

PROPOSAL PREPARED FOR

Voluntary Employee Benefits Association Trust



**REQUEST FOR PROPOSAL FOR
CONTRACTUAL SERVICES
Voluntary Employees Beneficiary
Association (VEBA) Pilot Plan
RFP 5837 Z1**

Submittal Due: May 17, 2018
at 2:00 PM (Central Time)

ORIGINAL

SUBMITTED TO:

State Purchasing Bureau
1526 K Street, Suite 130
Lincoln, NE 68508
Phone: 402.471.6500
Attn: Teresa Fleming, Buyer



PREPARED BY:

Jeff Gilson
Public Sector Markets Vice President
Total Administrative Service Corporation
o | 608.268.8881
e | Jeff.Gilson@tasconline.com

REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

BIDDER MUST COMPLETE THE FOLLOWING

By signing this Request for Proposal for Contractual Services form, the bidder guarantees compliance with the procedures stated in this Request for Proposal, and agrees to the terms and conditions unless otherwise indicated in writing and certifies that bidder maintains a drug free work place.

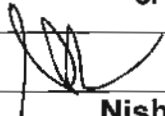
Per Nebraska's Transparency in Government Procurement Act, Neb. Rev Stat § 73-603 DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska Contractors. This information is for statistical purposes only and will not be considered for contract award purposes.

_____ NEBRASKA CONTRACTOR AFFIDAVIT: Bidder hereby attests that bidder is a Nebraska Contractor. "Nebraska Contractor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this RFP.

_____ I hereby certify that I am a Resident disabled veteran or business located in a designated enterprise zone in accordance with Neb. Rev. Stat. § 73-107 and wish to have preference, if applicable, considered in the award of this contract.

_____ I hereby certify that I am a blind person licensed by the Commission for the Blind & Visually Impaired in accordance with Neb. Rev. Stat. §71-8611 and wish to have preference considered in the award of this contract.

FORM MUST BE SIGNED USING AN INDELIBLE METHOD (NOT ELECTRONICALLY)

FIRM:	Total Administrative Services Corporation (TASC)
COMPLETE ADDRESS:	2302 International Lane, Madison, WI 53704-3136
TELEPHONE NUMBER:	608.237.4946
FAX NUMBER:	608.681.9638
DATE:	5/14/2018
SIGNATURE:	
TYPED NAME & TITLE OF SIGNER:	Nisha Weyker Executive Vice President, Large Markets & Sales Operations

II. TERMS AND CONDITIONS

Bidders should complete Sections II through VI as part of their proposal. Bidder is expected to read the Terms and Conditions and should initial either accept, reject, or reject and provide alternative language for each clause. The bidder should also provide an explanation of why the bidder rejected the clause or rejected the clause and provided alternate language. By signing the RFP, bidder is agreeing to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the proposal. The State reserves the right to negotiate rejected or proposed alternative language. If the State and bidder fail to agree on the final Terms and Conditions, the State reserves the right to reject the proposal. The State of Nebraska is soliciting proposals in response to this RFP. The State of Nebraska reserves the right to reject proposals that attempt to substitute the bidder's commercial contracts and/or documents for this RFP.

The bidders should submit with their proposal any license, user agreement, service level agreement, or similar documents that the bidder wants incorporated in the Contract. The State will not consider incorporation of any document not submitted with the bidder's proposal as the document will not have been included in the evaluation process. These documents shall be subject to negotiation and will be incorporated as addendums if agreed to by the Parties.

If a conflict or ambiguity arises after the Addendum to Contract Award have been negotiated and agreed to, the Addendum to Contract Award shall be interpreted as follows:

1. If only one Party has a particular clause then that clause shall control;
2. If both Parties have a similar clause, but the clauses do not conflict, the clauses shall be read together;
3. If both Parties have a similar clause, but the clauses conflict, the State's clause shall control.

A. GENERAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NLS			

The contract resulting from this RFP shall incorporate the following documents:

1. Request for Proposal and Addenda;
2. Amendments to the RFP;
3. Questions and Answers;
4. Contractor's proposal (RFP and properly submitted documents);
5. The executed Contract and Addendum One to Contract, if applicable ; and,
6. Amendments/Addendums to the Contract.

These documents constitute the entirety of the contract.

Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment to the executed Contract with the most recent dated amendment having the highest priority, 2) executed Contract and any attached Addenda, 3) Amendments to RFP and any Questions and Answers, 4) the original RFP document and any Addenda, and 5) the Contractor's submitted Proposal.

Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

B. NOTIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
<i>nu</i>			

Contractor and State shall identify the contract manager who shall serve as the point of contact for the executed contract.

C. GOVERNING LAW (Statutory)

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that, (1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State's Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this agreement must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity.

The Parties must comply with all applicable local, state and federal laws, ordinances, rules, orders, and regulations.

D. BEGINNING OF WORK

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
<i>nu</i>			

The bidder shall not commence any billable work until a valid contract has been fully executed by the State and the successful Contractor. The Contractor will be notified in writing when work may begin.

E. CHANGE ORDERS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
<i>nu</i>			

The State and the Contractor, upon the written agreement, may make changes to the contract within the general scope of the RFP. Changes may involve specifications, the quantity of work, or such other items as the State may find necessary or desirable. Corrections of any deliverable, service, or work required pursuant to the contract shall not be deemed a change. The Contractor may not claim forfeiture of the contract by reasons of such changes.

The Contractor shall prepare a written description of the work required due to the change and an itemized cost or fees sheet for the change. Changes in work and the amount of compensation to be paid to the Contractor shall be determined in accordance with applicable unit prices if any, a pro-rated value, or through negotiations. The State

shall not incur a price increase for changes that should have been included in the Contractor's proposal, were foreseeable, or result from difficulties with or failure of the Contractor's proposal or performance.

No change shall be implemented by the Contractor until approved by the State, and the Contract is amended to reflect the change and associated costs or fees, if any. If there is a dispute regarding the cost or fees, but both parties agree that immediate implementation is necessary, the change may be implemented, and cost negotiations may continue with both Parties retaining all remedies under the contract and law.

F. NOTICE OF POTENTIAL CONTRACTOR BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
ncw			

If Contractor breaches the contract or anticipates breaching the contract, the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

G. BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
ncw			

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the Contractor, the State may contract the service from other sources and hold the Contractor responsible for any excess costs or fees occasioned thereby.

The State's failure to make payment shall not be a breach, and the Contractor shall retain all available statutory remedies and protections.

H. NON-WAIVER OF BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
ncw			

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.

I. SEVERABILITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NW			

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

J. INDEMNIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NW			

1. GENERAL

The Contractor agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all third party claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, Subcontractors, consultants, representatives, and agents, resulting from this contract, except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

2. INTELLECTUAL PROPERTY

The Contractor agrees it will, at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of, result from, or are attributable to, the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the Contractor or its employees, Subcontractors, consultants, representatives, and agents; provided, however, the State gives the Contractor prompt notice in writing of the claim. The Contractor may not settle any infringement claim that will affect the State's use of the Licensed Software without the State's prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State's use of any intellectual property for which the Contractor has indemnified the State, the Contractor shall, at the Contractor's sole cost and expense, promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State's behalf to provide the necessary rights to the State to eliminate the infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State's election, the actual or anticipated judgment may be treated as a breach of warranty by the Contractor, and the State may receive the remedies provided under this RFP.

3. PERSONNEL

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel, including subcontractor's and their employees, provided by the Contractor.

4. SELF-INSURANCE

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008). If there is a presumed loss under the provisions of this agreement, Contractor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,829 – 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Section 81-8,294), Tort (Section 81-8,209), and Contract Claim Acts (Section 81-8,302), as outlined in Neb. Rev. Stat. § 81-8,209 et seq. and under any other provisions of law and accepts liability under this agreement to the extent provided by law.

5. The Parties acknowledge that Attorney General for the State of Nebraska is required by statute to represent the legal interests of the State, and that any provision of this indemnity clause is subject to the statutory authority of the Attorney General.

K. ATTORNEY'S FEES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
<i>NU</i>			

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if order by the court, including attorney's fees and costs, if the other Party prevails.

L. ASSIGNMENT, SALE, OR MERGER

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
<i>NU</i>			

Either Party may assign the contract upon mutual written agreement of the other Party. Such agreement shall not be unreasonably withheld.

The Contractor retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Contractor's business. Contractor agrees to cooperate with the State in executing amendments to the contract to allow for the transaction. If a third party or entity is involved in the transaction, the Contractor will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

M. CONTRACTING WITH OTHER NEBRASKA POLITICAL SUB-DIVISIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
<i>NU</i>			

The Contractor may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. §81-145, to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause. A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

N. FORCE MAJEURE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
rw			

Neither Party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or manmade event outside the control and not the fault of the affected Party ("Force Majeure Event"). The Party so affected shall immediately make a written request for relief to the other Party, and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted Party's own employees will not be considered a Force Majeure Event.

O. CONFIDENTIALITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
rw			

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

P. EARLY TERMINATION


Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
rw			

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Contractor. Such termination shall not relieve the Contractor of warranty or other service obligations incurred under the terms of the contract. In the event of termination the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.
3. The State may terminate the contract immediately for the following reasons:
 - a. if directed to do so by statute;
 - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;

- c. a trustee or receiver of the Contractor or of any substantial part of the Contractor's assets has been appointed by a court;
- d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Contractor, its employees, officers, directors, or shareholders;
- e. an involuntary proceeding has been commenced by any Party against the Contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Contractor has been decreed or adjudged a debtor;
- f. a voluntary petition has been filed by the Contractor under any of the chapters of Title 11 of the United States Code;
- g. Contractor intentionally discloses confidential information;
- h. Contractor has or announces it will discontinue support of the deliverable; and,
- i. In the event funding is no longer available.

Q. CONTRACT CLOSEOUT

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
			

Upon contract closeout for any reason the Contractor shall within 30 days, unless stated otherwise herein:

1. Transfer all completed or partially completed deliverables to the State;
2. Transfer ownership and title to all completed or partially completed deliverables to the State;
3. Return to the State all information and data, unless the Contractor is permitted to keep the information or data by contract or rule of law. Contractor may retain one copy of any information or data as required to comply with applicable work product documentation standards or as are automatically retained in the course of Contractor's routine back up procedures;
4. Cooperate with any successor Contractor, person or entity in the assumption of any or all of the obligations of this contract;
5. Cooperate with any successor Contractor, person or entity with the transfer of information or data related to this contract;
6. Return or vacate any state owned real or personal property; and,
7. Return all data in a mutually acceptable format and manner.

Nothing in this Section should be construed to require the Contractor to surrender intellectual property, real or personal property, or information or data owned by the Contractor for which the State has no legal claim.

III. CONTRACTOR DUTIES

A. INDEPENDENT CONTRACTOR / OBLIGATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NW			

It is agreed that the Contractor is an independent contractor and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, agency, or a partnership.

The Contractor is solely responsible for fulfilling the contract. The Contractor or the Contractor's representative shall be the sole point of contact regarding all contractual matters.

The Contractor shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Contractor uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

By-name personnel commitments made in the Contractor's proposal shall not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

All personnel assigned by the Contractor to the contract shall be employees of the Contractor or a subcontractor, and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Contractor or the subcontractor respectively.

With respect to its employees, the Contractor agrees to be solely responsible for the following:

1. Any and all pay, benefits, and employment taxes and/or other payroll withholding;
2. Any and all vehicles used by the Contractor's employees, including all insurance required by state law;
3. Damages incurred by Contractor's employees within the scope of their duties under the contract;
4. Maintaining Workers' Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law; and
5. Determining the hours to be worked and the duties to be performed by the Contractor's employees.
6. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Contractor, its officers, agents, or subcontractors or subcontractor's employees)

If the Contractor intends to utilize any subcontractor, the subcontractor's level of effort, tasks, and time allocation should be clearly defined in the bidder's proposal. The Contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal in the performance of the contract without the prior written authorization of the State.

The State reserves the right to require the Contractor to reassign or remove from the project any Contractor or subcontractor employee.

Contractor shall insure that the terms and conditions contained in any contract with a subcontractor does not conflict with the terms and conditions of this contract.

The Contractor shall include a similar provision, for the protection of the State, in the contract with any Subcontractor engaged to perform work on this contract.

B. EMPLOYEE WORK ELIGIBILITY STATUS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
<i>nw</i>			The Human Resources Department of TASC uses E-Verify as a component of its hiring process.

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>
The completed United States Attestation Form should be submitted with the RFP response.
2. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
3. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Statutory)

The Contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Contractors of the State of Nebraska, and their Subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all Subcontracts for services to be covered by any contract resulting from this RFP.

D. COOPERATION WITH OTHER CONTRACTORS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
<i>nw</i>			

Contractor may be required to work with or in close proximity to other contractors or individuals that may be working on same or different projects. The Contractor shall agree to cooperate with such other contractors or individuals, and shall not commit or permit any act which may interfere with the performance of work by any other contractor or individual. Contractor is not required to compromise Contractor's intellectual property or proprietary information unless expressly required to do so by this contract.

E. PERMITS, REGULATIONS, LAWS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
<i>NA</i>			

The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Contractor shall obtain and pay for all royalties, licenses, and permits, and approvals necessary for the execution of the contract. The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

F. OWNERSHIP OF INFORMATION AND DATA / DELIVERABLES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
<i>NA</i>			

The State shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or obtained by the Contractor on behalf of the State pursuant to this contract.

The State shall own and hold exclusive title to any deliverable developed as a result of this contract. Contractor shall have no ownership interest or title, and shall not patent, license, or copyright, duplicate, transfer, sell, or exchange, the design, specifications, concept, or deliverable.

G. INSURANCE REQUIREMENTS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
<i>NA</i>			

The Contractor shall throughout the term of the contract maintain insurance as specified herein and provide the State a current Certificate of Insurance/Agreement Form (COI) verifying the coverage. The Contractor shall not commence work on the contract until the insurance is in place. If Contractor subcontracts any portion of the Contract the Contractor must, throughout the term of the contract, either:

1. Provide equivalent insurance for each subcontractor and provide a COI verifying the coverage for the subcontractor;
2. Require each subcontractor to have equivalent insurance and provide written notice to the State that the Contractor has verified that each subcontractor has the required coverage; or,
3. Provide the State with copies of each subcontractor's Certificate of Insurance evidencing the required coverage.

The Contractor shall not allow any Subcontractor to commence work until the Subcontractor has equivalent insurance. The failure of the State to require a COI, or the failure of the Contractor to provide a COI or require subcontractor insurance shall not limit, relieve, or decrease the liability of the Contractor hereunder.

In the event that any policy written on a claims-made basis terminates or is canceled during the term of the contract or within one (1) year of termination or expiration of the contract, the contractor shall obtain an extended discovery or reporting period, or a new insurance policy, providing coverage required by this contract for the term of the contract and one (1) year following termination or expiration of the contract.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Notwithstanding any other clause in this Contract, the State may recover up to the liability limits of the insurance policies required herein.

1. WORKERS' COMPENSATION INSURANCE

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the Subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the Subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. **The policy shall include a waiver of subrogation in favor of the State. The COI shall contain the mandatory COI subrogation waiver language found hereinafter.** The amounts of such insurance shall not be less than the limits stated hereinafter. For employees working in the State of Nebraska, the policy must be written by an entity authorized by the State of Nebraska Department of Insurance to write Workers' Compensation and Employer's Liability Insurance for Nebraska employees.

2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Contractor and any Subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the Contractor or by any Subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an **occurrence basis**, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. **The policy shall include the State, and others as required by the contract documents, as Additional Insured(s). This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory. The COI shall contain the mandatory COI liability waiver language found hereinafter.** The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

REQUIRED INSURANCE COVERAGE		
COMMERCIAL GENERAL LIABILITY		
General Aggregate		\$2,000,000
Products/Completed Operations Aggregate		\$2,000,000
Personal/Advertising Injury		\$1,000,000 per occurrence
Bodily Injury/Property Damage		\$1,000,000 per occurrence
Medical Payments		\$10,000 any one person
Damage to Rented Premises (Fire)		\$300,000 each occurrence
Contractual		Included
Independent Contractors		Included
Abuse & Molestation		Included
<i>If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.</i>		
WORKER'S COMPENSATION		
Employers Liability Limits		\$500K/\$500K/\$500K
Statutory Limits- All States		Statutory - State of Nebraska
USL&H Endorsement		Statutory
Voluntary Compensation		Statutory
COMMERCIAL AUTOMOBILE LIABILITY		
Bodily Injury/Property Damage		\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability		Included
Motor Carrier Act Endorsement		Where Applicable
UMBRELLA/EXCESS LIABILITY		
Over Primary Insurance		\$5,000,000 per occurrence
PROFESSIONAL LIABILITY		
Professional liability (Medical Malpractice) Qualification Under Nebraska Excess Fund		Limits consistent with Nebraska Medical Malpractice Cap
All Other Professional Liability (Errors & Omissions)		\$1,000,000 Per Claim / Aggregate
COMMERCIAL CRIME		
Crime/Employee Dishonesty Including 3rd Party Fidelity		\$1,000,000
CYBER LIABILITY		
Breach of Privacy, Security Breach, Denial of Service, Remediation, Fines and Penalties		\$10,000,000
MANDATORY COI SUBROGATION WAIVER LANGUAGE		
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."		
MANDATORY COI LIABILITY WAIVER LANGUAGE		
"Commercial General Liability & Commercial Automobile Liability policies shall name the State of Nebraska as an Additional Insured and the policies shall be primary and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory as additionally insured."		

If the mandatory COI subrogation waiver language or mandatory COI liability waiver language on the COI states that the waiver is subject to, condition upon, or otherwise limit by the insurance policy, a copy of the relevant sections of the policy must be submitted with the COI so the State can review the limitations imposed by the insurance policy.

3. EVIDENCE OF COVERAGE

The Contractor shall furnish the Buyer, with a certificate of insurance coverage complying with the above requirements prior to beginning work at:

State of Nebraska – Materiel Division
 Attn: Buyer
 1526 K Street, Suite 130
 Lincoln, NE 68508

These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.

Reasonable notice of cancellation of any required insurance policy must be submitted to the contract manager as listed above when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

4. DEVIATIONS

The insurance requirements are subject to limited negotiation. Negotiation typically includes, but is not necessarily limited to, the correct type of coverage, necessity for Workers' Compensation, and the type of automobile coverage carried by the Contractor.

H. ANTITRUST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
<i>NS</i>			

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

I. CONFLICT OF INTEREST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
<i>NS</i>			

By submitting a proposal, bidder certifies that there does not now exist a relationship between the bidder and any person or entity which is or gives the appearance of a conflict of interest related to this RFP or project.

The bidder certifies that it shall not take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its services hereunder or which creates an actual or an appearance of conflict of interest.

The bidder certifies that it will not knowingly employ any individual known by bidder to have a conflict of interest.

The Parties shall not knowingly, for a period of two years after execution of the contract, recruit or employ any employee or agent of the other Party who has worked on the RFP or project, or who had any influence on decisions affecting the RFP or project.

J. ADVERTISING

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NW			

The Contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

K. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Statutory)

Contractor shall review the Nebraska Technology Access Standards, found at <http://nitc.nebraska.gov/standards/2-201.html> and ensure that products and/or services provided under the contract are in compliance or will comply with the applicable standards to the greatest degree possible. In the event such standards change during the Contractor's performance, the State may create an amendment to the contract to request the contract comply with the changed standard at a cost mutually acceptable to the parties.

L. DISASTER RECOVERY/BACK UP PLAN

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NW			

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue services as specified under the specifications in the contract in the event of a disaster.

M. DRUG POLICY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
NW			

Contractor certifies it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

IV. PROJECT OVERVIEW AND BIDDER REQUIREMENTS

A. PROJECT OVERVIEW

In order to comply with the 2017-2019 State Law Enforcement Bargaining Council (SLEBC) and State of Nebraska Labor Contract, the State of Nebraska is seeking a Contractor to provide a VEBA Pilot Plan. The VEBA Pilot Plan will be funded through sick leave accrual cash outs at the time of SLEBC employees' retirement. The SLEBC members who work at Game and Parks and Fire Marshal can retire at 55. SLEBC members at the State Patrol can retire at 55 or at age 50 if they have more than 25 years of service.

Currently, there are 87 SLEBC employees that could retire. The average rate of pay of these members is \$36.00 per hour (based on the July 1, 2018 rates) and if you calculate using the maximum amount of sick leave that could be contributed to the plan (up to 400 hours), the State would be looking at an investment of approximately \$14,400 per person or up to \$1,252,800 if all 87 people would retire.

In 2019, the State could add another 20 to the list of eligible employees and if no one retires in 2018 there may be an investment of \$14,800 (average rate of pay will be \$37.00 per hour in 2019) per person or up to \$1,583,600 if all 107 people would retire.

On average, the State has about 15 people under SLEBC retire per year which could result in about \$219,000 in total yearly investment.

B. BIDDER REQUIREMENTS

Bidders must provide a proposal that indicates a general description of the techniques, approaches and methods to be used to satisfy the following scope of the requirements and specifications in the following areas:

1. Plan Design and Set Up

a. Describe the participation requirements/restrictions for the Plan – including any requirements between and among different employee groups?
<p>Bidder Response: There are no participation requirements or restrictions from the TASC perspective. We follow the State's Plan Document and can arrange our services to meet Participant needs as directed by the State.</p> <p>Funded HRA or VEBA Plans do not have stipulated funding caps under the Internal Revenue Code. The only caps are established as part of the Plan design. For employers adopting the TASC Funded HRA/VEBA Plan, each employer operates under its own Plan and Trust. This allows each Plan sponsor complete control over their Plan without predetermined investment offerings or Plan funding criteria. Our programs allow for multiple contribution designs to the maximum extent permitted by law. We do not require minimum or maximum contribution amounts.</p> <p>TASC has been providing Trust-funded HRA services since September 2002, following the issuance of IRS guidance allowing health reimbursement arrangements (HRAs). Our Retiree Trust Funded HRA plans are designed specifically to provide Public Sector employers with a mechanism to pre-fund individual post-employment accounts.</p> <p>Employer contributions to the Plan and benefits paid from the Plan are excluded from the employees' gross income under Sections 106 and 105 of the Internal Revenue Code (the "Code"), respectively. However, the Plan is subject to the non-discrimination requirements of Section 105(h) of the Code and, therefore, cannot discriminate in favor of highly compensated employees with respect to eligibility or benefits.</p>
b. Describe the contribution requirements/restrictions for the Plan (e.g., minimums, maximums, only funds converted upon termination of employment).
<p>Bidder Response: There are no minimum or maximum contribution requirements in the TASC FHRA.</p>
c. Does your Plan specifically provide for public sector employers to pre-fund post-employment health care expenses utilizing Section 501(c)(9) as the funding mechanism of the Plan?

Bidder Response: **Yes.**

d. Does your Plan integrate with insurance companies? If so, please list the carriers and explain the connectivity.

Bidder Response: **No.** At this time, the TASC FHRA product does not integrate with carriers.

e. Does the investment vehicle associated with the Plan consist of an allocation of funds to an individual employee account? Are investments daily valued? If so, please describe.

Bidder Response: Participants may request investment transfers via the Online Tool Kit. Transfers may be requested as either dollars or percentages, or the Participant may request a realignment of their entire account according to either their existing investment direction or a new investment election.

The programs are daily valued, allowing Participants to make changes daily. Trades are cut off daily at 11:30 PM Central Time (CT). Any trades requested prior to that time are processed and traded at market prices as of the close of the current day. Trades requested after 12:30 PM CT today but before 12:30 PM CT of the following business day are processed that following day using those market prices.

f. Describe the requirements/restrictions regarding the definitions of spouse and eligible dependents for purposes of reimbursement under the Plan.

Bidder Response: All HRA Participants, their lawful spouse, and tax-eligible dependent claims are eligible to be reimbursed from the Funded HRA. A Participant's or eligible dependent's eligibility is specified by their status in our systems and their dates of enrollment in the Funded HRA. If a question arises as to the eligibility of an eligible dependent, TASC will contact the State to confirm eligibility.

Withdrawals from the Participant account are only permitted for the reimbursement of qualified medical expenses. Only §213(d) medical expenses and eligible post-employment premiums can be reimbursed. A Participant cannot be reimbursed for expenses incurred prior to the effective date of enrollment in the Funded HRA program.

g. Describe how you propose to handle the application of COBRA including but not limited to alternative(s) to COBRA coverage.

Bidder Response: The surviving spouse and dependents (if any) have COBRA continuation rights. Our standard plan design is to offer spend-down access to the surviving spouse and dependents in lieu of COBRA continuation, for life. If there is no surviving spouse or dependents, assets of the deceased Participant are forfeited back to the trust.

Forfeitures must remain in the trust and cannot revert to the employer without disqualifying the tax-exempt status of the trust. Forfeitures may be allocated to other Participants on any nondiscriminatory basis, or may be used to pay administrative fees otherwise payable out of the trust.

h. Describe what happens to the assets in an account following the employee's death or divorce.

Bidder Response: When notified of the death of a Participant along with a copy of the death certificate, we transfer all invested assets into the money market or cash equivalent account of the deceased Participant. The account will be held open in the name of the deceased until we receive notice from the executor that final affairs of the deceased have been completed. At that time, we transition the account into the name and Social Security Number of the spouse (if any) or the youngest dependent child (if any). Note that a dependent must have been a tax-eligible dependent on the date of death of the participant. If there is no surviving spouse or dependents the account balance will be forfeited to the trust and held in a money market forfeiture account. Assets will be distributed per the Employer's plan document specifications once per year.

An account that is held open in the name of the deceased can be used to pay final medical

expenses as well as medical expense reimbursements of the spouse and dependents (if any). IRS Revenue Ruling 2006-36 does not permit the payment of benefits to nondependent heirs.

2. Vendor Information

a. Has the bidder or any proposed subcontractor ever been involved in a voluntary or involuntary bankruptcy action or ever made any assignment for the benefit of its creditors? If yes, provide additional details.

Bidder Response: **No.**

b. Has the bidder or any proposed subcontractor ever been cited or threatened with citation within the last three years by federal or any employer regulators for violations of any employer or federal law or pending regulations? If the answer is yes, please describe fully.

Bidder Response: **No.**

c. Briefly describe record keeping abilities and methodology. Describe experience in interfacing on a daily basis with a variety of investment companies.

Bidder Response: As the nation's largest privately held third party administrator of employee benefits services, TASC pays close attention to every form of record keeping. TASC maintains Participant record data on a customized investment recordkeeping system that is integrated into our claims processing system. Hardware and software capabilities are hosted by a secure data center located in Cleveland. The data center offers automated failover, business resumption, disaster recovery, and offsite storage of nightly data backups. TASC provides the following recordkeeping services (Investment Advisory Services are provided by independent Registered Investment Advisors):

- Daily-valued investment recordkeeping
- Daily, quarterly, and annual trust balancing and reconciliation
- Process plan changes and contribution files

Currently, TASC has 111 Trusts of the type that the State is seeking to generate. We successfully process transactions daily with our four institutional trust and custody partners on behalf of these Trusts.

d. Do you provide quarterly participant statements of account? In the past 12 months, what percentage of statements were not mailed on the normal mail date because of an unresolved discrepancy?

