



Board Office Use: Legislative File Info.	
File ID Number	22-0248
Introduction Date	2/23/2022
Enactment Number	22-0239
Enactment Date	2-23-2022 CJH

Board Cover Memorandum

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Lisa Grant-Dawson, Chief Business Officer
Rebecca Littlejohn, Risk Management Officer

Meeting Date February 23, 2022

Subject Services Agreement with P&A Group

Ask of the Board Approve Service Agreement
 Ratify Service Agreement

Services Provide Third Party Administration for Flexible Spending Account (FSA), Dependent Care Assistance Program (DCAP), Transit, COBRA, and Billing services.

Term Start Date: March 1, 2022 End Date: June 30, 2025

Not-To-Exceed Amount \$90,000 Annually (not to exceed \$270,000 over course of contract)

Competitively Bid Yes

If the Service Agreement was not competitively bid and the not-to-exceed amount is more than \$96,700, list the exception(s) that applies (requires Legal review/approval and may require a resolution): [Exception]

In-Kind Contributions N/A

Funding Source(s) Fund 67

Background The District relies on a Third Party Administrator (TPA) to manage and oversee the District's Flexible Spending Account (FSA), Dependent Care

Assistance Program (DCAP), Transit, COBRA, unpaid or self-pay leave and retiree billing programs and services. These services include but are not limited to billing, collections, remittance, customer service, communications support, and compliance (discrimination testing, required notices, etc.) with Federal and State laws.

Attachment(s)

- **Service Agreement with P&A Group**
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SERVICES AGREEMENT 2021-2022

This Services Agreement (“Agreement”) is a legally binding contract entered into between the Oakland Unified School District (“OUSD”) and the below named entity or individual (“VENDOR,” together with OUSD, “PARTIES”):

Full Name of Vendor **P&A Administrative Services, Inc.**

The PARTIES hereby agree as follows:

1. **Term.**

- a. This Agreement shall start on the below date (“Start Date”):

Start Date **March 1, 2022**

If no Start Date is entered, then the Start Date shall be the latest of the dates on which each of the PARTIES signed this Agreement.

- b. The work shall be completed no later than the below date (“End Date”):

End Date **June 30, 2025**

If no End Date is entered, then the End Date shall be the first June 30 after the Start Date. If the term set forth above would cause the Agreement to exceed the term limits set forth in Education Code section 17596, the Agreement shall instead automatically terminate upon reaching said term limit.

2. **Services.** VENDOR shall provide the services (“Services”) as described in #1A and #1B of **Exhibit A**, attached hereto and incorporated herein by reference. To the extent that there may be a school closure (e.g., due to poor air quality, planned loss of power, COVID-19) or similar event in which school sites and/or District offices may be closed or otherwise inaccessible, VENDOR shall describe in #1B of **Exhibit A** whether and how its services would be able to continue.

3. **Alignment and Evaluation.**

- a. VENDOR agrees to work and communicate with OUSD staff, both formally and informally, to ensure that the Services are aligned with OUSD’s mission and are meeting the needs of students as determined by OUSD.

- b. OUSD may evaluate VENDOR in any manner which is permissible under the law. OUSD's evaluation may include, without limitation: (i) requesting that OUSD employee(s) evaluate the performance of VENDOR, each of VENDOR's employees, and each of VENDOR's subcontractors, and (ii) announced and unannounced observance of VENDOR, VENDOR's employee(s), and VENDOR's subcontractor(s).
4. **Inspection and Approval.** VENDOR agrees that OUSD has the right and agrees to provide OUSD with the opportunity to inspect any and all aspects of the Services performed including, but not limited to, any materials (physical or electronic) produced, created, edited, modified, reviewed, or otherwise used in the preparation, performance, or evaluation of the Services. In accordance with Paragraph 8 (Compensation), the Services performed by VENDOR must meet the approval of OUSD, and OUSD reserves the right to direct VENDOR to redo the Services, in whole or in part, if OUSD, in its sole discretion, determines that the Services were not performed in accordance with this Agreement.
5. **Data and Information Requests.** VENDOR shall timely provide OUSD with any data and information OUSD reasonably requests regarding students to whom the Services are provided. VENDOR shall register with and maintain current information within OUSD's Community Partner database unless OUSD communicates to VENDOR in writing otherwise, based on OUSD's determination that the Services are not related to community school outcomes. If and when VENDOR's programs and school site(s) change (either midyear or in subsequent years), VENDOR shall promptly update the information in the database.
6. **Confidentiality and Data Privacy.**
 - a. OUSD may share information with VENDOR pursuant to this Agreement in order to further the purposes thereof. VENDOR and all VENDOR's agents, personnel, employee(s), and/or subcontractor(s) shall maintain the confidentiality of all information received in the course of performing the Services, provided such information is (i) marked or identified as "confidential" or "privileged," or (ii) reasonably understood to be confidential or privileged.

- b. VENDOR understands that student data is confidential. If VENDOR will access or receive identifiable student data, other than directory information, in connection with this Agreement, VENDOR agrees to do so only after VENDOR and OUSD execute a separate data sharing agreement.
 - (i) If VENDOR is a software vendor, it agrees to access or receive identifiable student data, other than directory information, only after executing a California Student Data Privacy Agreement (“CSDPA”) or CSDPA Exhibit E (available here).
 - (ii) If VENDOR is not a software vendor, it agrees to access or receive identifiable student data, other than directory information, only after executing the OUSD Data Sharing Agreement (available here).
 - (iii) Notwithstanding Paragraph 28 (Indemnification), should VENDOR access or receive identifiable student data, other than directory information, without first executing a separate data sharing agreement, VENDOR shall be solely liable for any and all claims or losses resulting from its access or receipt of such data.
 - c. All confidentiality requirements, including those set forth in the separate data sharing agreement, extend beyond the termination of this Agreement.
7. **Copyright/Trademark/Patent/Ownership.** VENDOR understands and agrees that all matters produced under this Agreement, excluding any intellectual property that existed prior to execution of this Agreement, shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in those works are the property of OUSD. These matters include, without limitation, drawings, plans, specifications, studies, reports, memoranda, computation sheets, the contents of computer diskettes, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, source codes or any other original works of authorship, or other documents prepared by VENDOR, its employees, or its subcontractors in connection with the Services performed under this Agreement. VENDOR cannot use, reproduce, distribute, publicly display, perform, alter, remix, or build upon matters produced under this Agreement without OUSD’s express written permission. OUSD shall have all right, title and interest in said matters,

including the right to register the copyright, trademark, and/or patent of said matter in the name of OUSD. OUSD may, with VENDOR's prior written consent, use VENDOR's name in conjunction with the sale, use, performance and distribution of the matters, for any purpose and in any medium.

8. **Compensation.** OUSD agrees to pay VENDOR for satisfactorily performing Services in accordance with this Paragraph, Paragraph 10 (Invoicing), and #1C in **Exhibit A**.

a. The compensation under this Agreement shall not exceed:

\$ Not-to-Exceed Amount **\$90,000 annually (\$270,000 over course of contract)**.

This sum shall be for full performance of this Agreement and includes all fees, costs, and expenses incurred by VENDOR including, but not limited to, labor, materials, taxes, profit, overhead, travel, insurance, permitted subcontractor costs, and other costs.

b. OUSD shall not pay and shall not be liable to VENDOR for any costs or expenses paid or incurred by VENDOR not described in **Exhibit A**.

c. Payment for Services shall be made for all undisputed amounts no more frequently than in monthly installment payments within sixty (60) days after VENDOR submits an invoice to OUSD, in accordance with Paragraph 10 (Invoicing), for Services actually performed and after OUSD's written approval that Services were actually performed. The granting of any payment by OUSD, or the receipt thereof by VENDOR, shall in no way lessen the liability of VENDOR to correct unsatisfactory performance of Services, even if the unsatisfactory character of the performance was not apparent or detected at the time a payment was made. If OUSD determines that VENDOR's performance does not conform to the requirements of this Agreement, VENDOR agrees to correct its performance without delay.

d. Compensation for any Services performed prior to the Start Date or after the End Date shall be at OUSD's sole discretion and in an amount solely determined by OUSD. VENDOR agrees that it shall not expect or demand payment for the performance of such services.

- e. VENDOR acknowledges and agrees not to expect or demand payment for any Services performed prior to the PARTIES, particularly OUSD, validly and properly executing this Agreement until this Agreement is validly and properly executed and shall not rely on verbal or written communication from any individual, other than the President of the OUSD Governing Board, the OUSD Superintendent, or the OUSD General Counsel, stating that OUSD has validly and properly executed this Agreement.
9. **Equipment and Materials.** VENDOR shall provide all equipment, materials, and supplies necessary for the performance of this Agreement.
 10. **Invoicing.** Invoices furnished by VENDOR under this Agreement must be in a form acceptable to OUSD.
 - a. All amounts paid by OUSD shall be subject to audit by OUSD. Invoices shall include, without limitation: VENDOR name, VENDOR address, invoice date, invoice number, purchase order number, name of school or department to which Services were provided, name(s) of the person(s) performing Services, date(s) Services were performed, brief description of Services provided on each date, the total invoice amount, and the basis for the total invoice amount (e.g., if hour rate, the number of hours on each date and the rate for those hours).
 - b. If OUSD, at its sole discretion, determines an invoice fails to include the required elements, OUSD will not pay the invoice and will inform VENDOR of the missing items; VENDOR shall resubmit an invoice that includes the required elements before OUSD will pay the invoice.
 - c. Invoices must be submitted monthly, and within 30 days of the conclusion of the applicable billing period, unless otherwise agreed. OUSD reserves the right to refuse to pay untimely invoices.
 - d. OUSD reserves the right to add or change invoicing requirements. If OUSD does add or change invoicing requirements, it shall notify VENDOR in writing and the new or modified requirements shall be mandatory upon receipt by VENDOR of such notice.
 - e. To the extent that VENDOR has described how the Services may be provided both in-person and not in-person, VENDOR's

invoices shall—in addition to any invoice requirement added or changed under subparagraph (c)—indicate whether the Services are provided in-person or not.

- f. All invoices furnished by VENDOR under this Agreement shall be delivered to OUSD via email unless OUSD requests, in writing, a different method of delivery.

11. Termination.

- a. For Convenience by OUSD. OUSD may at any time terminate this Agreement upon thirty (30) days prior written notice to VENDOR. OUSD shall compensate VENDOR for Services satisfactorily provided through the date of termination. Upon approval by OUSD legal counsel, the OUSD Superintendent or an OUSD Chief or Deputy may issue the termination notice without approval by the OUSD Governing Board, in which case this Agreement would terminate upon ratification of the termination by the OUSD Governing Board or thirty (30) days after the notice was provided, whichever is later.
- b. Due to COVID-19. Notwithstanding Paragraph 19 (Coronavirus/ COVID-19) or any other language of this Agreement, if a shelter-in-place (or similar) order due to COVID-19 is issued or is in effect during the term of this Agreement that would prohibit or limit, at the sole discretion of OUSD, the ability of VENDOR to perform the Services, OUSD may terminate this Agreement upon seven (7) days prior written notice to VENDOR. Upon approval by OUSD legal counsel, the OUSD Superintendent or an OUSD Chief or Deputy may issue the termination notice without approval by the OUSD Governing Board, in which case this Agreement would terminate upon ratification of the termination by the OUSD Governing Board or seven (7) days after the notice was provided, whichever is later.
- c. For Cause. Either PARTY may terminate this Agreement by giving written notice of its intention to terminate for cause to the other PARTY. Written notice shall contain the reasons for such intention to terminate. Cause shall include (i) material violation of this Agreement or (ii) if either PARTY is adjudged bankrupt, makes a general assignment for the benefit of creditors, or a receiver is appointed on account of its insolvency. Upon approval by OUSD legal counsel, the OUSD Superintendent or an OUSD Chief or Deputy may issue the termination notice

without approval by the OUSD Governing Board, in which case this Agreement would terminate upon ratification of the termination by the OUSD Governing Board or three (3) days after the notice was provided, whichever is later, unless the condition or violation ceases or satisfactory arrangements for the correction are made.

- d. Upon termination, VENDOR shall provide OUSD with all materials produced, maintained, or collected by VENDOR pursuant to this Agreement, whether or not such materials are complete or incomplete or are in final or draft form.

12. **Legal Notices.** All legal notices provided for under this Agreement shall be sent via email to the email address set forth below and shall be either (i) personally delivered during normal business hours or (ii) sent by U.S. Mail (certified, return receipt requested) with postage prepaid to the other PARTY at the address set forth below.

OUSD

Name: Joshua R. Daniels
Site/Dept: Office of General Counsel
Address: 1000 Broadway, Suite 300
City, ST Zip: Oakland, CA 94607
Phone: 510-879-8535
Email: ousdlegal@ousd.org

VENDOR

Name: **Michael Rizzo**

Title: **President**

Address: **17 Court Street, Suite 500**

City, ST Zip: **Buffalo, NY 14202**

Phone: **800-688-2611**

Email: **rizzom@padmin.com**

Notice shall be effective when received if personally served or emailed or, if mailed, three days after mailing. Either PARTY must give written notice of a change of mailing address or email.

13. Status.

- a. This is not an employment contract. VENDOR, in the performance of this Agreement, shall be and act as an independent contractor. VENDOR understands and agrees that it and any and all of its employees shall not be considered employees of OUSD, and are not entitled to benefits of any kind or nature normally provided employees of OUSD and/or to which OUSD's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. VENDOR shall assume full responsibility for payment of all Federal, State, and local taxes or contributions, including unemployment insurance, social security and income taxes with respect to VENDOR's employees.
- b. If VENDOR is a natural person, VENDOR verifies all of the following:
 - (i) VENDOR is free from the control and direction of OUSD in connection with VENDOR's work;
 - (ii) VENDOR's work is outside the usual course of OUSD's business; and
 - (iii) VENDOR is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed for OUSD.
- c. If VENDOR is a business entity, VENDOR verifies all of the following:
 - (i) VENDOR is free from the control and direction of OUSD in connection with the performance of the work;
 - (ii) VENDOR is providing services directly to OUSD rather than to customers of OUSD;
 - (iii) the contract between OUSD and VENDOR is in writing;
 - (iv) VENDOR has the required business license or business tax registration, if the work is performed in a jurisdiction that requires VENDOR to have a business license or business tax registration;
 - (v) VENDOR maintains a business location that is separate from the business or work location of OUSD;
 - (vi) VENDOR is customarily engaged in an independently

established business of the same nature as that involved in the work performed;

- (vii) VENDOR actually contracts with other businesses to provide the same or similar services and maintains a clientele without restrictions from OUSD;
- (viii) VENDOR advertises and holds itself out to the public as available to provide the same or similar services;
- (ix) VENDOR provides its own tools, vehicles, and equipment to perform the services;
- (x) VENDOR can negotiate its own rates;
- (xi) VENDOR can set its own hours and location of work; and
- (xii) VENDOR is not performing the type of work for which a license from the Contractor's State License Board is required, pursuant to Chapter 9 (commencing with section 7000) of Division 3 of the Business and Professions Code.

14. Qualifications and Training.

- a. VENDOR represents and warrants that VENDOR has the qualifications and ability to perform the Services in a professional manner, without the advice, control or supervision of OUSD. VENDOR will performed the Services in accordance with generally and currently accepted principles and practices of its profession for services to California school districts and in accordance with applicable laws, codes, rules, regulations, and/or ordinances. All VENDOR employees and agents shall have sufficient skill and experience to perform the work assigned to them.
- b. VENDOR represents and warrants that its employees and agents are specially trained, experienced, competent and fully licensed to provide the Services identified in this Agreement in conformity with the laws and regulations of the State of California, the United States of America, and all local laws, ordinances and/or regulations, as they may apply, if VENDOR was selected, at least in part, on such representations and warrants.

15. Certificates/Permits/Licenses/Registration. VENDOR's employees or agents shall secure and maintain in force such certificates, permits, licenses and registration as are required by law in connection with the furnishing of Services pursuant to this Agreement.

16. **Insurance.**

- a. Commercial General Liability Insurance. Unless specifically waived by OUSD as noted in **Exhibit A**, VENDOR shall maintain Commercial General Liability Insurance, including automobile coverage, with limits of at least one million dollars (\$1,000,000) per occurrence for corporal punishment, sexual misconduct, harassment, bodily injury and property damage. The coverage shall be primary as to OUSD and shall name OUSD as an additional insured with the additional insured endorsement provided to OUSD within 15 days of effective date of this Agreement (and within 15 days of each new policy year thereafter during the term of this Agreement). Evidence of insurance shall be attached to this Agreement or otherwise provided to OUSD upon request. Endorsement of OUSD as an additional insured shall not affect OUSD's rights to any claim, demand, suit or judgment made, brought or recovered against VENDOR. The policy shall protect VENDOR and OUSD in the same manner as though each were separately issued. Nothing in said policy shall operate to increase the Insurer's liability as set forth in the policy beyond the amount or amounts shown or to which the Insurer would have been liable if only one interest were named as an insured.
- b. Workers' Compensation Insurance. Unless specifically waived by OUSD as noted in **Exhibit A**, VENDOR shall procure and maintain at all times during the performance of such work, Workers' Compensation Insurance in conformance with the laws of the State of California (including, but not limited to, Labor Code section 3700) and Federal laws when applicable. Employers' Liability Insurance shall not be less than one million dollars (\$1,000,000) per accident or disease.

17. **Testing and Screening.**

- a. Tuberculosis Screening. Unless specifically waived by OUSD as noted in **Exhibit A**, VENDOR is required to screen employees who will be working at OUSD sites for more than six hours. VENDOR agents who work with students must submit to a tuberculosis risk assessment as required by Education Code section 49406 within the prior 60 days. If tuberculosis risk factors are identified, VENDOR agents must submit to an intradermal or

other approved tuberculosis examination to determine that he/she is free of infectious tuberculosis. If the results of the examination are positive, VENDOR shall obtain an x-ray of the lungs. VENDOR, at its discretion, may choose to submit the agent to the examination instead of the risk assessment.

- b. Fingerprinting/Criminal Background Investigation. Unless specifically waived by OUSD as noted in **Exhibit A**, for all VENDOR employees, subcontractors, volunteers, and agents providing the Services, VENDOR shall ensure completion of fingerprinting and criminal background investigation, and shall request and regularly review subsequent arrest records. VENDOR confirms that no employee, subcontractor, volunteer, or agent providing the Services has been convicted of a felony, as that term is defined in Education Code section 45122.1. VENDOR shall provide the results of the investigations and subsequent arrest notifications to OUSD.

Waivers are not available for VENDORS whose employees, subcontractors, volunteers, and agents will have any contact with OUSD students.

- c. VENDOR shall use either California Department of Justice or Be A Mentor, Inc. (<http://beamentor.org/OUSDPartner>) fingerprinting and subsequent arrest notification services.
 - d. VENDOR agrees to immediately remove or cause the removal of any employee, representative, agent, or person under VENDOR's control person from OUSD property upon receiving notice from OUSD of such desire. OUSD is not required to provide VENDOR with a basis or explanation for the removal request.
18. **Incident/Accident/Mandated Reporting.**
- a. VENDOR shall notify OUSD, via email pursuant to Paragraph 12 (Legal Notices), within twelve (12) hours of learning of any significant accident or incident. Examples of a significant accident or incident include, without limitation, an accident or incident that involves law enforcement, possible or alleged criminal activity, or possible or actual exposure to a communicable disease such as COVID-19. VENDOR shall properly submit required accident or incident reports within one

business day pursuant to the procedures specified by OUSD. VENDOR shall bear all costs of compliance with this Paragraph.

- b. To the extent that an employee, subcontractor, agent, or representative of VENDOR is included on the list of mandated reporters found in Penal Code section 11165.7, VENDOR agrees to inform the individual, in writing that they are a mandated reporter, and describing the associated obligations to report suspected cases of abuse and neglect pursuant to Penal Code section 11166.5.

19. **Coronavirus/COVID-19.**

- a. Through its execution of this Agreement, VENDOR declares that it is able to meet its obligations and perform the Services required pursuant to this Agreement in accordance with any shelter-in-place (or similar) order or curfew (or similar) order (“Orders”) issued by local or state authorities and with any social distancing/hygiene (or similar) requirements.
- b. To the extent that VENDOR provides Services in person and consistent with the requirements of Paragraph 10 (Invoicing), VENDOR agrees to include additional information in its invoices as required by OUSD if any Orders are issued by local or state authorities that would prevent VENDOR from providing Services in person.
- c. Consistent with the requirements of Paragraph 18 (Incident/Accident/Mandated Reporting), VENDOR agrees to notify OUSD, via email pursuant to Paragraph 12 (Legal Notices), within twelve (12) hours if VENDOR or any employee, subcontractor, agent, or representative of VENDOR tests positive for COVID-19, shows or reports symptoms consistent with COVID-19, or reports to VENDOR possible COVID-19 exposure.
- d. VENDOR agrees to immediately adhere to and follow any OUSD directives regards health and safety protocols including, but not limited to, providing OUSD with information regarding possible exposure of OUSD employees to VENDOR or any employee, subcontractor, agent, or representative of VENDOR and information necessary to perform contact tracing, as well as complying with any OUSD testing and vaccination requirements.
- e. VENDOR shall bear all costs of compliance with this Paragraph, including but not limited to those imposed by this Agreement.

20. **Assignment.** The obligations of VENDOR under this Agreement shall not be assigned by VENDOR without the express prior written consent of OUSD and any assignment without the express prior written consent of OUSD shall be null and void.
21. **Non-Discrimination.** It is the policy of OUSD that in connection with all work performed under Contracts there be no discrimination because of race, color, ancestry, national origin, religious creed, physical disability, medical condition, marital status, sexual orientation, gender, or age; therefore, VENDOR agrees to comply with applicable Federal and California laws including, but not limited to, the California Fair Employment and Housing Act beginning with Government Code section 12900 and Labor Code section 1735 and OUSD policy. In addition, VENDOR agrees to require like compliance by all its subcontractor (s). VENDOR shall not engage in unlawful discrimination in employment on the basis of actual or perceived; race, color, national origin, ancestry, religion, age, marital status, pregnancy, physical or mental disability, medical condition, veteran status, gender, sex, sexual orientation, or other legally protected class.
22. **Drug-Free/Smoke Free Policy.** No drugs, alcohol, and/or smoking are allowed at any time in any buildings and/or grounds on OUSD property. No students, staff, visitors, VENDORS, or subcontractors are to use controlled substances, alcohol or tobacco on these sites.
23. **Waiver.** No delay or omission by either PARTY in exercising any right under this Agreement shall operate as a waiver of that or any other right or prevent a subsequent act from constituting a violation of this Agreement.
24. **No Rights in Third Parties.** This Agreement does not create any rights in, or inure to the benefit of, any third party except as expressly provided herein.
25. **Conflict of Interest.**
 - a. VENDOR shall abide by and be subject to all applicable, regulations, statutes, or other laws regarding conflict of interest. VENDOR shall not hire any officer or employee of OUSD to perform any service by this Agreement without the prior approval

- of OUSD Human Resources.
- b. VENDOR affirms to the best of his/her/its knowledge, there exists no actual or potential conflict of interest between VENDOR's family, business or financial interest and the services provided under this Agreement, and in the event of change in either private interest or services under this Agreement, any question regarding possible conflict of interest which may arise as a result of such change will be brought to OUSD's attention in writing.
 - c. Through its execution of this Agreement, VENDOR acknowledges that it is familiar with the provisions of section 1090 *et seq.* and section 87100 *et seq.* of the Government Code, and certifies that it does not know of any facts which constitute a violation of said provisions. In the event VENDOR receives any information subsequent to execution of this Agreement which might constitute a violation of said provisions, VENDOR agrees it shall notify OUSD in writing.
26. **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion.** Through its execution of this Agreement, VENDOR certifies to the best of its knowledge and belief, that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency according to Federal Acquisition Regulation Subpart 9.4, and by signing this contract, certifies that this vendor does not appear on the Excluded Parties List (<https://www.sam.gov/>).
27. **Limitation of OUSD Liability.** Other than as provided in this Agreement, OUSD's financial obligations under this Agreement shall be limited to the payment of the compensation described in Paragraph 8 (Compensation). Notwithstanding any other provision of this Agreement, in no event shall OUSD be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of, or in connection with, this Agreement for the Services performed in connection with this Agreement.
28. **Indemnification.**
- a. To the furthest extent permitted by California law, VENDOR shall indemnify, defend and hold harmless OUSD, its Governing

Board, agents, representatives, officers, consultants, employees, trustees, and volunteers (“OUSD Indemnified Parties”) from any and all claims or losses accruing or resulting from injury, damage, or death of any person or entity arising out of VENDOR’s performance of this Agreement. VENDOR also agrees to hold harmless, indemnify, and defend OUSD Indemnified Parties from any and all claims or losses incurred by any supplier, VENDOR, or subcontractor furnishing work, services, or materials to VENDOR arising out of the performance of this Agreement. VENDOR shall, to the fullest extent permitted by California law, defend OUSD Indemnified Parties at VENDOR’s own expense, including attorneys’ fees and costs, and OUSD shall have the right to accept or reject any legal representation that VENDOR proposes to defend OUSD Indemnified Parties.

- b. To the furthest extent permitted by California law, OUSD shall indemnify, defend, and hold harmless VENDOR, its Board, agents, representatives, officers, consultants, employees, trustees, and volunteers (“VENDOR Indemnified Parties”) from any and all claims or losses accruing or resulting from injury, damage, or death of any person or entity arising out of OUSD’s performance of this Agreement. OUSD shall, to the fullest extent permitted by California law, defend VENDOR Indemnified Parties at OUSD’s own expense, including attorneys’ fees and costs.

- 29. **Audit.** VENDOR shall establish and maintain books, records, and systems of account, in accordance with generally accepted accounting principles, reflecting all business operations of VENDOR transacted under this Agreement. VENDOR shall retain these books, records, and systems of account during the term of this Agreement and for three (3) years after the End Date. VENDOR shall permit OUSD, its agent, other representatives, or an independent auditor to audit, examine, and make excerpts, copies, and transcripts from all books and records, and to make audit(s) of all billing statements, invoices, records, and other data related to Services covered by this Agreement. Audit(s) may be performed at any time, provided that OUSD shall give reasonable prior notice to VENDOR and shall conduct audit(s) during VENDOR’S normal business hours, unless VENDOR otherwise consents.

30. **Litigation.** This Agreement shall be deemed to be performed in Oakland, California and is governed by the laws of the State of California, but without resort to California's principles and laws regarding conflict of laws. The Alameda County Superior Court shall have jurisdiction over any litigation initiated to enforce or interpret this Agreement.
31. **Incorporation of Recitals and Exhibits.** Any recitals and exhibits attached to this Agreement are incorporated herein by reference. VENDOR agrees that to the extent any recital or document incorporated herein conflicts with any term or provision of this Agreement, the terms and provisions of this Agreement shall govern.
32. **Integration/Entire Agreement of Parties.** This Agreement constitutes the entire agreement between the PARTIES and supersedes all prior discussions, negotiations, and agreements, whether oral or written. This Agreement may be amended or modified only by a written instrument executed by both PARTIES.
33. **Severability.** If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way.
34. **Provisions Required By Law Deemed Inserted.** Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein and this Agreement shall be read and enforced as though it were included therein.
35. **Captions and Interpretations.** Section and paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a PARTY because that PARTY or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the PARTIES.
36. **Calculation of Time.** For the purposes of this Agreement, "days" refers to calendar days unless otherwise specified and "hours" refers to hours regardless of whether it is a work day, weekend, or holiday.

37. **Counterparts and Electronic Signature.** This Agreement, and all amendments, addenda, and supplements to this Agreement, may be executed in one or more counterparts, all of which shall constitute one and the same amendment. Any counterpart may be executed and delivered by facsimile or other electronic signature (including portable document format) by either PARTY and, notwithstanding any statute or regulations to the contrary (including, but not limited to, Government Code section 16.5 and the regulations promulgated therefrom), the counterpart shall legally bind the signing PARTY and the receiving PARTY may rely on the receipt of such document so executed and delivered electronically or by facsimile as if the original had been received. Through its execution of this Agreement, each PARTY waives the requirements and constraints on electronic signatures found in statute and regulations including, but not limited to, Government Code section 16.5 and the regulations promulgated therefrom.
38. **W-9 Form.** If VENDOR is doing business with OUSD for the first time, VENDOR acknowledges that it must complete and return a signed W-9 form to OUSD.
39. **Agreement Publicly Posted.** This Agreement, its contents, and all incorporated documents are public documents and will be made available by OUSD to the public online via the Internet.
40. **Signature Authority.**
- a. Each PARTY has the full power and authority to enter into and perform this Agreement, and the person(s) signing this Agreement on behalf of each PARTY has been given the proper authority and empowered to enter into this Agreement.
 - b. Notwithstanding subparagraph (a), only the Superintendent, Chiefs, Deputy Chiefs, and the General Counsel have been delegated the authority to sign contracts for OUSD, and only under limited circumstances, which require ratification by the OUSD Governing Board. VENDOR agrees not to accept the signature of another other OUSD employee as having the proper authority and empowered to enter into this Agreement or as legally binding in any way.
 - c. Notwithstanding Paragraph 11, if this Agreement is executed by

the signature of the Superintendent, Chiefs, Deputy Chiefs, or General Counsel under their delegated authority, and the Board thereafter declines to ratify the Agreement, the Agreement shall automatically terminate on the date that the Board declines to ratify it. OUSD shall compensate VENDOR for Services satisfactorily provided through the date of termination. Upon termination, VENDOR shall provide OUSD with all materials produced, maintained, or collected by VENDOR pursuant to this Agreement, whether or not such materials are complete or incomplete or are in final or draft form.

