

## **AGC HEALTH BENEFIT TRUST**

### **TRUSTEE EXPENSE POLICY**

WHEREAS, Section 408(c)(2) of the Employee Retirement Income Security Act of 1974 (“ERISA”) provides that a fiduciary can be reimbursed for “expenses properly and actually incurred, in the performance of his duties with the plan.” Section 404(a)(1)(A) adds that all expenses of plan administration must be “reasonable;” and

WHEREAS, reimbursement of Trustee expenses is provided for in Section 6.5 of the Trust Agreement governing the administration of the AGC Health Benefit Trust (“Trust”);

THEREFORE, it is the policy of the Trust that its Trustees shall be reimbursed for direct expenses properly and actually incurred by them in carrying out authorized Trust business, provided that no reimbursement shall be made for travel to attend regularly scheduled Trust meeting. Expenses for travel to attend authorized educational conferences may be reimbursed.

Reimbursement will be made only if the expenses are “actual,” “proper,” and “reasonable.” The Trust will not make payments to the Trustees for expenses not actually incurred, or for expenses of a personal nature, or for expenses which are reimbursable by others. If reimbursement is available from more than one source, the Trustee is obligated to identify the other source and make an equitable proration of expenses.

The following Guidelines shall be applicable to the administration of Trustee expenses.

### **TRUSTEE EXPENSE GUIDELINES**

#### **1. Educational Conference Expenses:**

The Board of Trustees may approve the attendance of Trustees at various educational meetings. Conference registration fees and lodging deposits will be made directly to the sponsoring organization by the Administrator. Each Trustee attending an educational conference at a location away from his place of residence shall be entitled to reasonable expenses in accordance with these guidelines.

Any Trustee attending an educational conference shall make a report concerning the conference, including any particular information obtained by the Trustee pertinent to the administration of this Trust, at the next subsequent Board of Trustees meeting. Such report shall be oral or in writing (or both) as the Trustees may prefer. All such reports shall be noted in the minutes.

#### **2. Travel Expenses for Educational Conferences**

(a) Personal Automobile: If a Trustee uses a personal automobile for Trust business, reimbursement for such usage will be at the current IRS mileage rate. Reasonable expenses incurred while traveling (meals, lodging, tolls, parking, etc.) will also be reimbursed. In no event, however, shall the Trustee be reimbursed more than the amount which would be reimbursable had air transportation been used. Reimbursable mileage will be based on the most direct route.

(b) Air Transportation: The Trustees note that generally air travel is not necessary for Trust business. However, in the event air travel is necessary, reimbursement will be made for the actual cost of airfare purchased by a Trustee for travel on Trust business, from the airport nearest his or her residence to the airport nearest to the location of Trust Business, not to exceed the amount of the appropriate airline's published coach rate. Reasonable expenses incurred in getting to and from the airport (i.e. taxi, airport bus, van, or ride sharing service) may be included. Airline charges for changing itineraries, when the Trustee has good cause for making a change, are also reimbursable. The airfare of a spouse or other person traveling with a Trustee will not be reimbursable.

(c) Rental Cars: Reimbursement will be made for the actual cost of a rental car rented by a Trustee for travel on Trust business.

(d) Travel to/from a Non-Home Location: If a Trustee is required to travel from a non-home location because he is on business or vacation, reimbursement will be made for travel from that location to the educational conference and for return to the Trustee's home. However, return to a non-home location will be allowed if reasonable and the Trustee explains the necessity for the trip on his expense voucher.

### **3. Lodging**

Reimbursement will be made for the actual cost of hotel or motel accommodations purchased by a Trustee if an overnight stay is necessary while attending a Trust meeting more than 200 miles from the Trustee's home, not to exceed the cost of a deluxe single occupancy room as determined by the Administrator prior to the meeting. Hotel/motel expenses will be payable only for the night before the meeting and for each night of each day that the meeting takes place.

Hotel/motel charges which are not reimbursable include dry cleaning charges, health club or golf course charges, gift shop charges, and mini-bar and other miscellaneous room charges. Also excluded are hotel/motel charges for family members or others who may be traveling with the Trustee. For purposes of these guidelines, these are considered personal expenses and are the Trustee's responsibility. Excluded items should be circled and subtracted from the hotel/motel billing.

### **4. Meals and Miscellaneous:**

Reimbursement will be made for the actual, reasonable cost of meals and beverages (and gratuities) purchased by a Trustee while attending a Trust meeting or while traveling to and from a meeting, and for incidental daily expenses, such as taxis and parking.

It is anticipated that when Trustees share meals and beverages, the usual practice will be for each Trustee to pay their own charges. However, a Trustee may obtain reimbursement of the cost of meals and/or beverages which he shares with other Trustees or Trust staff or Trust service providers (who are allowed to have reasonable expenses reimbursed) if the names of such person are clearly printed on the receipt.

Meal and beverage expenses which are not reimbursable are those which have been paid for by another Trustee or another party. Also excludable are meals and beverages for the Trustee's family members or other persons not connected with the Trust. For purposes of these guidelines, such items are

considered personal expenses and are the Trustee's responsibility. Excluded items should be noted and subtracted from the receipt.

Reimbursement will also be made for any long-distance charges and internet related charges incurred by a Trustee from his home or business location while communicating about Trust business with other Trustees or with Trust staff, and for any related copy machine, postage, or overnight delivery charges.

**5. Reporting of Expenses:**

Application for reimbursement of expenses shall be made on the voucher form approved with these guidelines and shall be filed with the Administrator within 90 days after the expense is incurred. Appropriate documentation of air travel expenses, rental car billings and hotel and motel billings, together with the actual receipts for all expenses, shall be attached to the form.

**6. Processing of Expense Vouchers:**

The Administrator shall process all expense vouchers in accordance with these guidelines. These guidelines cover reoccurring situations, and it is anticipated that there may be situations not specifically addressed. Accordingly, vouchers seeking reimbursement in circumstances not covered by these guidelines, or that appear inconsistent with these guidelines, will be referred to the Chair and for review and action.

If the Chair cannot determine the outcome based on the information provided, the issue shall be referred to the full Board of Trustees. Any question as to a voucher presented by the Chair will be referred directly to the full Board of Trustees. Trustees are reminded that the Administrator has no discretionary authority in connection with the reimbursement of Trustee expenses and any questions relating to such matter should be directed to the Chair or the full Board of Trustees.

**7. Interpretations:**

The full Board of Trustees authorized to provide interpretations of these guidelines and to determine the appropriateness of expenses not specifically covered in these guidelines.

Adopted at a Trust Meeting this 14<sup>th</sup> day of April, 2022.