Bidder Response: TASC has not experienced any issues as described in the question. TASC will provide statements to the State's plan Participants. TASC's standard is to prepare statements on an annual basis. Statements are mailed within 22 business days after year end (1 month after year end), assuming we receive the annual trust reports and all plan year Participant data no later than 5 days after year end. Statements can be produced more frequently if desired for a fee of \$1.00 per statement mailed.

In addition, Participants can generate statements-on-demand for any time period they choose via TASC's Online Tool Kit. Statements can be saved in either Adobe PDF or Microsoft Excel formats.

e. What advisory services can you provide in conformance with the appropriate laws and regulations?

Bidder Response: TASC's in-house legal and governmental affairs teams continually monitor legislative action at the state and federal level that may affect the plans that we administer. If there is a need for immediate updates, those changes are made on an as-needed basis. As a matter of practice, each year we review all versions of plan and trust documents as well as plan provisions being administered for Clients. Amendments are made as necessary.

f. Who is the Plan Trustee? How long has the Trustee provided fiduciary services for employee benefits plans (e.g., pension, profit sharing, and other retirement plans; self-insured medical, cafeteria plan medical reimbursement, and other health/welfare plans)?

Bidder Response: Trust services are provided through one of our four institutional trust and custody partners.

- Matrix Trust Company, LLC, a subsidiary of Matrix Financial Solutions, a Broadridge Financial Solutions, Inc. company
- Schwab Bank, a subsidiary of the Charles Schwab Corporation
- Voya Institutional Trust Company, an affiliate of Voya Financial, Inc.
- Principal Trust Company, a subsidiary of The Principal Financial Group

These firms have service tenure as follows:

- Matrix. Rebranded 2005, prior firms operating in U.S. since 1970s
- Charles Schwab Trust Company: Founded 1973
- Voya: Rebranded 2014, prior firms operating in U.S. since 1970s
- Principal: Founded 1879

An independent trustee/ custodian will be appointed to hold the VEBA assets. The trustee is to safeguard the assets of the trust. In this situation, under common law, the employer normally has fiduciary duties with respect to the selection and monitoring of the trustee and other service providers with control over the trust assets to ensure the assets are used for the benefit of the Plan Participants.

g. Have you completed an SSAE 16 SOC procedural controls audit specific to the VEBA/115 HRA investment recordkeeping and claims processing operations you perform? If so, please provide a copy of the most recent audit results.

Bidder Response: **Yes.** We provide our most recent report as an Exhibit.

h. Describe your ongoing process to continue SSAE 16 SOC procedural controls audits?

Bidder Response: Each year, we perform a SSAE 16 SOC process control audit. In the wake of increasing investigations and regulatory oversight, we believe this is a positive step toward publicly demonstrating our commitment to excellence. In today's global economy, service organizations must demonstrate that they have adequate controls and safeguards when they host or process data belonging to their customers.

3. Federal and State Regulations

a. Do you currently administer an Internal Revenue Code ("Code") Section 501(c)(9) trust(s) and corresponding Plan(s) for the sole benefit of Public Sector Employees?

Bidder Response: **Yes.**

b. How do you handle compliance with the Code?

Bidder Response: TASC is in full compliance with all Internal Revenue Service and Affordable Care Act requirements placed on FHRA Plans. All Employers receive a Summary of Benefits and Coverage (SBC).

Health Insurance Portability and Accountability Act (HIPAA): Through HIPAA, employers who sponsor a Funded HRA Plan are subject to regulations that ensure the privacy and confidentiality of individual health information, also known as Protected Health Information (PHI). The TASC HIPAA Compliance Manual provides information regarding HIPAA requirements and regulations.

c. Has the Section 501(c)(9) sought and received from the Internal Revenue Service (IRS) a favorable determination letter(s) or private letter ruling regarding the tax status of the trust(s)? If yes, please provide copies of any letters received. When was the first determination letter issued?

Bidder Response: TASC will assist the State of Nebraska in obtaining an IRS letter of determination. TASC has received more than 100 favorable IRS determinations on behalf of our Trust clients. In our structure, each Plan that we administer has its own Trust. This allows each of the Plan Sponsors to have complete control over their offering, from design, administration, and investment perspectives. We will be happy to provide one of the letters as part of a finalist presentation.

d. Does the Section 501(c)(9) satisfy the requirements of GASB 43 as a qualified trust or equivalent arrangement for pre-funding post-employment benefit obligations?

Bidder Response: Yes. With the solution TASC offers for aggregated OPEB trust administration (GASB 43 & 45), Employers can pre-fund their Other Post Employment Benefit (OPEB) obligations and/or self-insured claims reserves. Benefits include actuary utilization of long-term discount rate for OPEB calculations, circumvention of public funds rules, and ROI on benefit spend.

e. Does delivery of all services comply with all federal and state regulations, including but not limited to the Health Insurance Portability and Accountability Act ("HIPAA"), the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), and the Patient Protection and Affordable Care Act ("PPACA")? If not, please specify.

Bidder Response: **Yes.**

4. Client and Customer Service

a. Describe your client service philosophy? Will each client be assigned an individual who is responsible for client relations?

Bidder Response: We are proposing a dedicated Relationship Manager. Most Clients of your size are happy with the level of support received from a named Account Executive, who in this case is Shannon Strom. The Account Executive partners with you throughout implementation to ensure your satisfaction. Then, once the account is established, Shannon will meet with you annually to review account statistics such as volume of claims reimbursed. Of course, you can reach out to Shannon at any time for any client management or performance issues. If you instead prefer a dedicated Relationship Manager, please let us know and we will advise you on pricing.

b. Describe how you monitor client satisfaction.

Bidder Response: The Account Executive partners with you throughout implementation to ensure your satisfaction and meets annually with you to gauge our performance. Onboarding surveys provide feedback relevant to implementation and ongoing performance. We track and constantly monitor call statistics such as length of hold time, total call time, percentage of issues resolved during the initial call, and other relevant metrics.

TASC is without hesitation willing to guarantee our performance in areas that are most important and meaningful to the State, either as a percentage of a fee or as a flat dollar amount, as we do with other Clients. Because the needs of every Client are different, we would like to partner with you during the selection and negotiation process to determine appropriate benchmarks and the amounts to be placed at risk.

Finally, Our Money Back Guarantee ensures your satisfaction. If you are not entirely satisfied with a subscription service, you can within the first 30 days obtain a refund of the TASC fees you previously paid.

c. Where is your customer service center located? Will your record keeping, claims processing and administrative services also be processed at this location? If not, where will these services be provided?

Bidder Response: Our Customer Service operations and management functions are located at our headquarters facility at 2302 International Lane, Madison, WI 53704-3136. Yes, record keeping, claims processing, and administrative services all are processed at this location.

d. Describe your ongoing customer service representatives training procedure regarding legislative and regulatory updates?

Bidder Response: TASC ensures that we provide the best training and the right tools for our employees to grow and to offer the best service to our Clients. Every Customer Care Representative participates in a 30-day training program composed of a combination of classroom instruction and mentoring with senior support staff. Employees are trained and subsequently tested on product-specific information and customer service techniques. Employees also participate in mandatory weekly continuing education sessions. These sessions keep our Customer Care Representatives current on new and changing information enabling them to continue to provide exceptional Customer Care.

e. Are individuals' calls recorded? How long are recordings kept? Are other methods used to create a record of employee inquiries and transactions?

Bidder Response: All incoming ACD and outbound customer calls are recorded and securely stored for a period of 60 days. All callers are notified that the call may be recorded. The recordings are stored with the intent to review and analyze the quality of our customer interactions and gauge Customer Satisfaction.

f. What languages, other than English, are available for those requesting service?

Bidder Response: TASC has live Customer Service Representatives speaking in English and Spanish. In addition, our Integrated Voice Response (IVR) system, which is available 24/7/365, provides services for those inbound calls or written inquiries that are not in English or Spanish. We subscribe to a service through Language Line Solutions which provides us with interpretation and document translation services in over 200 languages to include: French, Italian, German, Farsi, Arabic, Japanese, Urdu, Greek, Russian, Chinese (Mandarin and Cantonese), and Korean.

TASC can support hearing impaired Participants when they utilize the free relay services offered in their states. This service is in essence an "interpreter" that uses a TDD (Telecommunication Device for the Deaf) to communicate with the Participant and back to the Customer Service representative. Additionally, hearing-impaired participants have embraced their ability to access their specific account data on the TASC website. Inquiries that are not answered on the Web can be submitted by the Participant via email submitted from the TASC website.

5. System Support

a. Does your system support on-line inquiry and transactional capabilities? What on-line services are provided? When is the system available? How do you control system access?

Bidder Response: **Yes.** The TASC online system is available 24/7/365. As one example of our ability to meet robust requirements, TASC passed the federal government's security review of the world's largest workplace giving program, a TASC project with the United States Office of Personnel Management.

To support Participant inquiries and account management activities, we offer our secure Online Tool Kit. The system is accessed via an enterprise-wide Secure Single Sign-On (SSSO) functionality accessing all accounts administered by TASC. Through intuitive menus, Participants can manage current account information, account balances, investment elections claims, and payment information. In addition, they can manage investments and file claims electronically using the latest in Web 2.0 technology.

The following functionality is available to Participants:

- Account management tools with menus for setting up portfolio realignments, directing fund-to-fund transfers, and making investment elections
- Up-to-the-minute Participant account data
- Dynamic market updates from Wall Street on Demand®
- Downloadable Statements-On-Demand for any time period
- Downloadable transaction history for any time period
- Fund performance
- Personal account performance
- Ability to view and cancel pending activity
- Current claim, payment, and balance information
- Online claim submission
- Online receipt uploading
- Standard employee communication materials in widely accepted Adobe® PDF format

b. How do you handle changes to pending transactions on your on-line system?

Bidder Response: Participants can view, and cancel if they wish, pending transactions via our online system. These capabilities are built in to our powerful and robust proprietary system. We process transactions each business day.

c. Does your system allow mobile inquiry and transactional capabilities? If so, please

describe.
Bidder Response: **No**. Our system is online but at this time is not mobile.

d. How do you ensure the Plan is in balance daily? Do you use share or unit accounting methodology for daily valuations? Does the daily valuation accounting involve estimation? If so, how often are accounts reconciled?
Bidder Response: Every plan is balanced daily by a Senior Recordkeeping Specialist who validates that the trades processed at the fund and plan levels match the trades requested for that plan and investment, and that the plan holdings match the trust investment positions reported by the trustee and custodian. We use both share and unit value valuations. We do not use estimation. All accounts are balanced daily.

e. Describe procedures for correcting erroneous contributions? If an error is attributable to the action or inaction of you, will you make the individual whole at its expense (i.e., not at the Plan's expense)?
Bidder Response: We are responsible for ensuring that contributions deposited in the Trust balance with the contributions reported by our Recordkeeping system and both of them match contributions by the Plan Sponsor. As a result, we do not post contributions until we have confirmed that the contributions to be credited to Participant accounts match the contributions calculated and reported by the Plan Sponsor. By doing so, we ensure that the amounts invested at the plan, fund, and Participant levels equal what the Plan Sponsor and Participant expect to see at those levels and what the recordkeeping system holds for each Participant at that level. In the remote chance that financial losses were experienced as a direct result of an error on our part, we will make the appropriate contributions to balance the account accordingly.

We also administer your program in strict accordance with applicable statutory and regulatory requirements. This means that we will help you successfully manage the potential risk of noncompliance, so much so that we stand behind our administration with a contractual indemnification clause through which you will be reimbursed for any negligence on the part of our administration in the performance of our services that results in taxes, penalties, or awards imposed by regulatory agencies or by the court system.

f. Describe your information technology infrastructure including back-up, security, and disaster recovery procedures? Are files archived and stored at an off-site location?
Bidder Response: **Yes**, TASC uses off-site archival and storage. Required details follow.

Administration for the TASC Funded HRA (FHRA) requires utilization of both SaaS (Software as a Service) and proprietary interoperability applications developed and maintained by TASC. Security and controls for these technologies have been validated and scrutinized by both external and internal auditors as well as compliance officers.

TASC has made significant effort to secure and protect Client, Plan, and Participant data. Notable efforts and investments include:

- Compliant with the Payment Card Industry Data Security Standard with increased use of encryption, enhanced firewalls, numerous written policies, and login procedures for online account access
- Compliant with the Statement on Standards for Attestation Engagements (SSAE 16)
- Redundant utility power, battery backup, and onsite diesel power generators
- Redundant HVAC
- CFC-free, chemical-based fire suppression
- Advanced 24x7 monitoring of all critical systems, including web site monitoring from multiple US locations
- Redundant systems designed to minimize any impacts of individual component failures
- Locks and other physical controls

TASC systems are hosted at the Schwab Data Center located in Cleveland, OH. TASC employees access Plan data by logging into a secure Citrix tunnel via 512-bit SSL encrypted Enterprise Class fiber-optics infrastructure. All TASC Plan and Participant data are stored and processed directly on a specific SQL server within the Schwab system, which only authorized TASC users can access. The TASC Recordkeeping Department Manager manages access. Only

Recordkeeping Specialists and Customer Care Specialists have access to the plans and their databases; employees in other departments cannot access this information.

Hardware/software capabilities are hosted at Schwab Data Center in Cleveland, which has a fully redundant electrical power generating system. If a utility company supply failure occurs, an uninterruptible power source supplies electricity to computers and critical systems until two 1,500kW turbo diesel powered generators supply electrical load demand, which occurs in >15 seconds. An uninterruptible power supply (primary string/backup) will support the facility's load for up to four hours. Two generators (primary/backup) support 150% of facility demand infinitely with a supply of diesel fuel.

On-site safeguards:

- Redundant communication lines
- State-of-the-art computer room – controlled access, with redundant environmental systems
- Web, Citrix, PAS, and database servers are clustered, load balanced and failover capable for maximum redundancy
- 24/7/365 facility/system security monitoring and staff notification of server outages (on- and off-site)
- Full nightly backups with off-site storage at SunGard, a dedicated professional data retention vendor that offers disaster recovery services including access to data recovery systems to retrieve company data to support operations and internal Schwab infrastructure

Plans are reviewed and tested annually. Annual testing validates the recovery strategy and procedures used to restore the full production environment after a major business interruption. Annually, Schwab participates and SunGard monitors testing.

6. Cost and Fees

a. Describe in detail all cost and fees that will be assessed by the plan participant for FY18-19, FY19-20 and FY 20-21.

There will NOT be any contributions made by the State and the State will not pay any administrative fees. All contributions will be made by the employee at retirement through sick leave cash outs and any administrative fees shall be paid by the employees.

Bidder Response:

<i>Item</i>	<i>Cost</i>
Administration Fee for Non-Claim Active Participants, who are Participants with assets in their accounts but without current rights to file claims against their accounts (e.g., a Participant may be required by Plan Design to retire or separate from employment to be eligible to file claims).	\$2.50 per Participant per Month
Administration Fee for Claim Active Participants, who are Participants who are eligible under the plan to file claims against their accounts.	\$5.00 per Participant per Month
Quarterly Asset-Based Fee	0.075%
Annual Fee	\$500

Fees are based on the actual number of employees who participate in the FHRA Plan. Fees are due for the full Plan Year for each employee who elects to participate, regardless of his/her employment status.

At the rates shown above, TASC will deliver:

- Plan enrollment and implementation support, including onsite support delivered by Jeff
- A named Client Account Executive to ensure your ongoing satisfaction and check in annually to capture any new requirements
- Plan funding services
- Preparation of Trust Agreements and Plan Documents, including a two-hour review by external legal counsel
- Compliance services, including HIPAA

- Trust and Custody services
- Employee enrollment and education
- Client communications
- Annual IRS reporting
- TASC Audit Guarantee to protect you and your Participants from the risk of an IRS challenge when you follow our recommendations
Pricing is valid for 120 days.

Additional Services

Non-discrimination testing.....	\$150/hour
Printing and distribution of open enrollment packets.....	time and materials
Paper Participant statements (for Participants w/o email addresses on file).....	time and materials
Adding a limited FHRA offering.....	custom quote
On-site open enrollment meetings, benefit fairs and webinars.....	custom quote
Ad hoc reports.....	custom quote
Distributor reports.....	custom quote
Investment-related services.....	custom quote

7. Implementation

a. Describe in detail the plan for implementation and provide an estimated timeline. Include any information that the State would need to provide prior and during the implementation process.

Bidder Response: We have attached a sample Implementation Schedule as an Exhibit.

TASC provides a team of dedicated, experienced professionals who work together to successfully create and support your benefit program. Our goal is to consistently and thoroughly address the unique needs of your organization, from plan design through implementation and ongoing education. We fully grasp the complexity of transitioning and implementing service for large clients and have developed an implementation program which specifically tailors the implementation process to your needs.

PLAN CONTACT

Jeff Gilson – Public Sector Markets Vice President; Program Advisor. Jeff will be the primary point of contact for the District for any business issues throughout the contract period.

Jeff Gilson
Public Sector Markets Vice President
Total Administrative Services Corporation
Direct: 608.268.8881 Email: Jeff.Gilson@tasconline.com

V. PROPOSAL INSTRUCTIONS

This section documents the requirements that should be met by bidders in preparing the Technical Proposal. Bidders should identify the subdivisions of "Project Description and Scope of Work" clearly in their proposals; failure to do so may result in disqualification. Failure to respond to a specific requirement may be the basis for elimination from consideration during the State's comparative evaluation.

Proposals are due by the date and time shown in the Schedule of Events.

A. PROPOSAL SUBMISSION

1. REQUEST FOR PROPOSAL FORM

By signing the "RFP for Contractual Services" form, the bidder guarantees compliance with the provisions stated in this RFP, agrees to the Terms and Conditions stated in this RFP unless otherwise agreed to, and certifies bidder maintains a drug free work place environment.

The RFP for Contractual Services form must be signed using an indelible method (not electronically) and returned per the schedule of events in order to be considered for an award.

Sealed proposals must be received in the State Purchasing Bureau by the date and time of the proposal opening per the Schedule of Events. No late proposals will be accepted. No electronic, e-mail, fax, voice, or telephone proposals will be accepted.

It is the responsibility of the bidder to check the website for all information relevant to this solicitation to include addenda and/or amendments issued prior to the opening date. Website address is as follows: <http://das.nebraska.gov/materiel/purchasing.html>

Further, Sections II through VII must be completed and returned with the proposal response.

2. CORPORATE OVERVIEW

The Corporate Overview section of the Technical Proposal should consist of the following subdivisions:

a. BIDDER IDENTIFICATION AND INFORMATION

The bidder should provide the full company or corporate name, address of the company's headquarters, entity organization (corporation, partnership, proprietorship), state in which the bidder is incorporated or otherwise organized to do business, year in which the bidder first organized to do business and whether the name and form of organization has changed since first organized.

b. FINANCIAL STATEMENTS

The bidder should provide financial statements applicable to the firm. If publicly held, the bidder should provide a copy of the corporation's most recent audited financial reports and statements, and the name, address, and telephone number of the fiscally responsible representative of the bidder's financial or banking organization.

If the bidder is not a publicly held corporation, either the reports and statements required of a publicly held corporation, or a description of the organization, including size, longevity, client base, areas of specialization and expertise, and any other pertinent information, should be submitted in such a manner that proposal evaluators may reasonably formulate a determination about the stability and financial strength of the organization. Additionally, a non-publicly held firm should provide a banking reference.

The bidder must disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.

The State may elect to use a third party to conduct credit checks as part of the corporate overview evaluation.

c. CHANGE OF OWNERSHIP

If any change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date, the bidder should describe the circumstances of such change and indicate when the change will likely occur. Any change of ownership to an awarded vendor(s) will require notification to the State.

d. OFFICE LOCATION

The bidder's office location responsible for performance pursuant to an award of a contract with the State of Nebraska should be identified.

e. RELATIONSHIPS WITH THE STATE

The bidder should describe any dealings with the State over the previous five (5) years. If the organization, its predecessor, or any Party named in the bidder's proposal response has contracted with the State, the bidder should identify the contract number(s) and/or any other information available to identify such contract(s). If no such contracts exist, so declare.

f. BIDDER'S EMPLOYEE RELATIONS TO STATE

If any Party named in the bidder's proposal response is or was an employee of the State within the past six (6) months, identify the individual(s) by name, State agency with whom employed, job title or position held with the State, and separation date. If no such relationship exists or has existed, so declare.

If any employee of any agency of the State of Nebraska is employed by the bidder or is a Subcontractor to the bidder, as of the due date for proposal submission, identify all such persons by name, position held with the bidder, and position held with the State (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If, after review of this information by the State, it is determined that a conflict of interest exists or may exist, the bidder may be disqualified from further consideration in this proposal. If no such relationship exists, so declare.

g. CONTRACT PERFORMANCE

If the bidder or any proposed Subcontractor has had a contract terminated for default during the past five (5) years, all such instances must be described as required below. Termination for default is defined as a notice to stop performance delivery due to the bidder's non-performance or poor performance, and the issue was either not litigated due to inaction on the part of the bidder or litigated and such litigation determined the bidder to be in default.

It is mandatory that the bidder submit full details of all termination for default experienced during the past five (5) years, including the other Party's name, address, and telephone number. The response to this section must present the bidder's position on the matter. The State will evaluate the facts and will score the bidder's proposal accordingly. If no such termination for default has been experienced by the bidder in the past five (5) years, so declare.

If at any time during the past five (5) years, the bidder has had a contract terminated for convenience, non-performance, non-allocation of funds, or any other reason, describe fully all circumstances surrounding such termination, including the name and address of the other contracting Party.

h. SUMMARY OF BIDDER'S CORPORATE EXPERIENCE

The bidder should provide a summary matrix listing the bidder's previous projects similar to this RFP in size, scope, and complexity. The State will use no more than three (3) narrative project descriptions submitted by the bidder during its evaluation of the proposal.

The bidder should address the following:

i. Provide narrative descriptions to highlight the similarities between the bidder's experience and this RFP. These descriptions should include:

- a) The time period of the project;
- b) The scheduled and actual completion dates;
- c) The Contractor's responsibilities;
- d) For reference purposes, a customer name (including the name of a contact person, a current telephone number, a facsimile number, and e-mail address); and
- e) Each project description should identify whether the work was performed as the prime Contractor or as a Subcontractor. If a bidder performed as the prime Contractor, the description should provide the originally scheduled completion date and budget, as well as the actual (or currently planned) completion date and actual (or currently planned) budget.

- ii. Contractor and Subcontractor(s) experience should be listed separately. Narrative descriptions submitted for Subcontractors should be specifically identified as Subcontractor projects.
- iii. If the work was performed as a Subcontractor, the narrative description should identify the same information as requested for the Contractors above. In addition, Subcontractors should identify what share of contract costs, project responsibilities, and time period were performed as a Subcontractor.

i. SUMMARY OF BIDDER'S PROPOSED PERSONNEL/MANAGEMENT APPROACH

The bidder should present a detailed description of its proposed approach to the management of the project.

The bidder should identify the specific professionals who will work on the State's project if their company is awarded the contract resulting from this RFP. The names and titles of the team proposed for assignment to the State project should be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified.

The bidder should provide resumes for all personnel proposed by the bidder to work on the project. The State will consider the resumes as a key indicator of the bidder's understanding of the skill mixes required to carry out the requirements of the RFP in addition to assessing the experience of specific individuals.

Resumes should not be longer than three (3) pages. Resumes should include, at a minimum, academic background and degrees, professional certifications, understanding of the process, and at least three (3) references (name, address, and telephone number) who can attest to the competence and skill level of the individual. Any changes in proposed personnel shall only be implemented after written approval from the State.

j. SUBCONTRACTORS

If the bidder intends to Subcontract any part of its performance hereunder, the bidder should provide:

- i. name, address, and telephone number of the Subcontractor(s);
- ii. specific tasks for each Subcontractor(s);
- iii. percentage of performance hours intended for each Subcontract; and
- iv. total percentage of Subcontractor(s) performance hours.

3. TECHNICAL APPROACH

The technical approach section of the Technical Proposal should consist of the following subsections:

- a. Understanding of the project requirements;
- b. Proposed development approach; and
- c. Technical considerations; and
- d. Detailed project work plan including implementation period.

Form A
Bidder Contact Sheet
Request for Proposal Number 5837 Z1

Form A should be completed and submitted with each response to this RFP. This is intended to provide the State with information on the bidder's name and address, and the specific person(s) who are responsible for preparation of the bidder's response.

Preparation of Response Contact Information	
Bidder Name:	Total Administrative Services Corporation (TASC)
Bidder Address:	2302 International Lane, Madison, WI 53704-3136
Contact Person & Title:	Nisha Weyker, Executive Vice President, Large Markets & Sales Operations
E-mail Address:	Nisha.Weyker@tasconline.com
Telephone Number (Office):	608.237.4946
Telephone Number (Cellular):	262.951.0350
Fax Number:	608.681.9638

Each bidder should also designate a specific contact person who will be responsible for responding to the State if any clarifications of the bidder's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Bidder Name:	Total Administrative Services Corporation (TASC)
Bidder Address:	2302 International Lane, Madison, WI 53704-3136
Contact Person & Title:	Jeff Gilson, Vice President, Group Sales
E-mail Address:	Jeff.Gilson@tasconline.com
Telephone Number (Office):	608.268.8881
Telephone Number (Cellular):	509.990.5817
Fax Number:	608.681.9638

PROPOSAL PREPARED FOR

Voluntary Employee Benefits Association Trust



REQUEST FOR PROPOSAL FOR
CONTRACTUAL SERVICES
Voluntary Employees Beneficiary
Association (VEBA) Pilot Plan
RFP 5837 Z1

Submittal Due: May 17, 2018
at 2:00 PM (Central Time)

ORIGINAL

SUBMITTED TO:

State Purchasing Bureau
1526 K Street, Suite 130
Lincoln, NE 68508
Phone: 402.471.6500
Attn: Teresa Fleming, Buyer



PREPARED BY:

Jeff Gilson
Public Sector Markets Vice President
Total Administrative Service Corporation
o | 608.268.8881
e | Jeff.Gilson@tasconline.com

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Letter of Interest

May 16, 2018

The State of Nebraska

State Purchasing Bureau
1526 K Street, Suite 130
Lincoln, NE 68508

RE: REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES
Voluntary Employees Beneficiary Association (VEBA) Pilot Plan

Dear Ms. Fleming,

On behalf of Total Administrative Services Corporation (TASC), I am pleased to extend my firm's commitment to provide superior service to the State of Nebraska Voluntary Employee Benefits Association Trust (VEBA Trust). It is an honor and a privilege to have the opportunity to compete to serve "The Cornhusker State" and to work with you to design your VEBA Trust Pilot Plan.