41. **Contract Contingent on Governing Board Approval.** OUSD shall not be bound by the terms of this Agreement unless and until it has been (i) formally approved by OUSD's Governing Board or (ii) validly and properly executed by the OUSD Superintendent, the General Counsel, or a Chief or Deputy Chief authorized by the Education Code or Board Policy, and no payment shall be owed or made to VENDOR absent such formal approval or valid and proper execution.

REST OF PAGE IS INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the PARTIES hereto agree and execute this Agreement and to be bound by its terms and conditions:

VENDOR

Name: Michael Rizzo Signature: 

Position: Enter Vendor signatory position Date: Enter date of signature

One of the terms and conditions to which VENDOR agrees by its signature is subparagraph (e) of Paragraph 8 (Compensation), which states that VENDOR acknowledges and agrees not to expect or demand payment for any Services performed prior to the PARTIES, particularly OUSD, validly and properly executing this Agreement until this Agreement is validly and properly executed and shall not rely on verbal or written communication from any individual, other than the President of the OUSD Governing Board, the OUSD Superintendent, or the OUSD General Counsel, stating that OUSD has validly and properly executed this Agreement. VENDOR specifically acknowledges and agrees to this term/condition on the above date.

OUSD

Name: Gary Yee Signature: 

Position: President, Board of Education Date: 2-24-2022

- Board President
- Superintendent
- Chief/Deputy Chief/Executive Director

Name: Kyla Johnson-Trammell Signature: 

Position: Secretary, Board of Education Date: 2-24-2022

Template approved as to form by OUSD Office of the General Counsel.

EXHIBIT A

1A. **General Description of Services to be Provided:** *Provide a description of the service(s) VENDOR will provide.*

See RFP and RFP Response from P&A Group

1B. **Description of Services to be Provided During School Closure or Similar Event:** *If there is a school closure (e.g., due to poor air quality, planned loss of power, COVID-19) or similar event in which school sites and/or District offices may be closed or otherwise inaccessible, would services be able to continue?*

No, services would not be able to continue.

Yes, services would be able to continue as described in 1A.

Yes, but services would be different than described in 1A. Please briefly describe how the services would be different.

1C. **Rate of Compensation:** *Please describe the basis by which compensation will be paid to VENDOR:*

Hourly Rate: \$

Daily Rate: \$

Weekly Rate: \$

Monthly Rate: \$

FSA - \$25,000 (factoring increase in participation with better service)

Commuter - \$12,000 (factoring increase in participation with better service)

COBRA - \$23,000 (4,900 benefit eligible x \$.36)

Retiree Billing - \$30,000 (671 retirees x \$3.45) per month

Per Student Served Rate: \$

- Performance/Deliverable Payments: Describe the performance and/or deliverable(s) as well as the associated rate(s) below:

Performance/Deliverables (Click or tap here to enter text.)

2. **Specific Outcomes:** (A) *What are the expected outcomes from the services of this Agreement? Please be specific. For example, as a result of the service(s): How many more OUSD students will graduate from high school? How many more OUSD students will attend school 95% or more? How many more OUSD students will have meaningful internships and/or paying jobs? How many more OUSD students will have access to, and use, the health services they need?* (B) *Please describe the measurable outcomes specific to the services. Please complete the sentence prompt: "Participants will be able to..."* C. *If applicable, please provide details of program participation. Please complete the sentence prompt: "Students will..."*

Specific Outcomes The District relies on a Third Party Administrator (TPA) to manage and oversee the District's Flexible Spending Account (FSA), Dependent Care Assistance Program (DCAP), Transit, COBRA, unpaid or self-pay leave and retiree billing programs and services. These services include but are not limited to billing, collections, remittance, customer service, communications support, and compliance (discrimination testing, required notices, etc.) with Federal and State laws.

3. **Alignment with School Plan for Student Achievement – SPSA (required if using State or Federal Funds):** *Please select the appropriate option below:*

- Action Item included in Board Approved SPSA (no additional documentation required) – Item Number:

Item Number (Click or tap here to enter text.)

- Action Item added as modification to Board Approved SPSA – School site must submit the following documents to the Strategic Resource Planning for approval through the Escape workflow process:
- Meeting announcement for meeting in which the SPSA modification was approved.
 - Minutes for meeting in which the SPSA modification was approved indicating approval of the modification.

- Sign-in sheet for meeting in which the SPSA modification was approved.

4. **Waivers:** *OUSD has waived the following. Confirmation of the waiver is attached herewith:*

- Commercial General Liability Insurance (Waiver only available, at OUSD's sole discretion, if VENDOR's employees, subcontractors, volunteers, and agents will have no contact (in-person **or virtual**) with OUSD students, and the compensation not-to-exceed amount is \$25,000 or less.)
- Workers' Compensation Insurance (Waiver only available, at OUSD's sole discretion, if VENDOR has no employees.)
- Tuberculosis Screening (Waiver only available, at OUSD's sole discretion, if VENDOR's employees, subcontractors, volunteers, and agents will have no in-person contact with OUSD students.)
- Fingerprinting/Criminal Background Investigation (Waiver only available, at OUSD's sole discretion, if VENDOR's employees, subcontractors, volunteers, and agents will have no contact (in-person **or virtual**) with OUSD students.)



OAKLAND UNIFIED SCHOOL DISTRICT

Request for Proposal for Third Party
Administrative Services for:
Flexible Spending Account (FSA),
Dependent Care Assistance Program (DCAP),
Transit, COBRA, and Billing

September 17, 2021 / Robert Mitchell

September 17, 2021

Re: Request for Proposal for FSA, DCAP, Transit, COBRA, and Billing Administrative Services

Proposal Due Date: October 15, 2021

The Oakland Unified School District (District), in collaboration with Segal, the District's outside technical advisor, seeks proposals from qualified vendors to provide Flexible Spending Account (FSA), Dependent Care Assistance Program (DCAP), Parking and Transit Account, COBRA, and Unpaid or Self-Pay Leave and Retiree Billing Administration services for its employees and retirees currently provided by BASIC Pacific and HealthEquity.

The District is seeking one proposer to provide all of the requested services, however, the District reserves the right to decline one or more of the requested services at its discretion. Proposers may not include any other contingencies in their bid with respect to exclusive working relations with other potential proposers or minimum participation. Proposers also may not include any contingencies regarding access to the District employees to market voluntary or supplemental coverages.

Your proposal must anticipate that your company will provide those services outlined in this RFP without exception unless said exception is specifically identified in your response. Any deviations from the specifications should be clearly noted and may disqualify your proposal as not responsive.

Respond to **all** questions in this RFP. **DO NOT ALTER THE QUESTIONS.** Miss-numbered, incomplete or unanswered questions may disqualify your proposal as not responsive.

The Fee Quotation Form(s) included in the RFP must be used for all cost and rate information. Information provided in any other format will not be accepted. Footnotes to the form(s) may be used to provide supplemental explanations, if necessary.

All bids must be submitted without any commissions included. No commissions, over-ride payments, finder's fees or ancillary payments are to be made to any party on behalf of a contract issued to your company to provide these benefits. Violation of this requirement will invalidate your proposal or contract with the District.

This RFP is copyrighted and is the property of Segal and the District. It is used by those companies, organizations, and individuals solely for the purpose of preparing quotations for the plans described herein. Also, note Section 164.514(g) of HIPAA privacy rules states that the issuer may not use or disclose the individually identifiable health information for any other purpose, except as may be required by law. Your cooperation is appreciated.

Attachments

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Section I – Introduction

On behalf of Oakland Unified School District (“District”), Segal (“Segal”) invites your organization to submit a competitive proposal to provide third party administration (“TPA”) services for the District’s Flexible Spending Account (FSA), Dependent Care Assistance Program (DCAP), Transit, COBRA, unpaid or self-pay leave and retiree billing. All proposers must follow the instructions in these bid specifications and complete all questions and tables.

A. Scope of Services Requested

1. The selected vendor will be responsible for:
 - a. COBRA Administration
 - Initial COBRA Notice
 - Election Notice / Enrollment Applications
 - Coupon mailing / billing statement to participants each month
 - Premium collection and tracking / ACH premium deductions
 - Forwarding collected premium to the District
 - COBRA termination letters, including early termination
 - Mailing of rate change letters
 - Updating of system for new plan year’s rates
 - Vendor eligibility reporting (electronic reports to the carriers with copies to the District)
 - Distribution of unavailability of COBRA coverage
 - Monthly reporting, within fifteen business days after the end of each month
 - Self-pay premium administration for participants on leave
 - Self-pay premium administration for retirees
 - Providing access to a toll-free telephone number for access to a customer service representative during normal business hours
 - Cal-COBRA notices (initial, election and termination notices)
 - Administer COBRA for all COBRA health plans (Kaiser medical, Sutter Health Plus medical, Delta Dental, & VSP vision)
 - Bill and collect all COBRA health plan premiums from participants
 - Provide comprehensive COBRA administration for all District health plans through the entirety of each participant’s Federal COBRA eligibility (generally 18 or 36 months). This will include managing the open-enrollment requirement for COBRA participants and providing all required COBRA communications throughout each participants’ COBRA eligibility period
 - Report all eligibility (COBRA enrollments, COBRA terminations and COBRA election changes) directly to all COBRA health plan carriers
 - Reimburse the District for COBRA premiums collected on their behalf
 - Be responsible to reconcile carriers’ invoices and maintain COBRA eligibility with all carriers. Included in this service, proposer will assume full financial

responsibility for the premiums charged by the carriers. Should the proposer fail to reconcile invoices and maintain eligibility timely, the proposer shall be fully responsible for any premium shortfall

b. FSA and DCAP Administration

- Discrimination testing
- Communication materials
- Attendance at initial transition meetings and possibly at the first open enrollment meeting
- Handling of open enrollment information packages
- Process participant requests for reimbursement according to plan and IRS rules
- Online web tools for enrollment, submission of expense documentation and account balances
- Fax and IVR capabilities
- Periodic employee statements
- Provide debit card(s) and manage all debit card transactions for participants eligible to withdraw expenses for reimbursement in FSA
- Establish any custodial trust agreements necessary for the financial transactions
- Conduct meetings at the District as requested
- Provide claims procedures information to enrolled participants when they retire or terminate and are eligible to submit expenses for reimbursement
- Promptly credit contributions to participant accounts and update account balances within 48 hours of receipt of transmittal

c. Transit Spending Account Administration

- Provide daily transit claim reimbursements via check or direct deposit
- Provide online web tools for enrollment, submission of expense documentation and account balances
- Assisting the District comply with current and new TSA related legislation

2. The selected vendor shall provide the District with the information in its custody for use in preparing all returns and reports that are required by the Internal Revenue Service, the Department of Labor and any other federal, state, or District agencies. The selected vendor shall assist in the preparation of such returns and reports whenever called upon to do so by the District.

3. The selected vendor shall provide the following additional services:

- Provide employee communications material in ready-to-print format such as benefit booklets, newsletters or similar informational materials, web-access to interactive information, new participant letters and informational packets, etc.;
- Stay current on legal and regulatory changes affecting and COBRA compliance, and advise the District of any regulatory, legal, or procedural changes; and
- Handle the intake and review of all customer service inquiries and appeals.

B. Background

Oakland Unified School District offers two health plans to the participants, one through Kaiser and one through Sutter Health Plus. There are currently 4,900 participants enrolled in the health plans.

Plan Overview

The COBRA services are currently provided through BASIC Pacific. The following includes enrollment information for the COBRA, self-pay/unpaid leave participants, and retirees.

- There are currently 20 participants with COBRA coverage.
- There are currently 0 participants in self-pay/unpaid leave.
- There are currently 671 retirees.

The FSA, DCAP, Parking, and Transit services are currently provided through HealthEquity. The table provided below includes the total number of enrolled participants and the total contributions for these plans for the prior three year period:

	2018/2019	2019/2020	2020/2021
Number of Enrolled Participants			
FSA	272	293	531
DCAP	87	100	60
Parking	112	140	133
Transit	219	248	244
Total Contributions			
FSA	\$297,903.29	\$342,717.35	\$238,529.91
DCAP	\$328,801.71	\$369,356.70	\$206,515.21
Parking	\$85,584.47	\$92,673.99	\$18,955.37
Transit	\$68,336.15	\$56,118.38	\$9,110.66

Interface with District

The District will interact with the selected vendor and provide appropriate support, as follows:

- Determine eligibility and provide enrollment information to selected vendor, including lines of coverage and amount to be billed.
- Transmit contribution information to selected vendor, at the end of each pay period.

The selected vendor will collect premiums from participants and forward them to the District. The District will be responsible for sending premiums directly to the insurance carriers.

C. Selection Process

This section outlines the information necessary to understand the selection process and the required documentation for submitting proposals. All qualified proposals will be evaluated according to completeness, content, ability of the proposer and its staff, and price. Written

proposals will be evaluated by a selection committee, and those proposers receiving the highest scores will be invited to an oral interview.

General Instructions

It is assumed that all bids submitted strictly adhere to the following conditions, unless otherwise noted in the proposal. Failure to meet any of these conditions may result in disqualification of bids. This RFP and your response, including all subsequent documents provided during this RFP process, will become the contract between the parties until replaced by a final written contract signed by both parties.

- 1. Effective Date.** Assume an effective date of January 1, 2022, or as soon as administratively possible thereafter.
- 2. No commissions** will be paid and none are to be included in any bid and no designation of “Broker of Record” will be issued to any proposer in order to procure a quotation from an insurance company. No override payments, volume bonuses or other indirect payments to agents or producers are allowed under the District’s rules.
- 3. Authorized Contacts.** Any questions must be directed to Robert Mitchell, Lynn Lin, or Wesley Clare for the duration of the RFP process. You may not contact any employee of the District or any of its labor unions regarding this RFP. All outreach must be in writing.
- 4. Award or Rejection.** Any award will be made to that proposer whose proposal is deemed to be in the best interest of the District. The District reserves the right to reject any or all proposals.
- 5. Costs for Proposal Preparation.** Any costs incurred by proposers in preparing or submitting proposals are the proposers’ sole responsibility. Proposals will not be returned.
- 6. Oral Explanations.** The District will not be bound by oral explanations or instructions given at any time during the competitive process or after the award of the contract.
- 7. Time for Acceptance.** The proposer agrees to be bound by its proposal until the effective date of January 1, 2022, during which time the District and/or Segal may request clarification or correction of the proposal for the purpose of evaluation. Amendments or clarifications shall not affect the remainder of the proposal, but only the portion so amended or clarified. Late proposals may not be accepted.
- 8. Eligibility Rules.** The proposer agrees to the specified eligibility rules established for the District, and as amended by the District from time to time. Modifications to the eligibility rules will not be considered.
- 9. Exceptions.** Any exceptions to terms, conditions, or other requirements in any part of these specifications must be clearly pointed out in the appropriate section of the proposal. Otherwise, it will be considered that all items offered are in strict compliance with the specifications. Amendments or clarifications shall not affect the remainder of the proposal, but only the portion so amended or clarified. Any exceptions will be part of the evaluation process and may constitute grounds for rejection of the proposal.
- 10. Assumptions or Underwriting Provisions.** It is required that all proposals **exclude** any language referring to the right of the proposer to change rates due to changes in expected versus actual enrollment for any period of the 12-month term of the contract

and any extensions thereon. Failure to comply with this requirement will be strictly accounted for in the proposal evaluation.

- 11. Proposer’s Representative.** The proposal must be signed by a legal representative of the bidding firm, who is authorized to bind the firm to a contract in the event of the award. All premiums, fees and terms presented will be considered legally binding.
- 12. Rights to Claims Data.** All claims data is the property of the District and must be made available upon request.
- 13. General Compliance.** All proposer services must adhere to relevant federal and state laws and regulations.
- 14. Right to Audit.** The proposer agrees to extend to the District the right to an independent audit.
- 15. HIPAA Compliance.** All proposer systems and services must be in compliance with the HIPAA EDI, Privacy and Security regulations on the appropriate dates established by the Department of Health & Human Services.
- 16. Confidentiality.** Segal requests that this document be kept in strictest confidence, and it is only under adherence to this request that we are delivering this document to the prospective proposers. This document may be shared only within your organization for purposes of preparing your proposal response. As such, this document may not be copied or reproduced without prior written consent for other purposes and will not be disclosed to third parties to whom the District has not previously consented.

Tentative Schedule

Listed below are important dates by which actions must be taken or completed. The schedule below is a tentative schedule and is subject to change at the sole discretion of the District. If the District deems it necessary to change any of these dates, such changes will be accomplished by issuing an addendum to this RFP. All known recipients of the original RFP and any entity expressing intention to respond to the RFP will be notified of any changes.

EVENT	Target Date*
Issuance of RFP	September 17, 2021
Deadline to Submit Written Questions	September 24, 2021
Deadline to Submit Intent to Bid	September 24, 2021
Response to Written Questions/RFP Addendum Posted	October 1, 2021
Submission of Proposals	October 15, 2021 , 3:00 pm Pacific Time
Proposal Evaluation	October 2021
Selection of Finalist(s)	October – November 2021
Finalist(s) Interview (if necessary)	November 2021

EVENT	Target Date*
Issue Notice of Intent to Award	November 2021
Contract Approval and Execution	December 2021
Commencement of Contract	January 1, 2022

* Please note that the timetable reflects target dates that are subject to change.

Proposer Questions

All questions raised prior to the Deadline for Written Questions of **September 24, 2021**, shall be in writing and submitted online to Lynn Lin at llin@segalco.com and Wesley Clare at wclare@segalco.com.

Segal reserves the right to discuss any part of any response for the purpose of clarification. All submitted questions and their associated answers will be shared anonymously with all proposers.

Proposal Content

Proposals must contain responses to items listed under Section II, Sub-sections A – C of this RFP.

Proposal Submittal

- Your proposal must be received by Segal no later than 3:00 pm, Friday, October 15, 2021. Please send an electronic copy of your proposal to:

Robert Mitchell	rmitchell@segalco.com
Lynn Lin	llin@segalco.com
Wesley Clare	wclare@segalco.com
- No unsolicited material will be accepted after the submittal date.
- Proposals shall remain confidential until the contract(s), if any, resulting from this process are awarded. Thereafter, all proposals submitted in response to this RFP shall be deemed public record. Please see information below under the “Rights and Regulations” section regarding the submission of confidential or proprietary data.
- Proposer, by submitting its proposal, agrees that any costs incurred by proposer in responding to this RFP are to be borne by the proposer and may not be billed to Oakland Unified School District.

Duration of Proposal

All proposals will remain in effect and legally binding for at least 120 days from the submittal date.

Evaluation Criteria

Proposals will be reviewed by a selection committee and will be evaluated using the following criteria (note that there are no values or ranking implied in the order of this list):

- Demonstrated ability to timely perform the services described.
- Proposer's staff qualifications with regard to experience and expertise.
- Quality of proposer's work as verified by references.
- Overall cost of the services.
- A demonstrated history of providing similar services to comparable public entities.
- Range of services available.
- Results of the oral interview.
- False, incomplete, or unresponsive statements in a proposal may be sufficient cause for its rejection.
- The District reserves the right to include in the evaluation and selection process any other criteria relevant to doing business with the selected proposer.

The award will be made to the proposer whose overall arrangement is deemed to be in the best interests of the District.

Additional Requirements

1. HIPAA Business Associate Agreements – The successful proposer will be requested to sign a Business Associate Agreement to ensure the proposer's compliance with the HIPAA Privacy and Security rules, as it pertains to Protected Health Information.
2. Transfer of Records – In the event of contract termination, the administrator agrees to transfer to the District (or to a successor administrator) within 30 days of termination notice all data and participant records necessary for the continued administration of the plans. The administrator must agree to continue operations until the transfer of data has been completed.
3. All record documents and data shall be the property of the District and not the administrator.

Section II – Proposal Requirement

A. Questionnaire

*****DO NOT ALTER THE QUESTIONS OR QUESTION NUMBERING*****

- Provide an answer to each question even if the answer is “not applicable” or “unknown.” Incomplete questionnaires may be cause for disqualification.
- Answer the question as directly as possible and incorporate all information within the questionnaire section. Do not include promotional materials.
 - If the questions asks “How many...” provide a number.
 - If the question asks, “Do you...” indicate Yes or No **first**, followed by your additional narrative explanation.
- Lengthy responses are less preferred. To avoid this, be concise in your response. Use bullet points as appropriate. Reconsider how to word any response that exceeds 200 words in length so that the response contains the **most important points** you want displayed. Do not refer the reader to an appendix/attachment for further information.
- The proposer will be held accountable for accuracy/validity of all answers.
- Remember, RFP responses will become part of the contract between the winning proposer and the client.
- Submit your response electronically, using Microsoft Word or other compatible software in a writable format (no PDFs, please).

GENERAL PROPOSER REQUIREMENTS

For this section of the questionnaire, answer the question/requirement with a simple “Yes” or “No” answer. If you answer “No” to any of the questions/requirements in this section, please explain the response at the end of the section. The explanation will be reviewed, however, failure to agree to all of the terms requested in this section may cause the District to deem your proposal non-responsive.

Questions	Answer Yes or No
1. Do you agree that if this proposal results in your company being awarded a contract and if, in the preparation of that contract, there are inconsistencies between what was proposed and accepted versus the contract language that has been generated and executed, that any controversy arising over such discrepancy will be resolved in favor of the language contained in the proposal or correspondence relating to your proposal?	
2. Will you agree to be bound by the terms of your proposal until a final contract is executed?	
3. Do you agree to all the terms and conditions in Section I of this RFP?	
4. Do you agree to perform all of the services as specified under Section I.A – Scope of Services Requested of this RFP?	
5. Does your proposed fee include all services listed under Section I.A – Scope of Services Requested?	
6. You will be required to issue the Contract within thirty (30) calendar days after being given a <i>Notice of Intent to Award</i> unless waived by the District. Please confirm your acceptance of this requirement.	
7. Confirm that your proposed rates are guaranteed for 36 months.	
8. Confirm that your proposed rates exclude commissions.	
9. Other than the quoted rates in Section II.C of this RFP, there should not be any other charges or fees of any kind that will or could apply to the District such as start-up costs, booklets or printing. The rates quoted shall include all services and supplies that could reasonably be expected to be provided to the District during the course of your administration of the plans. Confirm your agreement to this requirement.	
10. Please confirm that there will be no adjustments to the proposed rates based on actual enrollment or subsequent shifts in enrollment.	
11. The District requires that it maintain the right to terminate the contract at any time provided that it gives 60 days advance written notification to the contractor. Do you agree to this provision?	
12. Will you transfer administrative records to any carrier that would replace you in the event of termination of this contract at no charge?	
13. Will you agree to include in your contract a hold harmless provision that indemnifies the District against liability that arises as the result of negligent acts, errors, omissions, fraud and other criminal acts committed by your officers, employees, and agents of the organization?	
14. Do you agree to maintain compliance with HIPAA privacy and security for the duration of the contract with the District?	

Questions**Answer
Yes or No**

15. Please confirm that your proposal, and plan design offered, is in compliance with all state and federal laws and regulations that pertain to employee benefit programs, relevant state insurance regulations and other related laws.
-
16. Do you agree to provide monthly, quarterly, and annual reporting (i.e., enrollment and utilization)?
- Enrollment: Monthly
 - Utilization: Quarterly; Semi-Annual and Annual
-

Explain any "No" answer provided in the requirements above:

Company History and Financial Profile

Question	Response
1. Please provide:	
a. Name of firm	
b. Mailing address	
c. Telephone number	
d. Primary contact person	
e. Contact's email	
2. Where is your company located and how long has it been operational?	
3. Is your company a division or subsidiary of a parent firm? If yes, please indicate the name of the parent firm.	
4. Do you plan to sub-contract any portion of the services required to another firm? If "Yes", answer the following:	
a. Which of the services do you plan to sub-contract and to which company?	
b. Do you use sub-contractors operating outside the United States? If so, please describe if any administrative functions such as data entry and computer programming will be sub-contracted to these entities	
5. Are you licensed to do business in the State of California? What other states are you licensed in? In addition, the contract will be issued in accordance with the laws of California. Please confirm whether your organization will agree to comply with this requirement.	
6. Provide the latest annual report or other financial reports (including audited financial statements) that indicate the financial position of your organization. If your company is privately held, list owners with 5 percent or more of equity.	
7. Please describe any type of external audits performed of your operations including but not limited to SAS-70 and the frequency of these audits. Please include a copy of your most recent SAS-70 (or other external audit).	

Question	Response
<p>8. What fidelity and surety insurance or bond coverage do you carry to protect your clients? Specifically describe the type and amount of the fidelity bond insuring your employees that would protect this plan in the event of a loss. Do you agree to furnish a copy of all such policies for review by legal counsel if requested?</p>	
<p>9. Indicate your firm's liability insurance limit with regard to errors, omission, negligence, etc. Please include deductible and annual limit (per occurrence and aggregate) information and name of insurer. <i>(Please provide copies of such policies).</i></p>	
<p>10. Designate the individual(s) with the following responsibilities. Include the name, title, and address of each individual, along with a brief description of his/her qualifications and experience.</p>	
<p>a. The individual(s) representing your company during the proposal process.</p>	
<p>b. The individual(s), who will be assigned to the overall ongoing management.</p>	
<p>c. The individual(s) responsible for day-to-day service.</p>	

Organizational Experience and References

Question	Response
<p>11. Please list the number of years your company has provided the following services:</p>	
<p>a. Flexible Spending Account (FSA)</p>	
<p>b. Dependent Care Assistance Program (DCAP)</p>	
<p>c. Parking and Transit Spending Account Administration</p>	
<p>d. COBRA Administration</p>	
<p>e. Unpaid/Self-Pay Leave Billing</p>	
<p>f. Retiree Billing</p>	
<p>12. Describe your company's experience administering the above services for public sector entities.</p>	

Question	Response
13. How many clients are you currently administering? How many additional are expected during the next 6 months?	
14. Of your company's current clients, what three would be viewed as peer groups for the services requested by the District? Include the following information:	
a. Client name	
b. Principal location	
c. Number of covered participants	
d. Client contact including name, title and phone number	
e. Services provided – please be specific	
f. Effective date of contract	
15. Has any client terminated the administration services of your firm? If so, please provide the names along with the reason for each termination. May they be contacted?	
16. Provide a reference list of current and former public sector clients, including contact name and telephone number. If you do not have public sector clients please provide references (including contact name and telephone number) of at least three private sector clients.	
17. Has your firm ever been subject to a legal action brought by a client or former client in the last five years? If so, please explain the nature and current status of the action(s).	

Customer Service

Question	Response
18. Provide a brief overview of the administration office you would propose for the District. What is the location and hours of operation of the office that would provide day-to-day account service? How long has it been operational? What types of services does it provide?	
19. Who will be assigned as the account executive on the account? Please provide his/her professional biography with your response.	

Question	Response
20. What are your performance guarantees? Describe your guarantees and associated financial penalties.	
21. Will a toll-free number be made available to participants to handle eligibility inquiries or other service issues? Please specify whether the number will be dedicated to the District or shared. (Indicate only one)	<input type="checkbox"/> Yes, at no extra charge <input type="checkbox"/> Yes, at a charge of \$ (Please include this fee in Table 1 of the Financial Section) <input type="checkbox"/> No
22. What hours will the telephone lines be staffed by actual customer service representatives? Include weekend hours, if applicable. Please do not include hours the telephone line will be staffed by an answering service.	
23. Indicate the ways in which your organization is able to accommodate the special needs of enrollees. (Indicate all that apply)	<input type="checkbox"/> No special accommodations <input type="checkbox"/> Have a TDD (Telecommunications Device for the Deaf) or other voice capability for the hearing impaired <input type="checkbox"/> We accommodate non-English speaking enrollees by contracting with an independent translation company <input type="checkbox"/> We maintain customer service staff with the ability to translate Spanish <input type="checkbox"/> We maintain customer service staff with the ability to translate the following languages: <hr/>

FSA and DCAP Administration

Question	Response
24. Please describe your ability to provide FSA and DCAP administration services as outlined in this RFP.	
25. Will you provide seminars and other educational activities upon request from the District to promote this program?	
26. The District requires that the following services be provided in administering the FSA and DCAP program. If your proposal does not include all of these services, or includes other additional services, please describe in detail. Also, please indicate the cost of additional services or services not included in the fees in the appropriate table in Section II.C.	

Question	Response
Service	YES or NO to indicate whether your organization will provide each of the following services and then provide an explanation in the following row.
a. Communication to plan members	
Explain the way in which you will provide this service	
b. Web-based on-line tool for enrollment information & inquiries	
Explain the way in which you will provide this service	
c. Web-based on-line access to employee accounts	
Explain the way in which you will provide this service	
d. Onsite enrollment meetings	
Explain the way in which you will provide this service	
e. Processing of requests for reimbursement, including eligibility verification	
Explain the way in which you will provide this service	
f. Ongoing record keeping of accounts	
Explain the way in which you will provide this service	
g. Issuance of reimbursement drafts or direct deposit and pertinent documentation	
Explain the way in which you will provide this service	
h. Employee notification of account balances near year-end	
Explain the way in which you will provide this service	
i. Periodic accounting and statistical reports (include examples)	
Explain the way in which you will provide this service	
j. Nondiscrimination testing to ensure Plan is in compliance with IRS Code Section 125 on an annual basis.	
Explain the way in which you will provide this service and if there is an additional cost for the annual testing	

Question	Response
k. Banking arrangement for financing the FSA program	Explain the way in which you will provide this service
l. Debit cards	Explain the way in which you will provide this service (include brand of payment card)
m. Employee statement mailings	Explain the way in which you will provide this service
27. Describe the information that will be required from the employee to submit a valid claim for FSA and DCAP benefits reimbursement, e.g., do they need a copy of the EOB from the health carrier confirming their out of pocket, or billing from daycare service?	
28. How often would reimbursements be made to participants?	<ul style="list-style-type: none"> • Health care reimbursement account? • Dependent care reimbursement account? <ul style="list-style-type: none"> - Can the schedule be different for different benefits? (YES or NO) - Do you require an initial deposit? (YES or NO) - If so, how much?
29. Indicate how contributions, accounting and reimbursements are tracked.	
30. Can your system accommodate changes to an employee's election during the plan year due to (CONFIRM for all that apply):	<ul style="list-style-type: none"> a. Employee status changes b. Family status changes c. Changes in eligibility d. Other; please detail:
31. How does your system check for duplicate expenses and verify plan maximums?	
32. If requested by the District, can you administer FSA during the COBRA extension period?	

