual reports are divided into two sections:

1. **General Comments.** In this section, service providers provide a brief commentary for the reporting period. For example, this section may contain the service provider's observations on what has gone well, what has not gone so well, what service enhancements or improvements they have implemented or intend to implement, process improvement suggestions they may have, explanations of any performance guarantee failures, frustrations, challenges, successes, etc. In some cases, this section may reference an attachment that contains more supporting detail.
2. **Performance Guarantees.** This chart contains monthly performance standard metrics and indicates whether performance standards were met or not met. Explanations are provided if a particular performance standard was not met.

Gallagher and OneBridge will present their respective reports. Washington Trust, SIS NW, and Kaye-Smith are not scheduled to attend this meeting, but have provided their reports for the Board's information.

ACTION ITEM

YES

NO

SAMPLE MOTION

None.



Incoming Mail



General Comments

- ❖ At this point all is well and nothing new to report. We are still tracking at 100% in all categories.

Performance Guarantees	Sep 19	Oct 19	Nov 19	Dec 19
Phone and internet connectivity: Five hours or less of downtime during business hours	100%	100%	100%	100%
File delivery (daily): All no later than 4:00 a.m. ET	100%	100%	100%	100%
Successful loads to system (daily): 99% successful upload of all	100%	100%	100%	100%

Outgoing Mail



General Comments

- ❖ From our perspective, all has gone well and as anticipated within the daily document production applications. No recommended process/service improvements or enhancements to report. All timelines were met.

Performance Guarantees	Sep 19	Oct 19	Nov 19	Dec 19
Phone and internet connectivity: Five hours or less of downtime during business hours	100%	100%	100%	100%
File upload (daily): All between 8:00 and 10:00 a.m. ET	100%	100%	100%	100%
Quarterly mailing and/or imaging of statements: All within seven business days	—	100%	—	—
Daily mailing and imaging of letters, EOBs, checks: All by end of next business day	100%	100%	100%	100%
Return file upload: 99% successful upload of all	100%	100%	100%	100%



Bank Custodian



General Comments

❖ Trust Custodial Comments:

As is our usual practice, the daily transfers of cash between trust and retail banking accounts are typically completed within about 30 minutes after receipt from OneBridge. Their access to our platform for information and trading functions during this period had no material issues, and all trades were settled on a timely basis. Once again, we are happy to report that the day-to-day business of serving your accounts in conjunction with your other business partners is very efficient and routine with no issue to report.

- **Dedicated Team:**

Washington Trust will continue to have a dedicated team of individuals working together on this relationship. We feel that our team provides a very high level of customer service to OneBridge for the management of the Trust accounts.

- **Future Enhancements Requests:**

The technology partner that WTB & OneBridge utilize to service your relationship is the SEI Wealth Platform. SEI implemented a platform upgrade in December 2019, and it has numerous enhancements that help service your relationship, including:

- Added Action Required Options for Pending Transfers to allow for Cancel & Save actions from the Action Required page.
- Added new Cash Activity Dashboard to enhance search and viewing Cash Activities.
- Added Portfolio Display on the Net Flows Snapshot to show the transactions Portfolio Name and Strategy Name associated to that portfolio.
- Enhanced Date Filter Type for Prior Year Transactions

❖ Bank Custodial Comments:

We are happy to report that the banking relationship continues to operate very smoothly with OneBridge as the third-party processor. On a day-to-day basis things flow very smoothly with no issues to comment on. It's a pleasure to work with OneBridge and we value them as a business partner in servicing your Trust, and greatly appreciate the relationship that we have with Gallagher and with the Trust.

- **Dedicated Team:**

Washington Trust will continue to have a dedicated team of individuals working together on this relationship. Our same team has worked with the Trust with two prior TPAs, and provided instrumental background and training to OneBridge to ensure a smooth transition. Our team provides a very high level of customer service to OneBridge and for the management of the Trust accounts.



Service Provider Performance Reports

September to December 2019

Bank Custodian (continued)

	Sep 19	Oct 19	Nov 19	Dec 19
TRUST CUSTODY ACCOUNTS				
GSAM bond portfolio	\$100,904,033	\$101,223,236	\$101,074,998	\$101,373,279
Stable value fund	\$6,045,561	\$7,385,870	\$7,423,735	\$9,276,062
Investment options (individual & pre-mix)	\$473,425,044	\$481,175,202	\$491,137,836	\$501,957,372
TRUST BANKING ACCOUNTS				
Claims Account	\$486,753	\$353,091	\$574,045	\$371,009
Expense Account	\$862,627	\$767,930	\$676,409	\$692,497
Contributions Account	\$1,177,385	\$1,566,274	\$1,302,891	\$1,622,945

*The figures contained in this chart are provided by WTB and differ from system reports provided by OneBridge. WTB provides the cash basis value of the banking and investment accounts. OneBridge reports on an accrual basis.

