

Memorandum of Agreement

Time to Care Act Insurance Collaborative

Effective October 1, 2023

1. Introduction

The Maryland Time to Care Act (TCA) allows employers to purchase insurance to fulfill their obligations to provide TCA paid leave to employees, instead of contributing to the State Plan. It is anticipated that lower insurance premiums can be obtained when employers jointly procure the required TCA insurance.

This Memorandum of Agreement (Agreement) sets forth the basis for members of the Maryland Association of Boards of Education (MABE), the Maryland Association of Counties (MACo) and the Maryland Municipal League (MML) to participate in the Time to Care Act Insurance Collaborative.

MABE and MACo are founding Participating Employers in the Collaborative. Any member in good standing of MABE or MACo, including independent affiliated units that are supported by or a component unit of the member, may become a Participating Employer in the Collaborative by signing the Acknowledgment at the end of this Agreement. Any member in good standing of MML with at least 15 employees (counted for purposes of Section 4 below) may also become a Participating Employer in the Collaborative by signing the Acknowledgment.

The Collaborative is not a legal entity. It is a joint venture among Participating Employers on the terms set forth herein.

In case of any conflict between this Agreement and the articles of incorporation of MABE and MACo, the provisions of the articles of incorporation will control.

2. Services Provided

The Collaborative expects to provide the following services for Participating Employers:

- Prepare and circulate a Request For Proposal to insurance carriers to provide insurance coverage that qualifies as a TCA Equivalent Private Insurance Plan.
- Interface with insurance carrier(s) to support Participating Employers when purchasing TCA insurance coverage.
- Access to reduced rates for TCA consulting services provided by Bolton Partners.
- Represent the interests of Participating Employers to State of Maryland authorities with TCA enforcement responsibility.

- Such other services as are appropriate to further the purposes of the Collaborative.

3. Assets and Expenses

The Collaborative is not expected to hold assets in its own name. The Collaborative will incur expenses in furtherance of its services described in this Agreement. Expenses will be funded by membership fees paid by Participating Employers and other sources of revenue as the Collaborative may have. Fees and other revenue will be held in a bank account titled in the name of MABE, which will serve as the Collaborative's custodian. The custodian will be responsible for amounts held in that account as agent for all Participating Employers, and will keep adequate records of all deposits to and disbursements from the account.

4. Membership Fees

Participating Employers must pay membership fees for each Fee Year, determined by the following schedule:

| | |
|--------------------------|----------|
| Fewer than 200 employees | \$3,000 |
| 200 to 499 employees | \$5,000 |
| 500 to 999 employees | \$ 7,500 |
| 1,000 to 1,999 employees | \$10,000 |
| 2,000 or more employees | \$12,500 |

- The first Fee Year is October 1, 2023 – September 30, 2024.
- The second Fee Year is October 1, 2024 – December 31, 2025 (a long year).
- The third Fee Year is January 1, 2026 – December 31, 2026.
- Any Fee Year thereafter is the calendar year.

Membership fees for the first Fee Year are due within 30 days after an Employer joins the Collaborative. Thereafter, fees are due before the first day of each following Fee Year.

Employee counts are determined as of the June 30 preceding the due date of a fee payment. Employees are counted if they meet the eligibility requirements for TCA benefits on that date.

If an employer joins the Collaborative on or after October 1, 2023, the employer must pay membership fees determined as though it joined the Collaborative before October 1, 2023.

It is understood that the membership fees set forth above are based on estimates of the amounts needed to operate the Collaborative. Actual operating experience may call for increases or decreases in the membership fees, as determined by the Administrative Committee.

5. Administrative Committee

The Collaborative's day to day affairs, including incurring and payment of expenses, will be overseen by the Administrative Committee. The Committee will consist of two members

appointed by MABE and two members appointed by MACo. In addition, the Executive Directors of MABE and MACo, or their designees, will be ex officio members of the Committee.

The Committee will meet at such times and via such formats as the Committee determines. The Committee will act by majority vote of its members. No Committee member will be personally responsible for any debt or obligation of the Collaborative or of any Participating Employer.

The Committee has the discretionary authority to interpret this Agreement and to make any findings of fact necessary to carry out this Agreement and the purposes of the Collaborative.

A Committee member may resign at any time by submitting a written notice of resignation to the entity that appointed the member. A Committee member may be removed at any time for any reason, by action of the entity that appointed the member.

6. Amendment and Interpretation of Agreement

This Agreement may be amended by joint agreement of MABE and MACo. Any amendment is binding on all Participating Employers.

This Agreement will be interpreted to comply with the TCA and regulations issued under the TCA, including regulations issued by the Maryland Insurance Administration regarding TCA insurance policies.

7. Withdrawal and Removal from Collaborative

A Participating Employer may withdraw from the Collaborative by giving 30 days advance written notice to the Committee (or upon such shorter notice period as the Committee may accept). A Participating Employer may be removed from the Collaborative by joint agreement of MABE and MACo if the Employer ceases to be a member in good standing of MABE, MACo or MML, or is not in compliance with its obligations under this Agreement. No membership fees will be refunded upon withdrawal or removal from the Collaborative.

A Participating Employer that withdraws or is removed from the Collaborative is thereafter ineligible to purchase any TCA insurance policy arranged by the Collaborative. If a TCA insurance policy arranged by the Collaborative is in effect at the time of withdrawal or removal, ineligibility takes effect at the next renewal of the policy.

8. Termination of Collaborative

The Collaborative will cease to exist when all Participating Employers have withdrawn, or when MABE and MACo jointly agree to terminate the Collaborative. Any amounts remaining in the bank account maintained for the Collaborative will be returned to Participating Employers as determined by MABE and MACo.

9. Failure to Purchase and Maintain TCA Insurance

A Participating Employer that does not purchase and maintain a TCA insurance policy arranged by the Collaborative is automatically removed from the Collaborative effective upon the date the Employer's alternative compliance with the TCA takes effect. However, removal will not apply (1) if the premium rate under the TCA insurance policy exceeds the State Plan required contribution rate or (2) if the purchase and maintenance of the TCA insurance policy would conflict with the Participating Employer's obligations under a collective bargaining agreement.

ACKNOWLEDGMENT

By signing below, the Participating Employer agrees to join the Collaborative and to be bound by this Agreement.

Employer name: _____

By: _____

Name and Title: _____

Date: _____

The Administrative Committee hereby confirms receipt of the Participating Employer's Acknowledgment.

By: _____

Name: _____

Date: _____