Question	Response
33. What safeguards exist against an ineligible plan member attempting to gain reimbursement under the program?	
34. Can your system flag certain recurring expenses that have already been substantiated? (i.e., will you require substantiation of a recurring eligible expense each time the expense is submitted or only the first time the expense is submitted?)	
35. Does the system maintain covered dependent and beneficiary information?	
36. Can your system administer multiple plan years concurrently and allow dual records during the first months of a new plan year? Can your system automatically enroll eligible employees who elect to continue to participate?	
37. How are deposits to participants' accounts entered to the system? On-line? From participants' elections? Payroll extract?	
38. How do you handle overpayments and underpayments?	
39. How will forfeitures be handled for year-end accounting?	
40. How are requests that exceed a participant's account balance handled?	
41. Can EOB messages be customized?	
42. Will the system allow employees to submit reimbursement requests for eligible expenses incurred during the prior year, for a period of no more than 90 days after the end of the plan year?	
43. Describe the way in which the banking arrangement works. Include the timing of the call for funds, any deposit amount required in the account, its term (weekly, monthly), how it is determined and any interest earned on the deposit or on amounts held in the account until checks are cashed.	
44. Do you offer ACH or direct deposit of reimbursements? If yes, does an additional fee apply? (Please include fee in Table 1a)	
45. Provide samples of communication materials to be distributed by the vendor to all members including but not limited to:	
a. Procedures for obtaining reimbursement	

Question	Response
b. Procedures for appealing an adverse reimbursement determination	
c. Claim forms	
d. Claim substantiation when using debit card	

Debit Cards

Question	Response
46. Describe your debit card services and type of benefits handled (e.g., FSA, Dependent Care, etc.). Do you provide a proprietary card or do you use an outside vendor?	
47. With what other companies do you contract in order to provide debit card services (e.g. bank, credit card company, etc.)? Describe the services provided by your company and those contracted to other companies, and the contractual arrangements.	
48. Please describe your recommended procedure for "stacking" the Health Care and Dependent Care FSA accounts. Describe alternative arrangements that you can support.	
49. Describe how you pay claims during the 90-day grace period for FSAs.	
50. Describe when paper substantiation must be submitted by an individual and any substantiation that the individual is requested to retain for tax purposes.	
51. How do you assure that every claim, both electronic and paper, is properly substantiated in accordance with IRS guidelines?	
52. Describe which automatic electronic substantiation methods you use:	
a. Copayments	
b. Recurring claims	
c. Real-time substantiation	
d. Inventory Information Approval System (IIAS)	
53. Are you in compliance with IRS Notice 2006-69? If not, please describe your compliance program. What types of claims cannot be administered via your debit card?	
54. Provide a list of items that you consider qualified medical expenses that are payable	

Question	Response
by your program using an electronic substantiation method.	
55. Can your card program be used to pay for over-the-counter medication? If so, please provide a sample list of payable medications.	
56. Describe your procedures and policies that prevent abuse of the debit card (e.g. use by the employee to purchase items that are not qualified medical expenses).	
57. Confirm that all fees associated with the debit cards are included in the base FSA administration fees.	
58. Describe the banking arrangements necessary to implement your debit card program. Include information about when money transfers would be required and how often	
59. Must all participants use the debit card or can only certain individuals elect the debit card option?	
60. When you offer a debit card, do you require that all reimbursements be administered via this debit card or will you accept hard copy claim submissions by those participants who forget to use their card?	

Parking and Transit Spending Account Administration

Question	Response
61. Describe your member purchase process for transit media. Indicate what deadlines are applied for purchase. How is transit media provided to the member for different types of public transportation (train, bus) and different categories of purchase (monthly pass, weekly pass, etc.).	
62. By what point in time are transit media purchases provided to the member? What is your on-time delivery performance rate? What options exist for employees who do not receive their transit media by the time the purchase is made effective?	
63. Do you provide options for members to claim reimbursement for occasional transit expenses (e.g. for daily fares)? If so, what is the reimbursement process and what deadlines are applied?	

Question	Response
64. Describe the level of penetration you have for acquiring transit media from Northern California regional transportation authorities. Are there any authorities with whom you do not have purchase agreements?	
65. Confirm that members would be issued debit cards that could be used for parking or transit expenses. Describe any employer prefunding requirements using this approach.	
66. Indicate whether you can maintain a database of transit reimbursement recipients to include the following data points:	
a. Standard indicative data such as name, employee ID and/or SSN, and address	
b. Month/year of ridership	
c. Amount of approved reimbursement	
d. Type of public transportation	
e. Agency (Fairgrounds Management, First 5, Open Space Authority, etc.)	
f. Describe any additional data categories your system could track or which the District may wish to track. Also include the maximum number of data fields your system is capable of tracking.	
67. Can TSA reimbursements be direct deposited into participant's bank accounts?	

COBRA and Retiree Billing Administration

Question	Answer YES or NO
68. Please confirm your ability to complete an electronic data transfer in phase II of Escape, the District's financial system.	
69. Please describe your ability to provide COBRA and Retiree billing administration services as outlined in this RFP. Please confirm that you are able to provide the following:	
a. Initial COBRA Notice	
b. Election Notice / Enrollment Applications	
c. Coupon mailing / billing statement to participants each month	
d. Premium collection and tracking / ACH premium deductions	
e. Forwarding collected premium to the District	

Question	Answer YES or NO
f. COBRA termination letters, including early terminations	
g. Mailing of rate change letters	
h. Updating of system for new plan year's rates	
i. Vendor eligibility reporting (electronic)	
j. Distribution of unavailability of COBRA coverage	
h. Monthly reporting, within fifteen business days after the end of each month, including detailed information about participants who are current on their payments and participants who have been cancelled	
i. Self-pay premium administration for participants on leave	
k. Self-pay premium administration for retirees	
l. Providing access to a toll-free telephone number for access to a customer service representative during normal business hours that may be used by participants and dependents in connection with the services provided by the selected vendor	
m. Cal-COBRA notices (initial, election and termination notices). While the insurance carrier will send the actual Cal-COBRA election forms, the following notices will need to be sent by the COBRA administrator:	
<ul style="list-style-type: none"> Initial notice - The required Cal-COBRA notice that is included with the COBRA general notice that is sent to all participants when they are first enrolled in a COBRA covered plan. 	
<ul style="list-style-type: none"> Election notice - Like the general notice, there is a required notice that can be sent with this mailing. 	
<ul style="list-style-type: none"> Termination notice - When COBRA enrollees get within a certain period of the end of their eligibility, they get a notice for Federal COBRA. They also get a notice that the Plan is eligible for Cal-COBRA and to contact the actual carrier. 	
n. Administer COBRA for all COBRA health plans (Kaiser medical, Sutter Health Plus medical, Delta Dental, & VSP vision)	
o. Bill and collect all COBRA health plan premiums from participants	

Question	Answer YES or NO
p. Provide comprehensive COBRA administration for all District health plans through the entirety of each participant's Federal COBRA eligibility (generally 18 or 36 months). This will include managing the open-enrollment requirement for COBRA participants and providing all required COBRA communications throughout each participants' COBRA eligibility period	
q. Report all eligibility (COBRA enrollments, COBRA terminations and COBRA election changes) directly to all COBRA health plan carriers	
r. Reimburse the District for COBRA premiums collected on their behalf	
s. Be responsible to reconcile carriers' invoices and maintain COBRA eligibility with all carriers. Included in this service, proposer will assume full financial responsibility for the premiums charged by the carriers. Should the proposer fail to reconcile invoices and maintain eligibility timely, the proposer shall be fully responsible for any premium shortfall	

Computer Systems and Support

Question	Response																																										
70. Please describe your administration systems (hardware, platform, software, etc.). Describe how you would track terminations, qualifying events, allowable COBRA periods, etc. Please be specific.																																											
71. Please indicate what components of the computer application were (a) developed in-house, (b) purchased, or (c) licensed. If software is purchased or licensed, please indicate from whom.																																											
	<table border="1"> <thead> <tr> <th style="text-align: center;">Function</th> <th style="text-align: center;">Developed In-House</th> <th style="text-align: center;">Purchased</th> <th style="text-align: center;">Licensed</th> <th style="text-align: center;">Year of Last Major Modification</th> <th style="text-align: center;">Name of Software Vendor</th> </tr> </thead> <tbody> <tr> <td>Enrollment/Recordkeeping</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>COBRA Administration</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Imaging/Scanning</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Workflow</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Customer Service</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other: _____</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Function	Developed In-House	Purchased	Licensed	Year of Last Major Modification	Name of Software Vendor	Enrollment/Recordkeeping						COBRA Administration						Imaging/Scanning						Workflow						Customer Service						Other: _____					
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Workflow																																											
Customer Service																																											
Other: _____																																											
72. Please confirm that your system can store alternate participant ID numbers in addition to social security numbers (SSN), and that your system can perform search, sort and																																											

Question	Response
reporting functions using alternate participant IDs in lieu of SSN.	

HIPAA

Question	Response
73. Considering the nature of the services to be provided to the District, would you consider your regulatory status under HIPAA to be the plan's Business Associate? If so, please describe your role as a HIPAA Business Associate and include a copy of your standard HIPAA Business Associate Agreement, if any. If you would not consider yourself the plan's HIPAA Business Associate, or have no standard HIPAA Business Associate Agreement, please explain.	
74. Does your system presently meet requirements in the regulations issued pursuant to the HIPAA Security standards? If not, have you identified areas in which your system does not meet the proposed standards and what is your timetable for bringing your system into compliance?	
75. Does your system produce sufficient audit trails to satisfy the HIPAA Privacy and Security regulations?	

Reporting Capabilities

Question	Response
76. Would you provide ad-hoc data reports at the District's request? If so, please describe your ad-hoc data reporting capabilities. Would there be additional fees for these reports? If so, please describe and include all additional fees in Tables 1 and 3 of the Financial Section.	

B. Work Plan/Technical Approach

This section should establish your understanding of the District's objectives and requirements, demonstrate your ability to meet those requirements, and outline clearly and concisely the plan for accomplishing the specified work.

Question	Answer YES or NO
1. Are all implementation costs included in your basic fees? If no, please identify all additional charges and include in Tables 1, 2, and 3 of the Financial Section.	

-
2. Will you agree to guarantee complete implementation within 30 days of being awarded the contract?
-
3. Please confirm that you will be able to successfully implement/take over the District's program effective January 1, 2022.
-

C. Cost

This section should disclose all charges to be assessed the District for the required services. Proposals must detail any items in addition to personnel costs that will be charged to the District, such as travel costs and office expenses. Please also provide hourly time charges for additional services not included within the scope of routine services outlined in this RFP. Additional services would be undertaken only at the written request of the District. Describe any special services and/or benefits offered at no cost to the District.

Question	Response
1. Please confirm that:	
a. All fees are guaranteed for 36 months from contract inception. Fees are guaranteed for 12 months upon renewal after the initial contract expiration (at the District's option), and that all future rate adjustments will be subject to annual renewal (e.g., at least 12 months) in the absence of benefit revisions.	
b. Fees include an option to renew the contract for two consecutive one-year terms, upon the mutual consent of both parties.	
c. All future rate adjustments will be communicated at least 60 days in advance of the effective date.	
d. Your fees include printing of benefit statements, enrollment forms, benefits applications, and all other routine supplies and materials. Fees should include printing and mailing costs.	
2. Detail your reconciliation responsibilities and procedures. The District will require that all reconciliations be performed by the successful vendor.	
3. Confirm that you agree to perform the following functions in the event of cancellation:	
a. Guarantee a reduced or discounted post-termination administrative fee.	
b. Transfer all records to the Trustees or the successor administrator within 30 days of termination in a form that is acceptable to the recipient.	
4. Detail any rights reserved by your firm to call any additional funds.	

FSA and DCAP Administration

Table 1a – Summary of Fees

Service	Monthly Fee		
	Year 1-3	Year 4	Year 5
1. FSA and DCAP Administration: <ul style="list-style-type: none"> • Health Care • Dependent Care 			
2. Debit Cards: <ul style="list-style-type: none"> • Initial Cards (2) • Duplicate Card • Requires Direct Access to District's Account 			
3. Other Administrative Fees: <ul style="list-style-type: none"> • Banking • Online Account Management • Electronic Claim Submission • Direct Deposit Reimbursement • Non-Discrimination Testing • Communication Materials • 800 Number (Specify shared or dedicated) • Postage, Handling, and Special Printing • Printing of Forms • Plan Document (Amendment / Restatement) • Travel • Initial Open Enrollment Meeting • Other Onsite Meetings 			
4. Other Fees (Specify):			
5. Total Monthly Fees:			
6. Total Annual Fees:			

FSA and DCAP Administration

Table 1b – First Year Set-up Fees

Service	Set-Up Fees (Year 1 Only)
1. Initial Set-up Charge	
2. Development of Communication Materials (e.g., transition announcement letters, etc.)	
3. Other (Specify)	
Total Set-up Fees	

Table 1c – Fees and Services

List of services included in fees
Any special fees, charges or expenses of any kind not included in fees
List of services not included in fees, along with associated fees

COBRA, Unpaid/Self-Pay Leave, and Retiree Billing Administration

Table 2a – Summary of Fees

Service	Monthly Fee		
	Year 1-3	Year 4	Year 5
1. COBRA Administration: Monthly Per COBRA Continuant			
2. Unpaid/Self-Pay Leave Billing: Monthly Per Participant			
3. Retiree Billing: Monthly Per Participant			
4. Describe any additional fees:			

Assumptions:

- Include any Set-up fees in your fixed monthly per COBRA continuant fee (or waive them)
- Direct Pay Administration (Leave, FMLA, Retiree) must be included
- Cal-COBRA notices must be included
- Include all required notices (i.e. Qualifying Event Notice, Special Enrollment, etc).
- Include COBRA participant plan changes (during Open Enrollment)
- Include billing, collection, reporting, and 800 telephone assistance services
- Extraordinary services (i.e. Employee Open Enrollment meetings) that are not part of normal administration only may be separated from the fixed fees

COBRA, Unpaid/Self-Pay Leave, and Retiree Billing Administration

Table 2b – First Year Set-Up Fees, If Any

Service	Set-Up Fees (Year 1 Only)
1. Initial Set-up Charge	
2. Development of Communication Materials (e.g., transition announcement letters, etc.)	
3. Other (Specify)	
Total Set-up Fees	

Table 2c – Fees and Services

List of services included in fees
Any special fees, charges or expenses of any kind not included in fees
List of services not included in fees, along with associated fees

Parking and Transit Spending Account Administration

Table 3a – Summary of Fees

Service	Monthly Fee		
	Year 1-3	Year 4	Year 5
1. Parking and Transit Spending Account Administration: Total Per Employee Per Month (PEPM)			
2. Debit Card: Included in above Transit PEPM rate? (Yes/No)			
3. If applicable: Additional Fee for Debit Card (PEPM)			

Table 3b – First Year Set-Up Fees, If Any

Service	Set-Up Fees (Year 1 Only)
1. Initial Set-up Charge	
2. Development of Communication Materials (e.g., transition announcement letters, etc.)	
3. Other (Specify)	
Total Set-up Fees	

Parking and Transit Spending Account Administration

Table 3c – Fees and Services

List of services included in fees
Any special fees, charges or expenses of any kind not included in fees
List of services not included in fees, along with associated fees

D. General Information

1. Rights and Regulations

Oakland Unified School District reserves the right to accept any proposal and to negotiate agreements with any Contractor. The successful Contractor(s) will be required to comply with all applicable equal opportunity laws and regulations.

Oakland Unified School District reserves the right to reject any or all proposals, or to waive any defect or irregularity in a proposal. The District further reserves the right to award the agreement to the Contractor(s) that, in the District's judgment, best serves the needs of the District.

All proposers submit their proposals to the District with the understanding that the recommended selection of the review committee is final and subject only to review and final approval by the Human Resources Director or Board of Supervisors.

Upon submission, all proposals shall be treated as confidential documents until the selection process is completed. Once the selections are made, all proposals shall be deemed public record. In the event a proposer desires to claim portions of its proposal proprietary and exempt from disclosure, it is incumbent upon the proposer to clearly identify those portions with the word "Confidential" printed on the top right hand corner of the page. The District will consider a proposer's request for exemptions from disclosure; however, the District will make a decision based upon applicable laws. An assertion by a proposer that the entire proposal, or large portions, is exempt from disclosure cannot be honored, as required by law.

2. Pre-contractual Expenses

The District shall not be liable for any pre-contractual expenses incurred by the proposer or selected Contractor(s). The District shall be held harmless and free from any and all liability, claims, or expenses whatsoever incurred by, or on behalf of, any person or organization responding to this RFP.

3. Alternatives

Proposers may not take exception or make alterations to any requirement of this RFP. Alternatives must be submitted as separate proposals and so noted on the cover of the proposal. The District reserves the right to consider such alternative proposals, and to award an agreement based thereon if it is determined to be in the District's best interest and such proposal satisfies all minimum qualifications specified in this RFP.

Proposers must indicate in the cover letter that the proposal offers an alternative to this RFP.

4. Lobbying/Ex-Parte Communication

Any party submitting a proposal or a party representing a proposer shall not influence or attempt to influence any member of the selection committee, any member of the Board of Supervisors, or any employee of Oakland Unified School District, regarding acceptance of a proposal. Any party attempting to influence the RFP process through ex-parte contact may be subject to rejection of their proposal.

5. Duration

All proposals will remain in effect and legally binding for at least 120 days, during which time the District and/or The Segal Company may request clarification or correction of the proposal for the purpose of evaluation. Amendments or clarifications shall not affect the remainder of the proposal, but only the portion so amended or clarified.

Exhibit – A

Intent to Bid Form

Return by September 24, 2021

All proposers must email a scanned signed copy to: llin@segalco.com

I have read the Request for Proposal, Proposal Submission Process and my organization understands its contents. We confirm the receipt of your request for proposal and intends to submit a proposal for the identified services.

Check the box next to the coverage for which your company intends to submit a bid:

- Flexible Spending Account (FSA)
- Dependent Care Assistance Program (DCAP)
- Parking and Transit Spending Account Administration
- COBRA Administration
- Unpaid or Self-Pay Leave/Retiree Billing Administration
- Decline to Bid – Reason: _____

Company Name: _____

Signature: _____

Primary Contact Name (Print): _____

Primary Contact Phone: _____

Primary Contact E-mail: _____

Date: _____

SECTION 1**Questionnaire****GENERAL PROPOSER REQUIREMENTS**

For this section of the questionnaire, answer the question/requirement with a simple “Yes” or “No” answer. If you answer “No” to any of the questions/requirements in this section, please explain the response at the end of the section. The explanation will be reviewed, however, failure to agree to all of the terms requested in this section may cause the District to deem your proposal non-responsive.

Questions	Answer Yes or No
1. Do you agree that if this proposal results in your company being awarded a contract and if, in the preparation of that contract, there are inconsistencies between what was proposed and accepted versus the contract language that has been generated and executed, that any controversy arising over such discrepancy will be resolved in favor of the language contained in the proposal or correspondence relating to your proposal?	Yes
2. Will you agree to be bound by the terms of your proposal until a final contract is executed?	Yes
3. Do you agree to all the terms and conditions in Section I of this RFP?	Yes
4. Do you agree to perform all of the services as specified under Section I.A – Scope of Services Requested of this RFP?	Yes
5. Does your proposed fee include all services listed under Section I.A – Scope of Services Requested?	Yes
6. You will be required to issue the Contract within thirty (30) calendar days after being given a <i>Notice of Intent to Award</i> unless waived by the District. Please confirm your acceptance of this requirement.	Yes
7. Confirm that your proposed rates are guaranteed for 36 months.	Yes
8. Confirm that your proposed rates exclude commissions.	Yes
9. Other than the quoted rates in Section II.C of this RFP, there should not be any other charges or fees of any kind that will or could apply to the District such as start-up costs, booklets or printing. The rates quoted shall include all services and supplies that could reasonably be expected to be provided to the District during the course of your administration of the plans. Confirm your agreement to this requirement.	Yes
10. Please confirm that there will be no adjustments to the proposed rates based on actual enrollment or subsequent shifts in enrollment.	Yes
11. The District requires that it maintain the right to terminate the contract at any time provided that it gives 60 days advance written notification to the contractor. Do you agree to this provision?	Yes
12. Will you transfer administrative records to any carrier that would replace you in the event of termination of this contract at no charge?	Yes

SECTION 1**Questionnaire – cont’d**

Questions	Answer Yes or No
13. Will you agree to include in your contract a hold harmless provision that indemnifies the District against liability that arises as the result of negligent acts, errors, omissions, fraud and other criminal acts committed by your officers, employees, and agents of the organization?	Yes
14. Do you agree to maintain compliance with HIPAA privacy and security for the duration of the contract with the District?	Yes
15. Please confirm that your proposal, and plan design offered, is in compliance with all state and federal laws and regulations that pertain to employee benefit programs, relevant state insurance regulations and other related laws.	Yes
16. Do you agree to provide monthly, quarterly, and annual reporting (i.e., enrollment and utilization)? - Enrollment: Monthly - Utilization: Quarterly; Semi-Annual and Annual	Yes

Explain any “No” answer provided in the requirements above:

SECTION 1**Questionnaire - cont'd****Company History and Financial Profile**

Question	Response
1. Please provide:	
a. Name of firm	P&A Administrative Services, Inc.
b. Mailing address	17 Court Street, Suite 500 Buffalo, NY 14203
c. Telephone number	(716)362-5500
d. Primary contact person	Michael Rizzo, President
e. Contact's email	rizzom@padmin.com
2. Where is your company located and how long has it been operational?	P&A is located in Buffalo, NY. We also have personnel in New York City, Raleigh, and Los Angeles. P&A has been operational since 1975.
3. Is your company a division or subsidiary of a parent firm? If yes, please indicate the name of the parent firm.	No, we are not a division or subsidiary of a parent firm.
4. Do you plan to sub-contract any portion of the services required to another firm? If "Yes", answer the following:	No, P&A will perform all administrative services in-house. We do not outsource, nor do we subcontract.
a. Which of the services do you plan to sub-contract and to which company?	Not applicable.
b. Do you use sub-contractors operating outside the United States? If so, please describe if any administrative functions such as data entry and computer programming will be sub-contracted to these entities	No, we do not.
5. Are you licensed to do business in the State of California? What other states are you licensed in? In addition, the contract will be issued in accordance with the laws of California. Please confirm whether your organization will agree to comply with this requirement.	Yes, we are licensed to do business in the State of California. P&A is also licensed to do business in Arizona, Alabama, Florida, Illinois, New Jersey, North Carolina, New York, Virginia, Missouri and Maryland. Confirmed. We agree to act in accordance with the laws of California.

SECTION 1**Questionnaire - cont'd**

Question	Response
<p>6. Provide the latest annual report or other financial reports (including audited financial statements) that indicate the financial position of your organization.</p> <p>If your company is privately held, list owners with 5 percent or more of equity.</p>	<p>Our independently audited financial statements are available for review in Attachment A.</p>
<p>7. Please describe any type of external audits performed of your operations including but not limited to SAS-70 and the frequency of these audits.</p> <p>Please include a copy of your most recent SAS-70 (or other external audit).</p>	<p>Confirmed. P&A has a SOC 2 Type 2 available upon request which covers confidentiality, security, availability, processing integrity and privacy. The last certification was completed in 2021 for the period of January 1, 2020 through December 31, 2020.</p>
<p>8. What fidelity and surety insurance or bond coverage do you carry to protect your clients?</p> <p>Specifically describe the type and amount of the fidelity bond insuring your employees that would protect this plan in the event of a loss.</p> <p>Do you agree to furnish a copy of all such policies for review by legal counsel if requested?</p>	<p>We carry the following insurance coverage:</p> <p>Fidelity Bond: \$2,000,000</p> <p>Professional Liability (E&O): \$5,000,000 per claim/\$5,000,000 aggregate</p> <p>General Liability: \$2,000,000 per occurrence/\$4,000,000 aggregate</p> <p>Crime Coverage (Employee Dishonesty): \$2,000,000</p> <p>Data Breach & Cyber Protection: \$5,000,000</p> <p>We agree to furnish copies of all policies for review by the District legal counsel if requested.</p>

SECTION 1**Questionnaire – cont'd**

Question	Response
<p>9. Indicate your firm's liability insurance limit with regard to errors, omission, negligence, etc. Please include deductible and annual limit (per occurrence and aggregate) information and name of insurer. <i>(Please provide copies of such policies).</i></p>	<p>We carry the following insurance coverage through Sentinel Insurance Company, Hartford Insurance Co. of Midwest, Hartford Fire Insurance Co, Allied World Surplus Lines Insurance Company and Underwriters at Lloyd's London:</p> <p>Fidelity Bond: \$2,000,000 Professional Liability (E&O): \$5,000,000 per claim/\$5,000,000 aggregate General Liability: \$2,000,000 per occurrence/\$4,000,000 aggregate Crime Coverage (Employee Dishonesty): \$2,000,000 Data Breach & Cyber Protection: \$5,000,000</p>
<p>10. Designate the individual(s) with the following responsibilities. Include the name, title, and address of each individual, along with a brief description of his/her qualifications and experience.</p>	
<p>a. The individual(s) representing your company during the proposal process.</p>	<p>Rick Neward – Vice President, Business Development Newport Coast, CA 92657 (949) 202-8266 newardr@padmin.com</p> <p>Rick will initiate the implementation process with you upon notification. He will work with you to determine specific implementation needs for the District and discuss the required installation paperwork and data P&A needs to conduct the implementation process.</p>

SECTION 1**Questionnaire - cont'd***Question #10a continued*

Question	Response
<p>a. The individual(s) representing your company during the proposal process. Cont'd</p>	<p>Rick will work with you to determine the goals of your Open Enrollment. He will also assist with the Open Enrollment process. Additionally, he will be available for you as long as you are with P&A.</p> <p>Rick began his career at P&A as an intern in 2001 while attending college in Buffalo, NY. After graduating from Canisius College with a Bachelors of Science in Finance and Economics, Rick joined P&A full-time in 2003. Since then, Rick has focused extensively on expanding P&A's broker relationships on a national basis. After several years working at the home office in Buffalo, Rick moved to Raleigh, North Carolina to expand P&A's presence in the region. Looking to continue P&A's national expansion, Rick relocated to Southern California in 2008 to give himself greater access to West Coast clients and brokers. He has extensive experience designing and implementing FSA, HRA, HSA, COBRA, Commuter and Retiree Billing services. Rick supports P&A's broker partners and clients around the country.</p>
<p>b. The individual(s), who will be assigned to the overall ongoing management.</p>	<p>Rick Neward – Vice President, Business Development Newport Coast, CA 92657 (949) 202-8266 newardr@padmin.com</p> <p>Rick will initiate the implementation process with you upon notification. He will work with you to determine specific implementation needs for the District and discuss the required installation paperwork and data P&A needs to conduct the implementation process.</p>

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SECTION 1**Questionnaire - cont'd***Question #10b continued*

Question	Response
<p>b. The individual(s), who will be assigned to the overall ongoing management. Cont'd</p>	<p>Rick will work with you to determine the goals of your Open Enrollment. He will also assist with the Open Enrollment process. Additionally, he will be available for you as long as you are with P&A.</p> <p>Rick began his career at P&A as an intern in 2001 while attending college in Buffalo, NY. After graduating from Canisius College with a Bachelors of Science in Finance and Economics, Rick joined P&A full-time in 2003. Since then, Rick has focused extensively on expanding P&A's broker relationships on a national basis. After several years working at the home office in Buffalo, Rick moved to Raleigh, North Carolina to expand P&A's presence in the region. Looking to continue P&A's national expansion, Rick relocated to Southern California in 2008 to give himself greater access to West Coast clients and brokers. He has extensive experience designing and implementing FSA, HRA, HSA, COBRA, Commuter and Retiree Billing services. Rick supports P&A's broker partners and clients around the country.</p>
<p>c. The individual(s) responsible for day-to-day service.</p>	<p>Rick Neward – Vice President, Business Development Newport Coast, CA 92657 (949) 202-8266 newardr@padmin.com</p> <p>Rick will initiate the implementation process with you upon notification. He will work with you to determine specific implementation needs for the District and discuss the required installation paperwork and data P&A needs to conduct the implementation process.</p>

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SECTION 1**Questionnaire - cont'd***Question #10c continued*

Question	Response
<p>c. The individual(s) responsible for day-to-day service. Cont'd</p>	<p>Rick will work with you to determine the goals of your Open Enrollment. He will also assist with the Open Enrollment process. Additionally, he will be available for you as long as you are with P&A.</p> <p>Rick began his career at P&A as an intern in 2001 while attending college in Buffalo, NY. After graduating from Canisius College with a Bachelors of Science in Finance and Economics, Rick joined P&A full-time in 2003. Since then, Rick has focused extensively on expanding P&A's broker relationships on a national basis. After several years working at the home office in Buffalo, Rick moved to Raleigh, North Carolina to expand P&A's presence in the region. Looking to continue P&A's national expansion, Rick relocated to Southern California in 2008 to give himself greater access to West Coast clients and brokers. He has extensive experience designing and implementing FSA, HRA, HSA, COBRA, Commuter and Retiree Billing services. Rick supports P&A's broker partners and clients around the country.</p>

SECTION 1**Questionnaire – cont’d***Question #10c continued*

Question	Response
<p>c. The individual(s) responsible for day-to-day service. Cont’d</p>	<p>FLEX ADMINISTRATION: Jennifer Nolan – AVP of Operations 17 Court Street; Buffalo, NY 14202 (716)362-5524 nolanj@padmin.com</p> <p>As Assistant V.P. of Operations for P&A, Jennifer is responsible for the planning, development, and implementation of new product and service delivery offerings such as new file layouts with benefits and HR administration systems, the addition of H.S.A. administration to our suite of services, COBRA software conversion, and enhancements to our COBRA data file warehouse. Working closely with P&A's Sales and Operations Teams, Jennifer identifies opportunities to improve upon efficiencies and services.</p> <p>Jennifer also provides oversight for the management of any necessary file feeds/file requirements and initial account management. She works closely with our Implementation Specialists during the Flex implementation process to ensure smooth transitions. Jennifer has been with P&A since 1998. She obtained an Associate's Degree in Business Management from Erie Community College. Jennifer has extensive experience in the implementation and administration of FSA, HRA, and Commuter Benefits (Section 125, 132, and 105(h) plans).</p>

SECTION 1**Questionnaire – cont’d***Question #10c continued*

Question	Response
c. The individual(s) responsible for day-to-day service. Cont’d	<p data-bbox="889 317 1398 401">Brad Zabel – Data Warehouse File Processing Supervisor</p> <p data-bbox="889 415 1398 499">17 Court Street; Buffalo, NY 14202 (716)362-5444</p> <p data-bbox="987 512 1289 548">zabel@padmin.com</p> <p data-bbox="818 579 1463 1310">Brad joined P&A in 2007, starting in customer service and then transitioning into IT as a file processor. He worked with the IT and Flex Implementation Manager to create and develop the file processing programs and processes that have become standard and instrumental for administration. Brad attended both Finger Lakes Community College and Niagara County Community College, studying Computer Science and Computer Aided Drafting (CAD). He holds certifications in CAD and Microsoft and works towards finding ways to automate internal processes for efficiency. Brad currently oversees a team of five file processors for his growing department.</p> <p data-bbox="878 1358 1409 1442">Tricia Bagley – Flex Implementation Specialist</p> <p data-bbox="889 1446 1398 1530">17 Court Street; Buffalo, NY 14202 (716)362-5507</p> <p data-bbox="980 1545 1308 1581">bagleyt@padmin.com</p> <p data-bbox="818 1635 1468 1843">Tricia works with our Benefits Consultants, our Flex Implementation/File Manager, and our Flex clients during the implementation phase of services. She participates in any initial calls/discussions as necessary.</p>

SECTION 1**Questionnaire – cont’d***Question #10c continued*

Question	Response
<p>c. The individual(s) responsible for day-to-day service. Cont’d</p>	<p>Once the completed installation paperwork is submitted to her, Tricia processes it and sets up plan parameters within our proprietary system. Tricia communicates with clients during the implementation process and provides assistance if any questions or issues arise.</p> <p>Tricia has an Associate Degree in Business Management from Erie Community College and has been a member of P&A's administration team since 1993. She has an extensive background in administration, customer service and plan implementation. Tricia is responsible for coordinating implementation process with P&A's vendors, administrative staff, IT, and marketing staff to ensure a timely and accurate conversion.</p> <p style="text-align: center;">Mike Sicurella– Flex Implementation Specialist 17 Court Street; Buffalo, NY 14202 (716)362-5409 sicurellam@padmin.com</p> <p>Mike also works with our Benefits Consultants, our Flex Implementation/File Manager, and our Flex clients during the implementation phase of services. He participates in any initial calls/discussions as necessary. Once the completed installation paperwork is submitted to him, Mike processes it and sets up plan parameters within our proprietary system. Mike communicates with clients during the implementation process and provides assistance if any questions or issues arise.</p>

SECTION 1**Questionnaire – cont’d***Question #10c continued*

Question	Response
c. The individual(s) responsible for day-to-day service. Cont’d	In 2006, Mike joined P&A's Flex Department as a Customer Service Representative. His strong skill-set enabled him to handle greater responsibilities within the department, taking on the roles of lead CSR and claims processor liaison. Additionally, Mike has also overseen the claims reimbursement process. In 2011, Mike began working as Tricia Bagley's implementation assistant, providing quality support to both her and P&A's new Flex clients. In 2014, he transitioned into the role of Implementation Specialist and works in tandem with Tricia. Mike attended St. Joseph's University in Philadelphia.