W.T.B. Financial Corporation



Company Profile 4th Quarter 2019

(Unaudited) (\$'s in thousands, except per share data)

Financial Highlights

- **Net Income decreased by \$794 thousand to \$21.5 million compared to the prior quarter**
- **Shareholders' Equity increased \$9.4 million mainly from earnings in excess of dividends paid and decreases in unrealized gains on securities**
- **Return on Assets was 1.24% for the quarter compared to 1.32% for the previous quarter**
- **Return on Equity was 12.30% for the quarter compared to 13.10% for the previous quarter**
- **Loans increased \$3.5 million, or 0.3% annualized, to \$4.5 billion**
- **Deposits increased \$631.5 million, or 45.3% annualized, to \$6.2 billion**
- **Allowance for loan losses remained strong at 2.12% of loans and 671% of noncurrent loans**
- **Noncurrent loans and other real estate increased \$3.8 million to \$14.4 million, or 0.20% of total assets**

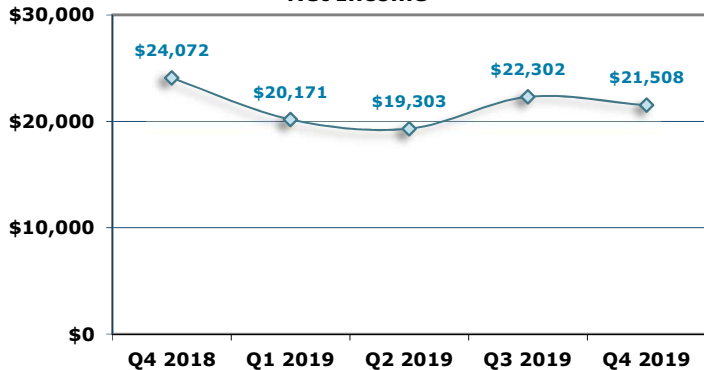


About W.T.B. Financial Corporation

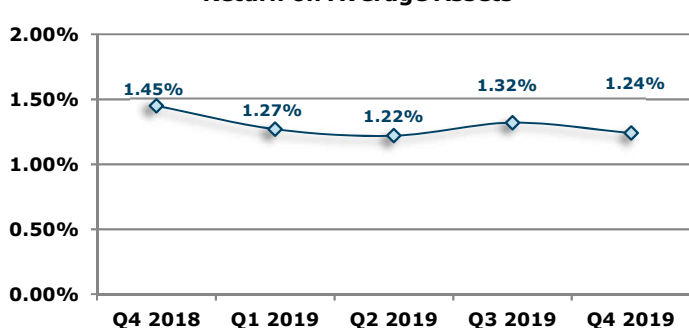
Since 1902, Washington Trust Bank (W.T.B. Financial Corporation's primary subsidiary) has helped individuals, families and businesses reach their financial goals by being the best at understanding and meeting their needs through exceptional customer service.

We are small enough to know and care about our customers, yet large enough to offer a full complement of products and services to satisfy all banking needs.

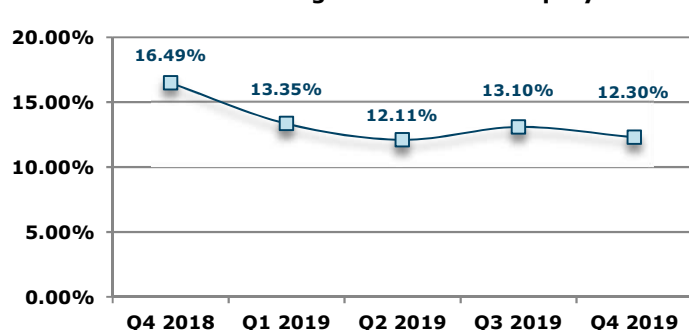
Net Income



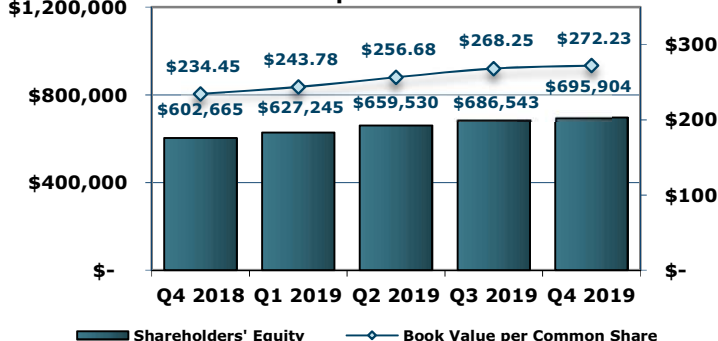
Return on Average Assets



Return on Average Shareholders' Equity



Shareholders' Equity and Book Value per Common Share



W.T.B. Financial Corporation



(Unaudited) (\$'s in thousands, except per share data)
At or for the Quarters Ended

