

Designation of Reporting Responsibilities Under Internal Revenue Code Section 6055

Under Internal Revenue Code (“Code”) Section 6055, a government employer may enter into a written agreement with another governmental unit that designates the other governmental unit as the sponsor required to file returns under Code Section 6055 and furnish the required statements for some or all of the individuals receiving minimum essential coverage under the same plan or arrangement.

Any government employer that (1) is not an applicable large employer, as defined in applicable federal laws and regulations, and (2) participates in the Texas School Employees Uniform Group Health Coverage Program (“TRS-ActiveCare”) (each such government employer hereinafter referred to as a “Participating Entity”) may elect to designate the Teacher Retirement System of Texas (“TRS”), acting in its capacity as trustee of TRS-ActiveCare, as its designated governmental unit to fulfill the reporting requirements under Code Section 6055 for its active employees and COBRA qualified beneficiaries (and their dependents) who are enrolled in one of the PPO plans (TRS-ActiveCare 1-HD, TRS-ActiveCare Select, and TRS-ActiveCare 2) offered under TRS-ActiveCare, for the months of enrollment during the 2018 calendar year.

TRS will not become the designated sponsor for filing returns under Code Section 6055 for any applicable large employers, as defined in applicable federal laws and regulations, with regard to the 2018 calendar year.

Pursuant to Treasury Regulation § 1.6055-1(c)(2)(ii), the Participating Entity listed below hereby designates TRS as its designated governmental unit to fulfill all reporting responsibilities under Code Section 6055 for its active employees and COBRA qualified beneficiaries (and their dependents) who are enrolled in one of the PPO plans offered under TRS-ActiveCare for the months of enrollment during the 2018 calendar year.

This designation of reporting responsibilities under Code Section 6055 (this “Designation”) must be made on or before December 19, 2018 to be effective for the 2018 calendar year Code Section 6055 reporting obligation. This designation is only for the Code Section 6055 reporting obligations associated with the 2018 calendar year, and shall remain in effect until it is terminated under either Paragraph 19 or Paragraph 20 below.

By signing this Designation, the Participating Entity and TRS agree to the following:

1. **By executing this Designation, the Participating Entity fully represents and warrants that it is NOT an applicable large employer, as defined in applicable federal laws and regulations.**
2. This Designation relates only to the reporting obligations under Code Section 6055 of (i) the Participating Entity’s active employees and COBRA qualified beneficiaries (and their dependents) who are enrolled in one of the PPO plans (TRS-ActiveCare 1-HD, TRS-ActiveCare Select, and TRS-ActiveCare 2) offered under TRS-ActiveCare (ii) for **only** those months of the 2018 calendar year during which such individuals are enrolled in one of the PPO plans.
3. Absent this Designation, the Participating Entity is the plan sponsor subject to the requirements of Code Section 6055 with regard to its active employees and COBRA qualified beneficiaries (and their dependents) who are enrolled in one of the PPO plans offered under TRS-ActiveCare, for the months of enrollment during the 2018 calendar year.

4. For the months of coverage during the 2018 calendar year, this Designation does not relate to the reporting of active employees and COBRA qualified beneficiaries (and their dependents) who are enrolled in one of the HMO plans available through TRS-ActiveCare; it will remain the obligation of each HMO to appropriately report individuals enrolled in its HMO plan.

Additionally, for the months of coverage during the 2018 calendar year, this Designation does not relate to the reporting of active employees and COBRA qualified beneficiaries (and their dependents) who are enrolled in health coverage that is not offered under TRS-ActiveCare.

5. Pursuant to Treasury Regulation § 1.6055-1(c)(2)(ii), TRS agrees to provide individuals statements and report information required by Code Section 6055 on behalf of the Participating Entity with respect to the Participating Entity's active employees and COBRA qualified beneficiaries (and their enrolled dependents) who are enrolled in one of the PPO plans offered under TRS-ActiveCare for the month(s) during the 2018 calendar year in which the active employee and COBRA qualified beneficiaries and their dependents are enrolled in one of the PPO plans offered under TRS-ActiveCare.
6. TRS shall use the forms and procedures required by the Internal Revenue Service (as they may be amended from time to time) to provide statements and returns on behalf of the Participating Entity.
7. It shall be the sole responsibility of the Participating Entity to provide its Employer Identification Number to TRS or to bswift, LLC by providing all of the information requested in the Participating Entity Information block located on the last page of this designation.
8. It shall be the sole responsibility of the Participating Entity to obtain the Social Security Numbers of its active employees and their dependents enrolled during the 2018 calendar year in one of the PPO plans offered under TRS-ActiveCare and provide the Social Security Numbers to bswift, LLC on or before December 19, 2018 for the 2018 calendar year being reported. The Participating Entity shall make reasonable efforts to obtain all such Social Security Numbers in a manner determined by the Internal Revenue Service and shall provide written documentation to TRS of those efforts upon TRS' request. If the Participating Entity is unable to obtain the Social Security Numbers of one or more of the above noted individuals, after making the reasonable efforts required by the Internal Revenue Service, the Participating Entity shall obtain the dates of birth of such individuals and provide such dates of birth to bswift, LLC on or before December 19, 2018 for the 2018 calendar year being reported.
9. The Participating Entity shall provide all information, and all reasonable cooperation, requested by TRS in TRS' performance of its obligations under this Designation.
10. The Participating Entity shall retain a signed and executed copy of this Designation in its books and records.
11. The Participating Entity represents that it is not a part of a controlled group of entities.
12. The Participating Entity shall hold harmless TRS against, and reimburse TRS for, any claims, expenses, demands, suits, actions, judgments, recoveries, losses, damages, taxes, penalties, fines, fees, legal fees, or costs (including, without limitation, attorney fees) arising out of or related to any civil or criminal claims, demands, causes of action, lawsuits, or governmental enforcement actions, whether brought by a third party or asserted by the Participating Entity, arising out of or related to the Participating Entity's acts and omissions associated with the Participating Entity's obligations under this Designation.