COBRA ADMINISTRATION:

**Joanne Schneider – COBRA
 Implementation Specialist**
 17 Court Street; Buffalo, NY 14202
 (716)362-5588
schneiderj@padmin.com

Joanne will work with the District and your Vice President, Business Development during the implementation process. Once the required installation paperwork is submitted to P&A, she will perform the actual implementation of the services within our proprietary system. This will include setting up the various carrier plans and current rates in our system and entering information for current participants.

SECTION 1**Questionnaire – cont’d***Question #10c continued*

Question	Response
<p>c. The individual(s) responsible for day-to-day service. Cont’d</p>	<p>Joanne will send out Welcome Packets to all current COBRA participants between the 10th-15th prior to the effective date P&A takes over the COBRA administration. She will oversee the District’s COBRA administration for a period of time until it is operating smoothly. Then she will transition the service to a dedicated COBRA Account Manager for ongoing administration.</p> <p>Joanne joined P&A in 2014. Her prior experience in management and contract administration enabled Joanne to transition quickly into account management and implementation within the Group Insurance Department. She has an Associate's Degree in Business Administration from Erie Community College. Joanne also serves as the Vice President of the Lake Shore Fire Company Ladies Auxiliary.</p> <p style="text-align: center;">Geri Sehnalek – Group Insurance Department Manager 17 Court Street; Buffalo, NY 14202 (716)362-5554 sehnalekg@padmin.com</p> <p>Geri's wide range of experience at P&A includes COBRA administration, internal auditing, file feed exchanges, custom reporting, and project management. Joining P&A's team in 2004, Geri spent his first several years administering COBRA, cafeteria plans, and billing services in the Group Insurance Department.</p>

SECTION 1**Questionnaire - cont'd***Question #10c continued*

	Question	Response
c.	The individual(s) responsible for day-to-day service. Cont'd	Geri eventually transitioned into the role of BMS system administrator, serving as liaison between the BMS system programmer and our web programmer resulting in enhancements within BMS and P&A's website pertaining to COBRA and Billing administrative services. Prior to his current role, Geri worked in the Project Management Department as a Business Analyst. He was instrumental in the design and execution of P&A's file feed process for COBRA/Billing, including creating 834 file feed exchanges with carriers, custom reporting, file imports, and file extracts. Geri earned a B.S. in Business Administration from the University at Buffalo's School of Management. He is also fluent in English and Spanish.

SECTION 1**Questionnaire - cont'd***Question #10c continued*

Question	Response
c. The individual(s) responsible for day-to-day service. Cont'd	<p>TRANSITION FROM IMPLEMENTATION TO ONGOING ACCOUNT MANAGEMENT:</p> <p>Upon the close of open enrollment, we receive enrollment for processing. This phase includes setting up participant accounts and issuing debit cards. After the plan year begins, our Implementation Specialist will oversee the administration phase of the plan(s) for a period of time to ensure the service is operating smoothly. During this phase, our Implementation Specialist will review the client's account with the Department Manager to determine the best fit for ongoing account management. Account management determinations are based on several factors such as client needs, personalities, industry experience, client size, etc. Typically, at some point after the first plan year quarter our Implementation Specialist will transition the plan to your dedicated Account Manager for ongoing dedicated account administration.</p>

SECTION 1**Questionnaire - cont'd****Organizational Experience and References**

Question	Response
11. Please list the number of years your company has provided the following services:	
a. Flexible Spending Account (FSA)	36 years, since 1985.
b. Dependent Care Assistance Program (DCAP)	36 years, since 1985.
c. Parking and Transit Spending Account Administration	23 years, since 1998.
d. COBRA Administration	31 years, since 1990.
e. Unpaid/Self-Pay Leave Billing	36 years, since 1985.
f. Retiree Billing	36 years, since 1985.
12. Describe your company's experience administering the above services for public sector entities.	Our single largest industry type is governmental clients. We work with hundreds of governmental employers across the country including towns, villages, counties and states, as well as hundreds of school districts. We are extremely familiar with the nuances and challenges that governmental clients encounter vs the private sector. Our extensive experience has proven to be an asset for our government clients.
13. How many clients are you currently administering? How many additional are expected during the next 6 months?	We currently administer service for over 4,000 clients nationwide. In the next six months we plan to add 70-100 new clients to our book of business.

SECTION 1**Questionnaire - cont'd**

Question	Response
14. Of your company's current clients, what three would be viewed as peer groups for the services requested by the District? Include the following information:	
a. Client name	<p>The following clients would be viewed as peer groups for the District:</p> <p>Company: Buffalo Public Schools</p> <p>Company: Moreno Valley Unified School District</p> <p>Company: City and County of San Francisco</p>
b. Principal location	<p>Location: Buffalo, NY</p> <p>Location: Moreno Valley, CA</p> <p>Location: San Francisco, CA</p>
c. Number of covered participants	<p>Number of Eligible Employees: 4,000</p> <p>Number of Eligible Employees: 3,500</p> <p>Number of Eligible Employees: 50,000</p>
d. Client contact including name, title and phone number	<p>Contact: Dana Floriano, Benefits Manager Phone/Email: (716)816-3755 / dmloriano@buffaloschools.org</p> <p>Contact: Rosa Escobedo, Account Clerk IV Phone/Email: (951)571-7523 / rescobedo@mvusd.net</p> <p>Contact: Mitchell Griggs, COO Phone/Email: (415)554-1750 / mitchell.griggs@sfgov.org</p>
e. Services provided – please be specific	<p>Services Provided: FSA, Commuter, HRA</p> <p>Services Provided: FSA</p> <p>Services Provided: FSA, COBRA</p>
f. Effective date of contract	<p>Client Since: 1/1/2020-present</p> <p>Client Since: 8/1/2008-present</p> <p>Client Since: 1/1/2016-present</p>

SECTION 1**Questionnaire - cont'd**

Question	Response
<p>15. Has any client terminated the administration services of your firm? If so, please provide the names along with the reason for each termination. May they be contacted?</p>	<p>Over the many years that P&A has been in business, from time to time clients terminate services for many different reasons. Common reasons for termination include consolidating services under a single vendor, no longer offering the benefit to their employees, unable to fund the benefit offered to their employees and mergers & acquisitions. Below are some of the clients that have terminated services in the past ten years include:</p> <ul style="list-style-type: none"> • Town of Morehead City, NC • Houghton College, NY • University Kansas – Physicians, KS • Gwinnett County Board of Commissioners, GA • Curvature LLC, CA • Wickenburg Unified School District, AZ • NCCI Holdings, Inc., NY • Southeastern Pennsylvania Transportation, PA • Town of Vail, CO • Ridgewood Orthopedic Group, NJ <p>You may contact the following termed client references:</p> <p>Company: Laveen Elementary School District #59 Contact: Bianca Altamirano Phone: 602-237-9100 ext. 3012 Email: baltamirano@laveeneld.org Services Provided: FSA Term Date/Reason: 6/30/2021/ Moved FSA to insurance carrier to consolidate services</p>

SECTION 1**Questionnaire - cont'd***Question #15 continued*

Question	Response
<p>15. Has any client terminated the administration services of your firm? If so, please provide the names along with the reason for each termination. May they be contacted? Cont'd</p>	<p>Company: Leonardo Electronics Contact: Vicky Bess Phone: (256)705-0938 Ext: 1738 Email: Vicky.bess@selexgalileoinc.com Services Provided: FSA/COBRA Term Date/Reason: 12/31/2020/ Merged plans with parent company</p>
<p>16. Provide a reference list of current and former public sector clients, including contact name and telephone number. If you do not have public sector clients please provide references (including contact name and telephone number) of at least three private sector clients.</p>	<p>CLIENT REFERENCES:</p> <p>Company: Buffalo Public Schools Location: Buffalo, NY Number of Eligible Employees: 4,000 Contact: Dana Floriano, Benefits Manager Phone/Email: (716)816-3755/dmfloriano@buffaloschools.org Services Provided: FSA, Commuter, HRA Client Since: 1/1/2020-present</p> <p>Company: Moreno Valley Unified School District Location: Moreno Valley, CA Number of Eligible Employees: 3,500 Contact: Rosa Escobedo, Account Clerk IV Phone/Email: (951)571-7523/rescobedo@mvusd.net Services Provided: FSA Client Since: 8/1/2008-present</p> <p>Company: City and County of San Francisco Location: San Francisco, CA Number of Eligible Employees: 50,000 Contact: Mitchell Griggs, COO Phone/Email: (415)554-1750/mitchell.griggs@sfgov.org Services Provided: FSA, COBRA Client Since: 1/1/2016-present</p>
<p>17. Has your firm ever been subject to a legal action brought by a client or former client in the last five years? If so, please explain the nature and current status of the action(s).</p>	<p>No, we have not.</p>

SECTION 1**Questionnaire - cont'd****Customer Service**

Question	Response
<p>18. Provide a brief overview of the administration office you would propose for the District. What is the location and hours of operation of the office that would provide day-to-day account service? How long has it been operational? What types of services does it provide?</p>	<p>Our California-based Vice President, Business Development, Rick Neward, will oversee transition and implementation with the District. He will be available to the District as long as you are with P&A. P&A will perform all services related to the District's plan(s) from our Buffalo, NY corporate office. Day-to-day account management and participant support will be performed from this office. The District's dedicated account management team will be available Monday through Friday, 8:30am-5:00pm EST (5:30am-2:00pm PDT). Our live, in-house Participant Specialists & Live Chat Agents will be available for extended hours Monday through Friday, 8:00 am- 10:00 pm EST (5:30am-7:00pm PDT).</p>
<p>19. Who will be assigned as the account executive on the account? Please provide his/her professional biography with your response.</p>	<p>Rick Neward – Vice President, Business Development Newport Coast, CA 92657 (949) 202-8266 newardr@padmin.com</p> <p>Rick will initiate the implementation process with you upon notification. He will work with you to determine specific implementation needs for the District and discuss the required installation paperwork and data P&A needs to conduct the implementation process.</p>

SECTION 1**Questionnaire - cont'd***Question #19 continued*

Question	Response
<p>19. Who will be assigned as the account executive on the account? Please provide his/her professional biography with your response. Cont'd</p>	<p>Rick will work with you to determine the goals of your Open Enrollment. He will also assist with the Open Enrollment process. Additionally, he will be available for you as long as you are with P&A.</p> <p>Rick began his career at P&A as an intern in 2001 while attending college in Buffalo, NY. After graduating from Canisius College with a Bachelors of Science in Finance and Economics, Rick joined P&A full-time in 2003. Since then, Rick has focused extensively on expanding P&A's broker relationships on a national basis. After several years working at the home office in Buffalo, Rick moved to Raleigh, North Carolina to expand P&A's presence in the region. Looking to continue P&A's national expansion, Rick relocated to Southern California in 2008 to give himself greater access to West Coast clients and brokers. He has extensive experience designing and implementing FSA, HRA, HSA, COBRA, Commuter and Retiree Billing services. Rick supports P&A's broker partners and clients around the country.</p>
<p>20. What are your performance guarantees? Describe your guarantees and associated financial penalties.</p>	<p>P&A's standard performance guarantees are available for review in Attachment B.</p>
<p>21. Will a toll-free number be made available to participants to handle eligibility inquiries or other service issues? Please specify whether the number will be dedicated to the District or shared. (Indicate only one)</p>	<p><input checked="" type="checkbox"/> Yes, at no extra charge</p> <p><input type="checkbox"/> Yes, at a charge of \$ (Please include this fee in Table 1 of the Financial Section)</p> <p><input type="checkbox"/> No</p>

SECTION 1**Questionnaire - cont'd**

Question	Response
<p>22. What hours will the telephone lines be staffed by actual customer service representatives? Include weekend hours, if applicable.</p> <p>Please do not include hours the telephone line will be staffed by an answering service.</p>	<p>Our live, in-house Participant Specialists & Live Chat Agents are available for extended hours Monday through Friday, 8:30am-10:00pm EST (5:30am-7:00pm PST). Participant Specialists & Live Chat Agents are reachable via toll-free number and online Live Chat. Participant Support is provided in both English and Spanish.</p>
<p>23. Indicate the ways in which your organization is able to accommodate the special needs of enrollees.</p> <p>(Indicate all that apply)</p>	<p><input type="checkbox"/> No special accommodations</p> <p><input checked="" type="checkbox"/> Have a TDD (Telecommunications Device for the Deaf) or other voice capability for the hearing impaired</p> <p><input type="checkbox"/> We accommodate non-English speaking enrollees by contracting with an independent translation company</p> <p><input checked="" type="checkbox"/> We maintain customer service staff with the ability to translate Spanish</p> <p><input checked="" type="checkbox"/> We maintain customer service staff with the ability to translate the following languages:</p> <p>Participant Support is available in both English and Spanish.</p>

SECTION 1**Questionnaire - cont'd****FSA and DCAP Administration**

Question	Response
<p>24. Please describe your ability to provide FSA and DCAP administration services as outlined in this RFP.</p>	<p>For 46 years, P&A has cultivated a diverse national client base of over 4,000 employer groups representing a wide range of industries. We work with both Public and Private Sector employers – approximately 50% of our clientele consists of governmental entities.</p> <p>Our CEO, Joseph Priselac, Jr., has earned the Chartered Life Underwriter and Chartered Financial Consultant designations. He lectures extensively across the country on tax-advantaged accounts such as FSA programs, and their integration into employee benefit programs. His accessibility is an asset to our clients.</p> <p>Our on-staff ERISA Attorney will be available to you as a resource regarding IRS regulations and compliance. He has over 30 years of experience in tax and benefits law and he ensures we are always in compliance.</p> <p>We integrate well with groups of all sizes and we offer a suite of third party administrative services to enhance employee benefits.</p> <p>We have been providing FSA/DCAP administration for 36 years, since 1985. Today we have 2,910 FSA/DCAP clients nationwide.</p> <p><i>We know FSAs.</i></p>

SECTION 1**Questionnaire - cont'd**

Question	Response
25. Will you provide seminars and other educational activities upon request from the District to promote this program?	<p data-bbox="824 281 1430 541">Confirmed. Employee education is key to increasing participation in the Flex plans for the District. P&A will work with you to develop an employee education plan to boost employee participation.</p> <p data-bbox="824 604 1430 646">Our approach includes:</p> <ul data-bbox="922 657 1430 1864" style="list-style-type: none"><li data-bbox="922 657 1430 825">• Providing informational and promotional materials in advance of Open Enrollment to entice employees;<li data-bbox="922 835 1430 1003">• SmartFlex a free marketing e-mail campaign during Open Enrollment highlighting ways participants can save money;<li data-bbox="922 1014 1430 1213">• Conduct virtual Open Enrollment meetings to inform employees about the tax advantages of participation;<li data-bbox="922 1224 1430 1308">• Provide webinars and in-person Q&A sessions;<li data-bbox="922 1318 1430 1518">• Provide all necessary Flex educational materials to further enhance your understanding of the FSA & commuter plans;<li data-bbox="922 1528 1430 1864">• Provide demonstrations of our web tools such as FSA tax savings calculator, FSA videos, Customized FSA videos for additional cost, Mobile App/Site, SMS Texting, claim upload process, participant account access, etc.

SECTION 1**Questionnaire - cont'd***Question #25 continued*

Question	Response
25. Will you provide seminars and other educational activities upon request from the District to promote this program? Cont'd	<p>Additionally, we will offer a wide variety of educational resources for employees, including interactive tools, through our website (https://www.padmin.com). Available resources include:</p> <ul style="list-style-type: none"> • Open Enrollment/New hire materials • Welcome E-mail • FSA Brochure/Commuter Brochure • Informational Flyers • SmartFlex marketing e-mail campaign during Open Enrollment • Eligible Expense List • Tax Saving Calculator • FSA videos • Customized FSA videos for additional cost • IRS Publications <p>Sample FSA employee communication pieces are available for review in Attachment C. Our Communications Coordinator will be available to work with the District to develop any customized materials is desired. Samples of our customized materials are available for review in in Attachment D. Sample Commuter employee communication pieces are available for review in Attachment E.</p>

SECTION 1**Questionnaire - cont'd**

Question	Response
<p>26. The District requires that the following services be provided in administering the FSA and DCAP program. If your proposal does not include all of these services, or includes other additional services, please describe in detail. Also, please indicate the cost of additional services or services not included in the fees in the appropriate table in Section II.C.</p>	
<p style="text-align: center;">Service</p>	<p>YES or NO to indicate whether your organization will provide each of the following services and then provide an explanation in the following row.</p>
<p>a. Communication to plan members</p>	<p>Yes</p>
<p>Explain the way in which you will provide this service</p>	<p>The following employee communications materials and tools will be included as part of our standard Flex administrative services:</p> <ul style="list-style-type: none"> • Open Enrollment/New hire materials • Welcome E-mail • FSA Brochure/Commuter Brochure • Informational Flyers • SmartFlex marketing e-mail campaign during Open Enrollment • Eligible Expense List • Tax Saving Calculator • FSA videos • Customized FSA videos for additional cost • IRS Publications <p>Sample FSA employee communication pieces are available for review in Attachment C.</p>

SECTION 1**Questionnaire - cont'd***Question #26a continued*

Question	Response
<p>Explain the way in which you will provide this service cont'd</p>	<p>Our Communications Coordinator will be available to work with the District to develop any customized materials is desired. Samples of our customized materials are available for review in in Attachment D. Sample Commuter employee communication pieces are available for review in Attachment E.</p>
<p>b. Web-based on-line tool for enrollment information & inquiries</p>	<p>Yes</p>
<p>Explain the way in which you will provide this service</p>	<p>P&A can accommodate the following enrollment options:</p> <ul style="list-style-type: none"> • Enrollment Electronic Data Interface (EDI)/file via sFTP site • Enrollment file upload through <i>HR Connect</i> • Online enrollment • Paper enrollment forms <p>When it comes to actual enrollment, a majority of our employer groups provide enrollment to us via EDI. P&A will discuss and determine parameters for EDI during the implementation process. P&A also offers Online Enrollment through our website. If the District would prefer this option, P&A will discuss timelines and parameter needs during implementation. The District can use our <i>HR Connect</i> portal to monitor online enrollment, send reminder e-mails to employees to enroll, and generate a report of all enrolled once open enrollment ends.</p>

SECTION 1**Questionnaire - cont'd***Question #26b continued*

Question	Response
<p>Explain the way in which you will provide this service cont'd</p>	<p>ONLINE ENROLLMENT:</p> <p>The District's employees will be able to enroll into the Flex plan(s) through our website. Our Online Enrollment System is very easy to use. Employees log into the enrollment portal and are guided through a sequence of choices from which they make their enrollment.</p> <p>ONLINE SERVICES - EMPLOYEES:</p> <p>The District's Flex participants will have access to real-time account information, 24/7, via our secure online portal, <i>My Benefits</i>. The following Flex information is accessible:</p> <ul style="list-style-type: none"> • Available account balance • Election amounts • Plan year • Plan to date deposits • Plan to date claims • Plan to date paid • Pending claims • Claim status <p>Participants can access <i>My Benefits</i> through both our website and our Mobile App & Site at https://www.padmin.com. Employees who prefer to text message can enroll in our SMS Texting tool to send/receive text messages for FSA account balance and claim status information (24/7).</p>

SECTION 1**Questionnaire - cont'd***Question #26b continued*

Question	Response
<p>Explain the way in which you will provide this service cont'd</p>	<p>ONLINE SERVICES - EMPLOYER:</p> <p>The District's HR/Finance personnel will have access to real-time reporting 24/7, through our secure online portal, <i>HR Connect</i>. Multiple, comprehensive reports are available.</p> <p>You can sort these reports for ad hoc customizations. You can also export them in a variety of formats (XML, CSV, PDF, MHTML, Excel, TIFF, and Word).</p> <p>Flex reporting includes:</p> <ul style="list-style-type: none"> • Account Balances • Reimbursements • Check Register • Active Employees • Billed Flex Fees • Demographic • Payroll Summary • Account Balance by Date <p>Sample Flex reports are available for review in Attachment F.</p> <p>In additional to multiple comprehensive reports, <i>HR Connect</i> can be used for the following:</p> <ul style="list-style-type: none"> • Update eligibility (submit employee data for new hires, terminations etc.) • Upload files and forms direct to administrator securely • Access billing statements • Turn off debit cards in real time (Flex Plans)

SECTION 1**Questionnaire - cont'd**

Question	Response
c. Web-based on-line access to employee accounts	Yes
Explain the way in which you will provide this service	<p>ONLINE SERVICES - EMPLOYEES:</p> <p>The District's Flex participants will have access to real-time account information, 24/7, via our secure online portal, <i>My Benefits</i>. The following Flex information is accessible:</p> <ul style="list-style-type: none"> • Available account balance • Election amounts • Plan year • Plan to date deposits • Plan to date claims • Plan to date paid • Pending claims • Claim status <p>Participants can access <i>My Benefits</i> through both our website and our Mobile App & Site at https://www.padmin.com. Employees who prefer to text message can enroll in our SMS Texting tool to send/receive text messages for FSA account balance and claim status information (24/7).</p>
d. Onsite enrollment meetings	Yes
Explain the way in which you will provide this service	<p>P&A's Vice President, Business Development is available for on-site open enrollment meetings. P&A will attend one week (5 business days) worth of meetings at no cost to the District. The District can schedule as many as they would like during that period. This is provided at NO additional cost.</p>

SECTION 1**Questionnaire - cont'd**

Question	Response
e. Processing of requests for reimbursement, including eligibility verification	Yes
Explain the way in which you will provide this service	<p>P&A will process participant reimbursements according to plan and IRS rules. P&A issues claim reimbursements every business day. Reimbursements are available via check or direct deposit. We strongly encourage direct deposit as it is the fastest way to obtain reimbursement.</p>
f. Ongoing record keeping of accounts	Yes
Explain the way in which you will provide this service	<p>We use our proprietary Flex Connect system for plan administration and account management including participants account history, eligibility, annual election information, employee contributions, reimbursement history, and change of status information. We also use our proprietary Enterprise Content Management (ECM) system for claims administration. Our ECM system images, manages, and archives all claims.</p> <p>Our in house claims adjudicators all work within this system when processing claims. We archive all documents for a period of (8) years. These proprietary systems enable us to be flexible when regulatory changes require swift modifications to ensure compliance.</p>

SECTION 1**Questionnaire - cont'd**

Question	Response
g. Issuance of reimbursement drafts or direct deposit and pertinent documentation	Yes
Explain the way in which you will provide this service	We receive and process claims 24/7. Our average claim turnaround time is 2-5 business days, <i>clean claims are often processed the same day</i> . We process and issue reimbursements in the form of paper check or direct deposit every business day . Participants enrolled in direct deposit will receive their claim reimbursements faster depending on their financial institution.
h. Employee notification of account balances near year-end	Yes
Explain the way in which you will provide this service	Approximately 45-90 days prior to the end of the year we send Year End Notification Letters to participants with remaining balances. This Letter reminds participants to use their funds so they do not forfeit them. This is included at NO additional cost .
i. Periodic accounting and statistical reports (include examples)	Yes
Explain the way in which you will provide this service	The District's HR/Finance personnel will have access to real-time reporting 24/7, through our secure online portal, <i>HR Connect</i> . Multiple, comprehensive reports are available. You can sort these reports for ad hoc customizations. You can also export them in a variety of formats (XML, CSV, PDF, MHTML, Excel, TIFF, and Word).

SECTION 1**Questionnaire - cont'd***Question #26i continued*

Question	Response
<p>Explain the way in which you will provide this service cont'd</p>	<p>Flex reporting includes:</p> <ul style="list-style-type: none"> • Account Balances • Reimbursements • Check Register • Active Employees • Billed Flex Fees • Demographic • Payroll Summary • Account Balance by Date <p>Sample Flex reports are available for review in Attachment F.</p>
<p>j. Nondiscrimination testing to ensure Plan is in compliance with IRS Code Section 125 on an annual basis.</p>	<p>Yes</p>
<p>Explain the way in which you will provide this service and if there is an additional cost for the annual testing</p>	<p>As part of our standard administrative services, we provide for the annual Non-Discrimination Testing on an annual basis at NO additional cost. Our testing includes:</p> <ul style="list-style-type: none"> • Section 125 Key Employee Concentration Test • Section 129 More than 5% Owners Test • Section 129 55% Average Benefits Test • 129 Eligibility Testing • 125 Eligibility Testing • 125 Contributions Testing
<p>k. Banking arrangement for financing the FSA program</p>	<p>Yes</p>
<p>Explain the way in which you will provide this service</p>	<p>When it comes to funding, P&A is flexible and can accommodate and arrangement with which the District will be comfortable.</p>

SECTION 1**Questionnaire - cont'd***Question #26k continued*

Question	Response
<p>Explain the way in which you will provide this service cont'd</p>	<p>Our most widely used funding option (Option #1 below) does not require the employer to provide P&A with pre-funding. Instead, the employer retains 100% of the payroll deductions and reimburses P&A for claims that have been paid (both debit card and non-debit card).</p> <p>Two of our most widely used options are:</p> <p>OPTION 1:</p> <ul style="list-style-type: none"> • The employer designates a bank account that Flex funds are reimbursed from; • P&A pays the employee's claims and then obtains reimbursement from the employer via the designated bank account; • P&A will send an email notification every business day that will include the total amount of reimbursements - (manual claims & debit card transactions) - <i>this notification is optional.</i> • The next business day, P&A will ACH debit the total amount from this account.