	12/31/2019	9/30/2019	12/31/2018
Income Statements			
Net interest revenue	\$ 64,784	\$ 66,569	\$ 63,097
Provision for loan losses	1,200	800	400
Net interest revenue after provision for loan losses	63,584	65,769	62,697
Noninterest revenue	13,808	12,574	14,465
Noninterest expense	49,837	49,731	48,210
Income before provision for income taxes	27,555	28,612	28,952
Provision for income taxes	6,047	6,310	4,880
Net income	\$ 21,508	\$ 22,302	\$ 24,072

Condensed Balance Sheets

ASSETS

Cash and interest-bearing deposits	\$ 626,556	\$ 235,221	\$ 857,735
Securities	1,895,823	1,946,040	1,589,251
Loans net of allowance for loan losses	4,446,182	4,442,252	3,956,650
Other assets	196,103	187,571	148,714
Total assets	\$ 7,164,664	\$ 6,811,084	\$ 6,552,350

LIABILITIES

Deposits	\$ 6,226,866	\$ 5,595,329	\$ 5,638,923
Borrowings	163,069	452,399	259,857
Other liabilities	78,825	76,813	50,905
Total liabilities	6,468,760	6,124,541	5,949,685

SHAREHOLDERS' EQUITY

Total shareholders' equity	695,904	686,543	602,665
Total liabilities and shareholders' equity	\$ 7,164,664	\$ 6,811,084	\$ 6,552,350

Performance Metrics

PER COMMON SHARE

Earnings - basic	\$ 8.44	\$ 8.74	\$ 9.42
Earnings - diluted	8.43	8.73	9.39
Common cash dividends	1.75	1.75	1.15
Common shareholders' equity	272.23	268.25	234.45

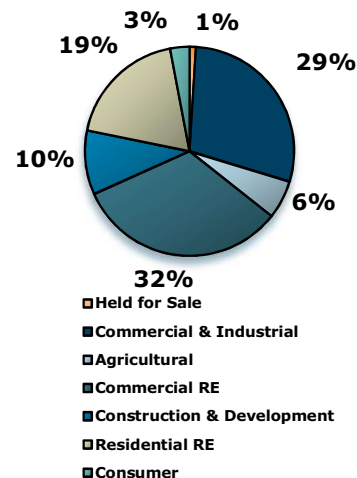
PERFORMANCE RATIOS

Return on average assets	1.24%	1.32%	1.45%
Return on average shareholders' equity	12.30%	13.10%	16.49%
Margin on average earning assets	3.85%	4.07%	3.86%
Noninterest revenue to average assets	0.80%	0.75%	0.87%
Noninterest expense to average assets	2.87%	2.95%	2.90%
Efficiency ratio	63.3%	62.7%	62.0%
Cash dividends to net income	20.7%	20.0%	12.2%

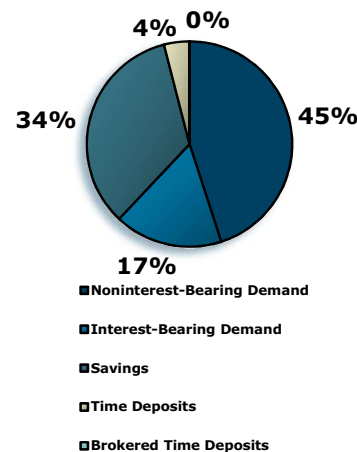
ASSET QUALITY AND CAPITAL

Noncurrent loans + ORE	\$ 14,367	\$ 10,550	\$ 12,015
Allowance for loan losses	96,415	96,856	90,749
Allowance for loan losses to total loans	2.12%	2.13%	2.24%
Total equity to total assets	9.71%	10.08%	9.20%
Total equity	\$ 695,904	\$ 686,543	\$ 602,665
Tier 1 Capital	709,248	692,886	649,523

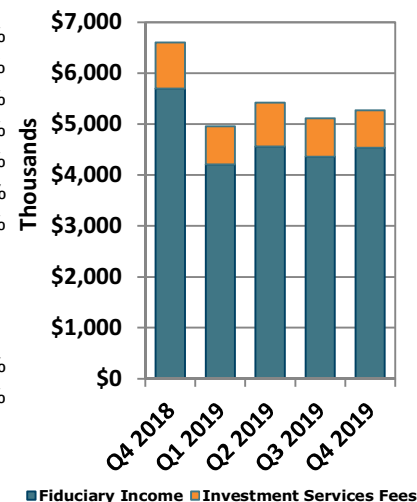
Total Loan Portfolio \$4.54 Billion at 12/31/2019



Total Deposit Portfolio \$6.23 Billion at 12/31/19



Wealth Management & Advisory Services





Customer Care Center



General Comments

❖ Secure Messaging

The Secure Message Center for employers and participants launched on September 22, 2019. The secure messaging allows for secure communication to and from participants and employers via the portal or the mobile application.

