

CITY OF DETROIT GENERAL RETIREE HEALTH CARE TRUST

OUTSTANDING CHECK POLICY

Adopted: August 25, 2020

I. PURPOSE

The Board of Trustees of the City of Detroit General Retiree Health Care Trust is vested with the authority and responsibility for the proper operation, management and administration of benefits to be provided by the Retiree Health Care Plan for General Retirees of the City of Detroit. This policy is adopted by the Board in order to assist in the proper cash management of the RHC Trust and to ensure that RHC Trust assets are utilized solely for the benefit of its Participants and their beneficiaries.

II. DEFINITIONS

“Board” or “Board of Trustees” shall mean the Board of Trustees of the City of Detroit General Retiree Health Care Trust.

“Outstanding Check” means any RHC Trust check that has not cleared the bank, been canceled, or written off. Outstanding checks include stale, uncashed, and unclaimed checks.

“Participant” means any eligible Retiree or eligible Spouse of a Retiree, who is receiving benefits from the Plan.

“RHC Trust” or “Trust” shall mean the City of Detroit General Retiree Health Care Trust established under the Plan for the Adjustment of Debts of the City of Detroit, confirmed by the United States Bankruptcy Court for the Eastern District of Michigan on November 7, 2014, and effective as of December 10, 2014.

“Stale Check” An Outstanding Check that has not been cashed by the payee within six months of the check date.

“Uncashed Check” An Outstanding Check mailed or otherwise delivered to the payee that has not been cashed.

“Unclaimed Check” An Outstanding Check which remains uncashed for more than one-year without a claim being filed by the individual or entity entitled to the funds.

III. POLICY

A. Outstanding Checks

1. Once annually, the RHC Trust's Third-Party Administrator shall run a report of all Outstanding Checks reflected on the Trust's books as of June 30th of each year. A copy of the report shall be provided to the Board no later than its first regular meeting in the month of August.

- a. To the extent possible the annual outstanding check report shall identify all-Stale Checks and Unclaimed Checks.

B. Stale Checks

1. When an Uncashed Check is outstanding for more than six (6) months, it shall be deemed stale. The RHC Trust's Third-Party Administrator shall send written notification to the payee, at his or her last known address of record, that the Stale Check is still outstanding.

- a. The written notification shall indicate the check number, check date, and the amount of the Outstanding Check.

2. A second notification shall be sent to the payee, as his or her last known address of record, when the Stale Check is outstanding for one-year.

- a. The second notification shall indicate the check number, check date, the amount of the Outstanding Check, and that the check shall be deemed unclaimed if the payee does not claim the funds within thirty (30) days.

C. Unclaimed Checks

1. Stale Checks which go unclaimed for more than one-year shall be deemed Unclaimed Checks. A journal entry shall be entered, depositing all unclaimed funds into an unclaimed liability account of the RHC Trust.

2. Annually, in the month of January, the RHC Trust's Third-Party Administrator shall send written notification to the payees of all Unclaimed Checks at the payees' last known addresses of record.

- a. The notification shall indicate the check number, check date, the amount of the Unclaimed Check, and instructions on how to request reissuance of the Unclaimed Check.

D. Reissuance of Outstanding Checks

1. If an Outstanding Check is to be reissued, the RHC Trust's Third-Party Administrator shall have primary responsibility for voiding/cancelling the original check, if necessary, before reissuing payment to the appropriate Participant, beneficiary, or estate.

- a. Sufficient records shall be maintained of all Outstanding Check claims, reissue requests, and requests to void/cancel Stale Checks.

E. Forfeiture of Unclaimed Checks

1. Unclaimed Checks that remain on the RHC Trust's books for a period of three (3) years from the check's original date of issuance shall be deemed forfeited and the unclaimed funds shall revert to the Trust.

2. In no event shall unclaimed funds be used for purposes other than the provision of health and welfare benefits to the Participants and beneficiaries of the RHC Trust including, without limitation, escheatment to a state's unclaimed property fund.

IV. REVIEW AND MODIFICATION

The Board shall review and propose any needed modifications to this Policy as it deems necessary.

V. EFFECTIVE DATE

This policy shall take effect immediately upon its adoption by the Board.

[VEBA Letterhead]

[Date]

[Participant Name]

[Participant Address of Record]

[City/State/Zip]

Re: Check No. _____

Dear [Participant Name]:

Please be advised that the referenced check in the amount of [\$_____] was issued to you on [Date Check was Issued] by the City of Detroit General Retiree Health Care Trust (the “VEBA”). As of the date of this correspondence the check remains outstanding. Please deposit the outstanding check at your earliest convenience.

If you are unable to deposit the check or you otherwise require it to be reissued, please notify the VEBA’s third party administrator, BeneSys, as soon as possible. You may contact BeneSys via telephone at (248) 641-4913 or in writing to Detroit General Retiree Health Care Trust, 700 Tower Dr., Suite 300, Troy, MI 48098.

Respectfully submitted,

CITY OF DETROIT GENERAL
RETIREE HEALTH CARE TRUST

cc: Board of Trustees of the City of Detroit General Retiree Health Care Trust

[VEBA Letterhead]

[Date]

[Participant Name]

[Participant Address of Record]

[City/State/Zip]

Re: Check No. _____

Dear [Participant Name]:

Please be advised that the referenced check in the amount of [\$_____] was issued to you on [Date Check was Issued] by the City of Detroit General Retiree Health Care Trust (the “VEBA”). As of the date of this correspondence the check remains outstanding. Please deposit the outstanding check at your earliest convenience. Failure to deposit the check within thirty (30) days from the date of this letter will result in the check being deemed unclaimed. Unclaimed checks that remain outstanding for a period of three (3) years from the check’s original issuance date shall be deemed abandoned and the unclaimed funds shall revert to the VEBA.

If you are unable to deposit the check or you otherwise require it to be reissued, please notify the VEBA’s third party administrator, BeneSys, as soon as possible. You may contact BeneSys via telephone at (248) 641-4913 or in writing to Detroit General Retiree Health Care Trust, 700 Tower Dr., Suite 300, Troy, MI 48098.

Respectfully submitted,

CITY OF DETROIT GENERAL
RETIREE HEALTH CARE TRUST

cc: Board of Trustees of the City of Detroit General Retiree Health Care Trust

[VEBA Letterhead]

[June____, 20__]

[Participant Name]

[Participant Address of Record]

[City/State/Zip]

Re: Check No. _____

Dear [Participant Name]:

Please be advised that the referenced check in the amount of [\$_____] was issued to you on [Date Check was Issued] by the City of Detroit General Retiree Health Care Trust (the “VEBA”). As of the date of this correspondence the check remains unclaimed. Unclaimed checks that remain outstanding for a period of three (3) years from the check’s original issuance date shall be deemed abandoned and the unclaimed funds shall revert to the VEBA.

If you are unable to deposit the check or you otherwise require it to be reissued, please notify the VEBA’s third party administrator, BeneSys, as soon as possible. You may contact BeneSys via telephone at (248) 641-4913 or in writing to Detroit General Retiree Health Care Trust, 700 Tower Dr., Suite 300, Troy, MI 48098.

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