SECTION 1**Questionnaire - cont'd***Question #26k continued*

Question	Response
<p>Explain the way in which you will provide this service cont'd</p>	<p>OPTION 2:</p> <ul style="list-style-type: none"> • P&A will pay your employee's claims and then obtain reimbursement from the employer on a weekly basis; • We will send the employer a weekly check register showing the total amount of reimbursements P&A issued for the week (manual claims and debit card transactions); • The employer will reimburse P&A for that total via check or ACH deposit into our bank account. • During implementation a pre-funding amount will be determined.
<p>I. Debit cards</p>	<p>Yes</p>
<p>Explain the way in which you will provide this service (include brand of payment card)</p>	<p>P&A will provide the debit card as part of our standard Flex administrative services at NO additional cost. Our debit card is provided by Alegeus Technologies for the purpose of providing the MasterCard platform. Our debit card is fully compliant with the Inventory Information Approval System (IIAS) and the IRS's 90% Rule (an exception to IIAS). Therefore, eligible expenses will be auto-adjudicated at point of service and ineligible expenses will be denied. Our transaction auto-adjudicated rate at point-of service is high: over 94% auto-adjudication rates for non-prescription expenses and 99% auto-adjudication rate for prescriptions.</p>

SECTION 1**Questionnaire - cont'd**

Question	Response
<p>m. Employee statement mailings</p> <p>Explain the way in which you will provide this service</p>	<p>Yes</p> <p>Participants will have access to real-time account information 24/7 through <i>My Benefits</i> (accessible via website & Mobile App/ Site). Participants can generate detailed account statements for download, print, or e-mail.</p> <p>Additionally, real-time account information is always available 24/7 via our toll-free IVR phone system. We can also send electronic quarterly statements if the District desires. This can be discussed during implementation.</p> <p>Approximately 45-90 days prior to the end of the year we send Year End Notification Letters to participants with remaining balances. This Letter reminds participants to use their funds so they do not forfeit them.</p>
<p>27. Describe the information that will be required from the employee to submit a valid claim for FSA and DCAP benefits reimbursement, e.g., do they need a copy of the EOB from the health carrier confirming their out of pocket, or billing from daycare service?</p>	<p>We require the following documentation for claim reimbursement:</p> <ul style="list-style-type: none"> • Completed claim form either online (web or Mobile App/ Site) or via paper (manual signature required) • Supporting documentation of eligible expenses for reimbursement (receipts) showing dates of service and services rendered

SECTION 1**Questionnaire - cont'd***Question #27 continued*

Question	Response
27. Describe the information that will be required from the employee to submit a valid claim for FSA and DCAP benefits reimbursement, e.g., do they need a copy of the EOB from the health carrier confirming their out of pocket, or billing from daycare service? Cont'd	For parking claims (transit participants must use the debit card), our online claims portal allows participants to self-adjudicate their parking claims with no receipts required. These parking claims are reimbursed within 1 business day. Turnaround time is faster with this method since claims do not have to go through the review/approval process by one of our in-house claims adjudicators. Participants can also submit a parking claim form along with their parking receipt for processing.
28. How often would reimbursements be made to participants?	
<ul style="list-style-type: none"> • Health care reimbursement account? 	We process claims 24/7 and issue reimbursements every business day.
<ul style="list-style-type: none"> • Dependent care reimbursement account? 	We process claims 24/7 and issue reimbursements every business day as long as there are sufficient funds in the account to cover the approved reimbursement.
<ul style="list-style-type: none"> - Can the schedule be different for different benefits? (YES or NO) 	Yes
<ul style="list-style-type: none"> - Do you require an initial deposit? (YES or NO) 	No
<ul style="list-style-type: none"> - If so, how much? 	Not applicable.

SECTION 1**Questionnaire - cont'd**

Question	Response
29. Indicate how contributions, accounting and reimbursements are tracked.	<p data-bbox="824 279 1424 1134">During implementation and after we receive FSA/DCAP enrollment information, P&A will set-up participant accounts within our proprietary benefits administration system. We enter the employee's annual election dollar amount and our system calculates the expected payroll contributions (verified against each received payroll file during the course of the plan year). Internal parameters are set to control the available balance for each account (i.e. health FSA participants have access to their full annual election on Day 1 of the plan year whereas dependent care FSA participants can only access their current year-to-date contributions). Each account is also be linked to the debit card.</p> <p data-bbox="824 1171 1424 1942">Our proprietary Enterprise Content Management (ECM) system, within which claims are processed, is linked to our benefits administration system to ensure real-time account information is available for our in-house claims adjudicators. Our systems update regularly throughout the day to ensure account information is available in real-time. As contributions and reimbursements are processed, they are tracked within our benefits administration system. Participant account management tools (<i>My Benefits</i>, Mobile App/Site, SMS Texting, and IVR) are all linked to this system to ensure participants have access to real-time account information 24/7.</p>

SECTION 1**Questionnaire - cont'd***Question #29 continued*

Question	Response
29. Indicate how contributions, accounting and reimbursements are tracked. Cont'd	Real-time reporting originates from our benefits administration system and feeds into <i>HR Connect</i> and <i>My Benefits</i> . This allows for both the participants and the County's HR personnel to be able to access real-time information via the respective online portals, <i>HR Connect</i> and <i>My Benefits</i> .
30. Can your system accommodate changes to an employee's election during the plan year due to (CONFIRM for all that apply):	
a. Employee status changes	Confirmed.
b. Family status changes	Confirmed.
c. Changes in eligibility	Confirmed.
d. Other; please detail:	
31. How does your system check for duplicate expenses and verify plan maximums?	P&A's in-house claims adjudicators will continue to work within our ECM system to review and process claims 24/7. We have internal controls in place within the ECM system to route and audit claims during the adjudication process. Claims undergo a <i>Double Blind Indexing Audit Process</i> to ensure they are accurately linked to the correct participant and correct account prior to actual processing. Claims that appear to be duplicates are flagged and automatically routed to a special system queue for review. Claims requiring research as part of the review process are routed to a special research queue. Our Claim Supervisor conducts periodic audits to ensure quality control.

SECTION 1**Questionnaire - cont'd**

Question	Response
32. If requested by the District, can you administer FSA during the COBRA extension period?	Yes, we can.
33. What safeguards exist against an ineligible plan member attempting to gain reimbursement under the program?	<p>P&A will process reimbursements against active FSA accounts for the District. Employees must be enrolled with an account set-up within our proprietary system in order for reimbursements to be linked and processed against the account. We accept enrollment in the following ways:</p> <ul style="list-style-type: none"> • Secure upload from the District's HR via our secure online portal, <i>HR Connect</i> • Secure entry by the District's HR via <i>HR Connect</i> • Secure file feed from the District's HR to P&A's data warehouse • Secure e-mail from the District's HR • Pre-determined online enrollment set up from a file containing all eligible employees from the District's HR • Faxed enrollment form from the District's HR direct to the District's P&A Account Manager <p>We will not accept enrollment directly from an employee. Any enrollment forms faxed to our main fax number will be routed to the District's dedicated Account Manager and subject to review and verification with the District's HR to ensure the employee is eligible to enroll.</p>

SECTION 1**Questionnaire - cont'd**

Question	Response
<p>34. Can your system flag certain recurring expenses that have already been substantiated? (i.e., will you require substantiation of a recurring eligible expense each time the expense is submitted or only the first time the expense is submitted?)</p>	<p>Yes, our system will flag recurring expenses which have previously been substantiated. Our debit card is fully compliant with the Inventory Information Approval System (IIAS) and the IRS's 90% Rule (an exception to IIAS). Therefore, eligible expenses will be auto-adjudicated at point of service and ineligible expenses will be denied. Our transaction auto-adjudicated rate at point-of service is high: over 94% auto-adjudication rates for non-prescription expenses and 99% auto-adjudication rate for prescriptions.</p> <p>Since the advent of the Inventory Information Approval System (IIAS) and the IRS's 90% Rule (an exception to IIAS), we have seen a dramatic decrease in substantiation requests. With our high auto-adjudication rate, it is rare that we have to request substantiation for a debit card transaction.</p>
<p>35. Does the system maintain covered dependent and beneficiary information?</p>	<p>As a standard practice, we do not maintain dependent and beneficiary information in our system for FSA administration. If the District would like us to track dependents, we can discuss during implementation and accommodate.</p>

SECTION 1**Questionnaire - cont'd**

Question	Response
<p>36. Can your system administer multiple plan years concurrently and allow dual records during the first months of a new plan year? Can your system automatically enroll eligible employees who elect to continue to participate?</p>	<p>Yes, our proprietary system will administer multiple plan years concurrently. This enables us to administer grace periods and run out periods for FSA plans. Our system does not automatically enroll eligible employees who elect to continue plan participation.</p> <p>In order to ensure we have the most current information on file and for information security, we do not assume data from plan year to plan year is the same for an employee continuing in the District's FSA plan(s). Therefore, as a practice we do not automatically enroll eligible employees year after year. We can provide for alternate accommodations if the District's requires such a practice.</p>
<p>37. How are deposits to participants' accounts entered to the system? On-line? From participants' elections? Payroll extract?</p>	<p>This is dependent upon how the District chooses to report payroll information to us.</p> <p>We <i>prefer</i> to receive regular payroll files via secure file feed which we can import directly into our proprietary benefits administration system. However, we have clients who submit payroll information to us in a variety of ways. We are flexible and can accommodate the District.</p>

SECTION 1**Questionnaire - cont'd***Question #37 continued*

Question	Response
<p>37. How are deposits to participants' accounts entered to the system? On-line? From participants' elections? Payroll extract? Cont'd</p>	<p>We accept electronic data feeds for enrollment and routine payroll activity in the following ways:</p> <ul style="list-style-type: none"> • Direct upload through our secure employer portal, <i>HR Connect</i> • (confirmation numbers generated with every file upload) • Upload to our secure FTP site (PGP encryption provided) • Download from your secure FTP site (PGP encryption provided) <p>We also require that our PGP Key be applied to any files regardless of transmission mode. These options meet the requirements of HIPAA and HITECH.</p>
<p>38. How do you handle overpayments and underpayments?</p>	<p>P&A will perform a Claim Transfer/Adjustment Request to rectify any claim error. We will do the following:</p> <ol style="list-style-type: none"> 1) Determine how the reimbursement was issued (check or direct deposit); 2) If check, we will research if the check has been cashed; 3) If the check has not been cashed, P&A will void it and reissue a reimbursement check for the corrected dollar amount - we will also contact the participant to let them know the check has been voided and not to cash it;

SECTION 1**Questionnaire - cont'd***Question #38 continued*

Question	Response
<p>38. How do you handle overpayments and underpayments? Cont'd</p>	<p>4) For direct deposits, we will reverse it from the participant's bank account and reissue a corrected reimbursement amount</p> <p>5) For overpayments, P&A may offset future reimbursements and/or issue a letter requesting participant to pay back the overage to the plan.</p>
<p>39. How will forfeitures be handled for year-end accounting?</p>	<p>After the Run out Period at the end of the plan year, P&A will reconcile accounts and close out the plan year. This involves auditing the account data between two different reports: Balance Report and Cash Status Report. After these reports are reconciled, any forfeitures will be identified and reported to the District.</p> <p>Forfeitures are handled different ways depending on how our clients choose to fund their FSA plan. If a client uses their own account or a separately set up account for the FSA, the client retains control over the account and the funds remain with the client. P&A would not have any funds to return at the close of the plan year however, we will provide a Forfeiture Report that shows the remaining forfeited FSA funds.</p>

SECTION 1**Questionnaire - cont'd***Question #39 continued*

Question	Response
<p>39. How will forfeitures be handled for year-end accounting? Cont'd</p>	<p>If a client uses P&A's Trust Account to fund the FSA, pushing funding to us, then we will send a Forfeiture Report to the client at the close of the plan year along with any forfeited FSA funds. We will return funds via check or ACH deposit. If the client renews service with P&A for another plan year, we can instead roll any forfeited funds over into a reserve for the new plan year's funding. We work with our clients to find a mutually agreeable funding option.</p>
<p>40. How are requests that exceed a participant's account balance handled?</p>	<p>If a participant submits a Health FSA claim for a dollar amount that exceeds their available account balance, we will process the claim for the requested amount (provided the claim is eligible). The system will generate a reimbursement for the remaining funds and a denial letter for the amount that exceeds the available balance. This denial letter will alert the participant that they have used up their available FSA funds.</p> <p>If a participant submits a Dependent Care FSA claim for an amount that is more than their account balance, we will process the claim for the requested amount (provided the claim is eligible) and only the current available balance will pay out (current year-to-date payroll contributions).</p>

SECTION 1**Questionnaire - cont'd***Question #40 continued*

Question	Response
40. How are requests that exceed a participant's account balance handled? Cont'd	The claim will remain in a pending state until the next payroll deductions are applied to the account. As deductions are applied, the claim will continue to pay out until it has been paid in full or the annual election has been reached for that account.
41. Can EOB messages be customized?	EOBs are not generated as part of FSA administration.
42. Will the system allow employees to submit reimbursement requests for eligible expenses incurred during the prior year, for a period of no more than 90 days after the end of the plan year?	Our system can accommodate any Run Out Period an employer chooses to allow. If the District provides for a 90-day Run Out Period, then we will set up our proprietary system to accommodate this for the District's FSA plan. Participating employees will then be able to submit reimbursement requests for eligible expenses incurred during the prior plan year for a period of no more than 90 days after the plan year has ended.
43. Describe the way in which the banking arrangement works. Include the timing of the call for funds, any deposit amount required in the account, its term (weekly, monthly), how it is determined and any interest earned on the deposit or on amounts held in the account until checks are cashed.	When it comes to funding, P&A is flexible and can accommodate and arrangement with which the District will be comfortable.

SECTION 1**Questionnaire - cont'd***Question #43 continued*

Question	Response
<p>43. Describe the way in which the banking arrangement works. Include the timing of the call for funds, any deposit amount required in the account, its term (weekly, monthly), how it is determined and any interest earned on the deposit or on amounts held in the account until checks are cashed. Cont'd</p>	<p>Our most widely used funding option (Option #1 below) does not require the employer to provide P&A with pre-funding. Instead, the employer retains 100% of the payroll deductions and reimburses P&A for claims that have been paid (both debit card and non-debit card).</p> <p>Two of our most widely used options are:</p> <p>OPTION 1:</p> <ul style="list-style-type: none"> • The employer designates a bank account that Flex funds are reimbursed from; • P&A pays the employee's claims and then obtains reimbursement from the employer via the designated bank account; • P&A will send an email notification every business day that will include the total amount of reimbursements - (manual claims & debit card transactions) - <i>this notification is optional.</i> • The next business day, P&A will ACH debit the total amount from this account.

SECTION 1**Questionnaire - cont'd***Question #43 continued*

Question	Response
<p>43. Describe the way in which the banking arrangement works. Include the timing of the call for funds, any deposit amount required in the account, its term (weekly, monthly), how it is determined and any interest earned on the deposit or on amounts held in the account until checks are cashed. Cont'd</p>	<p>OPTION 2:</p> <ul style="list-style-type: none"> • P&A will pay your employee's claims and then obtain reimbursement from the employer on a weekly basis; • We will send the employer a weekly check register showing the total amount of reimbursements P&A issued for the week (manual claims and debit card transactions); • The employer will reimburse P&A for that total via check or ACH deposit into our bank account. <p>During implementation a pre-funding amount will be determined.</p>
<p>44. Do you offer ACH or direct deposit of reimbursements? If yes, does an additional fee apply? (Please include fee in Table 1a)</p>	<p>Yes, P&A offers ACH/direct deposit of reimbursements. There is NO additional fee for this service.</p>
<p>45. Provide samples of communication materials to be distributed by the vendor to all members including but not limited to:</p>	<p>P&A provides the following employee communications materials and tools as part of our standard FSA administrative services:</p> <ul style="list-style-type: none"> • Open enrollment/New hire materials • FSA brochure • Informational flyers • Eligible expense list • FSA tax savings calculator • FSA instructional videos • IRS publications

SECTION 1**Questionnaire - cont'd***Question #45 continued*

Question	Response
45. Provide samples of communication materials to be distributed by the vendor to all members including but not limited to: cont'd	Sample FSA employee communication materials are available for review in Attachment C . Additionally, our Communication Coordinator is available for customized materials, if the District desires. Customized communication materials are available for review in Attachment D .
e. Procedures for obtaining reimbursement	Sample FSA employee communication materials are available for review in Attachment C .
f. Procedures for appealing an adverse reimbursement determination	A sample Claim Denial Letter is available for review in Attachment G .
g. Claim forms	A sample Claim Form is available for review in Attachment H .
h. Claim substantiation when using debit card	Sample debit card/IIAS information is available for review in Attachment I .

SECTION 1**Questionnaire - cont'd****Debit Cards**

Question	Response
46. Describe your debit card services and type of benefits handled (e.g., FSA, Dependent Care, etc.). Do you provide a proprietary card or do you use an outside vendor?	<p>We provide the debit card as part of our standard Flex administrative services at NO additional cost for immediate access to funds. Enrolled participants receive a debit card automatically. Our debit card platform is provided by Alegeus Technologies.</p> <p>Additional/replacement debit cards are also available at NO additional cost.</p> <p>Our debit card is fully compliant with the Inventory Information Approval System (IIAS) and the IRS's 90% Rule (an exception to IIAS). A single card may be used for the FSA/DCAP and Transit accounts.</p>
47. With what other companies do you contract in order to provide debit card services (e.g. bank, credit card company, etc.)? Describe the services provided by your company and those contracted to other companies, and the contractual arrangements.	Our debit card platform is provided by Alegeus Technologies. We do not provide our debit card through any other relationship.
48. Please describe your recommended procedure for "stacking" the Health Care and Dependent Care FSA accounts. Describe alternative arrangements that you can support.	When we "stack" multiple accounts (i.e. health card and dependent care FSA accounts) onto a single debit card, P&A sets up internal controls and "priorities" within our proprietary system. This ensures debit card transactions are applied to the appropriate accounts.

SECTION 1**Questionnaire - cont'd***Question #45 continued*

Question	Response
<p>48. Please describe your recommended procedure for "stacking" the Health Care and Dependent Care FSA accounts. Describe alternative arrangements that you can support. Cont'd</p>	<p>For example, when a debit card transaction occurs, the system will look first at the Merchant Category Code (MCC) associated with the card terminal at point-of-service. If the MCC code is for a healthcare expense, the card will pull funds from the health care FSA as long as the expense is eligible per IRS rules. If the MCC code is for a dependent care provider (i.e. daycare), the card will pull funds from the dependent care FSA.</p>
<p>49. Describe how you pay claims during the 90-day grace period for FSAs.</p>	<p>P&A programs our debit card to accommodate clients with the grace period. If a participant uses the debit card during the grace period and there is an existing grace period balance, then the debit card will pull funds from that account before pulling funds from the new plan year's account. Once the grace period balance has been depleted, the card will automatically begin pulling from the new plan year's funds the next time it is used.</p>
<p>50. Describe when paper substantiation must be submitted by an individual and any substantiation that the individual is requested to retain for tax purposes.</p>	<p>Our debit card is fully compliant with the Inventory Information Approval System (IIAS) and the IRS's 90% Rule (an exception to IIAS). Therefore, eligible expenses will be auto-adjudicated at point of service and ineligible expenses will be denied. Our transaction auto-adjudicated rate at point-of service is high: over 90% auto-adjudication rates for non-prescription expenses and 99% auto-adjudication rate for prescriptions.</p>

SECTION 1**Questionnaire - cont'd***Question #50 continued*

Question	Response
<p>50. Describe when paper substantiation must be submitted by an individual and any substantiation that the individual is requested to retain for tax purposes. Cont'd</p>	<p>Since the advent of the Inventory Information Approval System (IIAS) and the IRS's 90% Rule (an exception to IIAS), we have seen a dramatic decrease in substantiation requests. With our high auto-adjudication rate, it is rare that we have to request substantiation for a debit card transaction.</p> <p>In the event that we do have to request additional documentation for debit card substantiation, our process is as follows:</p> <ol style="list-style-type: none"> 1) We send the participant an Additional Documentation Request Letter/e-mail; 2) If there is no response, we will send three (3) more letters/e-mails to the participant over the course of 30 days – the first two of these letters request documentation and warn that we will turn the card off if there is no response; 3) If the participant still does not respond, we will deactivate the debit card – the fourth letter/e-mail informs the participant of this action; 4) Typically this triggers a response and the participant contacts our customer service for resolution; 5) Once the card has been deactivated, we will also place a hold on all manual claims until the participant responds;

SECTION 1**Questionnaire - cont'd***Question #50 continued*

Question	Response
50. Describe when paper substantiation must be submitted by an individual and any substantiation that the individual is requested to retain for tax purposes. Cont'd	<p>6) If the transaction is deemed ineligible for the HC FSA, the participant will have to repay their account in order to have their debit card re-activated;</p> <p>7) If the transaction is eligible, we will approve the transaction and re-activate the debit card (an approval letter/e-mail is sent the next business day).</p>
51. How do you assure that every claim, both electronic and paper, is properly substantiated in accordance with IRS guidelines?	<p>All non-debit card claims (manual claims) are manually processed. Our claims adjudicators review each claim to verify eligibility in accordance with IRS rules prior to processing.</p> <p>Since our debit card is fully with the Inventory Information Approval System (IIAS) or the IRS's 90% Rule (for merchants such as doctors, dentists, opticians, etc. who offer eligible services but may not have IIAS in place), only IRS eligible expenses will be approved at point-of-service; ineligible expenses are denied.</p>
52. Describe which automatic electronic substantiation methods you use:	<p>a. Copayments</p> <p>When the debit card is swiped it will identify the vendor based on the Merchant Category Code (MCC). If the transaction amount does not meet standard co-payment amounts, we will ask for further substantiation (i.e. receipt, EOB) from the participant.</p>

SECTION 1**Questionnaire - cont'd**

Question	Response
b. Recurring claims	As long as the vendor and expense are eligible under the Inventory Information Approval System (IIAS) or the IRS's 90% Rule (for merchants such as doctors, dentists, opticians, etc. who offer eligible services but may not have IIAS in place), recurring debit card claims will be auto-adjudicated point-of-service.
c. Real-time substantiation	<p>Our real-time substantiation (auto-adjudication) method has several layers of security in place; this ensures the debit card is used for eligible expenses. These layers of security include the recognition of the Merchant Category Code (MCC) and the use of the Inventory Information Approval System (IIAS), which verifies eligible items by SKU code (barcode).</p> <p>We also perform random audits to make sure all systems are working accurately and effectively. We update our proprietary administration system and debit card platform multiple times a day to avoid over-payment or duplicate payments.</p>
d. Inventory Information Approval System (IIAS)	Our debit card is compliant with both IIAS and the IRS's 90% Rule (for merchants such as doctors, dentists, opticians, etc. who offer eligible services but may not have IIAS in place). Debit card transactions go through two layers of security to ensure expenses are eligible under IRS regulations.

SECTION 1**Questionnaire - cont'd***Question #52d continued*

Question	Response
d. Inventory Information Approval System (IIAS) cont'd	At point-of-sale, scanned items are identified as either eligible or ineligible healthcare expenses. The retailer's inventory control information (i.e., UPC or SKU number) is compared against the IRS's pre-established list of eligible expenses. Ineligible items are denied point-of-sale.
53. Are you in compliance with IRS Notice 2006-69? If not, please describe your compliance program. What types of claims cannot be administered via your debit card?	Yes, P&A is in compliance with IRS Notice 2006-69.
54. Provide a list of items that you consider qualified medical expenses that are payable by your program using an electronic substantiation method.	Our current eligible/ineligible expense list is available for review in Attachment J .
55. Can your card program be used to pay for over-the-counter medication? If so, please provide a sample list of payable medications.	Yes, our debit card can be used to pay for over-the-counter (OTC) medication. Restrictions on over-the-counter (OTC) medications were relaxed under the Cares Act in 2020. OTC eligible expenses are reimbursable under FSA/HRA without requiring a prescription or completing a letter of medical necessity form. A sample Cares Act OTC Update communication flyer is available for review in Attachment K . A sample eligible expense list is available for review in Attachment J . The eligible expense list is also available on our website at https://padmin.com/employee-participants/benefit-programs/tools-and-resources/fsa-eligible-expenses/index.php3 . P&A's mobile app offers EZ scan feature which allows participants to scan the bar code of products providing real-time feedback on eligibility.

SECTION 1**Questionnaire - cont'd**

Question	Response
56. Describe your procedures and policies that prevent abuse of the debit card (e.g. use by the employee to purchase items that are not qualified medical expenses).	<p>Our debit card is compliant with both IIAS and the IRS's 90% Rule (for merchants such as doctors, dentists, opticians, etc. who offer eligible services but may not have IIAS in place). Debit card transactions go through two layers of security to ensure expenses are eligible under IRS regulations.</p> <p>At point-of-sale, scanned items are identified as either eligible or ineligible healthcare expenses. The retailer's inventory control information (i.e., UPC or SKU number) is compared against the IRS's pre-established list of eligible expenses.</p> <p>Ineligible items are denied at point-of-sale.</p>
57. Confirm that all fees associated with the debit cards are included in the base FSA administration fees.	<p>Confirmed. As part of our standard FSA administration, we provide the debit card at NO additional cost. Additional/replacement cards are included at NO additional cost.</p>
58. Describe the banking arrangements necessary to implement your debit card program. Include information about when money transfers would be required and how often	<p>When it comes to funding, P&A is flexible and can accommodate and arrangement with which the District will be comfortable.</p> <p>Our most widely used funding option (Option #1 below) does not require the employer to provide P&A with pre-funding. Instead, the employer retains 100% of the payroll deductions and reimburses P&A for claims that have been paid (both debit card and non-debit card).</p>

SECTION 1**Questionnaire - cont'd***Question #58 continued*

Question	Response
<p>58. Describe the banking arrangements necessary to implement your debit card program. Include information about when money transfers would be required and how often cont'd</p>	<p>Two of our most widely used options are:</p> <p>OPTION 1:</p> <ul style="list-style-type: none"> • The employer designates a bank account that Flex funds are reimbursed from; • P&A pays the employee's claims and then obtains reimbursement from the employer via the designated bank account; • P&A will send an email notification every business day that will include the total amount of reimbursements - (manual claims & debit card transactions) - <i>this notification is optional.</i> • The next business day, P&A will ACH debit the total amount from this account. <p>OPTION 2:</p> <ul style="list-style-type: none"> • P&A will pay your employee's claims and then obtain reimbursement from the employer on a weekly basis; • We will send the employer a weekly check register showing the total amount of reimbursements P&A issued for the week (manual claims and debit card transactions); • The employer will reimburse P&A for that total via check or ACH deposit into our bank account. • During implementation a pre-funding amount will be determined.

SECTION 1**Questionnaire - cont'd**

Question	Response
59. Must all participants use the debit card or can only certain individuals elect the debit card option?	All participants will receive a debit card and they have the option whether or not to use the card; there is no requirement to use the card unless the District wants to set up a requirement (i.e. debit card must be used for all prescription purchases). The debit card is a convenient way to immediately access their funds. Participants can always submit claims for reimbursement as well.
60. When you offer a debit card, do you require that all reimbursements be administered via this debit card or will you accept hard copy claim submissions by those participants who forget to use their card?	No, we do not require that all reimbursements be administered via the debit card. We offer the debit card for ease-of-use. Participants always have the option to use their card or submit a manual claim for processing.

SECTION 1**Questionnaire - cont'd****Parking and Transit Spending Account Administration**

Question	Response
<p>61. Describe your member purchase process for transit media. Indicate what deadlines are applied for purchase. How is transit media provided to the member for different types of public transportation (train, bus) and different categories of purchase (monthly pass, weekly pass, etc.).</p>	<p>Per IRS regulations in 2016, cash reimbursement was eliminated for transit expenses. Therefore, Commuter plan participants must use the debit card for transit media expenses. Our debit card can be linked to voucher/passes and metrocard programs (that allow participants to order vouchers/passes or metrocard and have them mailed to their home). They can use their P&A debit card to pay for these purchases in lieu of a personal credit card or their personal bank debit card. Participants can still submit manual claims for parking expense reimbursement. Parking claims can be submitted to us via secure upload (web/mobile), fax, or U.S. Mail.</p>
<p>62. By what point in time are transit media purchases provided to the member? What is your on-time delivery performance rate? What options exist for employees who do not receive their transit media by the time the purchase is made effective?</p>	<p>Employees will use their debit cards issued by P&A to purchase passes directly from the transit provider. This process allows for greater flexibility for the employee and doesn't have any cutoff dates that would prevent them from using the benefit in a given month. On-time delivery performance rate is not applicable to P&A debit card solution since we are not providing transit passes.</p>

SECTION 1**Questionnaire - cont'd**

Question	Response
<p>63. Do you provide options for members to claim reimbursement for occasional transit expenses (e.g. for daily fares)?</p> <p>If so, what is the reimbursement process and what deadlines are applied?</p>	<p>Yes, if the District approves this. The IRS readily available rule stipulates that members use their debit cards and cash reimbursement should not be allowed unless in a market where debit cards can't readily be used. Employees can submit claims via mail, fax, upload or via the mobile app/site. Claims are processed on a daily basis.</p>
<p>64. Describe the level of penetration you have for acquiring transit media from Northern California regional transportation authorities. Are there any authorities with whom you do not have purchase agreements?</p>	<p>Not applicable with our debit card solution. All transit providers in the Northern California accept MasterCard. As an example, P&A's clients include City of San Jose and City and County of San Francisco, and we have many employee participants using this program without any issues. There are no authorities with whom we do not have purchase agreements.</p>
<p>65. Confirm that members would be issued debit cards that could be used for parking or transit expenses. Describe any employer prefunding requirements using this approach.</p>	<p>Confirmed. Per IRS regulations in 2016, cash reimbursement was eliminated for transit expenses. Therefore, Commuter plan participants must use the debit card for transit media expenses. Our debit card can be linked to voucher/passes and metrocard programs (that allow participants to order vouchers/passes or metrocard and have them mailed to their home). They can use their P&A debit card to pay for these purchases in lieu of a personal credit card or their personal bank debit card. Participants can still submit manual claims for parking expense reimbursement. Parking claims can be submitted to us via secure upload (web/mobile), fax, or U.S. Mail.</p>

SECTION 1**Questionnaire - cont'd**

Question	Response
66. Indicate whether you can maintain a database of transit reimbursement recipients to include the following data points:	
a. Standard indicative data such as name, employee ID and/or SSN, and address	Confirmed.
b. Month/year of ridership	Although P&A can provide the date/location of pass purchase, we can't track when a member actually uses a pass.
c. Amount of approved reimbursement	Confirmed.
d. Type of public transportation	Confirmed.
e. Agency (Fairgrounds Management, First 5, Open Space Authority, etc.)	Confirmed.
f. Describe any additional data categories your system could track or which the District may wish to track. Also include the maximum number of data fields your system is capable of tracking.	None.
67. Can TSA reimbursements be direct deposited into participant's bank accounts?	Confirmed. P&A issues claim reimbursements every business day. Reimbursements are available via check or direct deposit. We strongly encourage direct deposit as it is the fastest way to obtain reimbursement.

