DIRECT DEBIT PAYMENT WITHDRAWAL

The District encourages retirees and COBRA participants to have payments for health, dental, and life insurance premiums debited directly from their checking or savings account. Instead of writing paper checks, purchasing postage stamps or traveling to pay your premiums, the District, with your written authorization, will instruct the bank to electronically debit your checking or savings account. This ensures your payments will be on time and eliminates the worry about coverage cancellation due to late payments. Direct debit will be convenient for you and reduces District expenses.

QUESTIONS & ANSWERS:

When are premium payments due? Payments are due on the last business day of the month for the next month’s premiums. Direct debit would ensure your payments are received on the last business day of the month.

How will the system work? After you complete and submit the Authorization Agreement, the District will instruct the financial institution to electronically debit your checking/savings account on the scheduled insurance due date.

When can I expect my account to be debited? Direct debit transactions will be scheduled to occur on the last business day of each month when the premium is due.

What if I have insufficient money in my account to pay a direct debit or my account has been closed? If the transfer is not successful due to no fault of the District, you will receive a letter within several days of the original transfer requesting payment. In addition, applicable statutory non-sufficient funds fees would be assessed as in any other situation where there are insufficient funds.

How much money will be taken out of my account? You will be debited monthly for one month’s insurance premiums. Any past premiums due must be paid by check.

How will premium changes or corrections be handled? Your monthly invoice will reflect any changes and notify you of the premium to be deducted from your account.

Will I still receive an enrollment packet? Yes. The direct debit option will not affect the annual open enrollment process.

How do I sign up? On the backside of this sheet is a Direct Debit Authorization Agreement. Simply complete the form and attach a voided check. If you choose a savings account instead, please verify your correct routing numbers with your bank or credit union.

What if I do not elect direct debit at this time? You are encouraged to enroll at this time, but may enroll at a future date. Payments are due on the last business day of the month in which you are billed for the following month’s insurance.

What if I currently have a Fund Balance? Prior to your fund balance becoming exhausted, you will receive notification along with a Direct Debit Authorization Agreement to complete at that time. You MUST pay the balance due by check before Direct Debit can start.

Will my insurance be cancelled if I am late making payment? Payments not received within a 30-day grace period will be sent an arrears letter indicating if payment is not received within 5 days, your insurance will be cancelled. If your insurance is cancelled, it cannot be reinstated.

Why is Direct Debit being recommended? The District has received numerous requests for direct debit payment. It is convenient for you and will be more efficient and is a cost savings for the District. In addition, external auditors have informed the District it is against State Statute to “loan” money to individuals. In essence, your payment needs to be received prior to the District paying the insurance company.

What if I have further questions? Please contact the Benefits Department at (218) 336-8723.

SIGN UP ON THE BACK SIDE OF THIS SHEET TO TAKE ADVANTAGE OF THIS SERVICE!

RETIREE & COBRA PARTICIPANTS
DIRECT DEBIT AUTHORIZATION AGREEMENT
I authorize Independent School District No. 709 (District) and the financial institution listed below to debit my account automatically for my insurance premium on each scheduled due date. This authorization will remain in effect until the District has received written notification from me of its termination and the District has had a reasonable opportunity to act on it. I understand that the District may be required to periodically initiate a premium change and that I will receive 10 days written notice of such changes. If a change in premium results from my actions, I will receive a written notice advising me of the new amount. Additionally, if the District incorrectly debits my account, I authorize the District to correct the error by initiating an adjusting debit/credit entry or to adjust the entry on my next scheduled due date.

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<thead>
<tr>
<th>Participant Name:</th>
<th>Bank Name:</th>
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<tbody>
<tr>
<td>Spouse Name (if covered):</td>
<td>Bank Telephone #:</td>
</tr>
<tr>
<td>Phone:</td>
<td>Bank Routing #:</td>
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<tr>
<td>Signature:</td>
<td>Account #:</td>
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<td>Spouse Signature (if covered):</td>
<td>Checking ☐ Savings ☐</td>
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<tr>
<td>Date:</td>
<td>Customer #: I910 __ __ __ __</td>
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<td>Spouse Customer #: I910 __ __ __ __ (If covered under separate District policy)</td>
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**Direct Debits will occur on the last business day of the month.**

**PLEASE ATTACH VOIDED CHECK HERE.**

Notify the Benefits Department if you change or close your account by the 5th of the month.

**RETURN TO:**
**BENEFITS DEPARTMENT**
**215 N. 1ST AVENUE E.**
**DULUTH, MN  55802**
**(218) 336-8723**