Participants and Employers can click on an envelope on the portal or mobile application home page, compose a message, and send. The message is delivered to the Message Management queue, in which the CCC may create new messages, respond to existing messages, attach documents, put a message on hold, end a conversation, and mark a message for review. The CCC responds to the secure messages no later than the end of the following business day.

When the CCC responds to a secure message, the participant or employer receive an immediate email notifying them that a secure message is available for viewing. A push notification will also be sent if the user has a mobile device on file. The secure messages can only be viewed after a participant or employer has logged into the portal or the mobile application.

Sending and receiving messages using the Secure Message Center helps reduce PII and PHI sent through email. The CCC does not have to redact information before responding to a secure message. The email messages are encrypted and require the participant to create a new log in to access the email.

❖ Overall performance for 2019

Another year has come and gone. 2019 was a busy year for the customer care center.

- Two CSRs left employment—one due to health issues and one to return to school full-time
- Two new CSRs were hired and trained in May 2019
- The workflow was changed to include daily tasks for all CSRs, CSRs were trained on new tasks, and all CSRs became bereavement specialists.

The overall performance for the Customer Care Center in 2019:

Answered calls	40,221
Answered within 30 seconds	91.17%
Average speed of answer	15 seconds
Email responses	8,663
Emails responded within 24 hrs.	99.95%



Service Provider Performance Reports

September to December 2019

Customer Care Center (continued)

❖ Other notable items that occurred within the department:

- We hired a new CSR January 7, 2020 to help us continue to provide outstanding service to participants and employers. Maria is currently in training. We are excited to have her as part of our team. Maria speaks, reads, and writes in Spanish which will help us in the review of claims documentation.

Performance Guarantees	Sep 19	Oct 19	Nov 19	Dec 19
Phone and internet connectivity: Five hours or less downtime during business hours	99.93%	100%	100%	99.97%
Grade of service: Answer 80% of calls within 30 seconds or less	94.08%	90.70%	91.04%	91.62%
Average speed of answer (ASA): 30 seconds or less	0:12	0:15	0:15	0:15
Call abandonment rate: Less than or equal to 5%	1.25%	1.39%	2.19%	1.22%
Email response time: 98% by end of following business day	100%	99.29%	100%	100%
First-call resolution: Participants: 90% / Employers: 85%	100% / 100%	99.93% / 100%	100% / 100%	99.92% / 98.61%



Claims and Administration / Recordkeeping and System Software



General Comments

❖ See attached slide presentation.

Claims and Administration

Performance Guarantees	Sep 19	Oct 19	Nov 19	Dec 19
Phone and internet connectivity: Four hours or less downtime during business hours	100%	100%	100%	100%
Enrollment form processing: 90% before beginning of second business day	100%	100%	100%	100%
Contribution posting: 90% before beginning of second business day	99.5%	99.9%	100%	100%
Claims processing: 90% before beginning of fourth business day	96.8%	99.8%	99.8%	99.9%
Debit card substantiation processing: 90% before beginning of fourth business day	100%	100%	99.9%	100%
Account update change processing: 95% before beginning of second business day	100%	100%	100%	100%
Claims accuracy rates*: Financial: 98% / Procedural-Technical: 95%	—	99.6% / 100%	—	—
All other data accuracy rate*: 95%	—	97.2%	—	—

* These statistics are measured quarterly.



Service Provider Performance Reports

September to December 2019

Claims and Administration/Recordkeeping and System Software (continued)

Recordkeeping and System Software

Performance Guarantees	Sep 19	Oct 19	Nov 19	Dec 19
Phone and internet connectivity: Five hours or less downtime during business hours	100%	100%	100%	100%
Admin system and portals downtime and recovery: 99% uptime; remedy downtime within eight business hours	100%	100%	100%	100%
New employer set-up: All by end of third business day	100%	100%	100%	100%
Deposit entry: All by end of following business day	100%	100%	100%	100%
Trade instructions: All prior to close of market each market business day	100%	100%	100%	100%
Fixing recordkeeping: Material errors by end of second business day	—	—	—	—
Financial statement delivery: Within ten business days after end of reporting period	On Time	On Time	On Time	On Time
Investment fund swaps: All upon date requested	—	—	—	—
Daily print file delivery to print vendor: All by 3:00 p.m. ET	100%	100%	100%	100%
Statement print file delivery to print vendor: All within ten business days after end of reporting period	On Time	—	—	On Time
Loading time for print vendor files: 99% within eight hours of receipt	100%	100%	100%	100%
Loading time for scan vendor files: 99% within eight hours of receipt	100%	100%	100%	100%
Delivery of positive pay and NACHA files: All by 3:00 p.m. ET	100%	100%	100%	100%



Alayna DeMarchi

Business Systems Analyst

1 YEAR (almost)

Areas of focus: Software development planning & testing

My typical day...