SECTION 1**Questionnaire - cont'd****COBRA and Retiree Billing Administration**

Question	Answer YES or NO
68. Please confirm your ability to complete an electronic data transfer in phase II of Escape, the District's financial system.	Confirmed. P&A can complete an electronic data transfer in phase II of Escape.
69. Please describe your ability to provide COBRA and Retiree billing administration services as outlined in this RFP. Please confirm that you are able to provide the following:	
a. Initial COBRA Notice	Yes. P&A provides Initial COBRA Notices as part of our standard COBRA administrative services at NO additional cost .
b. Election Notice / Enrollment Applications	Yes. P&A provides Election Notice/Enrollment Applications as part of our standard administrative services at NO additional cost .
c. Coupon mailing / billing statement to participants each month	Yes. P&A generates and mails monthly premium invoices (with return envelopes) to COBRA/Retiree Billing participants instead of using an annual coupon process as part of our standard administrative services at NO additional cost .
d. Premium collection and tracking / ACH premium deductions	<p>Yes. For premium collection, reconciliation, remittance and administrative service fees, our process is as follows:</p> <ul style="list-style-type: none"> • We generate and mail monthly premium invoices to COBRA/Retiree Billing participants between the 10th-15th of each month for the following month's coverage; • We collect premiums from participants on a monthly basis via auto-ACH debit, check, online payment (ACH), or IVR phone payment;

SECTION 1**Questionnaire - cont'd***Question #69d continued*

Question	Answer YES or NO
<p>d. Premium collection and tracking / ACH premium deductions cont'd</p>	<ul style="list-style-type: none"> • Premium payments from participants are received into our bank account lockbox at our financial institution; • We receive a daily file of receivables from our financial institution which is imported into our proprietary system and applied to each continuant benefit period; • Any discrepancies are first noted by our financial institution and then noted by us; • Between the 15 th-20th of each month, we send Late Notices to participants if we have not yet received their premium for that month; • This Late Notice serves as a reminder to the participant that coverage will be cancelled for non-payment if payment is not received by the end of the month; • If COBRA/Retiree Billing premium payment is not received, we will generate and mail an Early Termination Notice to the COBRA continuant/Retiree detailing that coverage was terminated for non-payment – we will also notify the District of the terminated coverage in our reporting;

SECTION 1**Questionnaire - cont'd***Question #69d continued*

Question	Answer YES or NO
d. Premium collection and tracking / ACH premium deductions cont'd	<ul style="list-style-type: none"> We will remit all collected premiums to the District every month and provide a Remittance Report via our secure online portal, <i>HR Connect</i>. At the beginning of each month, our Accounting Department will generate an administrative fee invoice for notices that we mailed out the prior month for the District.
e. Forwarding collected premium to the District	Yes. P&A will forward collected premiums to the district as part of our standard COBRA/Retiree Billing administrative services at NO additional cost .
f. COBRA termination letters, including early terminations	Yes. P&A provides COBRA termination letters, including early termination for non-payment as part of our standard COBRA administrative services at NO additional cost .
g. Mailing of rate change letters	Yes. Premiums change during open enrollment, since P&A handles sending out Open Enrollment packets for COBRA participants, we include the new rates for the plan year as part of our standard COBRA administrative services at NO additional cost .

SECTION 1**Questionnaire - cont'd**

Question	Answer YES or NO
h. Updating of system for new plan year's rates	Yes. P&A will update systems to reflect the new plan year's rates.
i. Vendor eligibility reporting (electronic)	Yes. P&A's proprietary system is programmed with internal controls for the monitoring and tracking of the strict timing requirements for COBRA eligibility. COBRA coverage eligibility runs 18 months and in some cases, 36 months. Daily/weekly/monthly reporting from our system identifies COBRA participants who are nearing the end of their COBRA coverage. Our system generates Termination/Conversion Letters for any identified individuals. We mail these letters out 60 days prior to their coverage termination date. We report eligibility and coverage terminations to the appropriate carriers as they occur.
j. Distribution of unavailability of COBRA coverage	Yes. P&A will distribute unavailability of COBRA coverage as part of our standard COBRA administrative services at NO additional cost.

SECTION 1**Questionnaire - cont'd**

Question	Answer YES or NO
<p>h. Monthly reporting, within fifteen business days after the end of each month, including detailed information about participants who are current on their payments and participants who have been cancelled</p>	<p>Yes. The District's HR personnel will have access to real-time reporting 24/7, through our secure online portal, <i>HR Connect</i>. Multiple, comprehensive reports are available. You can sort these reports for ad hoc customizations. You can also export them in a variety of formats (XML, CSV, PDF, MHTML, Excel, TIFF, and Word). COBRA/Retiree Billing are reporting includes:</p> <ul style="list-style-type: none"> a. Affordable Care Act Report b. Notice History c. Census d. Benefits Paid Detail e. Insurance Premium Rates f. Premium Remittance <p>Sample COBRA/Retiree Billing reports are available for review in Attachment L.</p>
<p>i. Self-pay premium administration for participants on leave</p>	<p>Yes. P&A can accommodate Self-pay premium administration for participants on leave.</p>
<p>k. Self-pay premium administration for retirees</p>	<p>Yes. P&A can administer self-pay for retirees as part of our standard Billing administrative services at NO additional cost.</p>
<p>l. Providing access to a toll-free telephone number for access to a customer service representative during normal business hours that may be used by participants and dependents in connection with the services provided by the selected vendor</p>	<p>Yes. Our live, in-house Participant Specialists & Live Chat Agents are available for extended hours Monday through Friday, 8:30am-10:00pm EST (5:30am-7:00pm PST). Participant Specialists & Live Chat Agents are reachable via toll-free number and online Live Chat. Participant Support is provided in both English and Spanish.</p>

SECTION 1**Questionnaire - cont'd**

Question	Answer YES or NO
<p>m. Cal-COBRA notices (initial, election and termination notices). While the insurance carrier will send the actual Cal-COBRA election forms, the following notices will need to be sent by the COBRA administrator:</p>	<p>Confirmed. Please note Cal-COBRA is administered by the carriers directly. We will administer the normal 18 month COBRA period. Once the COBRA period ends, the carrier will take over administration and billing for the benefits under Cal-COBRA. Information informing the participant is included in the COBRA notice.</p>
<ul style="list-style-type: none"> Initial notice - The required Cal-COBRA notice that is included with the COBRA general notice that is sent to all participants when they are first enrolled in a COBRA covered plan. 	<p>Yes. P&A can include the required initial notice as part of our standard COBRA administrative services at NO additional cost.</p>
<ul style="list-style-type: none"> Election notice - Like the general notice, there is a required notice that can be sent with this mailing. 	<p>Yes. P&A can include the required election notice as part of our standard COBRA administrative services at NO additional cost.</p>
<ul style="list-style-type: none"> Termination notice - When COBRA enrollees get within a certain period of the end of their eligibility, they get a notice for Federal COBRA. They also get a notice that the Plan is eligible for Cal-COBRA and to contact the actual carrier. 	<p>Yes. P&A can include the required termination notice as part of our standard COBRA administrative services at NO additional cost.</p>
<p>n. Administer COBRA for all COBRA health plans (Kaiser medical, Sutter Health Plus medical, Delta Dental, & VSP vision)</p>	<p>Yes. P&A can administer COBRA for all of the District's health plans as part of our standard COBRA administrative services at NO additional cost.</p>
<p>o. Bill and collect all COBRA health plan premiums from participants</p>	<p>Yes. P&A will bill and collect all premiums as part of our standard COBRA administrative services at NO additional cost.</p>
<p>p. Provide comprehensive COBRA administration for all District health plans through the entirety of each participant's Federal COBRA eligibility (generally 18 or 36 months). This will include managing the open-enrollment requirement for COBRA participants and providing all required COBRA communications throughout each participants' COBRA eligibility period</p>	<p>Yes. P&A will provide comprehensive COBRA administration for all District health plans as part of our standard COBRA administrative services at NO additional cost.</p>

SECTION 1**Questionnaire - cont'd**

Question	Answer YES or NO
<p>q. Report all eligibility (COBRA enrollments, COBRA terminations and COBRA election changes) directly to all COBRA health plan carriers</p>	<p>Yes. P&A will report all events directly to carriers as part of our standard COBRA administrative services at NO additional cost.</p>
<p>r. Reimburse the District for COBRA premiums collected on their behalf</p>	<p>Yes. P&A will reimburse the District for premiums collected on their behalf as part of our standard COBRA administrative services at NO additional cost.</p>
<p>s. Be responsible to reconcile carriers' invoices and maintain COBRA eligibility with all carriers. Included in this service, proposer will assume full financial responsibility for the premiums charged by the carriers. Should the proposer fail to reconcile invoices and maintain eligibility timely, the proposer shall be fully responsible for any premium shortfall</p>	<p>Confirmed. P&A is able to pay the carrier bills. The carrier will need to provide a retro term policy and online access in order to ensure members are termed in a timely manner.</p>

SECTION 1**Questionnaire - cont'd****Computer Systems and Support**

Question	Response
<p>70. Please describe your administration systems (hardware, platform, software, etc.). Describe how you would track terminations, qualifying events, allowable COBRA periods, etc. Please be specific.</p>	<p>P&A uses our proprietary Benefit Management System to manage and administer our COBRA services. Onsite IT programmers provide us with flexibility if we have to rapidly modify this system in response to any regulatory changes that affect COBRA (i.e. subsidies). Additionally, all COBRA notices are generated and time-date stamped within this system and all premium payments are recorded and tracked. Internal controls manage the strict timing requirements associated with COBRA administration. This system has been in place since 2000.</p> <p>P&A uses our proprietary Flex Connect system for plan management and administration. All plan parameters are set up within this system during implementation. Over the course of ongoing administration, all data related to employer/employee contributions, eligibility information, reimbursements, account balances, etc. is captured within this system. As received data files are imported into this system, all accounts update accordingly. This system has been in place since 2007.</p> <p>Additionally, we use our Enterprise Content Management (ECM) system to image, manage, adjudicate, and archive all claims related to these accounts. This system has been in place since 2001.</p>

SECTION 1**Questionnaire - cont'd**

71. Please indicate what components of the computer application were (a) developed in-house, (b) purchased, or (c) licensed. If software is purchased or licensed, please indicate from whom.

Function	Developed In-House	Purchased	Licensed	Year of Last Major Modification	Name of Software Vendor
Enrollment/Recordkeeping	Yes			2019	
COBRA Administration	Yes			2019	
Imaging/Scanning	No, but P&A can program the system to our specifications	2000	Yes	2019	Hyland Software
Workflow	No, but P&A can program the system to our specifications	2000	Yes	2019	Hyland Software
Customer Service	Yes			2019	
Other: Call Center System	No	2020	Yes	2020	RingCentral
72.	Please confirm that your system can store alternate participant ID numbers in addition to social security numbers (SSN), and that your system can perform search, sort and reporting functions using alternate participant IDs in lieu of SSN.		Confirmed. P&A can store alternate participant ID numbers in addition to social security numbers (SSN). A majority of our reporting can contain the alternate participant ID numbers.		

SECTION 1**Questionnaire - cont'd****HIPAA**

Question	Response
<p>73. Considering the nature of the services to be provided to the District, would you consider your regulatory status under HIPAA to be the plan's Business Associate?</p> <p>If so, please describe your role as a HIPAA Business Associate and include a copy of your standard HIPAA Business Associate Agreement, if any.</p> <p>If you would not consider yourself the plan's HIPAA Business Associate, or have no standard HIPAA Business Associate Agreement, please explain.</p>	<p>As a Business Associate for all our clients, P&A takes HIPAA Privacy and data security very seriously. We are compliant with both HIPAA and HITECH legislation as it pertains to Private Health Information (PHI). We provide a Business Associate Agreement (BAA) as part of our standard Services Agreement. We are also willing to sign the District's BAA, if desired. A sample of our BAA is available for review in Attachment M.</p> <p>P&A is bound by the provisions in our BAA. This BAA governs all aspects of how P&A handles Protected Health Information (PHI) including:</p> <p>The use and disclosure of PHI, prohibition on unauthorized use or disclosure of PHI, P&A's operations with regard to PHI, PHI safeguards, electronic health information security and integrity, protection of exchanged information in electronic transactions, subcontractors and agents, access to PHI, amending PHI, accounting for disclosures of PHI, access to books and records, reporting, sale of PHI, marketing, restrictions on uses/disclosures/requests of PHI, mitigation, return or destruction of health information, obligations of Plan Sponsor, automatic amendment, and hold harmless for Plan Sponsor.</p>

SECTION 1**Questionnaire - cont'd***Question #73 continued*

Question	Response
<p>73. Considering the nature of the services to be provided to the District, would you consider your regulatory status under HIPAA to be the plan's Business Associate?</p> <p>If so, please describe your role as a HIPAA Business Associate and include a copy of your standard HIPAA Business Associate Agreement, if any.</p> <p>If you would not consider yourself the plan's HIPAA Business Associate, or have no standard HIPAA Business Associate Agreement, please explain. Cont'd</p>	<p>We develop, implement, maintain, and use appropriate administrative, technical, and physical security measures which are consistent with and in compliance with HIPAA/HITECH. Our employees receive annual HIPAA/HITECH compliance training. All personnel are required to view and take part in a web-based training platform for HIPAA/HITECH Privacy and Security. We have established a cross-functional team comprised of our President, VP of Operations, IT Manager, ERISA Attorney and Human Resource Director to serve as P&A's information privacy and security committee. This group of individuals oversees our HIPAA security and privacy compliance; they meet quarterly to review processes and procedures.</p> <p>P&A also has a Written Information Security Plan (WISP) in place. Our WISP is available for review in Attachment N.</p>
<p>74. Does your system presently meet requirements in the regulations issued pursuant to the HIPAA Security standards? If not, have you identified areas in which your system does not meet the proposed standards and what is your timetable for bringing your system into compliance?</p>	<p>Yes, P&A's system meets the requirements as per HIPAA/HITECH security standards.</p>
<p>75. Does your system produce sufficient audit trails to satisfy the HIPAA Privacy and Security regulations?</p>	<p>Yes, both of P&A's systems and applications produce sufficient audit trails to satisfy the HIPAA Privacy and Security regulations.</p>

SECTION 1**Questionnaire - cont'd****Reporting Capabilities**

Question	Response
76. Would you provide ad-hoc data reports at the District's request? If so, please describe your ad-hoc data reporting capabilities. Would there be additional fees for these reports? If so, please describe and include all additional fees in Tables 1 and 3 of the Financial Section.	Yes, P&A provides ad hoc reporting. Our multiple standard reports are comprehensive and are a result of ad hoc reporting requests from clients over the years. If the District wants specific reporting that cannot be found within our standard package, we can discuss ad hoc needs with you and accommodate your request. Any extra costs for customizations would be based on the complexity and scope of programming needs. In general, there is no additional cost for this.

SECTION 1**Work Plan/Technical Approach****B. Work Plan/Technical Approach**

This section should establish your understanding of the District's objectives and requirements, demonstrate your ability to meet those requirements, and outline clearly and concisely the plan for accomplishing the specified work.

Question	Answer YES or NO
Are all implementation costs included in your basic fees? If no, please identify all additional charges and include in Tables 1, 2, and 3 of the Financial Section.	Yes
Will you agree to guarantee complete implementation within 30 days of being awarded the contract?	Yes
Please confirm that you will be able to successfully implement/take over the District's program effective January 1, 2022.	Yes

SECTION 1**Cost****C. Cost**

This section should disclose all charges to be assessed the District for the required services. Proposals must detail any items in addition to personnel costs that will be charged to the District, such as travel costs and office expenses. Please also provide hourly time charges for additional services not included within the scope of routine services outlined in this RFP. Additional services would be undertaken only at the written request of the District. Describe any special services and/or benefits offered at no cost to the District.

Question	Response
1. Please confirm that:	
a. All fees are guaranteed for 36 months from contract inception. Fees are guaranteed for 12 months upon renewal after the initial contract expiration (at the District's option), and that all future rate adjustments will be subject to annual renewal (e.g., at least 12 months) in the absence of benefit revisions.	Confirmed.
b. Fees include an option to renew the contract for two consecutive one-year terms, upon the mutual consent of both parties.	Confirmed.
c. All future rate adjustments will be communicated at least 60 days in advance of the effective date.	Confirmed.
d. Your fees include printing of benefit statements, enrollment forms, benefits applications, and all other routine supplies and materials. Fees should include printing and mailing costs.	Confirmed.
2. Detail your reconciliation responsibilities and procedures. The District will require that all reconciliations be performed by the successful vendor.	Confirmed.
3. Confirm that you agree to perform the following functions in the event of cancellation:	Confirmed.
a. Guarantee a reduced or discounted post-termination administrative fee.	Confirmed.
b. Transfer all records to the Trustees or the successor administrator within 30 days of termination in a form that is acceptable to the recipient.	Confirmed.
4. Detail any rights reserved by your firm to call any additional funds.	Confirmed.

SECTION 1**Cost****FSA and DCAP Administration****Table 1a – Summary of Fees**

Service	Monthly Fee		
	Year 1-3	Year 4	Year 5
1. FSA and DCAP Administration:			
1. Health Care	\$2.95	\$2.95	\$2.95
2. Dependent Care	\$2.95	\$2.95	\$2.95
2. Debit Cards:			
3. Initial Cards (2)	Included, \$0	Included, \$0	Included, \$0
4. Duplicate Card	Included, \$0	Included, \$0	Included, \$0
5. Requires Direct Access to District's Account	No	No	No
3. Other Administrative Fees:			
6. Banking			
7. Online Account Management			
8. Electronic Claim Submission	INCLUDED	INCLUDED	INCLUDED
9. Direct Deposit Reimbursement			
10. Non-Discrimination Testing			
11. Communication Materials	(800 is shared – we can provide a dedicated number if required)	(800 is shared – we can provide a dedicated number if required)	(800 is shared – we can provide a dedicated number if required)
12. 800 Number (Specify shared or dedicated)			
13. Postage, Handling, and Special Printing			
14. Printing of Forms			
15. Plan Document (Amendment / Restatement)			
16. Travel			
17. Initial Open Enrollment Meeting			
18. Other Onsite Meetings			
4. Other Fees (Specify):	None	None	None

SECTION 1**Cost – cont'd**

5. Total Monthly Fees:	Assumes 531 participants x \$2.95 pppm: \$1,566.45/ Month	Assumes 531 participants x \$2.95 pppm: \$1,566.45/ Month	Assumes 531 participants x \$2.95 pppm: \$1,566.45/ Month
6. Total Annual Fees:	18,797.40	18,797.40	18,797.40

FSA and DCAP Administration**Table 1b – First Year Set-up Fees**

Service	Set-Up Fees (Year 1 Only)
1. Initial Set-up Charge	\$0
2. Development of Communication Materials (e.g., transition announcement letters, etc.)	\$0
3. Other (Specify)	\$0
Total Set-up Fees	\$0

SECTION 1

Cost – cont’d

Table 1c – Fees and Services

List of services included in fees
Administration of all Section 125 spending accounts.
Any special fees, charges or expenses of any kind not included in fees
None.
List of services not included in fees, along with associated fees
None.

SECTION 1**Cost – cont'd****COBRA, Unpaid/Self-Pay Leave, and Retiree Billing Administration****Table 2a – Summary of Fees**

Service	Monthly Fee		
	Year 1-3	Year 4	Year 5
1. COBRA Administration: Monthly Per COBRA Continuant	\$.39 PEPM	\$.39 PEPM	\$.39 PEPM
2. Unpaid/Self-Pay Leave Billing: Monthly Per Participant	\$3.75 PPPM	\$3.75 PPPM	\$3.75 PPPM
3. Retiree Billing: Monthly Per Participant	\$3.75 PPPM	\$3.75 PPPM	\$3.75 PPPM
4. Describe any additional fees:	None	None	None

Assumptions:

- Include any Set-up fees in your fixed monthly per COBRA continuant fee (or waive them)
Waived
 - Direct Pay Administration (Leave, FMLA, Retiree) must be included
Included
 - Cal-COBRA notices must be included
Included
 - Include all required notices (i.e. Qualifying Event Notice, Special Enrollment, etc).
Included
 - Include COBRA participant plan changes (during Open Enrollment)
Included
- Include billing, collection, reporting, and 800 telephone assistance services
Included
- Extraordinary services (i.e. Employee Open Enrollment meetings) that are not part of normal administration only may be separated from the fixed fees
Included

SECTION 1

Cost – cont’d

COBRA, Unpaid/Self-Pay Leave, and Retiree Billing Administration

Table 2b – First Year Set-Up Fees, If Any

Service	Set-Up Fees (Year 1 Only)
1. Initial Set-up Charge	\$0
2. Development of Communication Materials (e.g., transition announcement letters, etc.)	Included, \$0
3. Other (Specify)	None
Total Set-up Fees	\$0

Table 2c – Fees and Services

List of services included in fees
Administration of COBRA, Direct billing and Retiree billing
Any special fees, charges or expenses of any kind not included in fees
None
List of services not included in fees, along with associated fees
None

SECTION 1**Cost – cont’d****Parking and Transit Spending Account Administration****Table 3a – Summary of Fees**

Service	Monthly Fee		
	Year 1-3	Year 4	Year 5
1. Parking and Transit Spending Account Administration:			
Total Per Employee Per Month (PEPM)	\$2.95 PPPM	\$2.95 PPPM	\$2.95 PPPM
2. Debit Card:			
Included in above Transit PEPM rate? (Yes/No)	Yes	Yes	Yes
3. If applicable: Additional Fee for Debit Card (PEPM)	None	None	None

Table 3b – First Year Set-Up Fees, If Any

Service	Set-Up Fees (Year 1 Only)
1. Initial Set-up Charge	\$0
2. Development of Communication Materials (e.g., transition announcement letters, etc.)	Included, \$0
3. Other (Specify)	None
Total Set-up Fees	\$0

SECTION 1

Cost – cont’d

Parking and Transit Spending Account Administration

Table 3c – Fees and Services

List of services included in fees
Administration of all Section 132 commuter (parking and transit) accounts
Any special fees, charges or expenses of any kind not included in fees
None
List of services not included in fees, along with associated fees
None

**P & A ADMINISTRATIVE SERVICES, INC.
AND
AFFILIATES**

Combined Financial Statements
and
Supplemental Information
For the Years Ended
December 31, 2020 and 2019
with
Independent Accountants' Review Report

P & A ADMINISTRATIVE SERVICES, INC. AND AFFILIATES**TABLE OF CONTENTS**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors and Partners of
 P & A Administrative Services, Inc. and Affiliates
 Buffalo, New York

We have reviewed the accompanying combined financial statements of P & A Administrative Services, Inc. and Affiliates, which comprise the combined balance sheets as of December 31, 2020 and 2019, and the related combined statements of income and other comprehensive income, of changes in equity, and of cash flows for the years then ended, and the related notes to the combined financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the combined financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the combined financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying combined financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Combining and Supplementary Information

The supplemental information included in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic combined financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the review procedures applied in our review of the basic combined financial statements. We are not aware of any material modifications that should be made to the information. We have not audited the information and, accordingly, do not express an opinion on such information.

Chiampou Travis Besaw & Kershner LLP
 June 16, 2021

P & A ADMINISTRATIVE SERVICES, INC. AND AFFILIATES

COMBINED BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS:		
Cash	\$ 5,297,947	\$ 2,829,902
Restricted cash and investments	22,632,771	20,655,222
Investments	-	55,931
Accounts receivable, net of allowance for doubtful accounts of \$30,754 and \$30,084, respectively	1,400,909	1,429,088
Current portion of notes receivable - stockholder	-	95,896
Current portion of notes receivable - related party	25,125	-
Prepaid expenses and other current assets	274,449	165,460
Total current assets	<u>29,631,201</u>	<u>25,231,499</u>
PROPERTY AND EQUIPMENT, NET	144,950	190,304
OTHER ASSETS:		
Notes receivable - stockholder	466,353	458,104
Notes receivable - related party	591,791	636,401
Cash surrender value of officers' life insurance	250,071	239,907
	<u>1,308,215</u>	<u>1,334,412</u>
	<u>\$ 31,084,366</u>	<u>\$ 26,756,215</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 566,677	\$ 444,774
Client trust funds	22,632,771	20,655,222
Accrued expenses	1,339,766	1,136,937
Deferred revenue	10,644	12,998
Deferred commitment agreements	261,796	220,901
Total current liabilities	<u>24,811,654</u>	<u>22,470,832</u>
DEFERRED COMMITMENT AGREEMENTS	699,216	793,520
EQUITY	<u>5,573,496</u>	<u>3,491,863</u>
	<u>\$ 31,084,366</u>	<u>\$ 26,756,215</u>

See independent accountants' review report and notes to combined financial statements.

P & A ADMINISTRATIVE SERVICES, INC. AND AFFILIATES

**COMBINED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
REVENUE	\$ 17,927,364	\$ 15,924,520
OPERATING EXPENSES	<u>14,468,281</u>	<u>13,239,031</u>
INCOME FROM OPERATIONS	3,459,083	2,685,489
OTHER:		
Other income	1,581,222	-
Interest income	189,159	363,452
Realized loss on investments	<u>(55,931)</u>	<u>-</u>
	1,714,450	363,452
NET INCOME	5,173,533	3,048,941
OTHER COMPREHENSIVE INCOME:		
Unrealized loss on investments	<u>-</u>	<u>(8,932)</u>
COMPREHENSIVE INCOME	<u>\$ 5,173,533</u>	<u>\$ 3,040,009</u>

See independent accountants' review report and notes to combined financial statements.

P & A ADMINISTRATIVE SERVICES, INC. AND AFFILIATES

**COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>Capital Stock</u>	<u>Additional Paid-In Capital</u>	<u>Combined Retained Earnings</u>	<u>Partners' Capital</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Combined Equity</u>
January 1, 2019	\$ 1,300	\$ 27,900	\$ 2,172,926	\$ 708,056	\$ 64,863	\$ 2,975,045
Net income	-	-	2,825,579	223,362	-	3,048,941
Unrealized loss on investments	-	-	-	-	(8,932)	(8,932)
Distributions	-	-	(2,328,231)	(194,960)	-	(2,523,191)
December 31, 2019	1,300	27,900	2,670,274	736,458	55,931	3,491,863
Net income	-	-	4,953,708	219,825	-	5,173,533
Amounts reclassified from accumulated other comprehensive income	-	-	55,931	-	(55,931)	-
Distributions	-	-	(2,892,440)	(199,460)	-	(3,091,900)
December 31, 2020	<u>\$ 1,300</u>	<u>\$ 27,900</u>	<u>\$ 4,787,473</u>	<u>\$ 756,823</u>	<u>\$ -</u>	<u>\$ 5,573,496</u>

See independent accountants' review report and notes to combined financial statements.

P & A ADMINISTRATIVE SERVICES, INC. AND AFFILIATES

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 5,173,533	\$ 3,048,941
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	92,365	119,023
Realized loss on investment	55,931	-
Bad debt expense	670	12,168
Increase in cash surrender value of officers' life insurance	(10,164)	(10,215)
Debt forgiveness income (Note 11)	(1,581,222)	-
Changes in operating assets and liabilities:		
Accounts receivable	27,509	(156,691)
Prepaid expenses and other current assets	(108,989)	31,669
Accounts payable	121,903	98,242
Accrued expenses	202,829	81,894
Deferred revenue	(2,354)	(6,247)
Deferred commitment agreements	(53,409)	176,219
Net cash provided by operating activities	<u>3,918,602</u>	<u>3,395,003</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(47,011)	(9,173)
Collections of notes receivable - stockholder	87,647	48,927
Advances to stockholder	-	(554,000)
Collections of notes receivable - related party	19,485	-
Advances from related party	-	11,118
Net cash provided by (used in) investing activities	<u>60,121</u>	<u>(503,128)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net change in client trust funds held	1,977,549	2,632,720
Proceeds from Paycheck Protection Program Loan (Note 11)	1,581,222	-
Distributions to stockholders/partners	(3,091,900)	(2,523,191)
Net cash provided by financing activities	<u>466,871</u>	<u>109,529</u>
NET CHANGE IN CASH AND RESTRICTED CASH	4,445,594	3,001,404
CASH AND RESTRICTED CASH, beginning of year	<u>23,485,124</u>	<u>20,483,720</u>
CASH AND RESTRICTED CASH, end of year	<u>\$ 27,930,718</u>	<u>\$ 23,485,124</u>
Included in the accompanying balance sheets under the following captions:		
Cash	\$ 5,297,947	\$ 2,829,902
Restricted cash and investments	<u>22,632,771</u>	<u>20,655,222</u>
CASH AND RESTRICTED CASH, end of year	<u>\$ 27,930,718</u>	<u>\$ 23,485,124</u>

See independent accountants' review report and notes to combined financial statements.