We believe TASC is the best partner for your VEBA Trust Pilot Plan needs based on these highlights:

- TASC is one of the nation's **largest independent providers of tax-advantaged benefit plans**
- TASC will work with the investment advisor of your choice; **you can select the best-in-class advisor** to work with TASC as your best-in-class TPA
- As a Third Party Administrator (TPA) with **more than 40 years of providing employee benefits**, TASC has extensive experience processing healthcare claims, including accepting, adjudicating, and paying Participant claims
- Our **Audit Guarantee**, the best in the industry, **protects you and your Participants** from the risk of an IRS challenge when you follow our recommendations


As authorized by TASC, I acknowledge that TASC meets or agrees to the Minimum Qualifications stated above and has the ability to provide the requested services in the manner specified in the RFP. As required in the RFP, we present the completed RFP Sections II-VII in our submittal; they follow this document.

If you or any member of the review committee have any questions regarding this correspondence or on any aspect of our services, please don't hesitate to contact me or your Sales contact for this bid:

Jeff Gilson
Public Sector Markets Vice President
Total Administrative Service Corporation
o | 608.268.8881
e | Jeff.Gilson@tasconline.com

We look forward to the opportunity to work with you.

Sincerely,

A handwritten signature in black ink that reads "Nisha Weyker".

Nisha Weyker
Executive Vice President, Large Markets & Sales Operations
Total Administrative Service Corporation
o | 608.237.4946
e | Nisha.Weyker@tasconline.com

Proposed Offering

TASC Funded HRA Overview

A Health Reimbursement Arrangement (HRA) provides a source of tax-free funds to pay for out-of-pocket uninsured medical expenses. A Funded HRA (FHRA) takes this concept a step further by integrating investments and allowing Participants to accumulate tax-free earnings on unused account balances. The assets are also held in trust, providing peace of mind for Participants who know that their assets are safe. By participating in an FHRA Plan, Participants are able to invest, accumulate interest, and receive claim payments – **all tax-free!** The employer benefits by avoiding FICA tax and sometimes other payroll taxes on contributions.

A Funded HRA may be used to pay for the cost of health care expenses for your employees, their spouses, and qualified dependents. The account may be used to pay for qualified pre-retirement and/or post-retirement insurance premiums for medical, dental, vision (including COBRA premiums), qualified long-term care premiums, Medicare Parts B and D, Medicare Supplement, and Medicare Advantage policy premiums.

TASC offers paperless administration options for convenient access to Plan information and activity.

Our online system offers a secure environment for your FHRA data that is easy to use and loaded with functionality.

TASC offers **two Plan types** for the Funded HRA:

- **Integrated FHRA Plan:** This Plan type is paired with a Group High Deductible Health Plan, allowing you as the employer to save money on health insurance premiums while offering your active employees an attractive and more flexible healthcare benefits package.
 - No restriction or required underlying health Plan Design, can have co-pays
 - No restriction on pharmacy benefits
 - Eligible expenses may be all unreimbursed medical or a limited list
 - Assets held in trust with Participant-directed investments
 - Account balances available during employment and/or post-employment
 - May be paired with a Medical FSA (multi-Plan pricing discounts may apply)
- **Retiree FHRA Plan:** This Plan type is used exclusively to pre-fund post-employment healthcare. It provides you with a method to reduce your unfunded liability of providing retiree healthcare benefits as required by GASB 75 or other post-employment benefits accounting standards. The program has two phases:
 - The **Accumulation Phase** is when Participants are encouraged to review and invest their account balances to maximize their earnings potential.
 - The **Retirement Phase** is when Participants draw on their Retiree FHRA funds to pay for out-of-pocket medical, dental, and vision expenses and qualified insurance premiums.

Client Services

A Funded HRA is an important strategy to reduce an employer's payroll taxes while also delivering valuable health benefits to Participants, and TASC is ready to support your success.

As a Client of TASC FHRA, you receive a comprehensive menu of administration services and tools designed to simplify the administrative process, reduce your workload, and help increase employee satisfaction.

Client services include:

- Live, friendly support from Customer Care Specialists who are subject matter experts in Funded HRAs
- Reporting
 - Audit reports and activity statistics on web usage, printed or saved as PDF or Microsoft Excel files
 - Investment demographics
 - Claims distribution report
 - Age demographics
 - Employee census
- Access to "real-time" Participant information
- Consulting services
 - Plan design consulting assistance
 - GASB/OPEB consulting assistance
- Trust and Custody Services
 - §501(c)(9) VEBA or §115 Trust
 - Trust account establishment with a trust and custody partner
 - Trust and Plan Document creation
 - Filing of IRS Forms 1024 and Annual 990 (**Note:** Employer is responsible for the one-time IRS filing fee.)
 - Annual trust statement
 - Participant-directed, daily-valued investments
- Plan enrollment and implementation support (with a simple set-up kit):
 - FHRA Client Administration Manual
 - Participant Enrollment Data File Form and Status Change Forms
- Plan funding services
 - Direct from FHRA accounts
- Weekly claims processing
 - Recurring automatic premium reimbursement
 - Online, paper, fax, and email submission

- Secure Receipt Uploader
- Direct deposit or paper check reimbursement
- Plan stacking (for multiple accounts)
- Compliance services
 - Summary of Benefits and Coverage (SBC)
 - Health Insurance Portability and Accountability Act (HIPAA) manual
 - The TASC Audit Guarantee (unique in our industry) protects you and your Participants from the risk of an IRS challenge when you follow our recommendations
 - SSAE16 SOC Certified
- Investment recordkeeping services (**Note:** Investment Advisory Services are provided by independent Registered Investment Advisors.)
 - Daily-valued investment recordkeeping
 - Daily, quarterly, and annual trust balancing and reconciliation
 - Process plan changes and contribution files
- Communication and education
 - Comprehensive Client communication materials and reporting package
 - Employee education materials
 - TASC Tracker Client Blog for TASC news and service updates (www.tascgroupclientnews.com)
 - *For Your Benefit* Client newsletter (bi-annual distribution)

Participant Services

With TASC HRA, Participants can:

- Pay for health expenses with no taxes – not on contributions, earnings, or withdrawals
- Use the Participant Web Portal to manage accounts
- Call and talk to a live, friendly Customer Care specialist, trained in Funded HRAs
- Manage Participant-directed, daily-valued investments
- Set up portfolio realignments
- Direct fund-to-fund transfers
- Make investment elections
- Submit claims
- View and cancel pending activity
- Download transaction history for any time period
- Upload receipts online
- Receive dynamic market updates from Wall Street on Demand®
- Review statements for any time period
- Research fund performance

- Review personal account performance
- Review current claim, payment, and balance information
- Review standard employee communication materials in widely accepted Adobe® PDF format

FHRA Plan Designs

TASC Funded HRA Plans are flexible and customizable, allowing you the freedom to design the most effective FHRA program available for your employees and retirees. **Our experience, innovation, and flexibility make TASC the State’s best partner to conceive, develop, roll out, and maintain an efficient, worry-free FHRA Plan.**

<i>Feature</i>	<i>Availability</i>
Participant Investment Direction	Yes
Contribution Type & Amount	Yes
Contribution Frequency	ER Choice
Online Access & Claims Filing	Yes
Eligible Expenses	ER Choice
Claim Filing Period	ER Choice
Post-Employment Insurance Premiums Reimbursed to	Participant or Plan Sponsor
Account Forfeitures Benefit	All Participants, Select Class or Offset Participant-Paid fees
Unfunded HRA Rollover into FHRA	Yes
Dedicated Relationship Manager	Yes
Investment Advisory Services*	Yes
Custom Materials & Reports	Yes

** Services provided by independent Registered Investment Advisors*

Compliance Services

TASC is in full compliance with all Internal Revenue Service and Affordable Care Act requirements placed on FHRA Plans. All Employers receive a **Summary of Benefits and Coverage (SBC)**. Employers should review this document and distribute copies to each Participant.

Health Insurance Portability and Accountability Act (HIPAA)

Through HIPAA, employers who sponsor a Funded HRA Plan are subject to regulations that ensure the privacy and confidentiality of individual health information, also known as Protected Health Information (PHI). The *TASC HIPAA Compliance Manual* provides information regarding HIPAA requirements and regulations.

Technical Response

A. Corporate Overview: Firm Strength, Experience, and Qualifications

TASC is a privately held Subchapter S corporation. TASC has never filed for bankruptcy or become insolvent. While TASC has an existing credit facility with BMO Harris Bank, TASC does not issue debt and is not an underwriter. As such, TASC is not rated by independent insurance rating organizations or similar entities.

We are providing a letter from our CFO that summarizes our financial position and will gladly provide access to our most recent SSAE 16 SOC report as part of a finalist presentation. TASC does not provide audit results as part of public procurements, as these reports contain proprietary and confidential information that would be subject to Freedom of Information Act disclosure.

TASC is not currently involved in any litigation, threatened litigation, investigation, reorganization, receivership, filing, strike, audit, corporate acquisition, unpaid judgments or other action that could have an adverse impact on our ability to provide the required needs as outlined in this RFP. Neither the organization itself nor any local service representatives been cited, reprimanded, or penalized by any regulatory agency within the past ten (10) years.

We plan no change of ownership or structure. All operations commence from our headquarters at 2302 International Lane, Madison, WI 53704-3136. We have no contracts with the State of Nebraska, nor are any TASC employees prior employees of the State. TASC performs all work and does not use subcontractors.

Year TASC was founded:	1975
Firm has been named TASC since:	1985
Offering services to VEBA Trusts since:	2002
Offering services to HRA and HSA plans since:	2002
Offering services to other defined contribution plans since:	1985

The following charts provide a breakdown by Participant numbers of our public sector VEBA Clients.

Data as of 2017	Total # of Trusts	Total \$ Trust Assets
Under 50 Participants:	38	\$ 43,578,363
From 50 to 99 Participants:	24	\$ 29,736,958
From 100 to 500 Participants:	33	\$ 55,916,360
From 501 to 2,500 Participants:	14	\$ 68,728,883
Over 2,500 Participants:	2	\$ 117,822,980
TOTAL	111	\$315,783,544

Data as of 2017	Total # of Trusts	Total \$ Plan Assets
Under \$1 million:	60	\$ 22,378,769
From \$1 million to \$5 million:	40	\$ 95,604,052
From \$5 million to \$10 million:	6	\$ 46,750,995
From \$10 million to \$50 million:	2	\$ 33,991,563
From \$50 million to \$100 million:	0	N/A
Over \$100 million:	1	\$ 117,058,165
TOTAL	111	\$315,783,544

B. Record Keeping, Data Security and Custody

The following table provides details regarding our recordkeeping system:

Question	Response
Is your recordkeeping system proprietary? (Yes/No):	Yes
Used since:	2002
Number of Participants on the system:	39,148
Number of trusts or employers on the system:	111
Is the system server-based or mainframe-based?	Server-Based

Audit and Review

TASC will provide audit and/or review access to parties authorized by the Sponsor with reasonable notice.

Enrollment File Format

While TASC can provide a preferred file format, we will accommodate the format utilized by the State. We have vast experience in handling a wide range of file formats, and we welcome paper and paperless enrollments.

Contribution File and Timing Issues

Contributions must be received by 1:00 PM CT. Participants must report errors within 60 days after discovery.

Recordkeeping and/or Administrative Errors

Although we believe the standard TASC Audit Guarantee is sufficient to meet your needs regarding any potential errors within TASC control, we look forward to discussing any additional assurances you require.

Data Security & Backup

We provide this overview of our data security protocols and practices, and also we look forward to answering any questions you may have about our extensive security measures. As one example of our ability to meet robust requirements, TASC passed the U.S. federal government's security review of the world's largest workplace giving program, a TASC project with the United States Office of Personnel Management (OPM).

Administration for the TASC Funded HRA (FHRA) requires utilization of both SaaS (Software as a Service) and proprietary interoperability applications developed and maintained by TASC. Security and controls for these technologies have been validated and scrutinized by both external and internal auditors as well as compliance officers.

TASC has made significant effort to secure and protect Client, Plan, and Participant data. Notable efforts and investments include:

- Compliant with the Statement on Standards for Attestation Engagements (SSAE 16)
- Compliant with the Payment Card Industry Data Security Standard with increased use of encryption, enhanced firewalls, numerous written policies, and login procedures for online account access
- Redundant utility power, battery backup, and onsite diesel power generators
- Redundant HVAC
- CFC-free, chemical-based fire suppression
- Advanced 24x7 monitoring of all critical systems, including web site monitoring from multiple U.S. locations
- Redundant systems designed to minimize any impacts of individual component failures
- Locks and other physical controls

TASC systems are hosted at the Schwab Data Center located in Cleveland, OH. TASC employees access Plan data by logging into a secure Citrix tunnel via 512-bit SSL encrypted Enterprise Class fiber-optics infrastructure. All TASC Plan and Participant data are stored and processed directly on a specific SQL server within the Schwab system, which only authorized TASC users can access. The TASC Recordkeeping Department Manager manages that access. Only Recordkeeping Specialists and Customer Care Specialists have access to the plans and their databases; employees in other departments cannot access this information.

Data Backup

As noted above, TASC hardware/software capabilities are hosted at Schwab Data Center in Cleveland, which has a fully redundant electrical power generating system. If a utility company supply failure occurs, an uninterruptible power source supplies electricity to computers and critical systems until two 1,500kW turbo diesel powered generators supply electrical load demand, which occurs in >15 seconds. An uninterruptible power supply (primary string/backup) will support the facility's load for up to four hours. Two generators (primary/backup) support 150% of facility demand infinitely with a supply of diesel fuel.

On-site safeguards:

- Redundant communication lines
- State-of-the-art computer room – controlled access, with redundant environmental systems
- Web, Citrix, PAS, and database servers are clustered, load balanced, and failover capable for maximum redundancy
- 24/7/365 facility/system security monitoring and staff notification of server outages (on- and off-site)
- Full nightly backups with off-site storage at SunGard, a dedicated professional data retention vendor that offers disaster recovery services including access to data recovery systems to retrieve company data to support operations and internal Schwab infrastructure

Plans are reviewed and tested annually. Annual testing validates the recovery strategy and procedures used to restore the full production environment after a major business interruption. Annually, Schwab participates and SunGard monitors testing.

Encryption & Secure eMail

TASC uses encryption for Protected Health Information and other sensitive data in storage and in transit. In part, TASC employees and consultants use a secure Citrix tunnel as described previously.

When sending sensitive or confidential information related to TASC accounts, we use only an encrypted Secure Email Messaging System. The email subject is “[SECURE] Message from TASC” and the secure information is sent as an attachment. For additional information, see www.tasconline.com/secure_email.html.

TASC Proprietary Interoperability Applications

TASC has built numerous proprietary middleware applications to facilitate multi-level systems connectivity, operational functions, secure data warehousing and retrieval, and communications among TASC, its plan sponsors, and strategic operating partners. All Web-based access points are secured using Class 3 Secure Server certificates, providing the highest encryptions available.

Interoperability applications are built on scalable SQL Server Microsoft®.NET framework infrastructure. TASC partners with Amazon to host all TASC FHRA websites and operating applications in Amazon AWS virtual environments with real-time data backup, 24x7 monitoring and management of the systems, high-speed connectivity, and guaranteed availability. Amazon AWS is a highly awarded and recognized leader in IT hosting, a worldwide service company that delivers enterprise-class web infrastructure and hosting services. All backup data is fully encrypted.

TASC Secure Receipt Upload & eFax Services

TASC provides Participants with secure electronic methods to submit claims substantiation. Each application leverages Linux, SQL Server, and Microsoft®.NET framework technology to create, sort, process, and archive electronic image files containing claims submission information. These systems

are easy to use, offering multiple conveniences to our Client's employees while easing their administrative responsibilities.

TASC Data Warehouse

Authorized TASC staff members access electronic claims documentation and call center tracking information in the TASC Data Warehouse, which receives real-time data from TASC's onsite servers, call center servers, fax servers, and Secure Receipt Upload applications. The Warehouse is developed on a SQL Server based Microsoft®.NET architecture. All stored data is secured using Class 3 Secure Server certificates providing up to 2048-bit SSL encryption, which keeps TASC breach-free.

Data Security Assessments

Each year, we perform a SSAE 16 SOC process control audit. In the wake of increasing investigations and regulatory oversight, we believe this is a positive step toward publicly demonstrating our commitment to excellence. In today's global economy, service organizations must demonstrate that they have adequate controls and safeguards when they host or process data belonging to their customers.

Protection from Data Fraud & Theft

TASC maintains detailed Information Technology and Appropriate Use Standards and Policies, which contain access control specifications to safeguard PINs and SSNs. System access tunnels are encrypted utilizing industry standard algorithms such as DES, Blowfish, RSA, RCS, and IDEA. Only authorized staff members using credential keys meeting specific length and complexity requirements are allowed access to our internal systems. TASC also employs biometric authentication technology in some cases.

In addition, through our **Confidentially Speaking** program, TASC employees, customers, and vendors are able to anonymously communicate sensitive opinions or concerns (including concerns about fraud) with TASC's management. Besides helping our efforts to mitigate risk, this valuable feedback helps us maintain an ethical environment. The program is administered by NAVEX Global, an independent ethics and compliance organization that is contractually forbidden from disclosing the reporting party's personal information to TASC.

Custodial Partners

Trust services are provided through one of our four institutional trust and custody partners.

- MG Trust Company
- Charles Schwab Trust Company
- Voya
- Principal Trust Company

Custodian's insurance coverage:

Coverage	Amount of Coverage
----------	--------------------

Coverage	Amount of Coverage
General Liability:	\$ 2 million
Professional E&O:	\$15 million
Financial Institution Bond:	\$10 million
Cyber Security:	\$15 million

Vendor & Partner Access

TASC has a Third-Party-Governance program in place where we identify, assess, and mitigate risk through our **Vendor Management Policy**, **Security Incident Response Policy**, and **Security Policy**. When a third party may be used, we have service agreements clearly specifying all relevant terms, conditions, responsibilities, and liabilities of both parties including but not limited to such items as audit protection of confidential information, compliance with policy, compliance with laws and regulations, Business Continuity/Disaster Recovery, insurance, post termination obligations, site access, staffing, and system security requirements.

Trust Design Details

The State is a tax-exempt governmental entity. Accordingly, there are no tax consequences to the State with respect to the Plan. Whether the State utilizes a Section 115 Trust or VEBA Trust, the trust is not subject to taxation. Employer contributions to the Plan and benefits paid from the Plan are typically excluded from the employees' gross income under Sections 106 and 105 of the Internal Revenue Code (the "Code"), respectively. However, the Plan is subject to the non-discrimination requirements of Section 105(h) of the Code and, therefore, cannot discriminate in favor of highly compensated employees with respect to eligibility or benefits. If the Plan is found to be discriminatory, all or a portion of the benefits paid under the Plan will be included in the income of the highly compensated employees.

A trust established pursuant to IRC Section 501(c)(9) (a "VEBA") is a **legal entity separate from the State**. The assets of the trust are held in the name of the trust by the trustee. As a result, the assets of the trust are exempt from the claims of the State's creditors. Furthermore, the Code prohibits the reversion of the assets of the trust to the State. An excise tax of 100% is imposed upon any reversion. Accordingly, barring misappropriation or unexpected investment losses (depending on the investment vehicles selected), the assets are very safe.

Contributions must be employer funded with no voluntary choice to participate or contribute by Participants. (Rev. Rul. 2002-41 and Notice 2002-45). Mandatory contributions are allowable as long as the Participant cannot opt-out of the program and receive another form of compensation. There are no contribution limits.

The Plan allows reimbursements for the cost of health care expenses for your employees, their spouses, and qualified dependents. The account may be used to pay for any qualified pre-retirement and/or post-retirement medical, dental, or vision out-of-pocket expenses (deductibles, co-payments, co-insurance, etc.) allowed under IRC §213(d), plus reimbursement of post-retirement insurance

premiums for medical, dental, vision, (including COBRA premiums), qualified long-term care premiums, Medicare Part B premiums, Medicare Part D premiums, Medicare supplement insurance, and Medicare Advantage plan premiums.

TASC Advantages

To support Participant inquiries and account management activities, we offer our secure Online Tool Kit. The system is accessed via an enterprise-wide Secure Single Sign-On (SSSO) functionality accessing all accounts administered by TASC. Through intuitive menus, Participants can manage current account information, account balances, investment elections claims, and payment information. In addition, they can manage investments and file claims electronically using the latest in Web 2.0 technology.

Participants in TASC FHRA enjoy the following functionality:

- Account management tools with menus for setting up portfolio realignments, directing fund-to-fund transfers, and making investment elections
- Up-to-the-minute Participant account data
- Educational video vignettes
- Dynamic market updates from Wall Street on Demand®
- Downloadable Statements-On-Demand for any time period
- Downloadable transaction history for any time period
- Fund performance
- Personal account performance
- Ability to view and cancel pending activity
- Current claim, payment, and balance information
- Online claim submission
- Online receipt uploading
- Standard employee communication materials in widely accepted Adobe® PDF format

Contributions and Reimbursements

TASC can accept employer contributions **daily**. Contributions are credited within 12-24 hours of receipt. TASC processes Participant claims, and pays claims, on a weekly basis.

We are able to accommodate auto reimbursement of monthly retiree insurance premiums to participants versus requiring them to file monthly claims; Participants can submit a Recurring Individual Premium Request Form and substantiation once per year for each insurance premium they wish to have reimbursed. Each month, the requested amount (if available) will be automatically reimbursed to the Participant.

C. Participant Services

Your preferred investment advisor will predominantly lead the conversation with employee groups related to investment performance, and TASC assists in the conversation and education of your employees related to health care reimbursement and the record keeping for VEBA accounts. Jeff Gilson will assist you and your Participants on site as needed.

Jeff will support you, the Plan, and your Participants. He will interact with you by email, over the phone, and onsite, depending on availability. In addition, Account Executive Shannon Strom will ensure you are satisfied with implementation and the ongoing level of service TASC provides.

Representative's Name:	Jeff Gilson
Years at Firm:	1.5 years
Years in Industry:	12 years
Total number of Client accounts serviced:	50 to 70 Clients
University degree(s) (BA/BS/MBA, etc. and school(s)):	BA in Finance, Eastern Washington University, Cheney, WA
Location (City/State):	Spokane, Washington

TASC will not provide investment advice nor manage the portfolio of investments for the State, activities that would require a FINRA/insurance license. Instead, we will work with your chosen investment advisor. We will coordinate Participant education with your investment advisor to ensure a complete and legally compliant experience. Our representatives do not "sell" to Participants and are not incentivized to do so.

TASC will consult with the State to determine the best overall communication strategy and schedule as it relates to employee engagement and participation. We have seen that many groups prefer a customized education campaign rather than a standard approach.

Customized Educational Materials

Item	Y/N	Brief Description
Website	Yes	On the TASC Participant Web Portal, Participants can manage their accounts, direct their investments, set up fund-to-fund transfers, and more. We look forward to showing you these feature-rich tools.
Education booklets	No	
Newsletters	No	
Participant statements	Yes	See above.
Mobile applications	No	
Participant forms	Yes	See above.

While we do not provide booklets, we do provide other Participant materials, including a *Welcome Packet*, which explains how to access the Participant account, make claims, and invest. TASC also provides other stand-alone flyers and forms that explain benefits or provide information. TASC can provide customized content as desired by the State in the Participant Web Portal as well as PDF materials that can be printed if desired. We will be happy to discuss these options further.

Reports and Statements

TASC provides Participants with an annual statement. We also can provide quarterly reports, which are very similar, for an additional fee. Participants can generate reports online at any time. The following table shows information available on participant statements.

	Yes/No
Monthly fund performance:	Yes
Quarterly fund performance:	Yes
1-year fund performance:	Yes
3-year fund performance:	Yes
5-year fund performance:	Yes
10-year fund performance:	Yes
Cash flow for quarter:	No
Asset Allocation:	Yes
Personal rate of return:	Yes
Does the return take into account cash flow:	No
Expense ratios:	Yes
	# Business Days
How many days after quarter-end are statements mailed?	22
How many days after quarter-end until statements are available online?	22
How long are statements available?	Indefinitely

Outside Contractors

TASC will not use outside contractors and vendors to fulfill this contract. All services will be performed in-house on systems **built specifically to administer public sector funded HRAs/VEBAs.**

Transaction Processing

Participants may request investment transfers via the Online Tool Kit. Transfers may be requested as either dollars or percentages, or the Participant may request a realignment of their entire account according to either their existing investment direction or a new investment election.

The programs are daily valued, allowing Participants to make changes daily. Trades are cut off daily at 11:30 PM Central Time (CT). Any trades requested prior to that time will be processed and traded

at market prices as of the close of the current day. Trades requested after 12:30 PM CT today but before 12:30 PM CT of the following business day are processed that following day using those market prices. The following table shows the information and transaction capabilities available to Plan Participants through Phone Service Representatives ("PSR"), Voice Response Unit ("VRU"), Desktop Computer, and Mobile App.

Participant Inquiry/Transactions	PSR	VRU	Desktop Computer	Mobile
Total account balance	Yes	N/A	Yes	N/A
Account balance by fund	Yes	N/A	Yes	N/A
Investment elections	Yes	N/A	Yes	N/A
Contribution rate	N/A	N/A	N/A	N/A
Contribution history	No	N/A	No	N/A
Transaction history	No	N/A	Yes	N/A
Benefit Payment history	No	N/A	No	N/A
Beneficiary designation	No	N/A	No	N/A
Fund performance	No	N/A	Yes	N/A
Automatic rebalance	No	N/A	No	N/A
Paperless fund to fund transfers	No	N/A	Yes	N/A
Paperless future investment election change	No	N/A	Yes	N/A
Paperless enrollment	N/A	N/A	N/A	N/A
Prospectus request	No	N/A	Yes	N/A
Automatic rebalance	No	N/A	No	N/A

Passwords and IDs

Upon plan enrollment, participants will be assigned a unique TASC ID to serve as their initial login ID.

TASC's website login is compliance with Payment Card Industry (PCI) DSS 2.0 and security industry best practices. The requirements specify that users create a secure password at initial login. Passwords must be 8 characters and must contain one uppercase and two lower case letters, and the password must not have been used in the past four-password reset. Passwords expire annually; however, users can change their password through our online portal at any time. Additionally, users who forget their password can always click on the "Forgot Password" link on the login screen, or contact Customer Care. Customer Care staff are able to send an email to the user which contains a link to verify they received the email and opens a web page to facilitate the changing of the password.

Payment Disbursements

Of all claims received, 98% are processed within 24 hours and payments are made weekly from receipt of request. TASC processes reimbursements as small as \$0.01; in other words, there is no minimum. A claim is deducted pro rata based on the account balance in each fund. For example,

consider a Participant who submits a claim for \$10. She has \$100 in two investments (\$60 in a balanced fund and \$40 in an S&P 500 fund). The \$10 claim is paid with \$6 from the balanced fund and \$4 from the S&P 500 fund.