13. This Designation constitutes the entire agreement of the Participating Entity and TRS and supersedes all prior oral and written agreements or understandings between them with respect to the matters provided for herein.
14. This Designation, to the extent not preempted by the Code, shall be governed by and construed in accordance with the laws of the State of Texas.
15. Any notice required or permitted to be given by either party hereunder shall be sufficient if in writing and hand delivered (including delivery by courier) or sent by postage prepaid certified mail return receipt requested to the mailing address noted below. Alternatively, with regard only to TRS, TRS may provide notice to the Participating Entity through the use of an electronic messaging system (*e.g.*, by way of a Business Administrator (BA) Blast), directed to an electronic mail address provided below by the Participating Entity. The Participating Entity may change its addresses for notice by written notice to TRS.
16. By executing this Designation, the Participating Entity acknowledges that bswift, LLC will be performing reporting functions described in this Designation and that Participating Entity shall be responsible for the costs associated with bswift, LLC services. To that end, Participating Entity agrees to execute a services agreement with bswift, LLC concerning IRC Section 6055 reporting obligations regarding the Participating Entity's active employees and COBRA qualified beneficiaries (and their dependents) who are enrolled in one of the PPO plans offered under TRS-ActiveCare for the months of enrollment during the 2018 calendar year (the "bswift Agreement") to allow for the direct payment by Participating Entity to bswift, LLC for those services. TRS will not accept this Designation unless and until the Participating Entity has also executed the bswift Agreement. bswift's address is set forth in Section 18 immediately below.
17. This Designation is to be effective only in regards to the rights and obligations of the Participating Entity and TRS with respect to each other. It is expressly not the intent of the parties to create any independent rights in any third party (including, without limitation, any employee or COBRA qualified beneficiary or dependent enrolled in TRS-ActiveCare) or to make any third-party beneficiary of this Designation and no privity of contract shall exist between third parties and the Participating Entity or TRS as a result of this Designation.
18. For purposes of this Designation, the mailing addresses of bswift, LLC and TRS are as follows:

bswift, LLC:

bswift, LLC
 10 S. Riverside Plaza, Ste. 1100
 c/o TRS-ActiveCare Account Team
 Chicago, IL 60606

TRS:

Teacher Retirement System of Texas
 c/o Chief Health Care Officer
 1000 Red River Street
 Austin, Texas 78701

19. Unless sooner terminated, this Designation will automatically terminate sixty (60) days following delivery of written notice of termination given by one party to the other party, provided that neither party can terminate this Designation effective after January 1, 2019.
20. Notwithstanding Paragraph 19 immediately above, this Designation will automatically terminate upon (i) mutual agreement of the parties or (ii) the date of termination of the bswift Agreement executed by the Participating Entity.

Participating Entity Information

Participating Entity Name:

TRS Reporting Entity Number
of the Participating Entity:

Participating Entity EIN:

Participating Entity Mailing Address:

Participating Entity Electronic Mail Address:

Participating Entity Contact:

Name: _____

Title: _____

Telephone #: _____

Participating Entity's Authorized Signature:

This ___ day of _____, 2018

Designated Governmental Unit Information

Teacher Retirement System of Texas,
acting in its capacity as trustee of
TRS-ActiveCare
1000 Red River Street
Austin, Texas 78701-2698

TRS' Authorized Signature:

This ___ day of _____, 2018

If TRS accepts this Designation, TRS will return a signed copy of the form to the Participating Entity for its file. This Designation is not in effect until the document has been signed by both the Participating Entity and TRS. If you have any questions, please contact Ayana White at (860) 900-2037.