Depending on the point of time in our software development release cycle, my daily activities do vary; however, they're generally focused on ensuring that our development and testing resources are properly equipped with all the details needed to successfully deliver product enhancements and new features to our OneBridge platform—these activities include, but aren't limited to facilitating initial development estimation meetings, preparing functional specifications and user interface designs, assigning software testing tasks to our QA team, as well as performing my own software quality tests.

About me, professionally...



Prior to joining OneBridge, I was an environmental scientist at a national engineering firm. During my five years in the environmental consulting industry, I acquired immeasurable experience in project management, customer service and quality assurance—this experience has really allowed me to seamlessly transition into my current role at OneBridge.

The best part of my job is watching new features getting successfully implemented and being used by all constituents (participants, employers, customer care, and claims processors)—I also love being part of a company so dedicated and committed to servicing their customers.

About me, personally...



Outside of work, I enjoy spending time with my fiancé and my dog. Most weekends, I often travel back to Syracuse, NY to visit family. I also like to fish, hike, garden and spend time outdoors when the weather in Buffalo cooperates.

A few years back, I began coaching a girls' youth hockey team after finding myself missing a sport I had played for 18 years. I took a year off to focus on other adventures (like planning for my wedding in August 2020), but I am excited to get back into coaching again next year.



HRA VEBA Trustee Meeting – Feb 2020

Happy 5 Year Anniversary!



First and foremost...

Thank
You!