P & A ADMINISTRATIVE SERVICES, INC. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(See Independent Accountants' Review Report)

1. ORGANIZATION

P & A Administrative Services, Inc. ("P & A Admin"), P & A Insurance Services, Inc. ("P & A Insurance"), P & A Retirement Plan Services, Inc. ("P & A RPS"), and Priselac and Associates ("Priselac") are engaged in the design, administration and communication of pension and profit sharing plans, flexible spending accounts, cafeteria plans and other employee benefits. Clients are located throughout the United States, with a concentration in the Northeastern United States.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination – The combined financial statements include the accounts of P & A Admin, P & A Insurance, P & A RPS, and Priselac (collectively, the "Companies"). The Companies are associated due to common ownership. All significant intercompany accounts and transactions have been eliminated upon combination.

Cash – The Companies maintain their cash in bank deposit accounts which, at times, may exceed federally-insured limits. The Companies have not experienced any losses in such accounts and management believes that the Companies are not exposed to any significant credit risk with their cash.

Investment Valuation and Income Recognition – The Company determines the fair value of assets and liabilities which are subject to reporting at fair value based on standards established within generally accepted accounting principles. These standards establish a hierarchy for the determination of fair value, as well as disclosure requirements relative to those assets and liabilities. The hierarchy identified three levels of input. Level 1 inputs are generally quoted market prices for identical assets or liabilities, which are actively traded on an exchange. Level 2 inputs generally consist of market prices for identical assets which are not actively traded or market prices of similar assets or liabilities which are actively traded on an exchange. Level 3 inputs are referred to as unobservable inputs and consist primarily of information derived by management where Level 1 and Level 2 inputs are not available. These may include such things as present value of expected future cash flows or other valuation methodologies. Under the hierarchy, Level 1 inputs are the most preferred followed by Level 2, and Level 3. Level 3 inputs are to be used when neither Level 1 nor Level 2 inputs are available.

An investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Government securities are valued based on quoted market prices available on an active market, which are level 1 inputs.

The Company presents in the combined statements of income and other comprehensive income the net unrealized and realized gains and losses on debt-securities that were held or sold during the year. Accumulated other comprehensive income is reported as a component of equity in the combined statements of changes in equity. Purchases and sales are recorded on a trade date basis. Interest income is recorded on the accrual basis and is recorded as earned by the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable – The Companies do not require collateral or charge interest when granting credit. The Companies use the reserve method to account for bad debts and review their accounts receivable on a monthly basis. When an account is deemed uncollectible, the Companies charge operations. In addition, a general reserve for uncollectible accounts may be recorded based on management’s estimation of uncollectible accounts.

Property and Equipment – Property and equipment are stated at cost. Depreciation and amortization over the estimated useful lives of the assets (5 to 10 years) is computed using straight-line and accelerated methods for financial statement reporting purposes.

Investment in Partnership – The investment in partnership represents Priselac’s 25% interest in a partnership which is reported on the equity method. Under this method, the Companies report the investment based upon Priselac’s proportionate share of the net assets of the partnership and include the proportionate share of income or losses in the combined statement of income. Based on the partnership’s cumulative losses allocable to Priselac’s interest, the investment balance was \$0 at December 31, 2020 and 2019.

Capital Stock – Capital stock consisted of the following at December 31, 2020 and 2019:

P & A Admin - Common stock: no par value. Authorized - 200 shares; issued and outstanding - 150 shares.

P & A Insurance - Common stock: \$10 par value. Authorized - 200 shares; issued and outstanding - 90 shares.

P & A RPS - Common stock: \$1 par value. Authorized, issued and outstanding - 100 shares.

Revenue Recognition – Revenue is recognized in the month earned as services are provided to clients.

Income Taxes – P & A Admin, P & A Insurance and P & A RPS are S-Corporations, and Priselac is a partnership for Federal and state tax purposes. Income from the S-Corporations and partnership are taxed to the stockholders and partners, respectively, on their individual returns.

Use of Estimates – The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Subsequent Events – Management of the Companies has evaluated the effects of all subsequent events through June 16, 2021, the date the combined financial statements were available to be issued, to determine if events or transactions occurring through that date require potential adjustment or disclosure in the combined financial statements.

3. RESTRICTED CASH AND INVESTMENTS

As a third-party administrator, P & A Admin maintains cash and investments in trust accounts for its clients, which is used to pay benefit claims and insurance premiums. There was \$22,632,771 and \$20,655,222 of cash and investments held in such trust accounts as of December 31, 2020 and 2019, respectively. Restricted cash funds are maintained in depository accounts with a bank which, at times, may exceed federally-insured limits. Management does not believe that there is significant risk of loss associated with cash held in bank accounts. Restricted investment accounts were comprised of U.S. Treasury securities which matured at various dates through June 2020, and were classified as available-for-sale securities. Unrealized and realized gains and losses on investments represent unrestricted gains and losses to the Company and are reported separately in the accompanying combined balance sheets. The following table presents the Company's restricted and unrestricted cash and investments as of December 31:

	2020		
	Cost (Restricted)	Fair Value	Unrealized Gain (Unrestricted)
Cash	<u>\$ 22,632,771</u>	<u>\$ 22,632,771</u>	<u>\$ _____ -</u>
	2019		
	Cost (Restricted)	Fair Value	Unrealized Gain (Unrestricted)
Cash	\$ 1,832,662	\$ 1,832,662	\$ -
Investments	<u>18,822,560</u>	<u>18,878,491</u>	<u>55,931</u>
	<u>\$ 20,655,222</u>	<u>\$ 20,711,153</u>	<u>\$ 55,931</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2020	2019
Leasehold improvements	\$ 112,982	\$ 112,982
Office equipment and computer software	2,989,815	2,942,804
Furniture and fixtures	<u>70,140</u>	<u>70,140</u>
	3,172,937	3,125,926
Less accumulated depreciation and amortization	<u>3,027,987</u>	<u>2,935,622</u>
	<u>\$ 144,950</u>	<u>\$ 190,304</u>

5. DEMAND NOTE PAYABLE

P & A Admin has a line of credit arrangement with a bank which provides for borrowings of up to \$150,000. Borrowings bear interest at the bank's prime rate plus .50% and are secured by substantially all assets of the Companies. Repayment is personally guaranteed by the stockholders. There were no borrowings outstanding under this arrangement at December 31, 2020 and 2019.

6. RELATED PARTY TRANSACTIONS

The Companies' New York office facilities are leased from a partnership in which Priselac holds a partnership interest. The lease calls for monthly payments of \$28,350, plus common area charges, and expires in August 2025. Future minimum rental payments required under this lease for the five years subsequent to December 31, 2020, are approximately as follows:

2021	\$ 340,200
2022	340,200
2023	340,200
2024	340,200
2025	231,000

The Companies also have a note receivable with a related party due in monthly installments of \$3,342, including interest at 4%, through February 2033.

7. NOTES RECEIVABLE - STOCKHOLDER

Notes receivable - stockholder consists of a promissory note with a stockholder due in monthly installments of \$10,970, including interest at 7%. Subsequent to December 31, 2020, the terms of this note were modified to allow for interest-only payments from January 2021 through July 2022, with an extension of the maturity date to July 2026.

8. OPERATING LEASES

The Companies lease vehicles and office equipment under various non-cancelable operating leases, which expire at various dates through June 2023. Total expense under these operating leases was \$40,718 and \$49,509 the years ended December 31, 2020 and 2019, respectively. Future minimum rental payments required under these operating leases are as follows:

2021	\$ 37,276
2022	37,276
2023	18,638

9. PROFIT SHARING AND 401(K) PLAN

The Companies maintain a 401(k) profit sharing plan, which allows employee contributions through voluntary salary deferrals, and covers substantially all employees. The Companies may make discretionary contributions for those employees eligible to participate, as defined in the plan. The Companies made discretionary contributions to the plan of \$164,080 and \$113,154 for the years ended December 31, 2020 and 2019, respectively.

10. DEFERRED COMMITMENT AGREEMENTS

The Companies maintain agreements, which cover certain parties, providing for deferred payments based upon annual income thresholds, and subject to vesting schedules. There was \$961,012 and \$1,014,421 accrued relating to these plans as of December 31, 2020 and 2019, respectively. During September 2019, the Companies and one of the parties entered into an agreement for fixed payments of principal and interest through October 2028. The balance due under this agreement is due as follows: 2021 - \$94,304; 2022 - \$96,222; 2023 - \$98,178; 2024 - \$100,175, 2025 - \$102,212; and, thereafter - \$302,428.

11. COVID-19 PANDEMIC

In March 2020, the COVID-19 pandemic outbreak began to affect the regions in which the Companies operate. In connection with this outbreak, the Governor of the State of New York ordered all non-essential businesses be shut down immediately. Under this order, the Companies were deemed essential and continued to operate.

On April 16, 2020, P&A Administrative Services received a loan in the amount of \$1,433,677, and P&A Retirement Plan Services received a loan in the amount of \$147,545, pursuant to the Paycheck Protection Program (“PPP”) under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), enacted on March 27, 2020

During January 2021, the Companies were approved for full loan forgiveness by the Small Business Administration. Debt forgiveness of \$1,581,222 has been recorded as other income on the accompanying combined statement of income and comprehensive income for the year ended December 31, 2020.

The pandemic and its economic impacts continue as of the date of this report. The effects, if any, on the future operations of the Companies are uncertain.

* * * * *

P & A ADMINISTRATIVE SERVICES, INC. AND AFFILIATES
**COMBINING BALANCE SHEET
DECEMBER 31, 2020**

	COMBINED	ELIMINATIONS	P & A ADMIN	P & A INSURANCE	PRISELAC & ASSOCIATES	P & A RPS
ASSETS						
CURRENT ASSETS:						
Cash	\$ 5,297,947	\$ -	\$ 4,712,303	\$ -	\$ 21,882	\$ 563,762
Restricted cash and investments	22,632,771	-	22,632,771	-	-	-
Accounts receivable, net	1,400,909	-	1,040,640	92,450	3,342	264,477
Accounts receivable - intercompany	-	(801,846)	25,979	753,518	22,349	-
Current portion of notes receivable - related party	25,125	-	-	-	25,125	-
Prepaid expenses and other current assets	274,449	-	268,322	895	-	5,232
Total current assets	29,631,201	(801,846)	28,680,015	846,863	72,698	833,471
PROPERTY AND EQUIPMENT, NET	144,950	-	52,616	-	92,334	-
OTHER ASSETS:						
Notes receivable - stockholder	466,353	-	466,353	-	-	-
Notes receivable - related party	591,791	-	-	-	591,791	-
Cash surrender value of officers' life insurance	250,071	-	250,071	-	-	-
Total other assets	1,308,215	-	716,424	-	591,791	-
	<u>\$ 31,084,366</u>	<u>\$ (801,846)</u>	<u>\$ 29,449,055</u>	<u>\$ 846,863</u>	<u>\$ 756,823</u>	<u>\$ 833,471</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES:						
Accounts payable	\$ 566,677	\$ (801,846)	\$ 1,061,118	\$ -	\$ -	\$ 307,405
Client trust funds	22,632,771	-	22,632,771	-	-	-
Accrued expenses	1,339,766	-	1,087,016	52,933	-	199,817
Deferred revenue	10,644	-	-	-	-	10,644
Deferred commitment agreements	261,796	-	261,796	-	-	-
Total current liabilities	24,811,654	(801,846)	25,042,701	52,933	-	517,866
DEFERRED COMMITMENT AGREEMENTS	699,216	-	699,216	-	-	-
EQUITY:						
Capital stock	1,300	-	300	900	-	100
Additional paid-in capital	27,900	-	-	-	-	27,900
Retained earnings	4,787,473	-	3,706,838	793,030	-	287,605
Partners' capital	756,823	-	-	-	756,823	-
	<u>5,573,496</u>	<u>-</u>	<u>3,707,138</u>	<u>793,930</u>	<u>756,823</u>	<u>315,605</u>
	<u>\$ 31,084,366</u>	<u>\$ (801,846)</u>	<u>\$ 29,449,055</u>	<u>\$ 846,863</u>	<u>\$ 756,823</u>	<u>\$ 833,471</u>

P & A ADMINISTRATIVE SERVICES, INC. AND AFFILIATES
**COMBINING BALANCE SHEET
DECEMBER 31, 2019**

	COMBINED	ELIMINATIONS	P & A ADMIN	P & A INSURANCE	PRISELAC & ASSOCIATES	P & A RPS
ASSETS						
CURRENT ASSETS:						
Cash	\$ 2,829,902	\$ -	\$ 2,701,851	\$ -	\$ 5,374	\$ 122,677
Restricted cash and investments	20,655,222	-	20,655,222	-	-	-
Investments	55,931	-	55,931	-	-	-
Accounts receivable, net	1,429,088	-	1,107,124	73,683	-	248,281
Accounts receivable - intercompany	-	(526,438)	9,775	516,663	-	-
Current portion of notes receivable - stockholder	95,896	-	95,896	-	-	-
Prepaid expenses and other current assets	165,460	-	156,053	918	-	8,489
Total current assets	<u>25,231,499</u>	<u>(526,438)</u>	<u>24,781,852</u>	<u>591,264</u>	<u>5,374</u>	<u>379,447</u>
PROPERTY AND EQUIPMENT, NET	190,304	-	8,663	-	181,641	-
OTHER ASSETS:						
Notes receivable - stockholder	458,104	-	458,104	-	-	-
Notes receivable - related party	636,401	-	-	-	636,401	-
Cash surrender value of officers' life insurance	239,907	-	239,907	-	-	-
Total other assets	<u>1,334,412</u>	<u>-</u>	<u>698,011</u>	<u>-</u>	<u>636,401</u>	<u>-</u>
	<u>\$ 26,756,215</u>	<u>\$ (526,438)</u>	<u>\$ 25,488,526</u>	<u>\$ 591,264</u>	<u>\$ 823,416</u>	<u>\$ 379,447</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES:						
Accounts payable	\$ 444,774	\$ (526,438)	\$ 611,671	\$ -	\$ 86,958	\$ 272,583
Client trust funds	20,655,222	-	20,655,222	-	-	-
Accrued expenses	1,136,937	-	912,582	34,203	-	190,152
Deferred revenue	12,998	-	-	-	-	12,998
Deferred commitment agreements	220,901	-	220,901	-	-	-
Total current liabilities	<u>22,470,832</u>	<u>(526,438)</u>	<u>22,400,376</u>	<u>34,203</u>	<u>86,958</u>	<u>475,733</u>
DEFERRED COMMITMENT AGREEMENTS	793,520	-	793,520	-	-	-
EQUITY:						
Capital stock	1,300	-	300	900	-	100
Additional paid-in capital	27,900	-	-	-	-	27,900
Retained earnings	2,670,274	-	2,238,399	556,161	-	(124,286)
Partners' capital	736,458	-	-	-	736,458	-
Accumulated other comprehensive income	55,931	-	55,931	-	-	-
	<u>3,491,863</u>	<u>-</u>	<u>2,294,630</u>	<u>557,061</u>	<u>736,458</u>	<u>(96,286)</u>
	<u>\$ 26,756,215</u>	<u>\$ (526,438)</u>	<u>\$ 25,488,526</u>	<u>\$ 591,264</u>	<u>\$ 823,416</u>	<u>\$ 379,447</u>

See independent accountants' review report.

P & A ADMINISTRATIVE SERVICES, INC. AND AFFILIATES

**COMBINING STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020**

	COMBINED	ELIMINATIONS	P & A ADMIN	P & A INSURANCE	PRISELAC & ASSOCIATES	P & A RPS
REVENUE	\$ 17,927,364	\$ (635,969)	\$ 11,353,405	\$ 4,358,984	\$ 635,969	\$ 2,214,975
OPERATING EXPENSES	<u>14,468,281</u>	<u>(635,969)</u>	<u>10,106,727</u>	<u>2,767,387</u>	<u>429,507</u>	<u>1,800,629</u>
INCOME FROM OPERATIONS	3,459,083	-	1,246,678	1,591,597	206,462	414,346
OTHER:						
Other income	1,581,222	-	1,433,677	-	-	147,545
Management fee income (expense)	-	-	150,000	-	-	(150,000)
Interest income	189,159	-	175,796	-	13,363	-
Realized loss on investments	<u>(55,931)</u>	<u>-</u>	<u>(55,931)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,714,450</u>	<u>-</u>	<u>1,703,542</u>	<u>-</u>	<u>13,363</u>	<u>(2,455)</u>
NET INCOME	<u>\$ 5,173,533</u>	<u>\$ -</u>	<u>\$ 2,950,220</u>	<u>\$ 1,591,597</u>	<u>\$ 219,825</u>	<u>\$ 411,891</u>

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P & A ADMINISTRATIVE SERVICES, INC. AND AFFILIATES**COMBINING STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019**

	COMBINED	ELIMINATIONS	P & A ADMIN	P & A INSURANCE	PRISELAC & ASSOCIATES	P & A RPS
REVENUE	\$ 15,924,520	\$ (665,173)	\$ 9,768,403	\$ 3,944,701	\$ 665,173	\$ 2,211,416
OPERATING EXPENSES	<u>13,239,031</u>	<u>(665,173)</u>	<u>8,776,805</u>	<u>2,829,554</u>	<u>458,713</u>	<u>1,839,132</u>
INCOME FROM OPERATIONS	2,685,489	-	991,598	1,115,147	206,460	372,284
OTHER:						
Management fee income (expense)	-	-	150,000	-	-	(150,000)
Interest income	<u>363,452</u>	<u>-</u>	<u>346,550</u>	<u>-</u>	<u>16,902</u>	<u>-</u>
	<u>363,452</u>	<u>-</u>	<u>496,550</u>	<u>-</u>	<u>16,902</u>	<u>(150,000)</u>
NET INCOME	3,048,941	-	1,488,148	1,115,147	223,362	222,284
OTHER COMPREHENSIVE INCOME:						
Unrealized gain on investments	<u>(8,932)</u>	<u>-</u>	<u>(8,932)</u>	<u>-</u>	<u>-</u>	<u>-</u>
COMPREHENSIVE INCOME	<u>\$ 3,040,009</u>	<u>\$ -</u>	<u>\$ 1,479,216</u>	<u>\$ 1,115,147</u>	<u>\$ 223,362</u>	<u>\$ 222,284</u>

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P & A ADMINISTRATIVE SERVICES, INC. AND AFFILIATES

**COMBINED SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
Salaries and wages	\$ 7,711,572	\$ 6,520,170
Employee benefits	1,249,713	1,168,756
Commissions	1,120,753	865,138
Software and maintenance	891,035	717,929
Payroll taxes	684,474	565,438
Postage	635,877	512,208
Rent	342,540	367,758
Professional fees	290,247	201,503
Telephone and internet	241,479	155,869
Outside services	235,036	852,924
Trading costs	211,890	204,446
Supplies	161,395	157,804
Insurance	123,079	116,591
Depreciation and amortization	92,365	119,023
Dues and subscriptions	74,097	61,416
Statement costs	38,704	41,272
Travel and entertainment	37,242	139,740
Vehicle	35,594	43,272
Marketing and advertising	31,550	62,863
Bank service charges	31,110	70,408
Distribution process fees	27,533	31,030
Licenses and fees	18,197	29,354
Training	13,788	58,036
Office equipment rental	5,124	5,788
Miscellaneous	163,887	170,295
	<u>\$ 14,468,281</u>	<u>\$ 13,239,031</u>

See independent accountants' review report.

P&A PERFORMANCE GUARANTEES

FSA Performance Guarantees

We are willing to offer performance guarantees with fees at risk. They are as follows:

	FSA Performance Standard	Established Target	Fees at Risk
1	Implementation & Accurate/Timely Reporting	Assuming all necessary paperwork and data are received at a minimum of 30 days in advance of the effective date, the plan will be fully implemented on its effective date. Reporting will be accurate and timely 98% of the time. Transactional/Non-payment accuracy will be 98%	2%
2	Claims Performance	100% of claims will be adjudicated within 5 business days with a minimum of 98% processing and financial accuracy.	2%
3	Customer Service/Client Satisfaction	Call abandonment rates will be less than 4%. Customer service calls will be answered in 30 seconds or less 98% of the time. Overall client satisfaction will be as mutually agreed upon between each client and P&A.	2%
4	Account Administration	A dedicated Account Manager will provide administration of FSA services. This individual will be directly available to the employer Monday through Friday during normal business hours. Our standard is to return voicemails and e-mails within 1 business day 98% of the time. If ever this individual is unavailable, their assistant, team leader, or department supervisor will be available.	2%
5	Employee Education/ Website Accessibility	All necessary educational materials to promote the successful participation in the annual enrollment process will be furnished. Unscheduled website downtime will be less than 1%. Administration systems will be functional 99% of the time.	2%
		TOTAL FEES AT RISK:	10%

P&A PERFORMANCE GUARANTEES

COBRA/Retiree Billing Performance Guarantees

We are willing to offer performance guarantees with fees at risk. They are as follows:

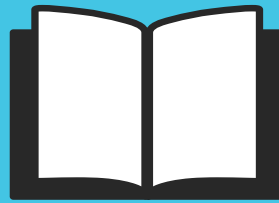
	COBRA & Retiree Billing Performance Standard	Established Target	Fees at Risk
1	Implementation	COBRA & Retiree Billing services will be implemented in a timely manner, providing all required implementation paperwork and data is received no later than 60 days prior to the effective date of service.	2%
2	Accurate/Timely Reporting	Reporting will be accurate and timely 98% of the time.	2%
3	COBRA & Retiree Billing Administration	A dedicated Account Manager will provide administration of COBRA, ensuring notices are processed and mailed out to applicable individuals. Premium billing, collection & remittance for both COBRA & Retiree Billing will also be overseen by the Account Manager. If ever this individual is unavailable, their assistant, team leader or department supervisor will be available. Our standard is to return voicemails and e-mails within 1 business day 98% of the time.	2%
4	Customer Service/Client Satisfaction	Call abandonment rates will be less than 4%. Customer service calls will be answered in 30 seconds or less 98% of the time. Overall client satisfaction will be as mutually agreed upon between each client and P&A.	2%
5	Website Accessibility	Unscheduled website downtime will be less than 1%. Administration systems will be functional 99% of the time.	2%
		TOTAL FEES AT RISK:	10%

FLEXIBLE SPENDING ACCOUNT



Save money on eligible expenses and increase your take-home pay!





FSA GLOSSARY

Are you unsure of what a certain word means? Search our glossary for definitions of commonly used words.

ANNUAL ELECTION AMOUNT

This is the total dollar amount you elect to put into your FSA at the beginning of each plan year.

DEPENDENT

A person whose expenses are eligible for reimbursement through the employee's FSA. A dependent also includes any child of a participant whose 27th birthday will not have occurred by the last day of the current calendar year. Please visit our website www.padmin.com for more information.

ELIGIBLE EXPENSE

Items that are reimbursable under the FSA Plan are classified as "eligible expenses" according to IRS rules. For a detailed list of what is eligible please refer to page 10.

FICA

Taxes collected for Social Security and Medicare benefits.

FLEXIBLE SPENDING ACCOUNT

Also known as an FSA; a pre-tax benefit plan that enables the employee to save up to 30-40% on eligible expenses. By enrolling in this plan, the participant saves on state (except in New Jersey), federal and FICA taxes.

GRACE PERIOD

An employer-chosen provision that gives you two and a half months after the end of the plan year to incur eligible expenses, as long as you are actively enrolled as of the last day of the plan year.

HEALTH FSA CARRY FORWARD

An employer-chosen provision allowing up to a maximum of \$550 of unused Health FSA funds to carry forward into the next plan year. Under the CARES Act of 2020, the maximum rollover amount increases from \$500 to \$550 for plans who adopt this optional provision. The increase will be indexed in future years.

OPEN ENROLLMENT

A designated time, prior to the start of your plan year, during which employees can enroll in the FSA plan and change their benefit elections.

PLAN YEAR

Typically, a twelve month period during which the annual election is effective.

RUN-OUT PERIOD

A period of time after the plan year ends during which participants may submit receipts for expenses that were incurred during the plan year or grace period.

UNIFORM COVERAGE RULE

This rule allows you to access your entire annual election for the Health FSA immediately after the start of the plan year. All other accounts are "pay-as-you-go." This rule only applies for the Health Flexible Spending Account.

USE OR LOSE RULE

An IRS rule which states that employees must spend any remaining balance in their FSA by the end of the plan year. If you don't spend the money, you forfeit it.

WHAT IS AN FSA?

A Flexible Spending Account (FSA) is a pre-tax program your employer sponsors that allows you to save Federal, state and Social Security (FICA) taxes on eligible expenses. When you enroll in a FSA, you increase your take-home pay and improve your bottom line!

How It Works

Under this plan you can use pre-tax money to pay for up to four different kinds of expenses, including: your medical, dental and vision care expenses that are not covered by your insurance; the cost of caring for a dependent while you work; the cost of dental, vision and accident insurance not provided by your employer; and, your cost for adopting a child.

When You Enroll

When you enroll you determine the amount of expenses you anticipate for the upcoming year. The benefits you elect are paid for with pre-tax dollars deducted from your paycheck each payroll period. These dollars are subtracted from your gross earnings before taxes are taken out.

Your Benefits Are Enhanced

FSAs are designed to cut predictable costs while increasing your take-home pay. Maximize every dollar by taking advantage of this benefit choice. Alleviate those high out-of-pocket expenses by enrolling in a plan that works for you.

Your Spendable Income Increases

When you elect pre-tax benefits under a flexible benefits plan, you lower your taxable income on your W-2; therefore, you pay less in taxes and increase your spendable income. Depending on your tax bracket, this plan can save you 30% to 40% on qualifying expenses

Whose Expenses are Eligible?

Under the plan, only the expenses of a participant, a participant's spouse or a participant's dependent(s) qualify for pre-tax treatment. If you are unsure if a person qualifies as an eligible dependent, please refer to P&A's website for a more detailed definition.



ENROLLMENT INFORMATION

Any benefits you elect are paid for with money that is withheld from your pay. These pay reductions do not count as income for income tax or Social Security tax purposes. This means that the Plan allows you to use tax-free dollars for expenses that would otherwise have to be paid for with money that you have already paid taxes on.



When can I enroll?

Participants can enroll in an account during their open enrollment. This is the period of time determined by the employer when employees can elect their benefits and determine how much money to put into an FSA.



Will my Social Security benefits be affected by my contributions to the Plan?

Your Social Security benefits may be slightly reduced because, when your pay is reduced to cover your benefits under the Plan, the amount of contributions that are made to the federal Social Security system to provide you Social Security benefits also are reduced. However, for most employees, the reduction in Social Security benefits will be insignificant compared to the value of paying lower taxes today.



May I change my benefit election?

You may only make a change in your election(s) during open enrollment. This means you may not make a change in your election(s) after the open enrollment period unless you experience a qualifying event, which includes the following:

- a change in legal status (e.g., marriage, death of your spouse, divorce, legal separation or annulment),
- a change in the number of your dependents due to events such as birth or adoption,
- a termination or commencement of employment by your spouse or dependent and,
- a change in the place where you, your spouse or dependent work or reside.

Changes must be requested within 30 days of the qualifying event.

“Use or Lose” Rule

Under IRS guidelines, if you contribute money to a reimbursement account and do not use all of the money you deposit, you will lose any remaining balance in the account at the end of the plan year. Only contribute money you are confident you will use during to pay for qualified expenses during the plan year!

If your employer selects the option to add the grace period provision or Health FSA carry forward provision to the plan, the “use-or-lose” rule will be modified. Please check your Summary Plan Description (SPD) for details specific to your plan.

TAX SAVINGS

Whether you are an individual, part of a dual-income household or a couple with one working spouse, a Flexible Spending Account will provide you with additional benefits and more take-home pay.

INDIVIDUAL

In the illustration below, the single employee earns \$30,000. She uses the flex plan to pay for her health insurance co-payments and deductibles, and vision insurance she purchases on her own. By using a flex plan, she increases her take-home pay by \$456. That is additional take-home pay she can use for herself!

WORKING COUPLE WITH DEPENDENTS

This husband and wife both work. They have two children. He makes \$30,000 and she earns \$42,000 per year. They use the flex plan to help pay for orthodontia and child care for their younger child. The couple-

also use their flex plan to pay for vision insurance premiums for their child who is too old to be covered by their company plan. The chart shows that this couple increases their monthly take-home by \$184 a month or \$2,208 total this year. That gives them additional money for the emergency expenses every family has and allows them to set some money aside to fund an additional retirement plan.

COUPLE – ONE WORKING SPOUSE

With grown children and only one spouse working, this couple has no child-care expenses. The annual salary of the working spouse is \$54,000. They use the flex plan to pay the premium for non-employer vision insurance coverage, to meet their health insurance deductibles, and to pay dental care expenses. The flex plan increases the spouse's take-home pay by \$32 per month, or \$384 for the year – a nice raise for the family budget!

