**EXECUTIVE MEDICAL**

**REIMBURSEMENT PLAN**

This Executive Medical Reimbursement Plan (also known as the “EMRP”) is legally created and made effective this [NTH] of [MONTH] of the year [NUMBER] under the [LAW/ACT] of [STATE/PROVINCE].

**TERMS AND CONDITIONS**

The following are the terms and conditions of this EMRP:

1. **QUALIFICATIONS**

In order for an employee to be qualified for an EMRP, he or she needs to be an officer of [COMPANY’S NAME] (which will be known as the “Company” throughout the entirety of this EMRP). The employee is also obligated to fill out the necessary forms that will grant coverage for himself or herself and any dependents if applicable under the Company’s Group Health Plan: [COMPANY’S GROUP HEALTH PLAN NAME].

1. **ENROLLMENT PROCESS**

Once the employee becomes qualified to receive coverage from the EMRP, he or she will be automatically enrolled in the [COMPANY’S GROUP HEALTH PLAN NAME] Group Health Plan on the basis that he or she is still currently enrolled in the said [COMPANY’S GROUP HEALTH PLAN NAME] Group Health Plan.

1. **COVERAGE PROVIDED**

The coverage provided by the EMRP to the employee may be extended for any medical expenditure that would be classified as a deductible medical expenditure under applicable Income Tax Regulations declared by the [FEDERAL/STATE/PROVINCIAL] government. This may also include those expenditures which are not compensated for by the [COMPANY’S GROUP HEALTH PLAN NAME] Group Health Plan which include, but are not limited to the following: orthodontics, eyeglasses, deductible, coinsurance, plan exclusions, and medically necessary additions and alterations made to a home or facility. Any such expenditures similar to those that were mentioned will be covered by the EMRP only on the basis that such expenditures are in accordance with [IRS OR APPLICABLE REVENUE AGENCY] regulations.

This EMRP is not an insurance plan, but is rather a cash bonus plan. The EMRP is not funded by [FEDERAL EMPLOYEE RETIREMENT INCOME SECURITY ACT OR ANY OTHER APPLICABLE ACT] nor is it under any of its provisions.

1. **BENEFITS PROVIDED**

The EMRP will fully reimburse the employee for acceptable and eligible medical expenses and will not designate any deductible as required.

1. **CLAIM FILING PROCEDURE**

Any bill regarding medical expenditures are to be submitted to the [NAME OF CLAIMS ADMINISTRATOR]. These are to be enclosed within the special MRP (Medical Reimbursement Plan) envelopes that are provided at [SPECIFY LOCATION HERE]. Upon receipt of these bills, the Claims Administrator is expected to first pay and settle for the benefits provided by the [COMPANY’S GROUP HEALTH PLAN NAME] Group Health Plan. The EMRP will also offer coverage and full reimbursement for expenditures that are only offered on partial coverage basis or are not offered for coverage at all by the [COMPANY’S GROUP HEALTH PLAN NAME] Group Health Plan.

1. **MAXIMUM ANNUAL BENEFIT**

An amount of $[AMOUNT] will be the equivalent of the maximum EMRP benefits payable within the agreed upon calendar year that a covered Company employee and his or her family are eligible for.

1. **APPLICABLE TAXES**

Payments that are made under the EMRP are considered as regular income, while the benefits that the employee receives from the Company’s Group Health Plan are not considered as regular income since they are not taxable. However, both of these payments are under the rules and restrictions of not only Federal Income Tax but [STATE/PROVINCE] Income Tax as well. If the employee’s salary is discovered to be below the [FICA OR APPLICABLE INSURANCE CONTRIBUTION ACT] salary limit, then both of the payments made under the EMRP and the benefits from the Company’s Group Health Plan shall also be affected by the rules and regulations of the [FICA OR APPLICABLE INSURANCE CONTRIBUTION ACT].

1. **ADDITIONAL REIMBURSEMENT**

While the EMRP still remains effective and offers coverage, the Company is obligated to make any additional payments to eligible employees who were able to receive benefits during the preceding year every [MONTH] of the year. The amount that the Company will have to pay will be a pre-determined percentage of the EMRP benefits that shall also cover the corresponding taxes incurred by the payment of such benefits. Take note that this percentage may be modified frequently so as to remain in accordance with the applicable and required tax rates. Additional reimbursements are also considered as taxable income. As a result, they will be included in the employee's [W-2 OR APPLICABLE WAGE AND TAX STATEMENT] for the specific year that the additional reimbursement was granted.

1. **TERMINATION OF COVERAGE**

The coverage provided by the EMRP to the Company employee will be terminated upon satisfaction of one or more of the following requirements:

9.1. The employee decides and agrees to terminate his or her contract with the [COMPANY].

9.2. The coverage provided by the EMRP of the Company terminates either on the basis that the employee has voluntarily agreed to its termination, or the Company has announced that the EMRP Coverage has been cancelled and is no longer applicable.

9.3. Upon the conclusion of an employee’s leave of absence, with the exception that the employee decides to return to the Company and work full-time.

9.4. The employee is no longer officially employed by the Company.

9.5. The Company has made the decision to discontinue the EMRP.