Today's Agenda



A look at the Trust activities...year 1 vs. year 5



The last 5 years at OneBridge

- Activities
- Impacts



What's on the horizon for OneBridge



Closing

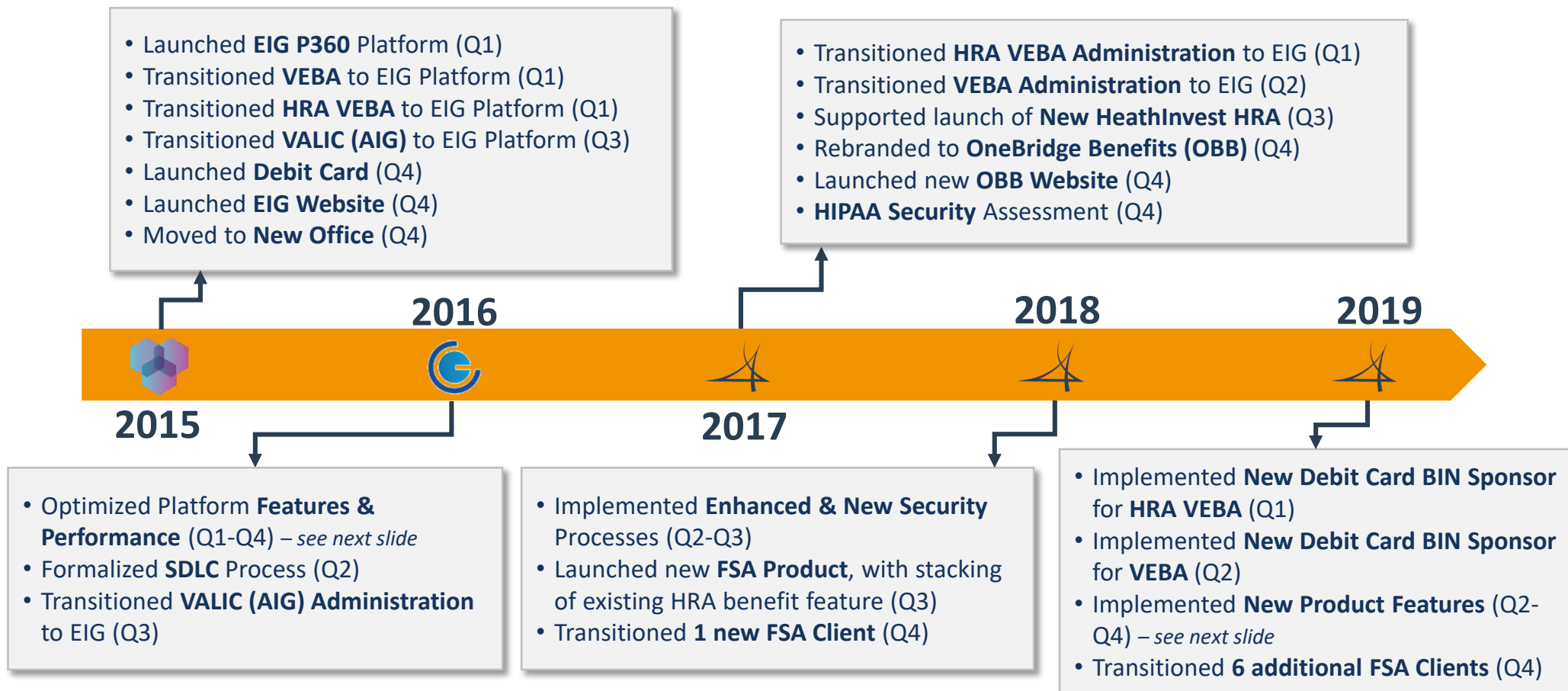
How much we have grown



	3/1/2015	12/31/2019	% Change	
Employer Groups	525	638	22%	↑
Active Participants	55,545	71,613	29%	↑
Total Asset Value	\$344.6 million	\$606.9 million	76%	↑
Avg. PTs/Employer Group	106	112	6%	↑
Avg. PT Account Value	\$6,204	\$8,475	37%	↑

	2015	2019	% Change	
Number of Employees	12	27	125%	↑

What we have accomplished



What we have accomplished...



	Enhancements 	New Features 	Data Security 
2015		- Email status tracking - HRAgo[®] Mobile App for Android	First SOC Audit
2016	- Re-design of APRs - Re-write of Fee Functionality - Re-factor of Daily Processing - Re-design of Coverage Tiers	- Debit Card Recurring Transactions - Automated Daily Processing - Beneficiary Tracking	Security Scan Expansion
2017	- Re-design Fulfillment Functionality - Re-write Debit Card Communication - Re-design Investment Swap	- Extended Day Trading - Claim Overpayments - Data Archive Functionality	- Increased WIFI Security - Upgrade Key Software
2018	Re-write of Mobile Apps (including new tablet compatibility)	- Census Enrollment - Employer Report (PowerPoint) - Expanded User Management - In-house Document Creation & Printing	- Laptop Encryption - Enhanced Firewall Rollout - Incident Response Plan - New Scanning Technology - SIEM Platform Implementation
2019	Re-engineer of Data Archiving	- Investment Option Functionality (Phase 1) - New Mobile App Features - Secure Messaging - Address Standardization & NCOA - Debit Card Substantiation Engine - New Denial Letter (replace EOB)	Dual Factor Authentication



Impact of accomplishments



Increased use of OneBridge Platform



Cost Savings



Participant & Employer Satisfaction

Online Registrations

Employer Logins: **78,380**
 Participant Portal Logins: **1,667,117**
 Participant Mobile Logins: **417,806**
(since inception)

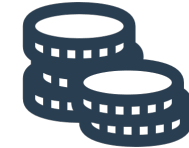


	12/31/2015	12/31/2019	
Employer Groups	535	638	↑
Portal Registrations	467	606	
Percent	87%	95%	↑

	12/31/2015	12/31/2019	
Active Participants	53,910	71,613	↑
Portal Registrations	26,059	47,629	
Percent	48%	67%	↑
Mobile App Downloads	1,510	9,457	
Percent	3%	13%	↑

Employer Activity

Total Contributions: **\$439 Million**
 Total Contribution Reports: **36,480**
(since inception)



Contribution Reports	2015	%	2019	%	
Mail/Email Submission	2,186	38%	790	9%	↓
Portal/SFTP Submission	3,612	62%	7,680	91%	↑
Total	5,798		8,470		

Enrollment	2015	%	2019	%	
Manual	5,611	88%	1,455	16%	↓
Online / Census	746	12%	7,478	84%	↑
Total	6,357		8,933		

Participant Activity

Total Claim Lines: **1,272,457**
(since inception)



HRAveba	2015	2019	% Change	
Active Participants	53,910	71,613	33%	↑
Total Claim Line/Debit Card Count	380,129*	505,316	33%	↑
Count per Participant	7.05*	7.06	0%	↔
Total Claim Line/Debit Card Amount	\$45.1 million*	\$67.2 million	49%	↑
Amount per Participant	\$837*	\$938	12%	↑

Transactions	Dec 2015	%	Dec 2019	%	
Claim Line	25,748	70%	17,282	39%	↓
APR	2,182	6%	3,037	7%	↑
Debit Card	8,729	24%	24,118	54%	↑
Total	36,659		44,437		

* Data has been annualized

Participant Activity

Total Debit Card Transactions: **821,653**
(since inception)



Claim Lines	Dec 2015	%	Dec 2019	%	
Manual Submission	12,811	50%	4,733	27%	↓
Portal Submission	12,119	47%	10,404	60%	↑
Mobile Submission	818	3%	2,145	13%	↑
Total	25,748		17,282		

Debit Card Transactions	Dec 2015	%	Dec 2019	%	
Manual Substantiation	2321	27%	1,784	7%	↓
Portal Substantiation	648	7%	3,664	15%	↑
Mobile Substantiation	167	2%	2,079	9%	↑
Auto-Substantiation	5,593	64%	16,591	69%*	↑
Total	8,729		24,118		