TASC Call Center

Location	Days of Operation	Hours of Operation	Number of Service Reps
2302 International Lane Madison WI 53704	M/F	7:30-4:30 CST	27

Call Metric	2017	2016	2015
Average call response time (min:sec):	1:00 or under	1:20	1:27
Average length of calls (min:sec):	2:00	2:03	2:05
Number of dropped calls:	5%	5%	5%
Call center personnel turnover rate:	4%	4%	4%

TASC adds Customer Service Representatives as needed during peak periods. **Note:** Our rate for issues resolved on the first call is 98%, which we believe you will find exceptional.

D. Trust Sponsor Services

Account Support Personnel

We propose a free support solution as an alternative to the expense of a dedicated Relationship Manager. Most Clients of your size are happy with the level of support received from a named Account Executive, who in this case is **Shannon Strom**. The Account Executive partners with you throughout implementation to ensure your satisfaction. Then, once the account is established, Shannon meets with you annually to review account statistics such as volume of claims reimbursed. Of course, you may contact Shannon at any time for client management or performance issues. If you prefer a dedicated Relationship Manager, please let us know and we will advise you on pricing.



Meet our proposed Client Account Executive: **Shannon Strom**

- 6 years of experience with TASC
- More than 9 years of benefits experience
- Experienced in relationship building and proactive service
- Educated and trained in all of TASC's service offerings with ongoing continuing education
- Volunteered at an orphanage in Mexico for over a year and still volunteers in MN at the fundraising office

- Email: Shannon.Strom@tasconline.com
- Direct Line: 608.316.2515

We strive to provide total and complete satisfaction to our Clients and Participants. If a Trust Sponsor was not satisfied with the TASC team member assigned to their account, we would assign another resource with a proven track record of demonstrated success with administration of VEBA plans.

Reports

Report	Frequency	Available in Paper?	Available on Website?
Allocation Report	Quarterly	No	Yes
Reconciliation Reports (Balance Summary, Income and Disbursement, Trust Reconciliation)	Quarterly	No	Yes
Distributions Report	On Demand	No	Yes
Investment Holdings Report	On Demand	No	Yes
Terminations Report	On Demand	No	Yes
Total Assets Report	On Demand	No	Yes

Trust Sponsor Activities

Task	Yes/No	Format (web, paper, etc.)
Change participant information (name, address, beneficiaries, other contact information, etc.):	Yes	File submission through secure website
Designate date of termination online:	Yes	File submission through secure website
View contributions per participant:	Yes	Client Web Portal
View account balance(s) as of a given date:	Yes	Client Web Portal
View Plan statements per quarter:	No	---
View YTD contributions per participant:	No	---

We provide a sampling of available Trust Sponsor reports as an Exhibit. We are interested in learning more about your report writing needs during your selection process. We do develop Ad Hoc reports for Clients as needed for an additional charge.

Function	Proposing Firm will offer this function? (Yes/No)
Report writing capabilities:	No – see above
Contribution Posting Data:	No
Participant Account Balance Information:	Yes
Plan Account Balances by Fund:	Yes
Indicative Data Changes:	No
Benefit Payment Request/Status Tracking:	Yes

Other Services

TASC is the USA's largest privately held TPA, offering 20+ unique service offerings. Since many Clients are municipalities offering VEBA funded HRA programs, we have many streamlined procedures involving billing services. For instance, we can apply payments for retiree premiums directly from the retiree's VEBA-funded HRA account. Additional services include:

- **Benefit Account Management**
 - FSA, HSA, HRA, Transit, Workplace Giving, Wellness Rewards
- **Compliance**
 - ACA, Non-Discrimination Testing, PCORI, Medicare Part D
- **Benefit Continuation Services**
 - COBRA, FMLA, Retiree Billing

Audit Guarantee

TASC's Audit Guarantee protects the State and its Participants from the risk of an IRS challenge when you follow our recommendations. TASC assumes financial responsibility for any penalty and/or interest charged that results from a Funded HRA audit requiring the payment of federal, state, Social Security, or Medicare tax. TASC also assumes financial responsibility for any penalty issued by the Internal Revenue Service or Department of Labor for untimely reporting or lack of reporting as it pertains to TASC.

Legal and Compliance

TASC maintains retainer agreements with a law firm that specializes in ERISA and IRS treatment of VEBA Trusts. In-house legal and governmental affairs teams continually monitor legislative action that may affect the plans that we administer. TASC will prepare Trust Agreements and Plan Documents and, as part of that service, will engage our retained external counsel for a two-hour legal review of those documents. If you want additional legal counsel, you may either engage our external counsel directly or you may engage your own counsel.

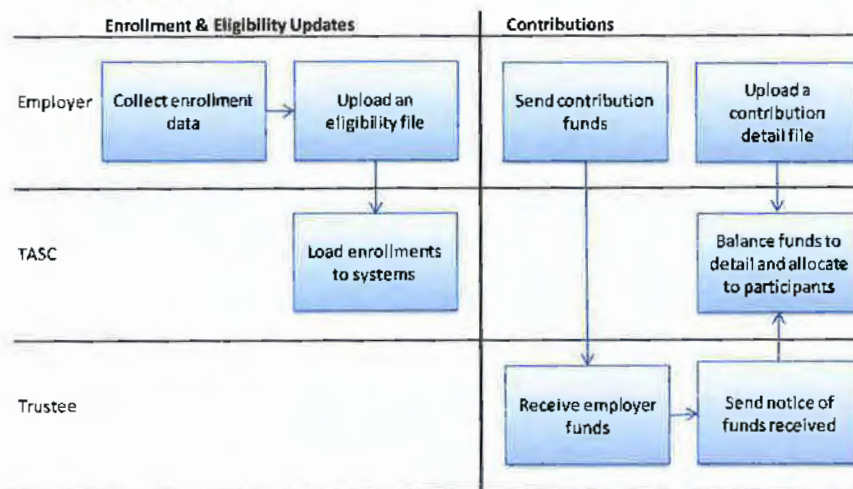
TASC's in-house legal and governmental affairs teams continually monitor legislative action at the state and federal level that may affect the plans that we administer. If there is a need for immediate updates, those changes are made on an as-needed basis. As a matter of practice, each year we review all versions of plan and trust documents as well as plan provisions being administered for Clients. Amendments are made as necessary. We assist Trust Sponsors with model trust and plan documents and are eager to work with the State to develop its documents.

E. Investment Flexibility

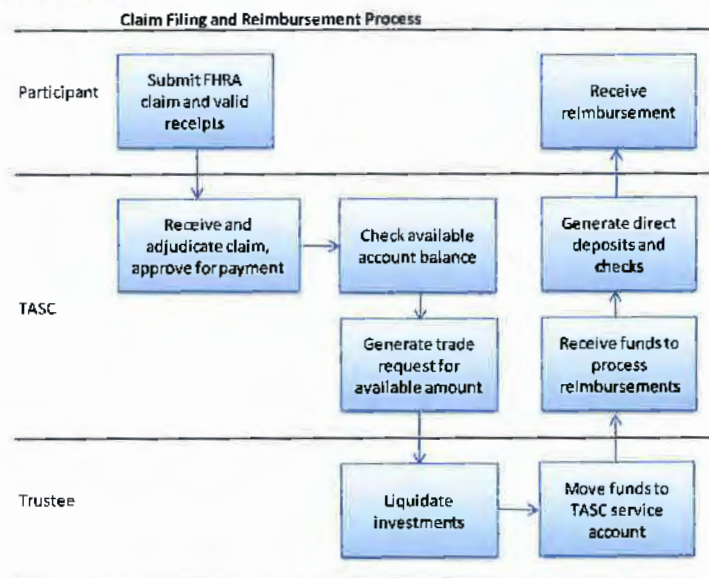
Investment Recordkeeping Services

TASC maintains Participant record data on a customized investment recordkeeping system that is integrated into our claims processing system. Hardware and software capabilities are hosted by a secure data center located in Cleveland, Ohio. The data center offers automated failover, business resumption, disaster recovery, and offsite storage of nightly data backups.

Process Flow — EMPLOYER:



Process Flow — PARTICIPANT:



If part of the claim cannot be paid due to an insufficient account balance, that portion will be recycled and reimbursement is made when funds become available.

Mutual fund investing involves risk; principal loss is possible. An investment in money market funds is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although these funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in these funds.

Each fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The prospectus contains this and other important information about the mutual funds available in your Plan. Read the prospectus carefully before investing.

The following firms provide trust and custody services to Clients of TASC:

- Matrix Trust Company, LLC, a subsidiary of Matrix Financial Solutions, a Broadridge Financial Solutions, Inc. company
- Schwab Bank, a subsidiary of the Charles Schwab Corporation
- Voya Institutional Trust Company, an affiliate of Voya Financial, Inc.
- Principal Trust Company, a subsidiary of The Principal Financial Group

TASC does not require the use of a pre-set investment menu and the State would be free to select the investments made available to Participants in the Plan. With **more than 10,000 available funds**, providing a complete list of funds available is not feasible. We will be happy to discuss this further. There are no restrictions on the number of funds available to the State.

TASC allows Participants to make an unlimited number of trades. TASC can provide short-term trading restrictions and redemption fees. TASC provides that material in accordance with the fund company's policies.

Short Term Redemption Fees

TASC highly recommends that funds subject to Short Term Redemption Fees (STRF) are not placed within a plan. If STRF funds are not used for reimbursement, this clears up the issue of having multiple redemption fees each week.

Transfers and Realignments: If a plan has an STRF and a Participant is trying to place a transfer or realignment on their account, they receive a warning that a short-term redemption fee may apply.

Disbursements: If a plan has an STRF and a Participant has a disbursement within the parameters of the redemption fee, we place the sale for the expense and receive results back that are short the amount of the redemption fee amount. This causes an issue with not being able to reimburse the entire amount of the expense requested and may cause a negative unit within the Participant account that may require a correction if the Participant balance is a unit sale. We then provide the Trustee with a report that details the redemption fee information to pay the fund.

This creates multiple issues when the Participant has a pending reimbursement that equals more than they have available in their VEBA account and trades are placed for disbursement on a weekly basis. A redemption fee would apply each week when the sale is placed.

Any reimbursements that are short the amount of the redemption fee are placed on a corrections sheet, which are processed each week to make up any reimbursements that were short of the full amount to be reimbursement to the Participant. This causes more redemption fees to be processed for each sale, regardless of weekly disbursement or correction, as long as the Participant has funds.

We take further precautions within a plan by removing the fund that holds a STRF from disbursements, which clears up the issue of having multiple redemption fees processed each week.

F. Fees and Expenses Proposal

This is a Technical Response. TASC has provided pricing information within the appropriate area in our response to RFP 5837 Z1.

Termination and Renewal of Agreement

Either party may terminate this Agreement with sixty (60) days written notice. If services are terminated under this Agreement, the Plan Sponsor will be responsible for providing any outstanding services required under the Plan.

Either party may terminate this Agreement due to a default by giving the defaulting party ten (10) day written notice of the termination. If the non-defaulting party allowed a thirty (30) day cure period, the ten (10) day written notice will be at the end of the cure period.

Following is a table of all non-asset based plan sponsor-related administrative (including any fees to maintain, update, and/or ensure compliance of such document with the Internal Revenue Code).

Plan Sponsor Administration Services	Cost of Services (\$)
Plan reporting:	\$0
Plan document preparation:	\$0 (included with administrative fees)*
Plan document maintenance:	\$250 (for plan changes)
Assistance with audits:	\$0
Custom communications including customization of website:	\$0
Plan-level fund changes:	\$0
Participant communication/mailing:	\$1.00 per Piece
Others (list):	* \$850 one-time IRS fee for Form 1024 (Request for Tax-Exemption Status), required for first-year plans and trusts

Performance Guarantees

TASC is without hesitation willing to guarantee our performance in areas that are most important and meaningful to you, either as a percentage of a fee or as a flat dollar amount, as we do with other Clients. Because the needs of every Client are different, we would like to partner with you during the selection and negotiation process to determine appropriate benchmarks and the amounts to be placed at risk.

Revenue Share

If the final investment line-up selected were to generate some amount of revenue sharing, TASC would provide a rebate to the State for revenues above the contracted amount on a **quarterly** basis.

If we are able to return excess revenue to the State, the State will enjoy quarterly rebate payments. TASC is willing to offset administration fees by sharing with the State revenue from the investment providers.

Addenda

TASC received, has read, and per the instructions in the RFP, herewith formally acknowledges the receipt of Addendum 1 to RFP 5837 Z1.

Exhibits

We provide document samples, flyers, our Universal Service Agreement (contract), and other peripheral materials in support of our proposal. They follow as Exhibits after the *Trade Secrets, Confidentiality, and Proprietary Information* section on page 29.

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Why TASC?

In 1975, Don Rashke sold his family farm in north central Wisconsin and became a licensed insurance agent, planting the seeds that later became TASC. At first, he focused on estate planning for family farms. Since then, year after year, innovation after innovation, TASC's Client base has grown. In 1992, TASC's revenue reached \$1 million. Currently, our annual revenues exceed \$100 million.

Today we serve 71,000 Clients in all 50 states, from family farms and small businesses to the federal government, large consultancies, and large enterprises.

Enterprise Development Expertise

TASC has earned a reputation for our proficiency in managing large and complex opportunities. One TASC effort in particular showcases these capabilities: TASC recently designed and built a new platform for the **world's largest workplace giving program**. With TASC as its administrator, the Give Back Foundation was awarded a multi-year, \$58 million contract with the United States Office of Personnel Management (OPM) to administer the Combined Federal Campaign (CFC). TASC manages an operating platform, financial management system, charity management system, and employee/donor management system for this program. Donors can also use the platform to pledge volunteer time. Our robust security approach met all of OPM's stringent security requirements. Participation in CFC is open to all 8.5 million federal employees and retirees, both stateside and abroad, through payroll and pension deductions.

Our Culture

We want to briefly touch on three key factors that make our culture unique, all of which are focused on Clients like you:

- **Peace of Mind:** We go the extra mile to reduce Client risk and deliver peace of mind for our Clients. In small part:
 - Our **Audit Guarantee** protects Clients of the TASC Flexible Spending Account Section 125 Cafeteria Plan, TASC Health Reimbursement Arrangement Section 105 Plan, and Accountable Care Act Reporting from an IRS challenge when they follow our recommendations.
 - Our **Hold Harmless Guarantee** (part of our Service Level Agreement) protects Clients of several TASC offerings from fines, judgments, and other assessments in certain situations.
 - Our **Money Back Guarantee** ensures your satisfaction. If you are not entirely satisfied with a subscription service, you can within the first 30 days obtain a refund of the TASC fees you previously paid.
 - Our **in-house Government Affairs Team** monitors and scrutinizes regulatory changes and enforcement trends. The team includes a staff attorney, in-house Legislative Analyst, and compliance experts. Learn more: <https://tasccapitalconnection.com>.

- Our status as a **privately-held company** allows us the freedom to invest profits back into our organization – into the technologies and the people, both those that serve current Clients and Participants, and those who relentlessly pursue useful innovation. TASC CEO Dan Rashke is committed to the long-term best interest of TASC, its Clients and Participants, and its employees.
- **Industry Leadership:** TASC creates award-winning offerings people need and trust, and introduces popular, common-sense features that set a new bar for the market.
 - In recent years, TASC, its offerings, and its team have accumulated more than **40 industry awards** (<https://www.tasconline.com/about-tasc/tasc-awards/>) for qualities such as performance and innovation. For instance, TASC had two Gold Winners (<http://www.goldenbridgeawards.com/world/index.html>) in the 2017 Golden Bridge Awards: in the Innovations in Technology – Human Resources category for our Compliance Dashboard and in the Best Female Product Director or Program Director category for Kathy Blumenfeld, Vice President of Special Operations. Also in 2017, TASC's ACA Employer Reporting Service was named a Gold Winner (<http://pillarworldawards.com/world/>) in the Best Products and Services category for the Pillar World Awards.
 - TASC was either first or among the **first to market** with many features that are now considered industry staples, including debit cards for benefit accounts, an online cash transaction manager, a mobile application, and a text messaging service.
 - TASC has an **adaptable workforce** with an innovative, agile mindset. TASC deliberately hires, acquires, and retains team members who bring a tremendous diversity of thought, which makes the organization nimble and capable of thriving in a highly competitive market.
 - TASC is in Year 2 of a four-year plan to develop an **integrated, online benefit account and compliance platform**. We are currently updating and incorporating into the platform a core set of benefit account offerings – those used by the majority of our current customer base. Over the next two years, the platform will grow to include all TASC benefit account and compliance service offerings.
- **Doing Good:** Like many of our Clients, TASC invests in philanthropy.
 - At TASC, the spirit of giving **starts at the top**. CEO Dan Rashke is a former board member for the United Way of Dane County and served as Chair of the County's 2015 United Way Campaign, which brought in pledges exceeding \$19.5 million. The Rashke family also has its own philanthropic foundation (<https://www.tasconline.com/tasc-cares/rashkefoundation/>).
 - Through our workplace giving program, TASC and its employees have donated over **\$1 million to charities**. In addition to direct giving through payroll deductions, TASC offers employees one week of paid volunteer time and provides "in-kind" services for 20+ charities by waiving up to \$1,000 per year in administrative fees.

- TASC has earned several **philanthropy awards** from the United Way of Dane County and the Association of Fundraising Professionals (AFP) Greater Madison Chapter. In 2014, the AFP chapter named TASC as the Outstanding Corporation of 2014.

Our Mission

GROW

Offer valued employee benefit and administration services that improve our customers' bottom line and assure their peace of mind.

EXCEL

Efficiently deliver innovative services with right-touch experiences.

Our Commitment

Our ongoing commitment to serving our Clients is what separates us from the competition. That commitment includes:



Exceptional customer service: We offer a level of customer service that is unparalleled in the industry, and we stand behind our services with visibility and accountability.



Useful innovation: Utilization of technologies like the Internet and mobile tools have improved the efficiency and speed in which we deliver services to the marketplace, while also improving the ease-of-use experience.



Reliable and sustainable company growth: You can count on our continued, steady growth to fund innovation, raise the level of our services, improve customer service, and increase customer satisfaction.



Low operating expenses: This keeps our fees competitive and makes our services affordable.



PURCHASER DETAILS

CONTACT INFORMATION

Contact Name:		Email (required):	
Title:		Telephone:	
Purchaser Name:		Business Federal ID#:	
Physical Address: (no PO Box)		City:	State: Zip:
Mailing Address:		City:	State: Zip:
Billing Contact Name: (if different from primary contact)		Email:	
Billing Mailing Address Name: (if different from primary contact)		City:	State: Zip:
NAICS/SIC Code:		Total # Employees:	
Nature of Business:		Total # Benefit Eligible Employees:	
Tax Filing Status:		<input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Non-Profit <input type="checkbox"/> LLC <input type="checkbox"/> Other:	
Health Insurance Carrier:		Carrier Group ID#:	Renewal Date:
Carrier AM/Rep Name:		AM/Rep Email:	
Are you a current TASC Purchaser?		<input type="checkbox"/> No <input type="checkbox"/> Yes If Yes, please provide your 12-Digit TASC ID#:	

SERVICE OFFERINGS & FEES

Select TASC Subscription Services, enter the proposed fees, and complete each corresponding section. Set-Up fee payments are due at the time of application submission.

Subscription Services:	One Time Set-Up Fees	Administration Fees	Minimum Admin Fee	Annual Renewal Fees	Additional Services and Fees
<input type="checkbox"/> FlexSystem FSA	\$	\$	\$	\$	\$
<input type="checkbox"/> FlexSystem POP	\$ n/a	\$	\$ n/a	\$ n/a	\$ n/a
<input type="checkbox"/> TASC HSA	\$	\$	\$	\$	\$
<input type="checkbox"/> TASC GiveBack	\$	\$	\$	\$	\$
<input type="checkbox"/> TASC HRA	\$	\$	\$	\$	\$ <input type="checkbox"/> TASC HRA Debit Card
<input type="checkbox"/> TASC COBRA	\$	\$	\$	\$	\$ <input type="checkbox"/> QB Takeover
<input type="checkbox"/> TASC Retiree Billing	\$	\$	\$	\$	\$
<input type="checkbox"/> TASC FMLA	\$	\$	\$	\$	\$ <input type="checkbox"/> Eligibility Determination
<input type="checkbox"/> TASC ACA Employer Reporting	\$	\$	\$	\$	\$ <input type="checkbox"/> TASC ACA Employer Reporting
<input type="checkbox"/> TASC ERISA	\$	\$	\$	\$	\$
<input type="checkbox"/> TASC PCDRI (with TASC ERISA)	\$	\$	\$	\$	\$
<input type="checkbox"/> TASC PCORI (w/out TASC ERISA)	\$	\$	\$	\$	\$

Purchaser Initials



TC-6068-040918

<input type="checkbox"/> TASC Form 5500 Preparation	\$	\$	\$	\$	\$
<input type="checkbox"/> TASC Non-Discrimination Testing	\$	\$	\$	\$	\$
<input type="checkbox"/> TASC HIPAA	\$	\$	\$	\$	\$
TASC SUITES (Select one)					
<input type="checkbox"/> Suite 1: ERISA, HIPAA, FMLA	\$	\$	\$	\$	\$
<input type="checkbox"/> Suite 2: ERISA, HIPAA, FSA	\$	\$	\$	\$	\$
<input type="checkbox"/> Suite 3: ERISA, HIPAA, COBRA	\$	\$	\$	\$	\$
<input type="checkbox"/> Suite 4: ERISA, HIPAA, COBRA, FSA	\$	\$	\$	\$	\$
<input type="checkbox"/> Suite 5: ERISA, HIPAA, COBRA, FMLA	\$	\$	\$	\$	\$
<input type="checkbox"/> Suite 6: ERISA, HIPAA, COBRA, FSA, FMLA	\$	\$	\$	\$	\$
<input type="checkbox"/> Suite 7: HIPAA, COBRA, FSA, FMLA	\$	\$	\$	\$	\$
<input type="checkbox"/> Suite 8: HIPAA, COBRA	\$	\$	\$	\$	\$
SUITE Add-On Offerings					
<input type="checkbox"/> TASC ACA Employer Reporting (S)	\$	\$	\$	\$	\$
<input type="checkbox"/> TASC Form 5500 Preparation (S)	\$	\$	\$	\$	\$
<input type="checkbox"/> TASC Form 990 Preparation (FHRA) (S)	\$	\$	\$	\$	\$
<input type="checkbox"/> TASC Summary of Benefits and Coverage Document Preparation (FHRA) (S)	\$	\$	\$	\$	\$
<input type="checkbox"/> TASC Non-Discrim Testing (S)	\$	\$	\$	\$	\$
<input type="checkbox"/> TASC HSA (S)	\$	\$	\$	\$	\$
<input type="checkbox"/> TASC HRA (S)	\$	\$	\$	\$	\$
<input type="checkbox"/> Account Package	\$	\$	\$	\$	\$
TOTAL ADD-ON OFFERINGS TO BE BILLED					
TOTAL FEES:	\$	\$	\$	\$	\$

BILLING INFORMATION

Billing Options

- TASC Automatic Check Processing (ACH)¹ – complete Banking Information below
 - Pay by Invoice
 - Credit Card – *only available for fees submitted with this Plan Application, not future billing.*
- *FHRA funding TBD. May be to trustee.*

Billing Frequency

- Monthly – *only available with ACH funding (select above)*
- Quarterly
- Annually

Banking Information

This information will be used to process payments for services rendered.

Financial Institution Name		
Bank Routing Number	Bank Account Number	

Account Funding (TASC will initiate ACH debits from the bank account and financial institution named in the account funding section. Plan funding payments will be electronically deducted from the indicated bank account and automatically submitted on your scheduled payroll contribution dates.)

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<input type="checkbox"/> Use same ACH information as banking information	<input type="checkbox"/> Use different ACH information as per below
Financial Institution Name	
Bank Routing Number	Bank Account Number

Credit Card Information

Credit Card information may **only** be used for Initial Setup Fees.

Name on Card	
Card Type	<input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> American Express <input type="checkbox"/> Discover
Card Number	Expiration Date

E-Pay is TASC's standard method for submission of *administration fees*. With E-Pay, TASC conveniently deducts your fees from your checking account. Simply complete the box above, signing where indicated. Please note ACH information for each benefit's plan funding will need separate attention in their respective section of the application. All written debit authorizations must agree that the Payer may revoke the authorization only by first notifying the Originator in the manner specified in the authorization. The language in the authorization represents the disclosure requirement associated with the clarification of OFAC economic sanction policies upon ACH Network Participants.

AUTHORIZATION

This data and information is being provided to implement the Subscription Services purchased. This data and information is subject to the terms of the TASC USA, including TASC's reliance on its timeliness and accuracy.

Purchaser Signature: _____ Date: _____
 Title: _____

Distributor/Agent Name:	TASC Provider ID #:	Retail Code:
Primary Account Rep Name:	Email:	

INTERNAL USE ONLY:	
Assist MyTASC ID:	

BENEFIT ACCOUNT MANAGEMENT (BAM) OFFERINGS

FlexSystem FSA

NEW Plan:	Plan Start Date	____/____/____	Plan End Date	____/____/____
Existing Plan:	Plan Start Date	____/____/____	Plan End Date	____/____/____
<input type="checkbox"/> Mid-Year Plan Takeover	<input type="checkbox"/> POP Plan	<input type="checkbox"/> Limited Purpose FSA (LPFSA)	<input type="checkbox"/> LPFSA Needed?	<input type="checkbox"/> Mirror the full FSA?

FlexSystem Benefit Account Offerings (select all that apply)

<input type="checkbox"/>	Healthcare FSA – Medical Expense Reimbursement Account	Maximum	
<input type="checkbox"/>	Dependent Care FSA Reimbursement Account	Maximum	
<input type="checkbox"/>	Transit Reimbursement Account	Maximum	
<input type="checkbox"/>	Parking Reimbursement Account	Maximum	
<input type="checkbox"/>	Medical or Medical Related Premium		
<input type="checkbox"/>	Non Employer Sponsored Premiums		
<input type="checkbox"/>	Voluntary/Group Term Life Insurance Premium		
<input type="checkbox"/>	Disability Insurance Premium		
<input type="checkbox"/>	Supplemental Insurance		

Plan Details

Elect a terminal restricted card for your Transit and Parking accounts

Purchaser Initials



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<input type="checkbox"/>	Elect Rollover for Transit and/or Parking accounts	End date (180 default)	___/___/___
<input type="checkbox"/>	Elect Healthcare FSA Carryover	Amount	
<input type="checkbox"/>	Elect a Grace Period (<i>not available with Carryover</i>)	End date (<i>75-day maximum</i>)	___/___/___
<input type="checkbox"/>	Elect a Runout Period	End date	___/___/___
<input type="checkbox"/>	Offer Employer Sponsored Group Health Insurance to employees		
<input type="checkbox"/>	Additional Payroll Schedules (<i>If checked, attach additional payroll schedules.</i>)		

Funding

Number of Contributions in a 12-month Plan Year		
Payroll/Funding Cycle	<input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Semi-Monthly <input type="checkbox"/> Monthly <input type="checkbox"/> Other _____	
First Contribution Date	___/___/___	Second Contribution Date
Last Contribution Date	___/___/___	
POC Funding	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, an POC Addendum and paperwork is required.</i>

Participant and Eligibility Requirements

Entry and Probationary Period: Select the employment requirement below that an eligible employee must meet in order to enroll in the FlexSystem Plan at open enrollment, or at the time of hire.

