



Resolution –Approval of Amended and Restated ERISA Wrap Plan for Health and Welfare Benefit Plans

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Background

- Pedernales Electric Cooperative, Inc. (PEC or Cooperative) provides various health and welfare benefits to its employees
- The Employee Retirement Income Security Act of 1974 (ERISA) sets minimum standards for most voluntarily established health plans in private industry to provide protection for individuals in these plans.
- A Wrap Plan document consolidates multiple employer-provided health and welfare benefits into a single ERISA compliant document.
- PEC's current Wrap Plan was last amended in 2023 before it converted its health insurance to a self-funded plan.
- Earlier this year, PEC engaged outside counsel to review its benefits to ensure PEC's plans and associated documentation were consistent with the law and its policies.
 - These changes were presented to the Board in Executive Session in October.

Wrap Plan Amendments

- PEC determined that amendments to its Wrap Plan were required.
 - PEC needs to restate its wrap plan and summary plan descriptions to reflect change self-funded medical insurance.
 - In addition, various other updates were identified to ensure compliance with ERISA and to be consistent with PEC's existing benefits and coverages.
- Upon final approval, the Wrap Plan Amendments will be effective as of January 1, 2025 to cover the period since PEC established its self-funded insurance plan was implemented.



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