* Auto-Substantiation expected to increase by 10%-15% in 2020 (new Engine)

Call Activity

Total Calls: **144,846**
(Since Inception)



HRAveba	2015	2019	% Change	
Active Participants	53,910	71,613	33%	↑
Total Calls	28,374*	35,788	26%	↑
Avg. Calls per Month	2,365*	2,982		
Avg. Calls per Participant per Year	0.53*	0.50	-6%	↓

Call Reasons	2015	2019	
Account	29%	23%	↓
Claim	39%	19%	↓
APR	4%	4%	↔
Debit Card	15%	46%	↑
Mobile / Portal	13%	8%	↓



* Data has been annualized

Print Fulfillments

Total Fulfillments Processed: **628,361**
(Since Inception)



	2015	2019	
E-communication Election %	65%	73%	↑
ACH Payment %	80%	91%	↑
	2015	2019	
Active Participants	53,910	71,613	
Participant Statements	38,330	38,132	↓
1095Bs	54,517	0 ¹	↓
Other Print Fulfillments	45,972*	40,552 ²	↓
Total	138,819	78,684	↓
Fulfillments per Participant	2.58	1.10	↓

* Data has been annualized

1 - Stopped Mailing 1095Bs in Jan 2020

2- Stopped Generating & Sending EOBs in Sept 2019

Scanned Documents

Total Processed: **175,909**

(Since Inception)



HRAveba	2015	%	2019	%	
Active Participants	53,910		71,613		
Claim	35,825*	67%	8,162	31%	↓
Debit Card	299*	1%	6,107	23%	↑
Enrollments	4,789*	9%	1,264	5%	↓
Account Updates	7,638*	14%	2,944	11%	↓
Returned Mail	4,830*	9%	8,203**	30%	↑
Total	53,381*		26,680		↓
Documents per Participant	0.99		0.37		↓

* Data has been annualized

**Returned Mail Initiative is expected to significantly reduce this activity in 2020

Cost Savings Actions

Total Annual Savings: **\$357,000**
 Total PPPM Savings: **\$0.43**



Action	Impact	Date	Estimated Annual Savings
Transition Administration Services from Rehn to OneBridge	Reduce PPPM administration expense	Mar-2017	\$40,000
Transition Debit Card Program to Bancorp	Increase interchange sharing percentage which increases the rebate amount back to the Trust	Jan-2019	\$60,000
Eliminate EOB and Replace with Denial Letter	Reduce print and postage cost	Oct-2019	\$21,000
Implement Address Integration with Peachtree	Reduce print and postage cost related to returned mail Reduce the postage cost by eliminating the need for "Return Service Requested" Reduce scanning expense related to returned mail	Oct-2019	\$6,000
Pre-Approved Vendor Development and POS Substantiation	Reduce print and postage cost related to substantiation requirement letters & reduced scanning expense	Jan-2020	\$5,000
Automate Returned Mail	Eliminate scanning expense related to remaining returned mail	Apr-2020	\$5,000
Develop Investment Option Model	Reduce investment expense cost for participants by unbundling LifeStrategy Funds	Jul-2020	\$220,000
Total			\$357,000

Customer Satisfaction

Portal Satisfaction: **93%**
 Claim Satisfaction: **91%**



	Q2-2019	Q3-2019
Portal	Employers	Participants
Very Satisfied	50%	68%
Satisfied	43%	25%
Total Satisfied	93%	93%
Neutral	6%	5%
Dissatisfied	1%	1%
Very Dissatisfied	0%	1%

	Q1-2018		
Claims	Online	Paper	Combined
Very Satisfied	72%	65%	70%
Satisfied	21%	21%	21%
Total Satisfied	93%	86%	91%
Neutral	3%	5%	4%
Dissatisfied	3%	7%	4%
Very Dissatisfied	1%	2%	1%

Portal	Employers	Participants
Positives	- Online Enrollment & Contributions - User Friendly	- Easy to submit claims - Well done website, easy to navigate
Negatives / Suggestions	- Ability to upload and/or make employee demographic & status changes - Ability to view employee balances without running report	- Uploading supporting documentation is difficult - Struggle with adding attachments
Notes	Adding new functionality for status file uploading and EE Balance details in 2020	Delivering how-to videos in 2020 (i.e. submitting claims) to help users

Claims	Participants
Positives	- Quick & easy process - Good experience - Never been so easy to file a claim
Negatives / Suggestions	- Better communication when claims are denied - Always having to submit supporting documentation
Notes	Replaced EOB with Denial Letter in Q4-2019



What's on the horizon for OneBridge?