<input type="checkbox"/>	On the date of hire	<input type="checkbox"/>	First of the month after date of hire
<input type="checkbox"/>	30 days after date of hire	<input type="checkbox"/>	First of the month after 30 days of continuous employment
<input type="checkbox"/>	60 days after date of hire	<input type="checkbox"/>	First of the month after 60 days of continuous employment
<input type="checkbox"/>	90 days after date of hire	<input type="checkbox"/>	Other: _____

Additional Requirements (*select all that apply*)

Included	Excluded	N/A	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Members of bargaining units
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Part-time employees regularly scheduled to work at least ___ hours per week
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Seasonal employees regularly working at least ___ months within a year
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Employees under ___ years of age

TASC HSA

Plan Start Date	___/___/___	Plan End Date	___/___/___
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HSA Benefit Account Offerings

<input type="checkbox"/>	TASC HSA
<input type="checkbox"/>	TASC HSA – LIMITED
<input type="checkbox"/>	TASC HSA - PLAN ONLY

Funding

Payroll/Funding Cycle	<input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Semi-Monthly <input type="checkbox"/> Monthly <input type="checkbox"/> Other _____		
Participant Contribution Schedule	<i>Dates applied to Participant accounts based on above selected payroll cycle.</i>		
	First Contribution Date	___/___/___	Second Contribution Date
	Last Contribution Date	___/___/___	
Employer Contributions	<input type="checkbox"/> Yes <input type="checkbox"/> No <i>If Yes, please complete all information below:</i>		
Contribution Amount per Coverage Level	Single: \$		Family: \$

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Frequency of Employer Contributions	<input type="checkbox"/> One time	Contribution Date:		
	<input type="checkbox"/> Weekly	<input type="checkbox"/> Bi-Weekly	<input type="checkbox"/> Semi-Monthly	<input type="checkbox"/> Monthly
Employer Contribution Schedule	First Contribution:	____/____/____	Second Contribution:	____/____/____
For banking holidays, select one option:	<input type="checkbox"/> Apply contributions <i>next</i> business day		<input type="checkbox"/> Apply contributions <i>prior</i> business day	
Pro-Rated for Mid-Year Enrollees	<input type="checkbox"/> Yes <input type="checkbox"/> No		If Yes, select a method below:	
	<input type="checkbox"/> As of Plan Start Date	<input type="checkbox"/> As of Most Recent Quarter	<input type="checkbox"/> Other: _____	

TASC GIVEBACK

Plan Start Date: ____/____/____

Benefit Account Offerings (select all that apply)

<input type="checkbox"/> Company Match →	Employee Match per Employee Per Year	
	Employee Match Per Payroll	
<input type="checkbox"/> Company Enrollment Bonus →	Bonus Amount	
<input type="checkbox"/> Hold a Fundraiser		

Funding

Number of contributions in a 12-month Plan Year: _____

Payroll/Funding Cycle: Weekly Bi-Weekly Semi-Monthly Monthly Other _____

Employer Contributions: Yes No *If Yes, please complete all information below:*

First Contribution Date: ____/____/____ Second Contribution Date: ____/____/____

Last Contribution Date: ____/____/____

TASC HRA

Plan Start Date: ____/____/____ HRA Full Administration HRA Self-Administration

Plan Information

Estimated Number of Participants:		Number of Employees (FT+PT)	
Existing HRA Plan in Place?	<input type="checkbox"/> No <input type="checkbox"/> Yes	If YES, please provide the following information:	
ERISA 3-Digit Plan #:			
# of Current Participants:			
Name of Current Administrator:			
Current Run-Out Period:	_____ Days		
Who will administer <u>current</u> Plan Runout?	<input type="checkbox"/> Prior Administrator	<input type="checkbox"/> TASC	
Roll Over/Carry Over:	<input type="checkbox"/> No <input type="checkbox"/> Yes	If yes, maximum \$ to rollover	
Single:		Family:	
Comments:			

Plan Start

Select and complete one of the following two options. Indicate the Plan Year dates and when TASC HRA administration begins. HRA Plan Year should match the medical plan year if applicable.

<input type="checkbox"/> New HRA Plan (no current plan exists)	1 st Year Administration	2 nd and Successive Years
--	-------------------------------------	--------------------------------------

Purchaser Initials:



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Plan Start Date:	First day of: ___/___ (mo/yr)	First day of: ___/___ (mo/yr)
# Consecutive Months Continued:		Twelve (12) month period

Note: Plans need not run on the calendar year (i.e. January 1 - December 31)

Mid-Year Plan Takeover – select one setup option below (Year-to-Date balances **must** be submitted with enrollments in order to be entered):

- Full Plan Year setup; or
Plan Sponsor must submit an aggregate balance report of participant claims paid year-to-date to adjust the Participant HRA balance
- Short Plan Year setup: (less than 12 months)
Plan Sponsor must submit an aggregate deductible credit report of participant claims paid year-to-date to adjust the Participant HRA balance. Allows you to extend a deductible credit to your Participants based on the amount of the health insurance deductible that has been satisfied thus far.

Enter plan dates based on your selected setup:	Plan Start Date	Plan End Date
Current TPA Plan:	___/___/___ (mo/dd/yr)	___/___/___ (mo/dd/yr)
TASC HRA Plan:	___/___/___ (mo/dd/yr)	N/A

HRA Benefit Account Offerings

- Retiree HRA
- QSEHRA
- Integrated HRA

Health insurance carrier name _____

Health insurance deductible individual _____

Health insurance deductible family _____

Participant and Eligibility Requirements

- Select on eligibility requirement below:
- Eligibility requirements include participation in the named Health Insurance Plan (N/A for QSEHRA Plans); or
- Eligibility requirements include (select all that apply below):
- Part-time employees working at least ___ hours of work per week will be included (maximum 29 hours)
 - Current employees completing ___ months of service with the employer will be included (maximum 90 days)
 - New employees completing ___ months of service with the employer will be included (maximum 90 days)

Benefit Account Reimbursement Options (select all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Medical deductible | <input type="checkbox"/> Dental |
| <input type="checkbox"/> Prescription | <input type="checkbox"/> Vision |
| <input type="checkbox"/> Co-insurance | <input type="checkbox"/> Ortho |
| <input type="checkbox"/> Uninsured Medical | <input type="checkbox"/> 213(d) - (Premiums not included) |
| <input type="checkbox"/> Co-Pays | <input type="checkbox"/> Individual Medical Premiums |
| <input type="checkbox"/> Individual Dental Premiums | <input type="checkbox"/> Individual Vision Premiums |

Plan Type (select only ONE option)

- Family Aggregate: expenses can be shared by family members
- By Member: (Embedded Deductible)

TASC HRA Plan Participant Responsibility (amount participant is responsible for prior to reimbursements)

Individual Maximum: \$		Family Maximum: \$			
TASC HRA Employer Reimbursements	Percentage		Dollar Amount Range		TASC HRA Employer Reimbursed Amount
		%	\$	-	\$
	Regulatory Limits for QSEHRA:	%	\$	-	\$
	Please consult your sales staff for the	%	\$	-	\$
	yearly regulatory limits for QSEHRA single	%	\$	-	\$
	and family	%	\$	-	\$
	Minimum reimbursement per individual:				\$
	Maximum reimbursement per family:				\$

Purchaser Initials

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To fund your TASC HRA Plan, TASC will initiate ACH debits from the financial institution and bank account named below.

Funding Options	<input type="checkbox"/> Monthly Budgeted (ACH or Invoice)	<input type="checkbox"/> Point of Claims (ACH Only and Premium Services Bid Request Required)
Bank Information:	<input type="checkbox"/> Use same ACH info from this Agreement	<input type="checkbox"/> Use different ACH information as per below
Financial Institution Name:		Branch:
Bank Routing Number (9 digits):		Checking Account #:
ADMIN ONLY: TASC HRA - Special Instructions: _____		
Funding: _____ % (Minimum of 25%)		

CONTINUATION OFFERINGS

TASC COBRA

Plan Start Date	____/____/____	<i>Plan Application must be received by 15th of month prior to this start date. COBRA Addendum is needed if requested plan start date does not meet this requirement.</i>
Number of Takeover Qualified Beneficiaries (TQBs):		Number of Employees On Health Insurance Plan
COBRA Benefit Account Offerings (select all that apply)		
<input type="checkbox"/> Include Takeover Qualified Beneficiaries (TQBs). <i>If selected</i> , please include TQB forms for each beneficiary.		
<input type="checkbox"/> Include Additional Subsidiaries, Affiliates, or Divisions under TASC COBRA. <i>If selected</i> , complete boxes below:		
Qualifying Events		
When a COBRA Qualifying Event occurs, select when you would like the COBRA period to begin:		
<input type="checkbox"/> First of the month, following the qualifying event	<input type="checkbox"/> Other:	
<input type="checkbox"/> Day after the Qualifying Event		
Additional COBRA Services (fees apply)		
<input type="checkbox"/> Carrier Notifications	<input type="checkbox"/> Other:	
<input type="checkbox"/> Custom Reporting		

TASC RETIREE BILLING

Plan Start Date	____/____/____	<i>Plan Application must be received by 15th of month prior to this start date. COBRA Addendum is needed if requested plan start date does not meet this requirement.</i>	
Number of Participating Retirees			
Retiree Billing Benefit Account Offerings (select all that apply)			
<input type="checkbox"/> Include Takeover Qualified Beneficiaries (TQBs). <i>If selected</i> , please include TQB forms for each beneficiary.			
<input type="checkbox"/> Include Additional Subsidiaries, Affiliates, or Divisions under TASC Retiree Billing. <i>If selected</i> , complete boxes below:			
Identify all subsidiaries, affiliates, or divisions to include under TASC Retiree Billing and if they require a separate set-up for service communications:			
NAME	SEPARATE	NAME	SEPARATE
1	<input type="checkbox"/>	3	<input type="checkbox"/>
2	<input type="checkbox"/>	4	<input type="checkbox"/>
Qualifying Events			
When a COBRA Qualifying Event occurs, select when you would like the Retiree Billing period to begin:			
<input type="checkbox"/> First of the month, following the qualifying event	<input type="checkbox"/> Other:		
<input type="checkbox"/> Day after the Qualifying Event			
Additional Retiree Billing Services (fees apply)			
<input type="checkbox"/> Carrier Notifications	<input type="checkbox"/> Custom Reporting		

Purchaser Initials



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Other: _____

TASC FMLA

Plan Start Date (Plan must start on the 1st of the month. Application must be received at least 5 business days before the requested start date.) _____/_____/_____

Do you have employees currently on FMLA leave? Yes No

If yes, how many employees are currently on FMLA leave? _____

Does your company policy run FMLA concurrent with worker's compensation and short-term disability plans? Yes No

Which method of reporting do you use for FMLA hours?
 Manual reporting via online form
 Data feed (via recurring file from your timekeeping system)

Which 12-month FMLA tracking type does your company policy outline?
 Rolling Backward Rolling Forward
 Calendar Year
 Plan Year with Start Date of: _____/_____/_____

In what states do you have locations in? _____

Do you have any locations that are not eligible for FMLA? Yes No

Additional Services (fees apply)

Eligibility and entitlement determination (free with TASC Suite) Other: _____

Identify all subsidiaries, affiliates, or divisions to include under TASC FMLA and if they require a separate set-up for service communications:

NAME	SEPARATE	NAME	SEPARATE
1	<input type="checkbox"/>	3	<input type="checkbox"/>
2	<input type="checkbox"/>	4	<input type="checkbox"/>

COMPLIANCE OFFERINGS

TASC ACA EMPLOYER REPORTING

Plan Start Date - Must be a calendar year - please indicate the calendar year in which you want reporting to start _____/_____/_____

Health Insurance Renewal Date _____/_____/_____

Employer Type (Select One)

Single ALE (Applicable Large Employer) (one EIN)

Aggregated ALE (more than one EIN)

Non-ALE (under 50 fulltime employees)

Applicable Large Employer Status (ALE) (Select One)

ALE with fully insured medical plan

ALE with self-insured medical plan

Non-ALE with self-insured medical plan (1094B and 1095B Filing)

ALE with fully insured and self-funded plans running congruently

Controlled Group

Purchaser Initials



Please indicate if you are a member of any of the following (required):

- a Controlled Group of business entities under IRS Section 414(b) or (c);
- an affiliated service group under IRS Section 414(m); OR
- an arrangement described under IRS Section 414(o)

Yes (see below) No

Government Entity

Are you a Government Entity that has reportable employees under more than one EIN number? Yes (see below) No

If you answered YES to either question above, please complete the information in the section below for each member entity within the Aggregated ALE, placing the entity with the most employees on top, descending to the entity with the fewest employees. A plan application must be submitted separately for each entity.

Entity's Legal Name	Entity's EIN Number

Additional Services (Fees apply)

Minimum essential coverage offer indicator

Variable hour tracking

TASC ERISA

Plan Start Date / /
(Your plan will start the first of the month in which the application was received, unless there is a bundle/suite.)

Plan Information (select all that apply; if no, leave blank)

	Yes	No
Is Entity Part of: - A controlled Group of Corporations under Code Section 414(b) - A group of Businesses/Trades under common control under Code Section 414(c); or - An Affiliated Services Group under Code Section 414(m)	<input type="checkbox"/>	<input type="checkbox"/>
Are benefits/premiums paid from a single source? (If No, separate applications are required)	<input type="checkbox"/>	<input type="checkbox"/>
Under PPACA, is your current Group Health Plan considered Grandfathered?	<input type="checkbox"/>	<input type="checkbox"/>
Are you considered an Applicable Large Employer (ALE) under the Employer Shared Responsibility Provision of the Affordable Care Act (ACA)?	<input type="checkbox"/>	<input type="checkbox"/>
Do you currently track employee hours to determine if any variable hour, part-time, or seasonal employees are fulltime employees for purposes of health plan eligibility?	<input type="checkbox"/>	<input type="checkbox"/>
Do you offer Medicare Part D coverage? <i>If Yes, please select one of the following:</i> <input type="checkbox"/> Creditable <input type="checkbox"/> Non-Creditable <input type="checkbox"/> Both	<input type="checkbox"/>	<input type="checkbox"/>

Please complete the following information.

A	B	C	D	E	F	G
	Contract Year (mo/dd/yr)	Benefit Contract Written to Group (G) or Individuals (I)	Pre-tax Benefit (Y/N)	Insurance Carrier or Service Provider name	Is Benefit Self-Insured (SI) or Fully-Insured (FI)	Total Number of Covered participants (not including Dependents)
Health						
Dental						
Vision						
Life						

Purchaser Initials



AD&D						
STD						
LTD						
Voluntary/Supplemental Life or AD&D						
Wellness						
Employee Assistance Program						
Stop Loss Insurance						
Voluntary Products						
Other ERISA Plans						

Additional Services (additional fees may apply)

<input type="checkbox"/>	Medicare Part D Notice	<input type="checkbox"/>	Professional Services (billed hourly)
<input type="checkbox"/>	Additional Benefit Plans (9+)	<input type="checkbox"/>	Form 5500 Late Filing
<input type="checkbox"/>	Carrier Certificates of Coverage attached to Plan Document	<input type="checkbox"/>	PPACA Notices
<input type="checkbox"/>	Wrap Document – Individual/Separate Affiliated Employer		

TASC PCORI

Plan Start Date - Stand Alone PCORI will start 07/01, please indicate the year in which you would like reporting to start.

___/___/___

Current Benefits Status (select all that apply)

- A - Health Reimbursement Arrangement (HRA)
- B - TASC HRA Purchaser
- C - TASC Non-Excepted Health Flexible Spending Account (NEFSA) Purchaser
- D - Self-Insured Health Plan
- E - TASC Self-Administered HRA or NEFSA Purchaser

Participant Counts

As of the first day of the FIRST month of the plan year:

As of the first day of the FOURTH month of the plan year:

As of the first day of the SEVENTH month of the plan year:

As of the first day of the TENTH month of the plan year:

INSTRUCTIONS FOR PARTICIPANT COUNT

If you selected A only, A and E, or C and E: Participant counts should equal the number of HRA or NEFSA plan participants on the first day of each quarter of the plan year.

If you selected A and D or C and D: Participant counts should equal the total number of self-insured health plan participants on the first day of each quarter during the plan year. Count each health plan participant with self-only coverage and then add to that the number of participants with other than self-only coverage multiplied by 2.35.

If you selected D only: Participant counts should equal the total number of self-insured health plan participants on the first day of quarter of the plan year. Count each health plan participant with self-only coverage and then add to that the number of participants with other than self-only coverage multiplied by 2.35.

TASC FORM 5500 PREPARATION

Plan Start Date _____/_____/_____

Do you have Late Filings for Form 5500? Yes No *If Yes, enter the number of late filings:* _____

NOTE: This service offering is for ongoing 5500 plans only, not for customers who are getting 5500 preparation with another offering. If you need a late filing only, please select under TASC ERISA service offering.

Purchaser Initials

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Is Entity Part of: - A controlled Group of Corporations under Code Section 414(b) - A group of Businesses/Trades under common control under Code Section 414(c); or - An Affiliated Services Group under Code Section 414(m) If Benefits/Premiums are NOT paid from a single source, separate applications are required.	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
--	------------------------------	------------------------------

TASC NON-DISCRIMINATION TESTING

Plan Start Date - Please indicate the plan year to start testing	___/___/___
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Controlled Group: Please indicate if you are a member of any of the following: (required) - A controlled Group of business entities under IRS Section 414(b) or (c); - An affiliated service group under IRS Section 414(m); or - An arrangement described under IRS Section 414(o).	<input type="checkbox"/> No <input type="checkbox"/> Yes If yes, see below*
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- If you selected "Yes" in the above question, please provide a list of all other companies and incorporated business entities.
- Indicate on this list which entity or entities' employees participate in the cafeteria plan and indicate the type of corporation for each entity (i.e., C-Corp, Subchapter S Corp, Partnership, etc.).
- Note: In general, all employees under a controlled group of employers are considered when performing Plan Non-Discrimination Testing.

Testing Options (select all that apply; fill in dates if applicable)

Yes	No				
<input type="checkbox"/>	<input type="checkbox"/>	Do you need testing for a Premium Only Plan – Section 125 (POP)?			
		Plan Start Date	___/___/___	Plan End Date	___/___/___
<input type="checkbox"/>	<input type="checkbox"/>	Do you need testing for a Healthcare Flexible Spending Account (FSA)?			
		Plan Start Date	___/___/___	Plan End Date	___/___/___
<input type="checkbox"/>	<input type="checkbox"/>	Do you need testing for a Dependent Care Flexible Spending Account (FSA)?			
		Plan Start Date	___/___/___	Plan End Date	___/___/___
<input type="checkbox"/>	<input type="checkbox"/>	Do you need testing for a Health Reimbursement Arrangement (HRA)?			
		Plan Start Date	___/___/___	Plan End Date	___/___/___
<input type="checkbox"/>	<input type="checkbox"/>	Do you need testing for Self-Insured Medical Plans?			
		Plan Start Date	___/___/___	Plan End Date	___/___/___
<input type="checkbox"/>	<input type="checkbox"/>	Do you need testing for Group Life Insurance?			
		Plan Start Date	___/___/___	Plan End Date	___/___/___

Note: Group employees of all entities must be tested if entity is a member of a controlled group of corporations, trades, or businesses under common control or an affiliated service.

SPECIAL INSTRUCTIONS

Purchaser Initials



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Dear Prospective Client:

Thank you for your interest in TASC. Based on many requests for information, here are a few of the common "TASC Facts" that most prospective clients would like to know while evaluating TASC as your business associate of choice.

- TASC has been in operation since its incorporation in May 1986 and is a closely held company.
- As of September 30, 2017 and 2016, respectively, TASC had total assets of \$221,924,722 and \$219,801,705. Gross revenues for the twelve months ended September 30, 2017 and 2016 were \$111,440,959 and \$103,351,499, representing growth of 8% and 7%.
- TASC maintains a line of credit with its banking partner, there is no outstanding balance drawn against the line of credit.
- Per policies governed by the board of directors, funds received for third party accounts are managed through separate accounts at various financial institutions. The activities within these separate accounts are further accounted for separately from other operating accounts in our financials. As of September 30, 2017 TASC's net funding liabilities were \$136,141,041.
- TASC is a licensed third-party administrator in the State of Wisconsin. TASC maintains a Crime Policy with Chubb Insurance Company for \$5,000,000 per occurrence, which includes employee dishonesty and client coverage provisions.

We hope these "TASC Facts" assist you in evaluating TASC.

Sincerely,
TASC

Steve Cable
Chief Financial Officer



Proposed FHRA Implementation Schedule for the State of Nebraska

ID	Task Description		Start Date	Planned End Date
1 Plan Application and Set Up				
1.1	Complete the Plan Application. Provide prior Administrator contact to TASC (if applicable).	State of NE	7/9/2018	7/9/2018
1.2	Reach out to applicant to review the application.	TASC Implementation	7/10/2018	7/12/2018
1.3	Schedule a Kick-Off Meeting/Welcome Call (if necessary).	TASC Implementation	7/12/2018	7/13/2018
1.5	Ahead of the Kick-Off Meeting, provide agenda, project plan, and other documents.	TASC Implementation	7/12/2018	TBD by State of NE
1.6	Hold the Implementation Kick-Off Meeting. Set ongoing meeting schedule.	TASC Implementation	TBD by State of NE	TBD by State of NE
2 System Set Up				
2.2	Set up plan in systems.	TASC Implementation	24-48 Business hours	24-48 Business hours
2.5	Audit plan set up.	TASC Implementation	8/21/2018	8/27/2018
3 FHRA Legal Document Tasks				
3.1	Review Plan information for compliance.	TASC FHRA	7/12/2018	7/17/2018
3.2	Draft the legal documents: Plan and Trust documents, Adoption Agreements, Trust & Custody Paperwork, sample Board resolution, Successor Trustee Document (if required) and Administration Services Agreement	TASC FHRA	7/30/2018	8/1/2018
3.3	Send legal documents to State of NE for review.	TASC Implementation	8/3/2018	8/7/2018
3.4	Schedule a meeting to review the documents and answer questions.	TASC Implementation	8/9/2018	8/10/2018
3.5	Send signed legal documents.	State of NE	8/27/2018	9/5/2018
4 Pre-Conversion Tasks				
4.1	Prepare and send State of NE the Blackout Notice.	TASC FHRA	7/19/2018	7/30/2018
4.2	Receive demographic file with FHRA Participants from the prior Administrator	TASC FHRA	7/19/2018	7/30/2018
4.3	Distribute the notice to Participants who have balances.	State of NE	7/30/2018	8/1/2018
4.4	Contact Prior Admin to establish Conversion Timeline and data exchange procedure outlining transition of data and plan assets	TASC FHRA	8/10/2018	8/21/2018
4.5	Load FHRA Participants into the system.	TASC FHRA	8/17/2018	8/21/2018
4.6	Email or mail Welcome Letters to Participants.	TASC FHRA	9/25/2018	9/27/2018
5 Conversion Tasks				
5.1	Begin Blackout Period begins. Begin implementation.	All	9/25/2018	--
5.2	Liquidate assets.	Prior Admin	9/28/2018	9/28/2018
5.3	Transfer assets to the new trust company.	TASC FHRA	10/1/2018	10/1/2018
5.4	Transfer funds into Participant investment accounts based on investment elections.	TASC FHRA	10/2/2018	10/2/2018
5.5	Send trades.	TASC FHRA	10/2/2018	10/2/2018
5.6	Complete conversion.	TASC FHRA	10/3/2018	10/4/2018
5.7	Send Participant contribution data to TASC.	State of NE	10/1/2018	10/1/2018
5.8	Send contribution assets directly to the Trust Company.	State of NE	10/1/2018	10/1/2018
6 Effective Date				
		**	10/1/2018	10/1/2018
7 Post-Implementation				
7.1	Hold Post-Implementation conference call.	TASC FHRA/State of NE	10/8/2018	10/10/2018
7.2	Ensure the first contribution was received and processed.	TASC FHRA	10/8/2018	10/10/2018
7.3	Work with State of NE Account Executive to transition the State of NE to the Account Manager.	TASC FHRA	10/8/2018	10/10/2018

- This schedule will be updated prior to the Kick-Off Meeting.



Benefits Administration System

Report on Management's Description of its System and the Suitability of the Design and Operating Effectiveness of its Controls

SOC 1[®] Type 2 Report
April 1, 2017 through September 30, 2017



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1. Independent Service Auditor's Report

To the Board of Advisors of Genesis Employee Benefits, Inc., a TASC Division:

We have examined Genesis Employee Benefits, Inc. A TASC Division's (Genesis) description of its benefits administration system, for Flexible Spending Accounts (FSA), Health Reimbursement Arrangements (HRA), 105 Plans, VEBA Health Savings Plans (VHSP), and Retiree Medical Savings Accounts (RMSA) together known as Funded Health Reimbursement Arrangements (FHRA) (benefits administration system) entitled "Genesis Employee Benefits, Inc., a TASC Division's Benefits Administration System Description" for processing user entities' benefits administration transactions throughout the period April 1, 2017, to September 30, 2017, and the suitability of the design and operating effectiveness of controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in the "Genesis Employee Benefits, Inc., a TASC Division's Assertion" (assertion). The controls and control objectives included in the description are those that management of Genesis believes are likely to be relevant to user entities' internal control over financial reporting, and the description does not include those aspects of the benefits administration system that are not likely to be relevant to user entities' internal control over financial reporting.

The information included in Section 5, "Other Information Provided by Genesis Employee Benefits, Inc., a TASC Division" is presented by management of Genesis to provide additional information and is not a part of Genesis' description of its benefits administration system made available to user entities during the period April 1, 2017, to September 30, 2017. Information about Genesis' management's responses to exceptions identified in the report has not been subjected to procedures applied in the examination of the description of the benefits administration system and of the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the description of the benefits administration system and, accordingly, we express no opinion on it.

Genesis uses the subservice organizations WEX Health, Inc. and Schwab Retirement Technologies, Inc. (subservice organizations) for software platforms, data storage, security, logical access and change management services. The description includes only the control objectives and related controls of Genesis and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified by Genesis can be achieved only if complementary subservice organization controls assumed in the design of Genesis' controls are suitably designed and operating effectively, along with the related controls at Genesis. Our examination did not extent to controls of the subservice organizations and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of Genesis' controls are suitably designed and operating effectively, along with related controls at the service organizations. Our examination did not extent to such complementary user entity controls and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

Service Organization's Responsibilities

In Section 2, Genesis has provided an assertion about the fairness of the presentation of the description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. Genesis is responsible for preparing the description and its assertion, including the completeness, accuracy, and method of presentation of the description and the assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria in the assertion, and designing, implementing, and documenting controls that are suitably designed and operating effectively to achieve the related control objectives stated in the description.

