

As Amended May 23, 2001

CONSTITUTION

AMERICAN POSTAL WORKERS UNION, AFL-CIO HEALTH PLAN DEPARTMENT

ARTICLE 1

Title

This organization shall be known as the American Postal Workers Union, AFL-CIO, Health Plan Department, hereinafter referred to as the "Health Plan."

ARTICLE 2

Object

The object of this organization shall be to provide a means of financial protection for members of the American Postal Workers Union, AFL-CIO, hereinafter referred to as the "APWU," in the event of injury or illness of a member, spouse, or children who may be enrolled in the APWU Health Plan or its Conversion Plan.

ARTICLE 3

Description

Section 1. The APWU Health Plan shall be governed by the provisions of the Federal Employees Health Benefits Act of 1959, **as amended**, and regulations issued pursuant thereto, and the contract between the APWU and the United States Office of Personnel Management. The rates and benefits of the APWU Health Plan shall be set forth in the official brochure published annually by the U.S. Office of Personnel Management.

Section 2. The Health Plan Department shall provide an ancillary program, known as the "Conversion Plan" (formerly the "Regular Plan") in accord with regulations promulgated by the Office of Personnel Management. The rates and benefits of the Conversion Plan shall be published separately from time to time in a publication entitled "Terms and Conditions of the APWU Health Plan Conversion Plan."

ARTICLE 4

Eligibility

Section 1. The following persons and their dependants shall be eligible to participate in the APWU Health Plan:

- a. Any employee of the **United States Postal Service (hereinafter referred to as "Postal Service")** who is in a bargaining unit represented by the

- American Postal Workers Union, AFL-CIO, provided that the employee is a member in good standing of the APWU;
- b. Any annuitant who was in a bargaining unit represented by the APWU prior to retirement and who meets the requirements for membership in the Retirees Department of the APWU set forth in the Constitution and Bylaws of the APWU; provided that the retiree is a member in good standing of the APWU or of the APWU Retirees Department;
 - c. Any active or retired employee of the Postal Service who is not or was not in a bargaining unit represented by the APWU , provided that any such employee is a member in good standing of the APWU and any such retiree is a member in good standing of the APWU or the APWU Retirees Department;
 - d. Any active or retired federal employee who pays to the National Secretary-Treasurer of the APWU annual associate membership dues in the amount provided by the Constitution and Bylaws of the APWU, AFL-CIO; and
 - e. Any survivor/dependent annuitant of a postal or federal employee.

Section 2. The following persons shall be eligible for participation in the Conversion Plan:

Any individual who meets the criterion set forth in the Federal Employees Health Benefits Act of 1959, as amended, and the regulations promulgated thereunder by the Office of Personnel Management, upon payment of an Associate Member fee and the premium specified in the "Terms and Conditions" of the Conversion Plan.

ARTICLE 5

Officers

Section 1. **PRESIDENT**—The President of the APWU shall be President and Chairman of the Board of Directors of the Health Plan. The President shall have general supervision over the affairs of the Health Plan and over the other officers including authority to require such officers to perform their duties in compliance with this constitution. The President shall preside at meetings of the Board of Directors and shall fill all vacancies from any cause whatsoever, until such vacancy is filled by election. The President shall decide all procedural disputes which are not resolved by the Director of the Health Plan.

Section 2. **DIRECTOR**—The Director shall keep an accurate record of all proceedings of the meetings of the Board of Directors. The Director shall keep records of members and claims paid. The Director shall submit to the Board of Directors a complete and accurate statement of all receipts and expenditures annually. The Director shall deposit all funds entrusted to him promptly in a bank or other financial institution designated by the Board of Directors. The Director shall furnish a bond for an amount designated by the Board of Directors, issued by a reliable surety company, the cost of which shall be borne by the Health Plan.

The Director shall be charged with full responsibility to provide that all proper claims are acknowledged and paid and shall handle all correspondence concerning pending or anticipated claims and such other duties as may be assigned to him by the President or Board of Directors.

The Director shall represent the Health Plan at Conventions of the APWU and on such occasions he shall submit a full report of the management of his office. The Director shall also submit his books and records to a certified public accountant for audit at the close of each fiscal year.

The Director is the only officer or member of the Health Plan or of the APWU authorized to receive service of legal process on behalf of the APWU Health Plan or Conversion Plan for any claims which may arise against it under the APWU Plan or the Conversion Plan. In any litigation so arising, federal law will govern. Nothing herein stated shall constitute a waiver of the provisions found in Section 3 hereof giving the Board of Directors of the Health Plan authority to provide for the resolution of disputed claims.

The Director shall be elected by referendum at the same time and in the same manner as the APWU General Officers in accord with the Constitution and Bylaws of the APWU. At the expiration of his term of office, the Director shall deliver to his successor all books, papers, money and other property of the Health Plan under his control and in his possession.

Section 3. BOARD OF DIRECTORS—The Board of Directors shall consist of members of the National Executive Board of the APWU and the Director of the APWU Health Plan. It shall meet at the call of the President or, upon request of three-quarters of the Board of Directors, through the Director. It shall supervise all business of the Health Plan not otherwise provided for. The Board shall make provision for appeals by members of the Health Plan of decisions on disputed claims. The Board shall pass on all expenditures and conduct proper audits of the books of the Health Plan. The Board shall have the power to levy assessments and shall have general power to take such action as may be necessary to improve, strengthen, and safeguard plans operated by the Health Plan.

Section 6. DISABILITY OF THE DIRECTOR—In the event the Director is disabled or has been found to be unable for any reason whatsoever to perform the duties of his office by a three-fourths vote of the members of the Board of Directors present at a regular constituted meeting of the Board, the President shall designate a Director to act in his place until said officer's disability ceases.

ARTICLE 6

Local Union Duties

Each Local of five or more members may designate one or more Health Plan representatives to handle all Health Plan business of the Local. Such Local shall be allowed compensation by the Health Plan of One Dollar (\$1.00) per member per annum on the number of that Local's members enrolled in the APWU Plan. It shall be the Representatives' duty to supply members of the Local the forms necessary to file claims and to assist the members in the filing of such claims. The Health Plan Representative must be a member of the APWU Plan.

ARTICLE 7

Compensation and Expenses

Section 1. The Director shall be given the salary and benefits stipulated in the Constitution and Bylaws of the APWU. **The Director's salary** and necessary expenses shall be paid from the funds of the Health Plan. **The Director** shall receive all benefits provided for **officers of the APWU** in the Constitution and Bylaws of the APWU.

Section 2. The expenses of the **operation** and administration of the Health Plan are to be borne by the funds of the Health Plan in accord with the APWU contract with the U.S. Office of Personnel Management. These expenses will include the APWU's share of the Health Plan officers retirement as well as the amounts equal to the Government contributions for insurance.

ARTICLE 8

Quorum of Board of Directors

Two-thirds of the Board of Directors shall constitute a quorum for the transaction of business and, except as otherwise specified in this Constitution, the acts of majority of the Directors present at a meeting at which quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board, there be less than a quorum present, those present shall adjourn the meeting to a future specified time.

ARTICLE 9

Authority of Board of Directors to Prescribe Terms and Conditions of the Conversion Plan

Section 1. The Board of Directors by a vote of three-fourths of its members present at the regularly constituted meeting may adopt and amend the Terms and Conditions of the Conversion Plan, including, but not limited to, terms of membership, time and amount of premium payments and benefits offered.