- Moving into a new, larger office in 2020
- Delivering on the following major initiatives:

2020	Beyond
☐ Expand Investment Option Features ☐ Robust Popup Management Tool ☐ Participant Status File Upload ☐ Scalable “Dummy” Printing ☐ New Products ▪ MERP ▪ Commuter & Adoption Assistance ▪ COBRA ▪ HSA	☐ Provide Best in Class Participant & Employer Experience ▪ Enhance Existing Product Offerings ▪ Expand Product Suite ▪ Refine Processes ▪ Define People

- Most importantly, our desire and commitment to solidifying our relationship with the VEBA Trust for another 5 years



Let's firm up our relationship

- Let's commit to another successful 5 years of partnering by continuing to:
 - **Provide a Best in Class Participant & Employer Experience while:**
 - Improving and Refining Processes
 - Focusing on Cost Savings Opportunities
 - Delivering Cutting Edge Product Solutions
- Let's also simplify our pricing model by using an “all in” PPPM rate

**Thank you
for your
time!**

Q & A



Appendix A

Performance Guarantee Failure Penalties

Number of Performance Guarantee Failures	Penalty
First failure of any kind	Service provider shall provide an Action Plan as outlined below
Second failure of any kind	Service provider shall provide an Action Plan as outlined below
Third failure, except for a third failure of the same kind	Service provider shall provide an Action Plan as outlined below
Third failure of the same kind	\$1,000.00
Each additional failure of any kind after the third failure	\$1,500.00 per additional failure

In providing a written explanation to the Trust, service provider shall submit a written plan outlining the issue(s), proposed remediation, estimated timeframe for resolution, and a time/cost impact evaluation to complete remediation ("Action Plan"). This plan shall be shared with the Trust for approval as soon as possible, but no later than 30 days after the occurrence of the failure.

AGENDA ITEM 6.3: DEBIT CARD SUBSTANTIATION ENGINE UPDATE

 **SNAPSHOT:** In an effort to improve the overall participant experience and potentially increase the efficiency of substantiation of debit card transactions that can be approved without additional documentation, OneBridge and Gallagher have implemented new processing rules that were discussed with the Board during its October 2019 meeting.

 **RELEVANT GOAL(S):** 1. Provide best-in-class service and a high level of personalized care; and 6. Monitor regulatory, legislative, and compliance issues that affect HRAs and VEBAs.

BACKGROUND

Gallagher and OneBridge are always seeking ways to improve the overall participant experience and potentially increase the efficiency of substantiation of debit card transactions that can be approved without additional documentation. Consequently, the new adjudication rules and processes that were previously discussed with the Board during its October 2019 meeting were implemented in early January.

Gallagher and OneBridge identified several potential substantiation processes that could be implemented to improve the efficiency of substantiation for debit card transactions. First, IRS guidance permits approval of an expense where it is apparent that the expense would not be incurred “but for” a medical reason. In reviewing claims, an administrator may rely on information that is generally known to the administrator or that could be determined upon objective evidence that an expense is primarily for medical care. One example provided in this guidance is payment for a cast. Another example would be payment for ambulance services. Based upon this, Gallagher and OneBridge have reviewed and approved for adjudication transactions with certain vendors whose Merchant Category Code (MCC) establishes that a participant would not have incurred the expense but for a medical reason. These MCC categories include Optometrists and Ophthalmologists, Ambulance Services, Podiatrists and Chiropodists, Hearing Aid Sales, Service, and Supplies, Orthopedic Goods and Prosthetic Devices, etc.

Additionally, transactions with certain vendors under certain MCCs can be approved based upon statistical criteria, plus an additional filter to remove vendors with certain words or roots of words within their names that indicate more scrutiny may be required. This process involved the identification of vendors within certain MCCs that have met stringent statistical substantiation approval rates, followed by the filtering out of vendors with terminology in their names that indicate further substantiation elements may be necessary (*i.e.*, providers that must be accompanied by a prescription or letter of medical necessity). Examples of words (or their root forms) used to filter these vendors out for further substantiation are: “Holistic,” “Wellness,” “Massage,” “Natural,” etc. Transactions with these approved vendors will be approved based upon transactional and other expense information available from the debit card transaction record and experience of the administration team. OneBridge and Gallagher will conduct a periodic review of the approved debit card vendor list to confirm the statistical requirements and to identify any additional parameters that should be applied to exclude vendors and require further verification of the expense.

AGENDA ITEM 6.3: DEBIT CARD SUBSTANTIATION ENGINE UPDATE (continued)

These new rules and processes were implemented on January 6, 2020. The expectation is that these procedures will improve the percentage of debit card transactions independently verified without additional substantiation from participants to as much as 89% of all debit card transactions. We anticipate having experiential data from OneBridge and feedback from the Customer Care Center to report at the Board's June 2020 meeting.

ACTION ITEM

YES

NO

SAMPLE MOTION

None.