Service Auditor's Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in management's assertion, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period April 1, 2017, to September 30, 2017. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of controls involves:

- > performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion.
- > assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.
- > testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved.
- > evaluating the overall presentation of the description, suitability of the control objectives stated therein, and suitability of the criteria specified by the service organization in its assertion.

Inherent Limitations

The description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all misstatements in processing or reporting transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become ineffective.

Description of Tests of Controls

The specific controls tested and the nature, timing, and results of those tests are listed in Section 4.

Opinion

In our opinion, in all material respects, based on the criteria described in Genesis' assertion,

- > the description fairly presents the benefits administration system that was designed and implemented throughout the period April 1, 2017, to September 30, 2017.
- > the controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period April 1, 2017, to September 30, 2017, and the subservice organization and user entities applied the complementary controls assumed in the design of Genesis' controls throughout the period April 1, 2017, to September 30, 2017.
- > the controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period April 1, 2017, to September 30, 2017, if complementary subservice organization and user entity controls assumed in the design of Genesis' controls operated effectively throughout the period April 1, 2017, to September 30, 2017.

Restricted Use

This report, including the description of tests of controls and results thereof in Section 4, is intended solely for the information and use of Genesis, user entities of Genesis' benefits administration system during some or all of the period April 1, 2017, to September 30, 2017, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities' financial statements. This report is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
January 10, 2018

2. Genesis Employee Benefits, Inc., a TASC Division's Assertion

We have prepared the description of Genesis Employee Benefits, Inc., a TASC Division's (Genesis) benefits administrations for Flexible Spending Accounts (FSA), Health Reimbursement Arrangements (HRA), 105 Plans, Integrated Funded Health Reimbursement Arrangements (I-FHRA) and Retiree Funded Health Reimbursement Arrangements (R-FHRA) together known as Funded Health Reimbursement Arrangements (FHRA) (benefits administration system), entitled "Genesis Employee Benefits, Inc., a TASC Division's System Description" for processing user entities' benefits administration transactions throughout the period April 1, 2017, to September 30, 2017, (description) for user entities of the system during some or all of the period April 1, 2017, to September 30, 2017, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by the subservice organizations and user entities of the system themselves, when assessing the risks of material misstatements of user entities' financial statements.

Genesis uses WEX Health, Inc. and Schwab Retirement Technologies, Inc. (subservice organizations), to provide aspects for software platforms, data storage, security, logical access, and change management services. The description includes only the control objectives and related controls of Genesis and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified by Genesis can be achieved only if complementary subservice controls assumed in the design of Genesis controls are suitably designed and operating effectively, along with the related controls at Genesis. The description does not extend to controls of the subservice organizations.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of Genesis's controls are suitably designed and operating effectively, along with related controls at the Genesis. The description does not extend to controls of the user entities.

We confirm, to the best of our knowledge and belief, that:

- a. The description fairly presents the benefits administration system made available to user entities of the system during some or all of the period April 1, 2017, to September 30, 2017, for user entities of the system as it relates to controls that are likely to be relevant to user entities' internal control over financial reporting. The criteria we used in making this assertion were that the description
 - i. Presents how the system made available to user entities of the system was designed and implemented to process relevant transactions, including, if applicable,
 - (1) the types of services provided, including, as appropriate, the classes of transactions processed.
 - (2) the procedures, within both automated and manual systems, by which services are provided, including, as appropriate, procedures by which transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports and other information prepared for user entities of the system.
 - (3) the information used in the performance of the procedures, including, if applicable, related accounting records, whether electronic or manual, and supporting information involved in initiating, authorizing, recording, processing, and reporting transactions; this includes the correction of incorrect information and how information is transferred to the reports and other information prepared for user entities.
 - (4) how the system captures and addresses significant events and conditions, other than transactions.

- (5) the process used to prepare reports or other information provided to user entities.
 - (6) services performed by a subservice organization, if any, including whether the inclusive method or the carve-out method has been used in relation to them.
 - (7) the specified control objectives and controls designed to achieve those objectives including, as applicable, complementary user entity controls contemplated in the design of the service organization's controls.
 - (8) other aspects of our control environment, risk assessment process, information and communications (including the related business processes), control activities, and monitoring activities that are relevant to the services provided.
- ii. Includes relevant details of changes to the benefits administration system during the period covered by the description.
 - iii. Does not omit or distort information relevant to the service organization's system, while acknowledging that the description is prepared to meet the common needs of a broad range of user entities of the system and their user auditors and may not, therefore, include every aspect of the benefits administration system that each individual user entity of the system and its auditor may consider important in its own particular environment.
- b. The controls related to the control objectives stated in the description were suitably designed and operating effectively throughout the period April 1, 2017, to September 30, 2017, to achieve those control objectives if the subservice organizations and user entities applied the complementary controls assumed in the design of Genesis' controls throughout the period April 1, 2017, to September 30, 2017. The criteria we used in making this assertion were that:
- i. The risks that threaten the achievement of the control objectives stated in the description have been identified by management of the service organization.
 - ii. The controls identified in the description would, if operating effectively, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved.
 - iii. The controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.

3. Genesis Employee Benefits, Inc., a TASC Division's System Description

Overview of Operations

Genesis Employee Benefits, Inc., a TASC Division (Genesis or the Company) is a third-party administrator providing account-based healthcare savings and reimbursement program consulting and administration serving public sector clients, private sector clients, and Taft-Hartley Health and Welfare Benefits Funds across the United States. Its administrative services enable clients to outsource a broad range of benefit plan processes. Genesis designs and administers Trust Funded healthcare savings and reimbursement accounts using special purpose trusts.

Genesis, effective December 1, 2013, became a division of Total Administrative Services Corporation (TASC). TASC is a Wisconsin corporation that provides comprehensive third-party administration products and services to facilitate employee benefits administration.

Scope of the Description

This system description includes controls applicable to the administration of flex spending accounts (FSA), health reimbursement accounts (HRA) 105 Plans, Integrated Funded Health Reimbursement Arrangements (I-FHRA) and Retiree Funded Health Reimbursement Arrangements (R-FHRA) together known as Funded Health Reimbursement Arrangements (FHRA). Genesis also provides health savings account administration, which is outside the scope of this examination.

Genesis uses subservice organizations that provide software platforms, data storage, security, backup, logical access, hosting and change management services (all hereinafter collectively referred to as the "subservice organizations"). The policies and procedures at the subservice organizations are likely to be relevant to internal control over the financial reporting of user entities of Genesis.

This description includes only those controls and related control objectives at Genesis and does not include controls and related control objectives of the subservice organizations, which include the following:

Subservice Organization	Function
WEX Health, Inc. (WEX)	Software platform for healthcare and reimbursement plan administration (WEX Health Cloud).
Schwab Retirement Technologies, Inc. (Schwab RT)	Application service provider and the development and support of the Schwab RT application.

Genesis works with prospective clients, benefit consultants, and insurance brokers to provide assistance with plan design to ensure regulatory compliance with all plans under administration. Partnering with a law firm specializing in employee benefits, Genesis provides the legal documents required for each plan under administration.

Genesis completes plan enrollment using data provided by the plan sponsor, or directly by the participants, using a secure online enrollment system. Genesis manages ongoing eligibility using data provided by the plan sponsor.

Genesis processes contributions to FHRA plans based on the plan sponsor's funding schedule; contributions are initiated by the plan sponsor. FSA contributions withheld from employee paychecks and HRA and 105 Plan employer contributions are held by the plan sponsor until requested by Genesis to fund weekly claims.

Claims are filed online by plan participants or via data entry by Genesis based on participant submitted claim requests. Claims are adjudicated and reimbursed weekly by direct deposit or check. I-FHRA claims are funded by trading participant I-FHRA. Funding for FSA, HRA and 105 Plan claims is obtained from the plan sponsor. Genesis offers plan sponsors a choice of five banking, trustee, and custodial institution partners. These service providers perform directed trustee services for the FHRA assets, custodial services for safekeeping of the assets, and a variety of mutual fund investment options.

The following is a list of service providers used by Genesis for trust and custody:

- > Principal Trust Company (Principal)
- > Charles Schwab Trust Company (Charles Schwab)
- > Voya Financial and Voya Financial Annuity (Voya)
- > Matrix Trust Company (Matrix)

The control objectives and related controls for trust and custody service providers are omitted from this description. The control objectives contained within this report include only the objectives which relate to Genesis operations.

Relevant Aspects of the Control Environment, Risk Assessment, Information Systems, Communication, and Monitoring

Control Environment

A company's control environment reflects the overall attitude, awareness and actions of management, employees and others concerning the importance of controls and the emphasis given to controls in its policies, procedures, methods and organizational structure. The following are considered key components of TASC's control environment:

- a. *Board of Advisors:* The TASC Board of Advisors consults with management to define corporate goals, implement strategic plans, and encourage controlled growth.
- b. *TASC Organization:* TASC is organized into various departments that reflect a logical separation of duties and responsibilities. Along with day-to-day operations, a core management team is responsible for the future direction of TASC. Executive management monitors corporate progress. They meet weekly to review, approve, and advise management on matters regarding corporate plans and policies and respond to controls and risk. Each year TASC prepares a fiscal budget that is used to manage the Company's fiscal matters for the coming fiscal year.
- c. *Responsibilities:* TASC is internally organized to ensure sufficient control over operations. TASC monitors service delivery risk through defined procedures, escalation to management, and executive oversight in the following departments.

- i. **Enterprise Risk Management (ERM)**

ERM is responsible for centralizing and directing actions in support of a company-wide risk management process. ERM establishes and maintains a risk management framework, internal policies and procedures designed to prevent control failures of many varieties. TASC ERM involves management of regulatory, threat, legal, contract, financial, and vendor risks and controls. Examples include, but are not limited to, contracting standards and maintenance, financial control concerns, detecting violations of applicable laws, regulations and rules, and maintaining ethical standards by employees, agents and others. ERM coordinates with TASC departments in consulting guidance, reviews of policies and provides assistance to teams while owning corporate level compliance on non-product regulatory requirements. Risk mitigation is maintained through a documented framework and system of management for insurance, Threat Matrix, risk review and fraud. Vendor and contract

management is actively managed and monitored by this function. ERM oversees the leases, trademarks, position papers, documentation and responses needed to keep TASC in line with regulatory and legal requirements. The department is led by an experienced Executive Vice President and contains these functions;

- (1) Legal – Internal & External
- (2) Compliance
- (3) ERM Framework
- (4) Risk/Liability Insurance

The ERM department works closely with Executive Management, ownership, Quality Services and Internal Audit (IA) to ensure effective support and focus for TASC.

ii. Business Technology Services (BTS)

BTS is organized into five departments; all reporting to the Chief Technology Officer. Team members may work independently, in teams, or in partnership with contracted employees to achieve the development goals set forth by various business stakeholders.

- (1) Information Security: Provides governance for the Company's compliance with various security standards, as well as oversight and implementation of security defenses.
- (2) BTS Infrastructure Team: Provides maintenance and support of existing hardware, communications and networking systems, and facilitates upgrades or installation of new systems.
- (3) BTS Application Development Team: Provides definition, programming, testing, and support related to existing software applications, and facilitates requested application-level enhancements.
- (4) BTS Applications and Integration Team: Transitions acquired offices' programs and servers into TASC. Quality Assurance QA is organizationally located within this team to ensure segregation of duties from the Application Development Team.
- (5) BTS Enterprise Architecture Team: Establishes principles that guide enterprise software design and evolution by aligning with business goals, helps to standardize technology use, and provides standards and best practices for application development.

iii. Quality Services

Quality Services is responsible for monitoring and improving TASC's products and services. This team establishes and monitors critical quality targets that are approved by Senior Management. Performance measurement as well as corrective and preventative action, are part of these ongoing efforts. For all corrective action requests, Quality Services determines root cause and ensures appropriate corrective and preventative action is taken. In addition, this department is responsible for leading process improvements and building a culture of continuous improvement. Process improvement initiatives are identified, run through selection criteria, and managed by the Quality Services Process Improvement Team.

iv. Finance

The Finance Team is responsible for protecting the assets and financial integrity of the Company by making certain appropriate processes are in place to ensure financial controls exist throughout the business. In addition, Finance provides relevant information in a timely manner to meet the needs of its customers. Finance is staffed and resourced to complete the key functions listed below:

- > Accounting and Reporting: including month-end close, financial statement preparation and account reconciliations.
- > Financial Planning and Analysis: performs budgeting, forecasting and management reporting.
- > Financial Services: performs invoicing/billing and collections as well as corporate payroll.
- > Treasury: provides treasury operations, cash management investment management and oversight, and debt management.
- > Financial Compliance: performs tax and regulatory compliance and financial risk management.
- > Acquisitions: provides financial analysis, due diligence and integration.

v. Human Resources (HR)

HR is responsible for the development and maintenance of company policies as well as corporate functions. This includes resource management and recruiting, benefits and compensation, employee relations, and corporate philanthropy. Within the resource management and recruiting functions, HR maintains written position descriptions for all position titles and conducts background checks on all potential employees and credit checks on all financial related positions prior to hire. All new employees must attend an orientation program provided by TASC. Confidentiality of user-organization information is communicated in the program and again emphasized in the Employee Handbook issued to each employee. All new employees must sign a confidentiality and non-competition agreement, which are subsequently retained electronically and in the employee's personnel file. New employees undergo job training that addresses expectations for their position, including security, confidentiality, and compliance requirements.

vi. Business Conversion Team

The Business Conversion Team is responsible for onboarding new customers and the absorption of acquired customers into the TASC operation. The primary focus points for success in Business Conversion are throughput, accuracy and effective customer change. Further, the Business Conversion Team leads efforts in key acquisition activities including pre-closing and corporate absorption project management.

vii. Customer Service Departments

The Customer Care and Administration Departments provide service to TASC customers. The Administration Department completes participant enrollment and re-enrollment, plan funding, claim entry, and claim disbursements. The Customer Care Department handles inbound and outbound calls, email correspondence and resolution of unresolved issues. In addition, the Relationship Managers are the key administration contact supporting the Company's large client base.

viii. Business Development (BD)

BD provides analysis and recommendations for the management of TASC's service offerings and oversees the development of new offerings and joint ventures. BD supports brand management, promotions and media relations through a variety of marketing tactics. In addition, BD is also responsible for market research, governmental affairs and project management. Internal Audit is organizationally located within BD to help ensure independence when auditing finance and business processes.

ix. Internal Audit (IA)

IA evaluates controls designed and deployed in the departments identified in sub-sections i-vii to ensure they are functioning as designed. Any deficiencies and/or non-compliance are reported to the Board of Advisors and Chief Executive Officer (CEO) via the quarterly Non-Financial Audit Task Force meeting.

Risk Assessment

TASC considers ERM and risk mitigation critical to providing customers with reliable, stable, and high-performing software. TASC deploys a number of tools and procedures, primarily is the use of a Threat Matrix. The Threat Matrix categorizes risks into three categories: Operational Threats, Foundational Threats, and Strategic Threats. The Threat Matrix is managed by TASC's Chief People Officer, Chief Financial Officer, and Chief Development Officer and reviewed as needed or issues arise. The Executive Vice President of Risk Management acts on matrix changes after they are set by the officers as part of the strategy process.

Risk mitigation is achieved by:

- > An annual review of the Threat Matrix and updates throughout the year as issues arise or change.
- > BTS monitoring system capacity and access activity to ensure that applications meet required scaling and system responsiveness.
- > Analyzing potential security threats and vulnerabilities.
- > Monitoring of logs to validate the authorization of critical activity.
- > Utilizing a formal change management process to approve and monitor changes to infrastructure and software upgrades.
- > Providing annual Health Insurance Portability and Accountability Act and compliance training for all employees.
- > Staffing permanent internal auditors to test internal controls in place within the Company.

TASC views risk assessment as a multi-faceted program complete with performance measurements and a model for continuous improvement. These processes help ensure that TASC can balance benefits, risks, and costs at every step of implementation.

Oversight activities are generally performed by functions kept independent from operations and employee benefits administration.

Information Systems

Genesis operates a multi-tiered interoperable software environment in delivering its administrative services. Genesis uses two external IT systems organizations to perform various functions relating to the administration of benefit plans. Genesis periodically reviews the quality of each organization's performance to ensure consistent and scalable service delivery. The following are the primary IT systems employed by Genesis.

Claims Processing System

WEX Health Cloud (formerly referred to as 1Cloud) is a hosted Software-as-a-Service solution provided by WEX. WEX Health Cloud delivers automated communications and reporting, financial management, embedded industry best practices, and hosting services. Complementing the administrator capabilities WEX Health Cloud provides participants secure access to accounts, on-line enrollment and claim filing with 24x7x365 access via the Claims Tool Kit. Employers have access to benefit management tools and analysis. WEX Health Cloud requires that Genesis users change passwords at least every 90 days. Five unsuccessful attempts to log in utilizing an invalid user identification (ID) and/or password disables the user ID. The user must contact a master user for WEX Health Cloud password resets.

Recordkeeping System

The Company uses Schwab RT's Application Service Provider Model (SRT) as an application service provider. Schwab RT provides software products and supporting systems to employee benefit recordkeeping organizations, which in turn provide daily-valued investment recordkeeping services to the plan sponsors whom they serve. In addition to the administrator products, SRT provides participants secure access to accounts, via the Investment Tool Kit. Hardware and software capabilities are hosted by the primary Schwab Data Center located in Cleveland, Ohio. The Data Center offers automated failover, business resumption, disaster recovery, and offsite storage of nightly data backups. SRT requires that Genesis users change passwords at least every 180 days. Five unsuccessful attempts to log in utilizing an invalid user ID and/or password disables the user ID. The user must contact an administrative user for SRT password resets.

Genesis Secure Receipt Upload & eFax Services

Genesis provides participants with secure electronic methods to submit claims substantiation. Each application leverages Linux, custom Structured Query Language (SQL) database servers, and Microsoft®.NET framework technology to create, sort, process and archive electronic image files containing claims submission information. All stored data is secured using by a firewall and a class 3 SSL 2048 bit encryption certificate.

Filebound Document Retention and Workflow

Genesis authorized staff members access archived claims documents and call center tracking information in the Filebound system. This system is installed and used as a document retention and workflow tool, for system entry and archival. Data is secured by a Cisco firewall and a class 3 SSL 2048 bit encryption certificate.

Secure Communication

Genesis utilizes DataMotion Secure Email, File Transfer Protocol (FTP), Secure File Transfer Protocol (SFTP), and Pretty Good Privacy (PGP) as its primary methods of secure communications and data transfers. DataMotion provides HIPAA-compliant secure email and data transfer solutions for both clinical and non-clinical use.

Genesis Employee Benefits, Inc., a TASC Division
Section 3. Genesis Employee Benefits, Inc., a TASC Division's System Description

Using the applications described above, Genesis processes transactions to facilitate daily and weekly benefits administration processes as outlined below:

FSA, HRA and 105 Plans

Activity	Initiate	Authorize	Record	Process	Report
Funding	Electronic report from WEX Health Cloud is sent to plan sponsor showing amount needed and date due.	Plan sponsor authorizes Genesis to Automated Clearing House (ACH) debit from client's account or initiates funds to be sent to Genesis electronically.	Record of funds requested is stored in WEX Health Cloud; receipt of funds is recorded as part of Genesis bank reconciliation.	Genesis initiates the withdrawal of funding from plan sponsors via NACHA file created in WEX Health Cloud and sent to bank by Genesis; Genesis monitors receipt of funding initiated by organizations that do not allow ACH debit.	Plan sponsor may request reports containing historical funding data.
Reimbursement	Participants file claims and send substantiation.	Genesis adjudicates claims.	Genesis enters claims and/or substantiation into WEX Health Cloud.	For approved claims, NACHA file containing direct deposits is created by WEX Health Cloud and sent to bank by Genesis; paper checks are printed and mailed by Genesis.	Participant receives check reimbursement with Explanation of Benefits, or direct deposit with emailed Advice of Deposit.
Balance Activity	n/a	n/a	n/a	n/a	Account statements are sent by Genesis annually to FSA plan participants. Account balance and transaction information are available real-time in WEX Health Cloud.

Genesis Employee Benefits, Inc., a TASC Division
Section 3. Genesis Employee Benefits, Inc., a TASC Division's System Description

FHRA Plans

Activity	Initiate	Authorize	Record	Process	Report
Funding	Genesis receives notification from the trustee after contributions are received from the plan sponsor.	Plan sponsor gives written authorization to the trustee to deposit contributions upon receipt of the funds.	Contributions received are documented on Trust statements.	Using SRT, Genesis processes contributions and allocates funds to participant accounts; Genesis sends trade instructions to the trustee; results are received by Genesis the following day and posted to the participant accounts in SRT.	Quarterly Reconciliation Reports are run in SRT and provided to the plan sponsors through the plan sponsor investment portal; plan sponsors are notified of the reports availability via email. Genesis mails annual statements to participants showing their account activity for the year.
Reimbursement	Participants file claims and send substantiation.	Genesis adjudicates claims.	Genesis enters claims and/or substantiation into WEX Health Cloud.	For approved claims, a trade file is created from WEX Health Cloud and is processed through SRT to sell investments from the participant accounts; Genesis sends trade instructions to the trustee; results and funds are received by Genesis the following business day and posted to the participant accounts in SRT. A NACHA file containing direct deposits is created by WEX Health Cloud and sent to the bank by Genesis; paper checks are printed and mailed to the participant by Genesis	
Balance Activity	Genesis downloads daily files containing cash and positions from trustees.	n/a	n/a	Daily position, trustee cash, cash balance, and negative unit reports are processed by Genesis.	Reports are archived at Genesis.

Communication

Genesis has implemented various methods of communication to ensure that all staff members understand their individual roles and responsibilities.

Personnel Policies and Procedures

New applicants must complete an employment application in which they list their qualifications and provide references. A pre-hire background check is required for all positions, and includes employment verification as well as a criminal court search. An "at will" employment arrangement is not entered into without the completion of an application and satisfactory background check. The Company maintains job descriptions detailing primary job functions and responsibilities.

Besides being documented in the Employee Handbook, personnel policies and procedures are communicated initially during new employee orientation and again to all affected personnel as changes occur. Each employee confirms, via the Employee Portal acknowledgement, that they received the Employee Handbook.

Training of personnel includes supervised on-the-job training along with training sessions provided on site or via a remote learning management system. Certain positions require completion of job-specific training. Employees are cross-trained, where practical, to ensure sufficient backup in the event of an unexpected termination, resignation, illness, or promotion.

Employees are immediately removed from their positions when terminated or discharged. Termination of access occurs immediately, when possible, and must be within three business days.

Client Communication

Relationship Managers provide ongoing communication with the client. Relationship Managers maintain records on relevant client communications and track issues. In addition to providing weekly claim funding information, Relationship Managers communicate information regarding processing rules and regulations, changes in processing schedules, system enhancements and any other client-related information.

For information provided to user entities, such as reports, statements and data, Genesis policies require that all such information be tested to ensure it is sufficiently complete and accurate. The reports or reporting packages that are provided to most user entities are listed and described within *Overview of Products* below.

Monitoring

Genesis management monitors the quality of the internal control environment as a normal part of their activities. To assist them in this monitoring, Genesis has implemented a series of reports, which measure results of various processes involved in providing services to customers.

Claim sampling reports, which measure the accuracy and timeliness of claim processing through sampling. Claim sampling is completed monthly, and any deviations from 100% accuracy are addressed with the Claims Team.

Activity reports are reviewed by the Customer Care Team, which shows call concentration areas and outstanding issues which are then addressed.

The Recordkeeping Team reviews various reports each business day to ensure that records in SRT match the trust company's balance for the trustees (Principal, Matrix, Voya, and Charles Schwab). These reports include the Position Report, the Negative Unit Report, and the Cash Balance Report. The Position Report ensures that the unit balances in SRT match the trust company's unit balances per fund in the plan. The Negative Unit

Report identifies any plan participants that have negative unit balances. The Cash Balance report shows any participants that have un-invested cash.

Voya Financial provides a balance report on a monthly basis. Any discrepancies found are researched and corrected.

Each plan sponsor's trust account is reconciled quarterly, comparing contributions, disbursements, income, and transfers recorded in SRT to the trust company's records. Plan sponsors are provided system generated reports that detail activity from the recordkeeping system and the trust system along with Genesis prepared quarterly reconciliation reports that reconcile the recordkeeping and trust balances.

Monitoring of internal controls is accomplished in part by the IA function. IA is organizationally located within ERM to help ensure independence when auditing Finance and Operations. IA provides an independent quarterly report directly to the CEO and Board of Advisors.

Monitoring of Subservice Organizations

Genesis monitors the subservice organizations by reviewing their annual system and organization control (SOC) reports. Genesis management reviews the SOC reports, paying attention to any relevant downstream subservice organizations. During the review period it was determined no downstream subservice organizations required additional review by Genesis. Management also evaluates any exceptions noted to determine the impact to Genesis and their clients. If there are complementary user entities controls listed within the report, they are mapped to internal processes and controls. Genesis also has open communication with the subservice organizations as necessary.

Overview of Products

FSA Administration

Genesis' FSA Administration allows organizations to offer tax-free reimbursement of qualified medical and dependent care expenses. Eligible medical, dental and vision out-of-pocket expenses are defined as those expenses paid for care as described in Section 213(d) of the Internal Revenue Code (IRC).

Funding Source

Accounts are funded by employee pre-tax payroll deductions. Plan sponsors provide Genesis with payroll cycle information, and Genesis calculates the deduction per pay period necessary to fund the accounts for the plan year. Payroll deductions are withheld and retained by the plan sponsor until funding for claims is requested. Withheld funds not used by the end of the specified plan year are forfeited by the plan participant and may be used by the plan sponsor to offset administrative fees for the plan.

Custody of Assets

The plan sponsor retains custody of the assets until receiving notification from Genesis that funds are needed to reimburse processed claims.

Access to Assets

Plan participants must file claim reimbursement requests and provide valid substantiation to receive payments from their FSA accounts. Participants do not have direct access to funds in the plan; reimbursements must be facilitated by Genesis. FSA plan participants may submit claims using Genesis' secure online Claims Tool Kit, on paper, or by using the TASC Debit Card. FSA plan participants are able to view their account balances after logging in to the online Claims Tool Kit.

At plan inception, Genesis is granted written access to withdraw funds necessary to reimburse the TASC Debit Card and participant filed claims via ACH debit from the plan sponsor's bank account. If the plan sponsor prohibits automatic withdrawal of funds from its bank account, it agrees to send funds due to Genesis electronically to ensure receipt by the weekly reimbursement date.

Fund Disbursement

Plan sponsors are notified electronically each week of the dollar amount needed to fund FSA claims filed by participants. Reimbursements are sent directly to participants weekly by direct deposit or check. Claims made using the Genesis TASC Debit Card are paid immediately to the provider based on plan rules and funding available. They are automatically debited from the participant's account and an electronic notification is sent to the plan sponsor.

Reporting

Plan sponsors receive a Claim Reimbursement Notification weekly to advise them of the funding needed to reimburse FSA claims filed for the week. A Debit Card Settlement Report is sent to plan sponsors each day that TASC Debit Card transactions are created.

FSA plan participants receive an account statement annually that shows claim activity throughout the plan year. Participants also have access to claim history, payment history and year-to-date balances 24x7x365 via the online Claims Tool Kit.

HRA and 105 Plan Administration

Genesis' HRA and 105 Administration allows organizations to offer tax-free reimbursement of defined medical expenses. Eligible medical, dental and vision out-of-pocket expenses are defined as those expenses paid for care as described in Section 213(d) of the IRC but may be limited by the plan sponsor. HRAs are individual medical expense reimbursement accounts, funded by the plan sponsor which may roll over year-to-year.

Funding Source

These unfunded accounts are funded by the plan sponsor only when a plan participant files an approved claim for reimbursement or uses their Genesis TASC Debit Card for an HRA and 105 expense at point of purchase.

Custody of Assets

The plan sponsor retains custody of the assets until receiving notification from Genesis that funds are needed to reimburse claims.



Access to Assets

Plan participants must file claims and provide valid substantiation to receive funds from their HRA and 105 Plan accounts. Participants do not have direct access to funds in the plan; reimbursements must be facilitated by Genesis. HRA and 105 Plan participants may submit claims using Genesis' secure online Claims Tool Kit, on paper, or by using the TASC Debit Card. HRA and 105 Plan participants are able to view their account balances on the secure online Claims Tool Kit.

At plan inception, Genesis is granted written access to withdraw funds necessary to reimburse claims via ACH debit from the plan sponsor's bank account. If the plan sponsor prohibits automatic withdrawal of funds from its bank account, it agrees to send funds due to Genesis electronically to ensure receipt by the weekly reimbursement date.

Fund Disbursement

Plan sponsors are notified electronically each week of the dollar amount needed to fund HRA and 105 Plan claims filed by participants. Reimbursements are sent weekly by direct deposit or check directly to the participant. Claims made using the TASC Debit Card are paid immediately to the provider based on plan rules and funding available. Debit Card transactions are automatically debited from the participant's account and an electronic notification is sent to the plan sponsor.

Reporting

Plan sponsors receive a Claim Reimbursement Notification weekly to advise them of the funding needed to reimburse HRA and 105 Plan claims for the week. A Debit Card Settlement Report is sent to plan sponsors each day that TASC Debit Card transactions are created.

HRA and 105 Plan participants receive an account statement annually that shows claim activity throughout the plan year. Participants also have access to claim history, payment history and year to date balances 24x7x365 on the secure online Claims Tool Kit.

I-FHRA Administration

Genesis' I-FHRA Administration allows public and private sector organizations as well as Taft-Hartley Health and Welfare Benefit Funds to offer an employee benefit program that allows pre-tax contributions to a health care savings plan that accumulate and compound tax-free. The account may be used to pay for any qualified pre-retirement and/or post-retirement medical, dental, or vision out-of-pocket expenses. Assets of the I-FHRA are required to be held in trust, and claims are funded directly from the trust. Trust assets accumulate on a tax-free basis.

Funding Source

Trust accounts are funded directly by the plan sponsor. Plan sponsors provide Genesis with contribution information and amounts to be allocated to the individual plan participants. Trades are sent to the custodian for the allocation of trust assets to be processed into the plan participants' accounts once funding is received by the trustee. Most plans allow participants to invest their assets in mutual funds specified by the plan sponsor.

Custody of Assets

The trustee retains custody of the assets until receiving notification from Genesis that funds are needed to reimburse claims.

Access to Assets

Plan participants must file claims and provide valid substantiation to receive reimbursement from their I-FHRA investment accounts. Participants do not have direct access to plan assets in the trust; reimbursements must be facilitated by Genesis. I-FHRA plan participants may submit claims using Genesis' secure online Claims Tool Kit or by paper submission. I-FHRA plan participants are able to view and manage their account balances on the secure online Investment Tool Kit.

Fund Disbursement

I-FHRA reimbursements are sent weekly by direct deposit or check directly to the participant.

Reporting

Plan sponsors receive a Claim Reimbursement Notification weekly to advise them of the I-FHRA claims processed for the week. Plan sponsors receive quarterly plan reconciliations prepared by Genesis and uploaded to the plan sponsor investment portal. I-FHRA Plan participants receive an annual account statement that shows claim, contribution, and income activity throughout the plan year. Participants also have access to claim history and payment history 24x7x365 on the secure online Claims Tool Kit.

R-FHRA Administration

R-FHRA's are employer-funded accounts that accumulate and compound tax-free during employment and are used to pay for retiree health insurance premiums and uninsured medical expenses during the employee's retirement years. Eligible health insurance premiums include Medicare Part B, Medicare Part D, Medicare supplement insurance, long-term care insurance, employer sponsored retiree medical, dental and vision coverage as well as out-of-pocket expenses such as non-insured medical expenses, prescription drugs, deductibles, co-payments, and co-insurance. Reimbursements for these premiums and expenses are not taxable income to the retiree. R-FHRA assets are held in trust, and claims are funded directly from the trust.

Funding Source

Trust accounts are funded directly by the plan sponsor. Plan sponsors provide Genesis with contribution information and amounts to be allocated to the individual plan participants. Trades are sent to the custodian for the allocation of trust assets to be processed into the plan participants' accounts once funding is received by the trustee. Most plans allow participants to invest their assets in a number of mutual funds chosen by the plan sponsor.

Custody of Assets

The trustee retains custody of the assets until receiving notification from Genesis that funds are needed to reimburse claims.

Access to Assets

Plan participants must file claims and provide valid substantiation to receive reimbursement from their R-FHRA investment accounts. Participants do not have direct access to plan assets in the trust; reimbursements must be facilitated by Genesis. R-FHRA plan participants are given access to the Claims Tool Kit following retirement becoming eligible to file claims by status. Participants may then submit claims using the Genesis' secure online Claims Tool Kit or by paper submission. R-FHRA plan participants are able to view and manage their account balances on the secure online Investment Tool Kit.

Fund Disbursement

R-FHRA reimbursements are sent weekly by direct deposit or check directly to the participant.

Reporting

Plan sponsors receive a Claim Reimbursement Notification weekly to advise them of the R-FHRA claims processed for the week. Plans sponsors receive quarterly plan reconciliations that are uploaded to the plan sponsor investment portal. R-FHRA plan participants receive an annual account statement that shows claim, contribution, and income activity throughout the plan year. Participants also have access to claim history and payment history 24x7x365 on the secure online Claims Tool Kit.

Control Objectives and Related Control Activities

This report focuses on the following control objectives as it pertains to the administration of FSA, HRA and 105 Plans, FHRA and their enabling technologies.

A. Plan Setup

Control Objective A: *Controls provide reasonable assurance that accurate plan, enrollment, and provider information is entered completely into the appropriate application, and available for plan sponsor validation and claims processing.*

Once Genesis has been awarded a contract and has identified specific requirements (if applicable), an Implementation Team member is assigned who best complements those needs. The Implementation Team member handles each new case from setup through the initial administrative process and is prepared to handle any special needs of the organization. A Plan Application is created for each setup to guide in plan setup and contains information on plan type, eligibility, contributions and reimbursement rules. This process allows Genesis' senior administrative personnel to become familiar with the plan sponsor's plan particulars.

Implementation Checklists used to guide Recordkeeping and Claims Processing personnel in the plan setup process are in place, completed, and contain information about employer information, plan information, system setup, enrollment, and review.

After the installation of the plan, verification of records, and payment of the first cycle of claims, the account is transferred to a designated Client Service Team member depending on account size and complexity.

A welcome call is held with the client to go through the procedures they should follow after onboarding. New Business then sends an email to the client for any final signatures needed prior to setup in the applications.

An email confirmation is sent at the completion of onboarding and a post plan setup notification is completed and submitted to plan sponsor for review.

B. Participant Data Entry

Control Objective B: *Controls provide reasonable assurance that participant information is entered completely and accurately into the appropriate application, and available for plan sponsor/plan participant validation and claims processing.*

Enrollment information and participant changes are sent to Genesis by the plan sponsor via an upload to the claims portal. Recordkeeping staff review the claims portal daily. Upon receipt, the identity is verified by a unique employee identifier prior to any changes. The information is then entered into all applicable systems. The information is then stored electronically for later reference. Enrollment information for each new participant

and employee change requests are verified that they are completely and accurately entered into the appropriate application. Genesis ensures participant data submitted is entered within five business days of submission by the plan participant or sponsor.

Participants receive a welcome letter electronically if an email address is on file or via United States mail if no email address is provided. The welcome letter contains plan information, contact information, and general login information for Genesis' Online Tool Kits. Plan sponsors receive a detailed billing cycle that details participant enrollments, changes and terminations for them to review. Genesis also completes eligibility audits on a monthly basis against a random sample of enrolments. These audits review completeness and accuracy within the WEX Health Cloud and SRT system. Any errors are corrected and brought to the employee for coaching and training.

C. FHRA Contribution Funding

Control Objective C: *Controls provide reasonable assurance that contribution funding is authorized, recorded, and allocated completely and accurately, and output reports and files are complete, accurate, and distributed to authorized recipients.*

Plan sponsors are provided with an electronic format and instructions for submitting contribution files to Genesis and routing and deposit instructions for the trustee. At the plan sponsor specified funding frequency, the plan sponsor uploads the contribution file to the claims portal and sends the assets to the trustee via an Electronic Funds Transfer. The total shown on the detailed contribution file is balanced with the funding notification received from the trustee by the Recordkeeping Team.

Assets are allocated within two market days of when the contribution file is received from the plan sponsor. The Recordkeeping Team formats and processes the contribution file in SRT per the allocation on the file and trades are sent to the trustee on day one of processing. Contribution funding data that is submitted electronically to the trustee is secured for unauthorized access via unique logins for each recordkeeping team member and use of a secure website. Results are received on day two of processing and settled/released into the participants' accounts in SRT. A reconciliation of contributions submitted by the plan sponsor to Genesis for disbursement to the trustee is completed monthly or daily by the Recordkeeping Department.

D. Claims Processing

Control Objective D: *Controls provide reasonable assurance that claim information is recorded and processed completely and accurately.*

Claims may be filed using one of four different methods: online, paper, TASC Debit Card, or data import.

- > Online claims are entered into the WEX Health Cloud consumer portal by the participant with receipts submitted to Genesis to substantiate the claims before they are reimbursed as required by law.
- > Paper claims are claim forms completed by hand and submitted with receipts.
- > TASC Debit Card claims are expenses paid at point of purchase using a card swiped by the merchant. A claim is generated in WEX Health Cloud by the card swipe and may be auto adjudicated using Inventory Information Approval System rules or require substantiation by the participant, depending on the merchant and type of expense.
- > Data import is used for claims processed under the Automatic Premium and Automatic Dependent Care plans. Participants submit one qualified receipt for the year for these recurring expenses and Genesis uploads the claims monthly.

Receipts may be submitted by participants using four different methods: secure electronic fax, secure file upload, email, or mail. Received claims are scanned into Filebound a document retention and workflow tool, for system entry and archival. Genesis monitors email and fax queues for the submission of claims via email and fax three times per day to ensure claims are entered to Filebound.

Online and TASC Debit Card claims that require substantiation generate multiple receipt reminders to the participant and are sent via email (if an email address is on file) or letter mailed to the participant. After a specified number of days the claim is denied if the required receipt is not received. Repayment is requested through a formal process for the paid Debit Card claims.

Paper claims are adjudicated by a member of the Claims Processing Team and entered into WEX Health Cloud, where the requested amount is validated automatically against service dates, available plans, plan years, and available balances. Online and TASC Debit Card claims are already entered into WEX Health Cloud by the participant or card swipe and validated as indicated above, so the Claims Processing Team adjudicates the claim and indicates that valid substantiation has been received and recorded.

Claims are denied by a member of the Claims Processing Team, if necessary. Common denial reasons are invalid receipt, invalid date of service, illegible or missing documentation, and ineligible expense. Denied claims trigger an automatic email the following morning (if an email account is on file) or letter notifying the participant of the denial. Denial letters are available the next business day after denial and mailed by the Claims Processing Team.

Audits are performed on a monthly basis against a random sample of all claim types processed to review the signature, receipt, and eligibility for completeness, and accuracy.

E. Claims Disbursement

Control Objective E: *Controls provide reasonable assurance that participant funds are disbursed and accounted for completely, accurately, and timely.*

FSA, HRA and 105 Plan claims are funded via a request generated by WEX Health Cloud. This request is emailed to the plan sponsor at least two business days before funding is required and funds are pulled via ACH transfer or sent electronically to Genesis by the plan sponsor, per agreement. Requests are monitored by staff to verify if processing was performed prior to the published claims processing deadline with notifications submitted to the plan sponsor to notify of disbursements.

I-FHRA claims are funded by Genesis initiating a trade file with the plan sponsor's trustee to obtain the funds necessary to pay the claims. Plan sponsors receive a report detailing the amounts traded from each participant's Trust Funded Health Savings Plan account.

Funding received from plan sponsors for FSA, HRA and 105 Plan claims and funding received via trades from participant I-FHRA investment accounts are reconciled with claim payments sent on a weekly basis. Any discrepancies are noted and resolved.

Information provided on Notices of Change is updated in the WEX Health Cloud system and another prenote is generated for inclusion in the next file sent to the bank. ACH returns are researched for accuracy, and if necessary, participant contact is made to advise of the failure. The participant then has the opportunity to provide new direct deposit information for inclusion in the next banking file, or to have a paper check generated and mailed. The WEX Health Cloud participant correspondence note logs this.

Claims disbursements are monitored and reviewed weekly to identify and resolve disbursement discrepancies and verify funds were processed within five business days.

F. Trust Reconciliation

Control Objective F: *Controls provide reasonable assurance that processing deviations are identified and resolved.*

Quarterly Trust statements are received from the trustee and allocation reports are run for the corresponding time period out of SRT. Data is entered into a spreadsheet to reconcile the two data sources to ensure errors are identified and logged. A reconciliation summary is prepared from the spreadsheet for the plan sponsor.

The Trust statement, allocation report, and reconciliation summary are uploaded to the plan sponsor investment portal and an email is sent to the plan sponsor to notify them that the quarterly reconciliation process has been completed and ready for their review via a secure website.

G. User Access

Control Objective G: *Controls provide reasonable assurance that logical access to applications, programs, and data is limited to authorized individuals.*

Genesis utilizes a Security Access Matrix (SAM) set-up process to define how to evaluate and process employee requests for application access, access changes, and computer equipment set-up. The SAM defines access to the applications, network directories, Citrix, and internet access level for every employee based upon their job roles/needs. The employee's manager selects the appropriate SAM role when hiring the candidate.

The SAM process must be followed when a new employee is hired, when an employee changes jobs within Genesis, when software or hardware is requested or access is requested. After a new employee is in payroll, a request to set-up the new hire is submitted by HR or a BTS Help Desk Ticket (software platform where all BTS access requests are initiated) which originates from the employee's manager and is approved by HR. As long as the approved SAM is accurate for the employee's role, no further process steps are required.

All Genesis employees with access to WEX Health Cloud and SRT claims portal applications are assigned a unique User ID and password. Genesis internal systems require users to change passwords at least every 90 days. Five unsuccessful attempts to log in utilizing an invalid User ID and/or password disable the user ID.

Filebound and Secure Receipt Upload users must contact the Systems Specialist for password resets.

The applications are configured with internal user IDs and external end-user IDs. Internal user IDs only allow access while onsite at the Genesis corporate offices. If an internal user ID and password are attempted outside of the office segment, the system prompts a message that the user ID and password is unable to access the Service Center from outside the Company.

To remove account access upon employee termination, the employee's manager creates the termination action in the Genesis HR information system, which generates an email to HR. Upon verification and approval of the request, HR sends a BTS Help Desk Ticket. BTS Help Desk terminates the account(s) for the employee identified in the BTS Help Desk Ticket. Upon completion of the request, a notification is sent to HR. Access to critical systems are removed within 5 business days for all employees.

Genesis' IA Department is responsible for performing quarterly reviews of user access and user roles on the applications to ensure appropriate access based on job responsibilities.

Complementary Subservice Organization Controls (CSOC)

Genesis' controls related to the benefit administration system cover only a portion of overall internal control for each user entity of Genesis. It is not feasible for the control objectives related to hosting, security, logical access and change management services be achieved solely by Genesis. Therefore, each user entity's internal control over financial reporting must be evaluated in conjunction with Genesis' controls and the related tests and results described in Section 4 of this report, taking into account the related CSOCs expected to be implemented at the subservice organizations as described below:

<i>WEX Health and Schwab RT IT General Computing Controls</i>		
	CSOCs	Related Control Objective
1.	Client access is controlled by security profiles specific to each client	A
2.	WEX and Schwab RT are responsible for ensuring that only authorized releases are promoted to production and that new and modified network, system software, applications and database structures are authorized, tested and approved by management, and implemented in a complete, accurate and timely manner.	A - E
3.	WEX and Schwab RT have implemented redundant infrastructure and data backup procedures for critical components to reduce single-point-of-failure.	A - E
4.	WEX and Schwab RT have a disaster recovery site and disaster recovery procedures are tested annually.	A - E
5.	WEX and Schwab RT conduct data center security assessments periodically.	A - E
6.	WEX and Schwab RT maintain and monitor client incidents through the resolution process.	A - E
7.	Password configuration standards are defined and applied to enforce the following parameters: minimum length, password history, complexity, and periodic expiration. The employee must change the password on first log-in and changed on a regular basis.	F
8.	Users are required to have a unique user ID in order to distinguish one user from another and establish accountability.	F
9.	WEX and Schwab RT maintain that potential system vulnerabilities are detected.	A - F
10.	Data is backed up according to WEX and Schwab RT policies.	A - F

Complementary User Entity Controls

User entities must evaluate their own system of internal controls for effective risk management and compliance. The controls described in this report occur at Genesis and only cover a portion of comprehensive internal control related to client benefit administration. User entities must address the various aspects of internal control that may be unique to their particular needs. This section also includes those portions of the internal controls that the user entity has the responsibility to develop and maintain to support internal controls related to FSA, HRA, 105 plans and FHRA services performed by Genesis.

- > It is the responsibility of the plan sponsor to review and approve plan setup details and communicate discrepancies in a timely manner. **(Control Objective A)**
- > It is the responsibility of the plan sponsor to submit complete and accurate participant information in an agreed-upon format. **(Control Objective B)**
- > It is the responsibility of the plan sponsor/plan participant to review and approve enrollment data following notification from Genesis of an addition or modification and communicate discrepancies in a timely manner. **(Control Objective B)**
- > Plan sponsors are responsible for notifying participants of their responsibility to monitor their account in Genesis' systems and verify accurate demographic data. **(Control Objective B)**
- > It is the responsibility of FHRA plan sponsor to submit contribution detail to Genesis. **(Control Objective C)**
- > It is the responsibility of FHRA plan sponsor to ensure that the appropriate deposit is made via electronic funds transfer or checks to the trust and perform the associated reconciliations. **(Control Objective C)**
- > It is the responsibility of the participant to verify file transmissions to Genesis are successful. **(Control Objective D)**
- > It is the responsibility of the participant to provide Genesis with accurate email and/or contact information for the receipt of claim confirmations. **(Control Objective D)**
- > It is the responsibility of the participant to verify receipt and accuracy of electronic payments or physical checks. **(Control Objective D)**
- > It is the responsibility of the participant to verify receipt and accuracy of electronic payments or physical checks. **(Control Objective E)**
- > It is the responsibility of the plan sponsor to review and reconcile Genesis output data (e.g., reports, emails and transaction logs) for completeness and accuracy and communicate discrepancies in a timely manner. **(Control Objective F)**
- > It is the responsibility of the plan sponsor to restrict logical access to Genesis systems and applications. **(Control Objective G)**
- > It is the responsibility of the plan sponsor to help ensure the security of submitted data. Sensitive files should only be transmitted to Genesis via the claims portal. **(Control Objective G)**

Genesis Employee Benefits, Inc., a TASC Division

Section 4: Description of Control Objectives and Related Controls, and Independent Service Auditor’s Description of Tests and Results of Tests

4. Description of Control Objectives and Related Controls, and Independent Service Auditor’s Description of Tests and Results of Tests

Information Provided by the Independent Service Auditor

This report, when combined with an understanding of the controls at the user entities, is intended to assist auditors in planning the audit of user entities’ financial statements or user entities’ internal control over financial reporting and in assessing control risk for assertions in user entities’ financial statements that may be affected by controls at Genesis.

Our examination was limited to the control objectives and related controls specified by Genesis in Sections 3 and 4 of the report, and did not extend to controls in effect at user entities.

It is the responsibility of each user entity and its independent auditor to evaluate this information in conjunction with the evaluation of internal control over financial reporting at the user entity in order to assess total internal control. If internal control is not effective at user entities, Genesis’ controls may not compensate for such weaknesses.

Genesis’ internal control represents the collective effect of various factors on establishing or enhancing the effectiveness of the controls specified by Genesis. In planning the nature, timing, and extent of our testing of the controls to achieve the control objectives specified by Genesis, we considered aspects of Genesis’ control environment, risk assessment process, monitoring activities, and information and communications.

The following table clarifies certain terms used in this section to describe the nature of the tests performed:

<i>Test</i>	<i>Description</i>
Inquiry	Inquiry of appropriate personnel and corroboration with management
Observation	Observation of the application, performance, or existence of the control
Inspection	Inspection of documents and reports indicating performance of the control
Reperformance	Reperformance of the control

In addition, as required by paragraph .35 of AT-C Section 205, *Examination Engagements* (AICPA, *Professional Standards*), and paragraph .30 of AT-C section 320, when using information produced (or provided) by the service organization, we evaluated whether the information was sufficiently reliable for our purposes by obtaining evidence about the accuracy and completeness of such information and evaluating whether the information was sufficiently precise and detailed for our purposes.

Genesis Employee Benefits, Inc., a TASC Division
Section 4: Description of Control Objectives and Related Controls, and Independent Service Auditor's Description of Tests and Results of Tests
A. Plan Setup

Control Objective: A Controls provide reasonable assurance that accurate plan, enrollment, and provider information is entered completely into the appropriate application, and available for plan sponsor validation and claims processing.			
ID	Genesis Control	Tests Performed by Baker Tilly	Results of Tests
A1	A Plan Application is created for each new plan implementation to guide in plan setup and contains information about plan type, eligibility, contributions, and reimbursement rules.	<p>For a sample of new plan setups, inspected the Plan Application to determine whether the Claims Processing and Recordkeeping staff used the Plan Application to guide in participant enrollment.</p> <p>For a sample of new plan setups, inspected the Plan Application to determine whether the form contained plan type, eligibility, contributions, and reimbursement rules.</p>	No exceptions noted.
A2	Implementation Checklists used to guide Recordkeeping and Claims Processing personnel in the plan setup process are in place, completed, reviewed and approved and contain information about employer information, plan information, system setup, enrollment, and review.	<p>For a sample of newly implemented plans, inspected the Implementation Checklists to determine whether the manager reviewed and approved the implementation.</p> <p>Inspected the Implementation Checklist to determine whether the Implementation Specialist confirmed the accurate setup of participant data, employer information, plan information, system setup, and enrollment in the respective applications.</p>	No exceptions noted.
A3	Post plan setup notifications are completed and submitted to the plan sponsor for review.	For a sample of new plan setups, inspected the setup notification to determine whether the notifications were submitted to the plan sponsor for review.	No exceptions noted.

Genesis Employee Benefits, Inc., a TASC Division

Section 4: Description of Control Objectives and Related Controls, and Independent Service Auditor's Description of Tests and Results of Tests

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B. Participant Data Entry

<i>Control Objective B: Controls provide reasonable assurance that participant information is entered completely and accurately into the appropriate application, and available for plan sponsor/plan participant validation and claims processing.</i>			
ID	Genesis Control	Tests Performed by Baker Tilly	Results of Tests
B1	Enrollment information obtained from the plan sponsor/plan participant for each new participant is verified as having been entered completely and accurately into the appropriate application.	For a sample of participant enrollments, inspected the enrollment information to determine whether the employer information, demographic information, election data (if applicable) and effective date were obtained and entered accurately into the appropriate application.	No exceptions noted.
B2	Employee change requests obtained from the plan sponsor/plan participant are verified as entered completely and accurately into the appropriate application.	For a sample of employee changes, inspected the Employee Change Form to determine whether demographic information, type of change, and effective date of change were obtained and entered accurately into the appropriate application.	No exceptions noted.
B3	Genesis ensures participant data submitted by plan participant/plan sponsor is entered within five business days of submission.	For a sample of participant enrollments, inspected the participant enrollment date to determine whether participant data was entered into the system within five business days.	No exceptions noted.
B4	Participant enrollments, changes, and terminations are documented in the monthly detailed billing cycle and submitted to the plan sponsor for review.	For a sample of new participant enrollments, changes and terminations; inspected the monthly detailed billing to determine whether participant data was made available to the plan sponsor for review.	No exceptions noted.
B5	Eligibility audits are performed on a monthly basis against a random sample of enrollments, to review for completeness and accuracy.	Inspected a sample of monthly audits to determine whether eligibility and enrollment was reviewed and signed off on as appropriate.	No exceptions noted.

Genesis Employee Benefits, Inc., a TASC Division

Section 4: Description of Control Objectives and Related Controls, and Independent Service Auditor's Description of Tests and Results of Tests

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C. FHRA Contribution Funding

<i>Control Objective C: Controls provide reasonable assurance that contribution funding is authorized, recorded, and allocated completely and accurately, and output reports and files are complete, accurate, and distributed to authorized recipients.</i>			
ID	Genesis Control	Tests Performed by Baker Tilly	Results of Tests
C1	Contributions submitted by the plan sponsor are processed in accordance with FHRA plan sponsor funding notification.	<p>For a sample of deposits submitted by the plan sponsor to Genesis for disbursement to the trustee, inspected the Genesis check register, settlement, and release data to determine whether deposits were processed in accordance to the funding notification.</p> <p>For a sample of deposits submitted by the plan sponsor to the trustee, obtained and inspected the Genesis confirmation that the trade file was received and processed in accordance with the funding notification.</p>	No exceptions noted.
C2	Contribution funding data submitted electronically to the trustee is secured from unauthorized access.	<p>Observed an authorized user gain access to the trustee website to determine whether secured hypertext transfer protocol (HTTPS) was used.</p> <p>Observed an attempt to access the website via an unsecured HTTP to determine whether access was permitted.</p>	No exceptions noted.
C3	A reconciliation of contributions submitted by the FHRA plan sponsor to Genesis for disbursement to the trustee is completed by the Recordkeeping Department.	For a sample of plan sponsors, inspected and reperformed the reconciliations of FHRA contributions submitted by the plan sponsor for disbursement to the trustee, completed by the Recordkeeping Department, to determine whether contributions were allocated to the Trustee and applied to the correct plan.	No exceptions noted.

Genesis Employee Benefits, Inc., a TASC Division
Section 4: Description of Control Objectives and Related Controls, and Independent Service Auditor's Description of Tests and Results of Tests
D. Claims Processing

<i>Control Objective D: Controls provide reasonable assurance that claim information is recorded and processed completely and accurately.</i>			
ID	Genesis Control	Tests Performed by Baker Tilly	Results of Tests
D1	Genesis monitors email and fax queues for the submission of claims via email and fax three times per day to ensure claims are entered Filebound.	Inquired of management to determine whether claim submission email and fax queues were checked three times per day and uploaded as needed. Observed submission of a claim via the Receipt Uploader to determine whether the claim was uploaded to Filebound.	No exceptions noted.
D2	Audits are performed on a monthly basis against a random sample of claims processed to review for authorization, completeness, and accuracy.	For a sample of monthly claims audits, inspected the audit evidence to determine whether the claims were audited for authorization, completeness and accuracy.	No exceptions noted.

Genesis Employee Benefits, Inc., a TASC Division

Section 4: Description of Control Objectives and Related Controls, and Independent Service Auditor's Description of Tests and Results of Tests

Candor. Insight. Results.

E. Claims Disbursement

<i>Control Objective E: Controls provide reasonable assurance that participant funds are disbursed and accounted for completely, accurately, and timely.</i>			
ID	Genesis Control	Tests Performed by Baker Tilly	Results of Tests
E1	Claim disbursement requests are monitored to verify if processing was performed prior to the published claims processing deadline with notifications submitted to the plan sponsor to notify of disbursements.	Obtained and inspected a sample of weekly Claim Reimbursement Notifications to determine whether notifications were submitted to the plan sponsor and processed timely (weekly).	No exceptions noted.
E2	Claim disbursements are monitored and reviewed weekly to identify and resolve disbursement discrepancies.	For a sample of weekly ACH Return and Notice of Change Reports, inspected the discrepancy log to determine whether discrepancies were identified, recorded, and resolved.	No exceptions noted.
E3	Weekly balancing of the funds requested versus the funds received is performed to verify that funds have been processed within five business days.	For a sample of fund disbursements, obtained and inspected the weekly trade and claims balancing to determine whether the funds were processed timely and accurately.	No exceptions noted.

Genesis Employee Benefits, Inc., a TASC Division

Section 4: Description of Control Objectives and Related Controls, and Independent Service Auditor’s Description of Tests and Results of Tests

F. Trust Reconciliation

<i>Control Objective F: Controls provide reasonable assurance that processing deviations are identified and resolved.</i>			
ID	Genesis Control	Tests Performed by Baker Tilly	Results of Tests
F1	Trust statements from the trustee are reconciled to Genesis balance amounts quarterly to ensure errors are identified and logged.	For a sample of quarterly reconciliations, inspected the reconciliation reports to determine whether errors were identified and logged.	No exceptions noted.
F2	Trust statement reconciliations are completed quarterly. The reconciliation reports are submitted to plan sponsor for review if so elected by the plan sponsor.	For a sample of FHRA plan quarterly reconciliations, inspected the plan quarterly reconciliations to determine whether summaries were submitted to plan sponsor for review.	No exceptions noted.

Genesis Employee Benefits, Inc., a TASC Division

Section 4: Description of Control Objectives and Related Controls, and Independent Service Auditor's Description of Tests and Results of Tests

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G. User Access

Control Objective G: Controls provide reasonable assurance that logical access to applications, programs, and data is limited to authorized individuals.			
ID	Genesis Control	Tests Performed by Baker Tilly	Results of Tests
G1	Requests for the creation or maintenance of user IDs for employees are submitted via payroll or a BTS Help Ticket which originates by the employee's manager as a new hire request and is approved by HR.	For a sample of employees, inspected user access requests to determine whether HR approved the user access request before setup.	No exceptions noted.
G2	Removal of access to critical applications follows a formal request process, are approved before they are implemented, and are executed following Genesis' internal policy.	For a sample of terminated employees, inspected access to critical systems to determine whether terminated employees were removed from the application following Genesis' internal policy.	For two of 23 sampled terminated employees, the terminated employees were not removed from the application following Genesis' internal policy.
G3	Genesis performs quarterly user access and roles reviews of the Active Directory and the applications to ensure appropriate access based on job responsibilities.	For a sample of quarters, inspected the user access reviews for Active Directory and the applications to determine whether they were appropriate and approved by an authorized individual.	For two of two sampled quarters, Baker Tilly was unable to test the user access review. One quarter was not retained by management and one quarter was not yet completed.

5. Other Information Provided by Genesis Employee Benefits, Inc., a TASC Division

This information included in this Section 5 is presented by management of Genesis to provide management's responses to the identified control exception and is not part of the description. Information included within Section 5 has not been subjected to the procedures applied in the examination of the description and of the suitability of the design and operating effectiveness of the controls to meet the control objectives.

ID	Genesis Control	Results of Tests	TASC Management
G2	Removal of access to critical applications follows a formal request process, are approved before they are implemented, and are executed following Genesis' internal policy.	For two of 23 sampled terminated employees, the terminated employees were not removed from the application following Genesis' internal policy.	Management agrees with the exceptions. The exceptions identified in the examination were from an outsourced service provider not notifying Genesis in a timely manner. The service provider has been notified of the timeliness issues. Additional training and process changes are in place to prevent delays.
G3	Genesis performs quarterly user access and roles reviews of the Active Directory and the applications to ensure appropriate access based on job responsibilities.	For two of two sampled quarters, Baker Tilly was unable to test the user access review. One quarter was not retained by management and one quarter was not yet completed.	Management agrees with the exceptions. Genesis' only Internal Auditor at the time had performed this test directly. In the future, HR will take over performing this control. This will allow Internal Audit to remain independent of the process to allow the department to verify compliance with the review procedures.

Plan Sponsor Investment Portal

The Plan Sponsor Investment Portal is a secure environment used by employers to access Funded HRA account information (both Aggregated and Participant directed). From this portal, employers can assist Participants and run a variety of reports.

Go to <https://avs.retirement.schwabrt.com/Portal/#/Login>.

Use the same log in credentials as you did for the previous Plan Sponsor Investment Portal.

User ID: JSmith
[Forgot User ID?](#)

Password: [password field]
[Forgot Password?](#) Show Password

1. Forgot your User ID?

If you have forgotten your User ID, click on the [Forgot User ID](#) link. Enter and confirm your email address associated with this plan. You will receive an email from CustomerCare@tasconline.com with your current User ID.

Forgot Your User ID?

To request your User ID, enter the email address associated with your account. If you have any questions, contact your Recordkeeper/Administrator for assistance.

Email Address:

Confirm Email Address:

2. Forgot your Password?

If you have forgotten your Password, click on the [Forgot Password](#) link. Enter your User ID, and enter and confirm your email address associated with this plan. You will receive an email from CustomerCare@tasconline.com to reset your password.

Forgot Your Password?

To reset your password, enter the User ID and email address associated with your account. If you have any questions, contact your Recordkeeper/Administrator for assistance.

[I already have a code >>](#)

User ID: [Forgot Your User ID?](#)

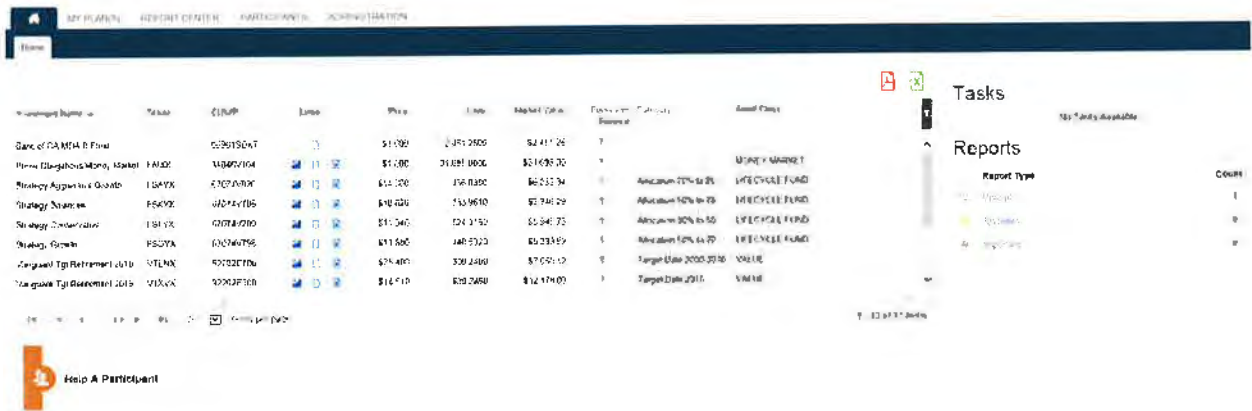
Email Address:

Confirm Email Address:

3. Home Page

The home page will provide a list of the current investment options in the plan, including links to fund information* as well as plan details like investment balance and current Participant counts.

The home page will also allow for a quick link to reports, favorites, and the Help a Participant page.



* While Genesis, a TASC Division, makes every attempt to link investment information, it is not always available. If you have any questions regarding an investment, you should consult with your financial advisor.

4. Plan Information

View your plan information such as total Participants (with balances), total YTD contributions, total YTD distributions, and total assets under management (AUM).

Click on your Plan Name indicated in blue and get a further description of the number of Participants in your plan with a balance, without a balance, and not contributing. This will also give you a historical snapshot of YTD contributions, YTD distributions, and AUM for the previous year. By clicking on the Plan Analytics button on the bottom of this screen, you can further drill down into investment performance and how it affects your plan.



View your Investment Holdings by fund name and view the market value of each investment. This page will also provide links to the Morningstar.com website, Fund Fact Sheet, and eProspectus.

Fund Name	Plan	Status	Units	Shares	Market Value	Annual Expense
Dave's Plan (M&B) Fund	054615007	1	\$1,000	2,453,205	\$2,453.21	0
Fidelity International	054615004	1	\$1,000	31,655,680	\$31,655.70	1
Strategic Aggressive Growth	054615005	1	\$1,000	43,426	\$5,237.32	1
Strategic Bond	054615003	1	\$1,000	339,969	\$1,156.22	1
Strategic Conservative	054615002	1	\$1,000	134,358	\$1,452.35	1
Strategic Growth	054615006	1	\$1,000	448,548	\$5,237.62	1
Vanguard Tg Retirement 2010	054615008	1	\$1,000	307,263	\$7,477.12	1
Vanguard Tg Retirement 2020	054615009	1	\$1,000	856,246	\$17,124.63	1

* While Genesis, a TASC Division, makes every attempt to link investment information, it is not always available. If you have any questions regarding an investment, you should consult with your financial advisor.

View your Investment Performance, reporting returns on each investment, benchmarks, and operating expense rates.

Fund Name	Plan	As of Date	Units	Current Value	Avg Annual Total Return (3Y)	Avg Annual Total Expense (3Y)	Avg Annual Total Return (5Y)	Avg Annual Total Expense (5Y)	Avg Annual Total Return (10Y)	Avg Annual Total Expense (10Y)	Avg Annual Total Return (15Y)	Avg Annual Total Expense (15Y)
Strategic Aggressive Growth	054615005	06/30/2018	43,426	\$5,237.32	1.60%	0.84%	1.30%	1.00%	0.81%	0.75%	0.51%	0.51%
Strategic Bond	054615003	06/30/2018	339,969	\$1,156.22	2.35%	0.87%	1.62%	2.35%	0.67%	0.75%	0.62%	0.62%
Strategic Conservative	054615002	06/30/2018	134,358	\$1,452.35	0.71%	0.71%	2.18%	0.71%	0.65%	1.04%	0.37%	0.37%
Strategic Growth	054615006	06/30/2018	448,548	\$5,237.62	2.61%	0.26%	1.67%	2.61%	0.62%	0.23%	0.11%	0.11%
Vanguard Tg Retirement 2010	054615008	06/30/2018	307,263	\$7,477.12	2.55%	0.80%	1.66%	2.55%	0.57%	1.41%	0.50%	0.50%
Vanguard Tg Retirement 2020	054615009	06/30/2018	856,246	\$17,124.63	4.12%	1.08%	1.95%	4.12%	2.57%	2.33%	0.55%	0.55%
Vanguard Tg Retirement 2015	054615007	06/30/2018	2,453,205	\$2,453.21	3.87%	0.62%	1.92%	3.87%	1.07%	1.24%	0.77%	0.77%
Vanguard Tg Retirement 2020	054615009	06/30/2018	856,246	\$17,124.63	3.75%	0.61%	1.96%	3.75%	1.44%	0.76%	0.76%	0.76%

5. Reporting

The reporting section is broken out into three sections: Reports I've Requested, Reports Sent to Me, and Participant Activity.

Reports I've Requested are on-demand reports that you have run. After you have run the report, it will populate here.

Reports Sent to Me are where your quarterly and annual reports will be published. You have the ability to download these reports, archive, or mark any as favorites.

REPORT NAME	PUBLISH DATE	PLAN	DIVISION	DOWNLOAD ARCHIVE
2018-2019 Financial Summary Report (4K) with Benefit	10/11/2018			

Participant Activity provides you three reporting options: Distributions, Terminations, and Employee Census.

Distributions

Distributions will report claim disbursements for the period in which you have specified below. You will need to click on your Plan Name and move it to the Selected Plans section by double clicking on your Plan Name or using the arrows between. Specify your date and click on Submit.

The information will populate on who has had a claim disbursed from the Funded HRA plan. Please note: There is a delay between when a claim has been sold from the investments and when it has actually been paid out. Claims are generally processed on Fridays and paid out the following Friday.

The information can be downloaded either in PDF or Excel.

Terminations

Terminations will report who has terminated employment according to our records. This information should always originally come from you as the employer. This report can be used to make sure the termination was reported to us.

The information will populate on who has terminated from employment based on what you have reported to us.

The report will populate with the information and can be downloaded to PDF or Excel.

Employee Census

The employee census remains the same as a way to collect all participant data in one report.

The report will populate with the information and can be downloaded to PDF or Excel.

To run any of these reports:

- Select the report.
- In the list of plans on the left, click the check box in the first column.
- Using the top arrow button, move the plan into the Selected Plans list to the right.
- Enter your start and end dates.
- Select any divisions or status codes applicable to the report you want to run.
- Click Submit.

The screenshot shows a web application interface for a 'REPORT CENTER'. At the top, there are navigation tabs: 'REPORT CENTER', 'PARTICIPANTS', and 'ADMINISTRATION'. Below these, there are two sub-tabs: 'Report Center Home' and 'Participant Activity'. A 'Go' button is followed by a 'Filter' button. The main section is titled 'Distributions' and contains a 'Report Parameters' section. Under 'Available Plans', there is a table with columns for 'Filter' and 'Enter'. One plan is listed: '001 FIRST PLAN - CITY OF AMERICA FUNDED HRA PLAN', which has a checked checkbox in the 'Filter' column. Below the table, there are fields for 'Start Date' and 'End Date', both currently empty. At the bottom, there is a 'Submit' button.

6. Participant Access

Look up any Participant by entering the Social Security Number or Last Name. Click on the Participant First or Last Name and get a snapshot of their account information, including address on file, dates, and balance. This option will also give you the option of clicking on Login as This Participant.

By clicking on the Login as This Participant button, it will open a new window and allow you to view their online account in inquiry mode only.

The screenshot displays a web interface for participant access. At the top, there are navigation tabs: 'HOME', 'MEMBERSHIP', 'PARTICIPANTS', and 'ADMINISTRATION'. The main header shows the participant's name 'Brady, Bobby' with a close button. Below this, it indicates 'CLAIM ACTIVE' and the plan name '001 TEST PLAN CITY OF AMERICA FUNDED HRA PLAN'. The page is divided into two columns of information. The left column lists personal details such as SSN, Username, Address, City/State/ZIP Code, Email, and various phone numbers. The right column lists financial and contribution details, including Account Balance, Vested Balance, Current and Current Year YTD Contributions, Previous Year YTD Contributions, Previous Year YTD Withdrawals, and various tax rates (Pre-Tax %, Roth %, Roll %). At the bottom center, there is a 'Login as This Participant' button.

Personal Information	Financial Information
SSN	Account Balance
Username	Vested Balance
Address	Current Year - YTD Contributions
City / State / ZIP Code	Current Year - YTD Contributions
Email	Previous Year - YTD Contributions
Validated Email	Previous Year - YTD Withdrawals
Home Phone	Pre-Tax %
Work Phone	Pre-Tax \$
Cell Phone	Roth %
Date of Birth	Roll %
Date of Service	
Date of Eligibility	
Date of Participant	

7. Update Profile

Update your profile at any time, including any address change, phone number change, email change, or password update.

Address 1
Address 2
City
State
ZIP Code
Phone 1
Phone 2
Email Address
Social

8. Tutorials and Printing

Using the links at the top of every page, you can click on the Question Mark button to link to any quick tutorials on how to navigate through this website. Use the Print button to print the page at any time.



The information in this communication is confidential and may be used by the authorized recipient only, for its intended purpose only. Any other use or disclosure is prohibited.

CITY OF AMERICA FUNDED HRA PLAN

Bobby Brady
123 Anystreet
Anywhere, CA 55555

ACCOUNT STATEMENT

January 01, 2015 to December 31, 2015

Your Account at a Glance

Beginning Balance	\$38,007.33
Contributions	150.00
Gains/Losses	-1,771.31
Claims Paid	-54.16
Forfeitures	0.00
Transfers	0.00
Fees	-7.50
Income Credited	5.64
Ending Balance	\$36,330.00
Vested Balance	\$3,298.00

Rate of Return

Current Account Value:	\$36,330.00
Change in Value This Period:	\$(1,677.33)
Rate of Return:	0.00%

This rate of return is your personal rate of return and is not indicative of the rate of return published by each investment. Please logon to your account at <https://MyBenefitsPortal.TASOnline.com> for your rate of return by fund and to make any changes to your account

Investment Summary

Current Investment Allocation



Participant: Bobby Brady

Statement Covering: 1/1/2015 to 12/31/2015

Summary by Contribution Source

Source Name	Beginning Balance	Claims Paid	Fees	Income Credited	Forfeiture	Investment Transfers	Contributions	Gains/Losses	Ending Balance
Integrated	3,359.02	-54.16	-7.50	5.64	0.00	0.00	150.00	-155.00	3,298.00
Retiree	34,648.31	0.00	0.00	0.00	0.00	0.00	0.00	-1,616.31	33,032.00
TOTAL	38,007.33	-54.16	-7.50	5.64	0.00	0.00	150.00	-1,771.31	36,330.00

Summary by Investment

Investment Name	Beginning Balance	Claims Paid	Fees	Income Credited	Forfeiture	Investment Transfers	Contributions	Gains/Losses	Ending Balance
Banc of CA MDA B Fund	0.00	0.00	0.00	0.00	0.00	701.25	0.00	0.00	701.25
Bancorp Master Demand Account	1,265.09	0.00	0.00	0.53	0.00	-1,295.62	30.00	0.00	0.00
Strategy Aggressive Growth	337.43	-18.57	-2.50	1.95	0.00	-9.90	30.00	-16.83	321.58
Strategy Balanced	149.45	-8.94	-2.50	0.00	0.00	177.00	30.00	-27.83	317.18
Strategy Conservative	157.53	-9.18	-1.25	0.00	0.00	-2.89	30.00	-9.99	164.22
Strategy Growth	317.12	-17.47	-1.25	0.00	0.00	-163.90	30.00	-5.07	159.43
Vanguard Tgt Retirement 2025	1,132.40	0.00	0.00	0.00	0.00	-1,157.75	0.00	25.35	0.00
Vanguard Tgt Retirement 2040	0.00	0.00	0.00	3.16	0.00	1,751.81	0.00	-120.63	1,634.34
Vanguard Tgt Retirement 2045	34,648.31	0.00	0.00	0.00	0.00	0.00	0.00	-1,616.31	33,032.00
TOTAL	38,007.33	-54.16	-7.50	5.64	0.00	0.00	150.00	-1,771.31	36,330.00

Participant Fee Disclosure Information

Plan Fees - Plan Administrative Fees are costs that are allocated to your account to cover services including but not limited to recordkeeping, shareholder service fees, distributor, and trustee fees. The total amount of fees that were allocated to your account during this period are further described in your online account under Transaction History.

Diversification Information

You should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or particular security, to perform poorly. If you invest more than 20% of your Funded HRA savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk. In deciding how to invest your Funded HRA savings, you should take into account all of your assets, including any Funded HRA savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk.

Certain restrictions may apply to the right to direct the investment of assets with regard to timing and the types of assets in. It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the plan to help ensure that your Funded HRA savings will meet your Funded HRA goals. You may obtain additional information about individual investing and diversification at the website of the Department of Labor at www.dol.gov/ebsa/investing.html.

Please review this account statement carefully. You have 30 days from receipt of this statement to inform us or the Plan Sponsor of any error. No changes will be made for this statement after that date.

Investment Performance

	Ticker	Current Period	YTD	1 Year	3 Year	5 Year	10 Year	Expense Ratio	End Price
St Aggressive Growth	FSAYX	3.49%	(1.50%)	(1.50%)	8.47%	6.87%	5.43%	0.00	\$13.89
Strategy Balanced	FSKYX	1.99%	(0.68%)	(0.68%)	6.41%	6.08%	5.37%	0.00	\$9.76
Strategy Conservative	FSFYX	0.71%	(1.56%)	(1.56%)	3.28%	4.47%	4.82%	0.00	\$11.01
Strategy Growth	FSGYX	3.06%	(1.02%)	(1.02%)	7.73%	6.87%	5.50%	0.00	\$11.49
Vanguard Tgt Retire 2055-CLOSE	VFFVX	4.28%	(1.72%)	(1.72%)	9.41%	8.15%	0.00%	0.00	\$27.15
Vanguard Tgt Retirement 2010	VTENX	1.42%	(0.20%)	(0.20%)	4.87%	5.60%	0.00%	0.00	\$24.94
Vanguard Tgt Retirement 2015	VTXVX	2.14%	(0.46%)	(0.46%)	6.22%	6.31%	5.36%	0.00	\$14.28
Vanguard Tgt Retirement 2020	VTWVX	2.71%	(0.68%)	(0.68%)	7.21%	6.85%	0.00%	0.00	\$27.28
Vanguard Tgt Retirement 2025	VTTVX	3.08%	(0.85%)	(0.85%)	7.88%	7.22%	5.55%	0.00	\$15.71
Vanguard Tgt Retirement 2030	VTHR	3.49%	(1.03%)	(1.03%)	8.52%	7.59%	0.00%	0.00	\$27.89
Vanguard Tgt Retirement 2035	VTTX	3.93%	(1.26%)	(1.26%)	9.16%	7.92%	5.75%	0.00	\$16.95
Vanguard Tgt Retirement 2040	VFORX	4.26%	(1.59%)	(1.59%)	9.46%	8.11%	0.00%	0.00	\$28.67
Vanguard Tgt Retirement 2045	VTIVX	4.30%	(1.57%)	(1.57%)	9.47%	8.13%	5.93%	0.00	\$17.92
Vanguard Tgt Retirement 2050	VFIFX	4.31%	(1.58%)	(1.58%)	9.47%	8.12%	0.00%	0.00	\$28.70



Save money. Reduce risks. Keep promises.

A Voluntary Employees' Beneficiary Association (VEBA) funded Health Reimbursement Arrangement (HRA) is a tax exempt irrevocable trust arrangement in which funds are deposited into an individual account by the employer on behalf of the employee.

These deposited funds can be used to pay for employee healthcare expenses, if integrated with a group health plan, or for out-of-pocket healthcare expenses after an individual separates from employment. The timing of deposits and access to funds are a matter of IRS-compliant plan design and/or union contract language (e.g., immediately upon deposit, at separation of employment, after attaining a certain age, etc.). Individual VEBA-funded HRA plans operate much like a retirement plan but with one main difference: funds in the VEBA-funded account are never taxed!

How is a VEBA funded HRA different from a Retirement plan (IRA, 457, 401(k), 403(b))?

Withdrawals from a retirement plan are taxable upon distribution. With VEBA-funded HRAs all contributions, investment earning, and withdrawals are tax-free!

Can funds be invested like a Retirement plan?

Yes. Typically a variety of funds options are available.

Employee Benefits

- Enable employee to fully manage the financial assets used to pay for medical care over time.
- Save money—pay zero taxes on contributions, earnings, or withdrawals.
- Have a very favorable tax status.
- Employers are increasing out-of-pocket expenses for employees.
- Many employers no longer pay for medical premiums once an employee separates employment.

Employer Benefits

- Contributions are not subject to FICA taxation (and in some cases, local state taxes).
- Payroll tax will be reduced.





Contributions are not subject to FICA taxation (and in some cases local taxes).

How do the accounts get funded?

Three of the most common funding scenarios follow:

Contributions are made as part of employee's the group health insurance premium.

Contributions are made as part of the employee's pre-retiree plan (e.g. \$50 per pay period, \$200 monthly, \$500 quarterly; for bargained units this amount can also be a percentage of wage, etc.).

Contributions are the deposit of an employee's unused sick leave and/or unused vacation leave at end of year or at separation of employment.

What can be reimbursed?

Out-of-pocket healthcare expenses, including insurance co-pays and deductibles, prescription costs, Medicare Part B and D premiums, supplemental insurance premiums, medical, and dental and vision insurance premiums.

Who has access to the funds?

Reimbursement-eligible expenses are those incurred by the employee, the employee's spouse, and their qualifying dependents.

What happens to the funds if the employee passes away?

Remaining funds in the account may continue to be used by the surviving spouse and qualified dependent(s), who

enjoy the same tax advantages as Participants. If the employee has no eligible survivors, remaining funds typically will be redistributed to the remaining members of the trust. IRS Revenue Ruling 2006-36 does not permit the payment of benefits to non-dependent heirs.

What especially should employees understand about VEBA-funded HRA plans?

VEBA/115 assets transform healthcare financing! They enable Participants to fully manage the financial assets used to pay for medical care over time. They have a very favorable tax status for Participants. They provide tax savings which in turn enable employees/Participants to pay increasing out-of-pocket expenses. They enable retirees to pay medical premiums after separation of employment when employer does not.

Taxable Distribution

Deposit	Less Federal Income Tax (Assuming a 25% tax bracket)	Less FICA Tax 7.65%	Total Taxes Paid	Total Paid Amount
\$1,000	(\$250)	(\$76.50)	(\$326.50)	\$673.50
\$10,000	(\$2,500)	(\$765)	(\$3,300)	\$6,700

Non-taxable VEBA Distribution

Deposit	Less Federal Income Tax (Assuming a 25% tax bracket)	Less FICA Tax 7.65%	Total Taxes Paid	Total Paid Amount
\$1,000	\$0	\$0	(\$326.50)	\$1,000
\$10,000	\$0	\$0	(\$3,300)	\$10,000



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