MONTHLY EXPENSES	INDIVIDUAL		WORKING COUPLE WITH DEPENDENTS		COUPLE- ONE WORKING SPOUSE	
	Without FSA	With FSA	Without FSA	With FSA	Without FSA	With FSA
Gross Monthly Income	\$2,500	\$2,500	\$6,000	\$6,000	\$4,500	\$4,500
Less Non-Deductible Benefits						
Non-Employer Vision Insurance Premiums		\$75		\$150		\$100
Medical/Dental Expenses		\$75		\$150		\$100
Child Care Expenses				\$400		
Total Monthly Income Subject to Tax	\$2,500	\$2,350	\$6,000	\$5,300	\$4,500	\$4,300
Monthly Federal & State Taxes*	\$252	\$225	\$324	\$194	\$117	\$100
Monthly Social Security & Medicare Taxes	\$191	\$180	\$459	\$405	\$344	\$329
After Tax Income	\$2,057	\$1,945	\$5,217	\$4,701	\$4,039	\$3,871
After Tax Expenses						
Non-Employer Vision Insurance Premiums	\$75		\$150		\$100	
Medical/Dental Expenses	\$75		\$150		\$100	
Child Care Expenses			\$400			
Monthly Spendable Income	\$1,907	\$1,945	\$4,517	\$4,701	\$3,839	\$3,871
Annual Increase in Take-Home Pay		\$456		\$2,208		\$384
<i>*Federal and state taxes reflect 2019 federal tax rates and typical state taxes with standard deductions and exemptions.</i>						

ACCOUNT OPTIONS



Health Flexible Spending

Enroll in a Health FSA to save money on medical, dental and vision expenses that are only partially covered or not covered at all by insurance. Eligible expenses include:

- braces
- eyeglasses/prescription sunglasses
- insurance deductibles, co-payments
- OTC medications

Annual Election Amount

If you enroll in a Health FSA, the total amount you elect will be available for use beginning on the first day of your plan year. You will be entitled for reimbursement of claims up to the entire elected amount even if the total salary reduction contributions are less than the total amount of claims that you have submitted.



Dependent Care Assistance Account

Set aside money into this account to pay for dependent daycare expenses for your eligible dependents. Eligible expenses include:

- after school programs
- babysitters
- caregivers/eldercare
- daycare centers



Individual Premium Reimbursement Account

Use this account to pay for certain premium/disability premiums for non-employer sponsored coverage. Eligible expenses include:

- Disability premiums
- Individual accident, dental or vision premiums

PLEASE NOTE: If you use this account to pay for the cost of your individual disability policy, the benefit you would receive will be taxed. The IRS does not allow you to use tax-free dollars and receive a tax-free benefit for the same expense.



Adoption Assistance Account

With an Adoption Assistance FSA, you can save money on reasonable and necessary adoption expenses. Eligible expenses include:

- adoption agency fees
- attorney fees
- court costs

PLEASE NOTE: This account is subject to FICA taxes. You save only federal and state income taxes.

CLAIMS & REIMBURSEMENT FAQS

How does P&A reimburse me?

The quickest way to receive your money is by direct deposit into your personal checking or savings account. Sign up for direct deposit by logging into your account from our mobile app (see page 8 for more info) or log into your account at www.padmin.com. If you don't enroll in direct deposit, you will receive reimbursements via check mailed to you at home. Once enrolled in direct deposit, all reimbursements are made through direct deposit until we are otherwise notified.

What is the maximum amount I can be reimbursed?

Medical, dental, vision expenses will be reimbursed based on the total amount indicated on the claim request. This amount must not exceed your total plan-year election amount.

Dependent care expenses will be reimbursed based on the amount indicated on the claims request up to the total amount in your account (payroll deducted) at the time the claim is received. Total amounts must not exceed your plan-year election amount and must be submitted with appropriate documentation to verify eligibility of expenses.

- Minimum check reimbursement is \$25.00
- Minimum direct deposit reimbursement is .50¢

RECEIVE FASTER REIMBURSEMENTS ENROLL IN DIRECT DEPOSIT!

Enjoy receiving your reimbursement quicker, without the hassle of a check!

What documentation do I need to submit in order to get reimbursed?

FOR THE HEALTH FSA:

- Insurance company statement or Explanation of Benefits (EOB)
- Itemized bill from the provider showing date of service, services rendered, provider of service, amount paid and, if applicable, amount covered by insurance
- Prescription claims MUST include the Rx pharmacy receipt with Rx number. Credit card receipts are not acceptable

FOR THE DEPENDENT CARE ASSISTANCE ACCOUNT:

A claim must include the name, address and taxpayer identification number of the dependent care service provider. In the case of a babysitter, the taxpayer identification number is the babysitter's Social Security Number. If you cannot remit a copy of your bill/contract, your daycare provider can sign your claim form and you upload as your "receipt."

FOR THE INDIVIDUAL PREMIUM REIMBURSEMENT ACCOUNT:

When submitting a claim for this account you must include a copy of the insurance company billing statement or vision/accident/dental invoice.

FOR THE ADOPTION ASSISTANCE ACCOUNT:

P&A Group must have evidence that you have started an adoption. This would be apparent if you submit a bill from an adoption agency or a document from a court indicating the nature of the judicial proceeding. Also, P&A must be able to see that expenses like travel costs are related to your adoption proceeding.

BENEFITS CARD

P&A Group offers a Benefits MasterCard to participating employers who choose this option for their employees.

- ✓ The Benefits Card works like a debit card
- ✓ Your card is activated automatically the first time you use it
- ✓ The Benefits Card cannot be used at an ATM machine to withdraw cash
- ✓ Order dependent cards or replacement cards at no cost



When you incur an eligible expense, present your Benefits Card to the provider of the goods or services you are purchasing.

Swipe your card at the point-of-service and the expense will automatically be deducted from your FSA balance.

Save your receipt. P&A encourages you to save your receipts for all purchases in case documentation is requested.

Order a New Card or Additional Cards for Your Dependents

Your Benefits Card is valid for three years from the date of issue. When it's time for you to receive a new card, your card will automatically be mailed to your home address in a plain white envelope. Additional cards may be ordered online for your spouse or eligible dependent, as long as they're 18 years of age. To order a Benefits Card online, download our mobile app and log into your account. You can also log into your account at www.padmin.com and click Benefits Card Order Form under Quick Links.

Unable to Use Your Card? You Can Still Access Your FSA Funds

If you are unable to use your Benefits Card, you can still be reimbursed for all eligible expenses by submitting a claim P&A Group (see page 7 for more info).

Submit claims anywhere with our mobile app. Download it today!

SUBMIT A CLAIM

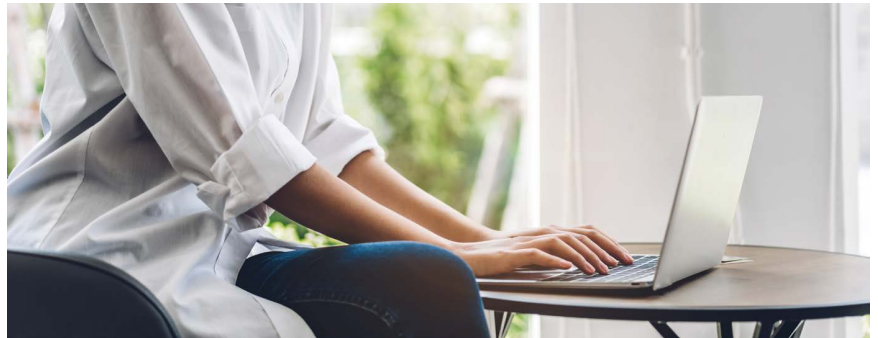
You can submit claims for reimbursement of qualified expenses incurred during the plan year. Each plan also allows for a “run-out” period at the end of the plan year when you can submit claims. Please see your Summary Plan Description (SPD) for your run-out period.

Note: Reimbursements are based on when the service is provided, not when the service is billed or paid.

Choose from several convenient ways to submit your claims. Use our mobile app, upload claims from your computer/tablet/mobile device, or fax/mail a copy to P&A Group.

P&A Group Mobile App

Download our mobile app and log into your account to submit your claims. Choose Upload Claim/Documentation from the menu and follow the prompts on your screen. See page 8 for more info.



QuikClaim Mobile Claim Submission*

Submit a claim directly from your smartphone. First, capture a picture of your receipt or other supporting documentation for your eligible expense. Log into your account at www.padmin.com on your smartphone. Select Upload and follow the prompts on your screen.

Upload Claims from Your Computer

Upload proof of purchase for your eligible expense (i.e., cash register receipt, EOB) by first scanning the documentation into your computer. Then log into your account and select Upload Claim/Documentation.

File a Paper Claim

Claims can also be faxed or mailed. Complete a claim form (log into your account at www.padmin.com to access and print the form) and fax or mail to P&A Group, along with proof of purchase of your eligible expense (i.e., itemized receipt, EOB).

Toll-free fax: (877) 855-7105

Mail: 17 Court Street, Suite 500
Buffalo, NY 14202

**Not all mobile claim upload features are currently available on all mobile devices or with all operating systems. Wireless carrier fees may apply. Requires at least a 2-megapixel camera.*



Completely manage your FSA by logging into your My Benefits account at www.padmin.com.

VISIT OUR WEBSITE

Managing your plan should be simple. Tools are built specifically for you to make account management convenient and straightforward. View your account balance or claim history, upload a claim electronically, chat with a customer service representative and more - all from your P&A account.

How to Log Into Your Account

Sign into your online account through our secure portal at www.padmin.com. Select Login at the top of the homepage and choose Employees from the drop down menu. Enter your username and password in the [My Benefits Account Login](#) box. If this is your first time logging in, click the first time logging in link to create your unique username and password. You can also manage your account through our mobile app.



Need help? We're Here for You



Customer Service Options

- 24/7 account access via IVR at (800) 688-2611
- Toll-free account information available in English & Spanish
- Customer service agents are available Monday - Friday, 8:30 am to 10:00 pm ET
- Live online chat available during customer service hours

PH: (800) 688-2611

WEB: www.padmin.com

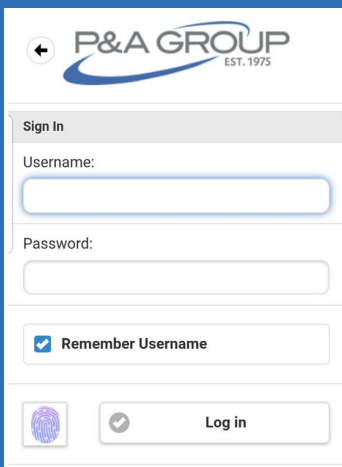
MAIL: 17 Court Street, Suite 500 Buffalo, NY 14202

MOBILE APP

Getting quick and easy access to your account(s) has never been easier. P&A Group offers mobile tools for convenient account management.

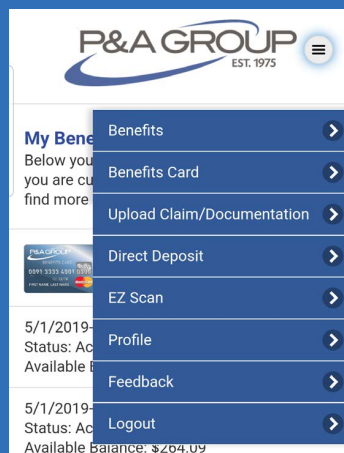
Sign in with Touch ID

With P&A's mobile app, you can sign in with new touch ID technology using your fingerprint. Just turn the fingerprint scanner option on under your phone settings and register your fingerprint under your P&A account profile. Once activated, you can sign into your P&A account with the touch of your finger, or key in your username and password.



My Benefits Menu Options

After you log into My Benefits, your plans are displayed on the screen. Click the menu icon to manage your account with options like upload a claim, order a new Benefits Card and enroll in direct deposit.



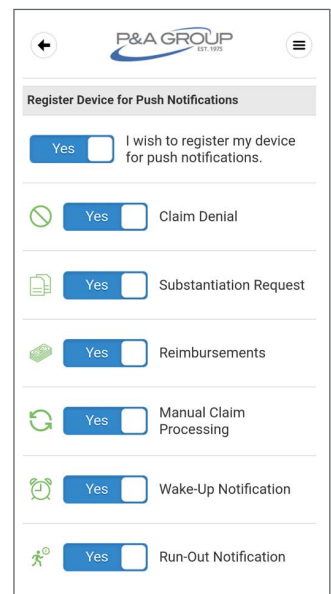
Download P&A Group's Mobile App!

Go to the [App Store](#) (On Apple devices) or [Google Play](#) (on Android devices) and search "P&A Group" to get the app.



Get Account Alerts

Opt-in to receive helpful on-the-go alerts!



Mobile Site

P&A Group's mobile site allows you to manage your account directly from your smartphone or mobile device. Created using the same design as the mobile app, the mobile site offers the same easy-to-use navigation and account management tools. Visit [padmin.com](#) on your mobile device today!

FSA SAMPLE ELIGIBLE EXPENSE LIST

CARES Act of 2020 Update

Over-the-counter (OTC) medications are now reimbursable under FSAs without requiring a prescription or completing a Letter of Medical Necessity Form. This provision is retroactive to January 1, 2020. Menstrual care products are now reimbursable as eligible expenses, including tampons and pads.

Eligible Health FSA Expenses

- Acupuncture
- Alcoholism treatment
- Allergy medication, nasal sprays
- Ambulance
- Analgesics, fever reducers, pain reducers (aspirin, ibuprofen, acetaminophen)
- Antacids and heartburn relief
- Antibiotic ointments
- Anti-itch creams and hydrocortisone creams
- Arthritis pain relieving creams
- Athlete's foot treatment, anti-fungal creams
- Artificial teeth/dentures
- Bandages
- Birth control
- Blood pressure monitors
- Braces
- Braille-books and magazines
- Breast pumps and lactation supplies
- Cancer screening
- Chiropractors
- Chondroitin
- Co-insurance amount you pay
- Cold/hot packs
- Cold medicines, tablets, syrups, cough drops & lozenges
- Co-pay amount you pay
- Compression hose (30-40 mmHg or higher)
- Condoms
- Contact lenses and eyeglasses
- Contact lens solutions
- Cost of medically necessary operations and related treatments
- Crutches
- Deductible medical coverage (amounts you pay)
- Dental fees
- Diabetic supplies
- Diaper rash ointment
- Drug addiction treatment
- Doula
- Ear wax removal kits
- Eye exams, eye surgery
- Eye glasses (protection plans/warranties are NOT eligible expenses)
- Eczema treatments
- Feminine hygiene products
- Fertility treatments (in vitro fertilization, surgery)
- First-aid cream
- Glucosamine
- Hearing devices and batteries
- Hemorrhoid treatments
- Hospital services
- Incontinence products
- Infertility treatments
- Insulin
- Laboratory fees
- Lactose intolerance tablets
- Lamaze classes
- Latex gloves
- Laxatives
- Medical alert bracelets
- Medical information plan
- Menstrual pain relievers
- Mentally handicapped persons cost of special home care
- Motion sickness pills
- Nasal spray and strips
- Nicotine gum, patches
- Nurses fees (including nurses' board and social security tax paid by you)
- Obstetrical expenses
- Orthotics
- Over-the-counter medications
- Oxygen
- Petroleum jelly
- Prosthesis
- Pregnancy tests
- Prenatal vitamins
- Psychiatrists' and psychologists' fees
- Radial keratotomy and lasik eye surgery
- Routine physical & other non diagnostic services or treatments
- Sinus medication
- Smoking cessation programs
- Speech therapy
- Special education for the blind
- Special plumbing for handicapped
- Sterilization (i.e., tubal ligation, vasectomy) and reversal
- Stomach and digestive relief items
- Sunburn cream (Solarcaine)
- Surgical fees
- Telephone, special for hearing impaired
- Television audio display equipment for hearing impaired
- Therapeutic care for drug and alcohol addiction received as medical treatment
- Thermometers
- Toothache and teething pain relievers
- Transportation expenses for person to receive medical care
- Urinary pain relief medication
- Vaccines
- Walkers
- Wart removal, i.e., W Freeze Off (certain wart medicines may require a prescription)
- Wheelchair
- X-rays
- Yeast infection medication

Eligible Health FSA Expenses Only with a Letter of Medical Necessity Form

- Compression hose (20-30 mmHg)
- Dietary supplements
- Exercise programs or equipment
- Fiber supplements
- Humidifier
- Hypnosis
- Infertility treatments
- Lead-base paint removal
- Massage therapy, rolfing therapy
- Mineral supplements
- Occupational therapy
- Orthopedic shoes (Reimbursement is permitted for the cost difference between orthopedic shoes and regular shoes.)
- Scooter, electric
- Service animal (guide dogs are eligible without a LOMN)
- Tuition/meals/lodging for special needs schooling
- Varicose vein, treatment of
- Vitamins
- Water-Pik

Never Eligible

- COBRA premiums
- Concierge service fees - **only medical services actually provided are eligible for reimbursement; membership fees for concierge services are not eligible for reimbursement**
- Cosmetic products and cosmetic surgery (unless to remediate damage from an illness or injury)
- Disposable diapers
- Diet program foods
- Electric toothbrush
- Electrolysis
- Fitness programs*
- Hair transplants*
- Hand sanitizer
- Household help
- Maternity clothes
- Teeth whitening*

*Unless prescribed by a doctor to treat an existing illness or injury.

Eligible Dependent Care FSA Expenses

- Babysitters
- Daycare centers
- Nursery schools
- After-school programs
- Day camp
- Eldercare
- (Overnight camps are NOT)

Eligible Individual Premium FSA Expenses

- Individual dental/vision/accident coverage*
- Individual disability premiums*

***PLEASE NOTE:** If you use this pre-tax account to pay for the cost of your individual disability policy, the benefit you would receive will be taxed. The IRS will not allow you to use tax-free dollars and receive a tax-free benefit for the same expense.

Eligible Adoption Assistance FSA Expenses

- Reasonable and necessary adoption fees
- Court costs
- Attorney's fees
- Travel expenses



Expense eligibility is subject to change. If you are unsure if an expense is eligible for reimbursement, please call P&A Group at (800) 688-2611 or chat with customer service through online webchat at www.padmin.com. Visit www.padmin.com for a more complete eligibility list.



Flex spending with zero guesswork.

Shop for your FSA-eligible health needs through FSA Store, P&A's vendor partner and the largest selection of guaranteed FSA-eligible products.

Visit www.padmin.com/fsaextras

and get instant access to great deals and more, including money-saving tips from a Learning Center, an Eligibility List and other features to help answer your toughest FSA questions.



The largest selection of guaranteed FSA-eligible products



24/7 support, FREE shipping on orders over \$50



Are your health needs eligible? Easily check with our expansive Eligibility List



Need an Rx? We'll work with you to make getting one easier



Learning Center Get daily money-saving info



Use your FSA card or any major credit card

Everything 100% guaranteed eligible.



LETTER OF MEDICAL NECESSITY FORM



Certain Flexible Spending Account (FSA) items are eligible for reimbursement only if a letter of medical necessity is provided. The letter must include the diagnosis of a medical condition and state that the expense is necessary to treat the medical diagnosis. It must also include the length of treatment. Examples of expenses that are deemed as medically necessary in order to treat a medical condition (and therefore are eligible for reimbursement under the FSA plan) include massages, gym memberships and weight loss programs. Your physician must complete and sign the form below, thereby acknowledging that the medical expense is being used to treat a medical condition.

This form is valid for one year from the date of signature. A new form must be submitted annually.

EMPLOYEE INFORMATION

Company Name		Employee DOB
Employee Last Name	Employee First Name	Last 4 Digits of SSN or Member ID #
Patient Last Name (if different than above)		Patient First Name (if different than above)

PHYSICIAN'S DIAGNOSIS *(This section must be completed by the attending physician to confirm if treatment is necessary for a specific medical condition.)*

Healthcare Provider Name	Provider License No.	Healthcare Provider Phone No.
Diagnosis Date (mm/dd/yyyy)	Treatment Start Date (mm/dd/yyyy)	Treatment End Date (mm/dd/yyyy)
/ /	/ /	/ /
Please diagnose the medical condition being treated.		
Describe the required treatment.		

I assert that this treatment is medically necessary to treat the specific medical condition noted above. This treatment is not in any way intended for general health maintenance or cosmetic purposes.

Healthcare Provider Signature: X _____ Date: / /

Submit completed form to P&A Group. Fax: (877) 855-7105
Mail: P&A Group 17 Court Street Suite 500 Buffalo, NY 14202

HOURS: Monday - Friday, 8:30 AM - 10:00 PM ET | WEB: www.padmin.com | PHONE: (800) 688-2611

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AUTHORIZATION FOR RELEASE OF INFORMATION

The HIPAA law was enacted to ensure your healthcare information remains private. As the employee and holder of the spending account, you may want to authorize someone other than yourself to have access to your P&A Group claim and plan information. For example, you may ask your spouse to contact P&A and inquire about a claim. By law, our customer service agents cannot speak to your spouse unless you have authorized the disclosure of protected health information in writing. In order to make the transition of information as seamless as possible, please complete this form and submit it to P&A. Please note, this form can be completed electronically by logging into your P&A Account. You also have the option of sending this form to P&A via fax or mail.

Fax: (877) 855-7105 Mail: 17 Court Street Suite 500 Buffalo, NY 14202

I. INFORMATION ABOUT THE USE OR DISCLOSURE

I hereby authorize the use or disclosure of my individually identifiable information as described below. I understand that this authorization is voluntary and that I may revoke it at any time by submitting my revocation in writing to the entity providing the information.

Participant name: _____ SSN Number: _____

Persons authorized to receive the information: _____

Relationship to the participant, including authority for status as representative: _____

I authorize any and all information shared with the above named persons, with the following exception(s):

Unless otherwise revoked, this authorization will expire on the following date: ____/____/____

If I fail to specify a date, this authorization will expire when I cease to be a participant under this plan.

II. IMPORTANT INFORMATION ABOUT YOUR RIGHTS

I have read and understand the following statements about my rights:

- I may revoke this authorization at any time by notifying the providing organization in writing, but the revocation will not have any affect on any actions the entity took before it received the revocation.
- I may see and copy the information described on this form if I ask for it.
- I am not required to sign this form to receive my health care benefits (enrollment, treatment or payment).
- The information that is used or disclosed pursuant to this authorization may be re-disclosed by the receiving entity. I have the right to seek assurances from the above-named persons/organizations authorized to receive the information that they will not re-disclose the information to any other party without my further authorization.

III. SIGNATURE OF PARTICIPANT

SIGNATURE: _____ DATE: / / _____

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Dependent Care Guidelines

QUALIFYING INDIVIDUALS

Dependent care expenses must be provided to Qualifying Individuals. A Qualifying Individual is defined as any of the following:

1. A person under age 13 who is your "qualifying child" under the Internal Revenue Code (the "code"). i.e., (a) he or she has the same principal residence as you for more than half the year, (b) he or she is your child or step-child (by blood or adoption), foster child, sibling or step-sibling, or a descendant of one of them; and (c) he or she does not provide more than half of his or her own support for the year.

If you are divorced or separated, you must be the primary custodial parent of your child in order to be eligible for this account (irrespective of whether which parent may claim a personal exemption for the child on his or her federal income tax return). Non-custodial parents may wish to check with your legal or tax advisor to see if special rules apply to you that would enable you to utilize this account.

2. Your spouse if he or she is physically or mentally incapable of self-care and has the same principal abode as you for more than half the year.
3. A person who is physically or mentally incapable of self-care, has the same principal abode as you for more than half the year and is your tax dependent under the Code (for this purpose, status as a tax dependent is determined without regard to the gross income limitation for a "qualifying relative" and certain other provisions of the Code's definition).

ELIGIBLE EXPENSES

Eligible expenses are defined as those that enable you (and your spouse, if any) to be gainfully employed* or to seek employment. They include the following:

1. Expenses for services provided by a dependent care center (including a day camp) that complies with all applicable state and local laws and regulations;
2. Expenses for the care of a Qualifying individual or for household services attributable in part to the care of a Qualifying individual
3. Expenses for services outside of your household for the care of a qualifying individual other than a person under age 13 who is your qualifying child, provided that qualifying individual regularly spends at least eight hours per day in your household.

In the case of any expenses for dependent care services provided by a child of yours, that child must be at least 19 years old at the end of the year in which the services were provided.

**If your spouse is a full-time student or is physically or mentally not capable of self-care, he or she is treated as if gainfully employed. A spouse is a "full-time student" if he or she is enrolled at and attends a school for the number of hours or classes that the school considers full time. Your spouse must have been a student for some part of each of five calendar months during the year.*

PROHIBITED EXPENDITURES

Expenditures that are prohibited for reimbursement include the following:

1. Babysitting for social events;
2. Educational expenses;
3. Charges for overnight camp
4. Expenses that you will take as a child care tax credit on your income tax return; and
5. Expenses for services provided by your spouse, by a parent of your under-age-13 qualifying child or by a person for whom you or your spouse is entitled to claim a personal exemption on a federal income tax return.

MAXIMUM ANNUAL CONTRIBUTION

The maximum annual contribution is \$5,000 (\$2,500 if you are married and file separate income tax returns), but no more than the lesser of the earned income of you or your spouse. If your spouse is a full-time student or incapacitated, the maximum annual election is \$3,000 for one child or \$5,000 for two or more children. (Amounts subject to change due to IRS guidelines.)



P&A BENEFITS CARD



Eliminate your double out-of-pocket exposure by using the benefits card for eligible expenses at the point-of-service, like a doctor's office or pharmacy. The Benefits Card brings you convenience at your fingertips that saves you time- and makes participating in your benefit plan even easier!

YOUR BENEFITS JUST GOT EASIER.

Use the card just like any other debit card to pay for eligible medical, dental, vision and dependent care expenses, depending on your plan design. When you swipe the card the data is captured electronically and automatically debited from your account. The Benefits Card recognizes Merchant Category Codes (MCCs) and the Inventory Information Approval System (IIAS) so only eligible expenses are charged at pre-approved stores.

- ✓ Improve personal cash flow!
- ✓ Reduce the hassle of submitting claims and waiting for reimbursements
- ✓ Receive additional free cards for your spouse or dependents
- ✓ Real-time account balance available 24/7 at www.padmin.com



What if my provider doesn't accept credit or debit cards?

You can still be reimbursed for your eligible expense. Simply pay out-of-pocket for your expense and save your receipt. Then, submit a claim to P&A, along with a copy of your receipt. Claims can be uploaded directly from your smartphone to P&A through QuikClaim, the P&A mobile claim submission feature. You also have the option to complete a paper claim form and submit it via fax or mail. Forms can be found at www.padmin.com under Employee Participants- Quick Links- Forms.

How do I order additional cards?

Your debit card is valid for three years from the date of issue. To order an additional card for your spouse or eligible dependent or to report a lost or stolen card, log into your P&A account at www.padmin.com and select the Benefits Card Order Form. For additional assistance ordering a new card, please contact the P&A Customer Service Team at (800) 688-2611.

Customer service

Contact P&A's customer service team Monday - Friday 8:30 AM - 10:00 PM ET. Give us a call at (800) 688-2611 or chat with one of our customer service representatives online through our live webchat feature. To access online chat, go to www.padmin.com and select the online chat box located in the upper right hand corner.

P&A GROUP

UNDERSTANDING YOUR HEALTH FSA & HRA BENEFITS CARDS



As of July 1, 2009, Health FSA and HRA benefit cards can only be used at stores that support the Inventory Information Approval System (IIAS).

Drugstores or pharmacies that don't utilize IIAS can only authorize health FSA and HRA benefit card transactions if they meet the requirements of the 90% Rule. The rule states that the benefits card can be used at drugstores and pharmacies that have 90% or more of gross sales from eligible healthcare items.

WHAT IS IIAS?

IIAS is a technology that retailers use in order to identify items that are eligible under a Flexible Spending Account (FSA) or a Health Reimbursement Arrangement (HRA). Under this system scanned items are recognized as eligible or ineligible healthcare expenses at the time of purchase. This auto adjudication capability eliminates the need for paper claim substantiation.

The benefits card can also be used at mixed-use merchants, such as supermarkets, large drugstores and superstores. These are merchants who sell both healthcare eligible and ineligible items. The Internal Revenue Service passed a rule requiring these types of merchants to adopt the IIAS in order to accept benefit cards. The retailer's point of sale system identifies eligible healthcare FSA and HRA purchases by comparing the inventory control information (i.e., UPC or SKU number) for the items being purchased against a pre-established list of eligible expenses.

WHAT ARE ADVANTAGES OF THE BENEFITS CARD?

- Limits your double out-of-pocket exposure
- Reduces manual paperwork
- Integrates HRA and FSA plans with one card solution



WHAT SHOULD I DO IF A STORE DECLINES MY HEALTH BENEFITS CARD?

If your benefits card transaction is declined at the point-of-purchase you are still eligible to submit a claim for reimbursement as long as the item you purchase is an IRS approved expense. You may upload a claim from our website or from your smartphone. Printable claim forms are also available on our website for mailed or faxed submittal. A receipt is required when submitting a claim. Reimbursement is received by check, or sign up for direct deposit and have your funds submitted automatically to your checking or savings account. For a list of IRS eligible expenses please visit our website at www.padmin.com.

HOW CAN I TELL IF A STORE HAS IMPLEMENTED IIAS?

Many of the large chain retailers, such as Walmart, Walgreens and CVS, already utilize IIAS. Patrons of smaller local stores may not be able to use the benefits card, and it is advised that you check with the retailer to be certain it utilizes IIAS. However, you will still be able to submit your receipts and receive reimbursement for eligible FSA and HRA items.

(800) 688-2611 • www.padmin.com

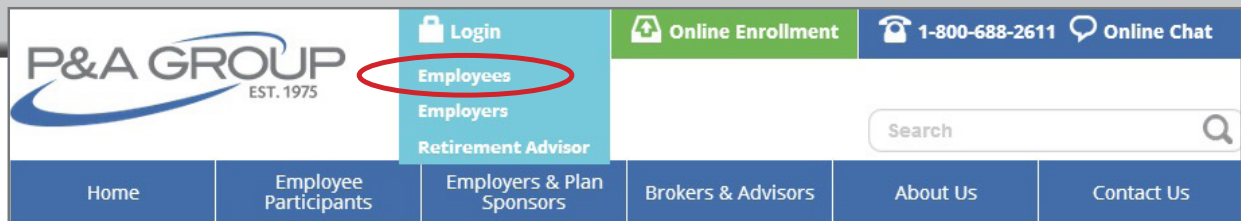
New York City | Buffalo | Los Angeles | Raleigh | Baltimore

HOW TO ACCESS *My Benefits*

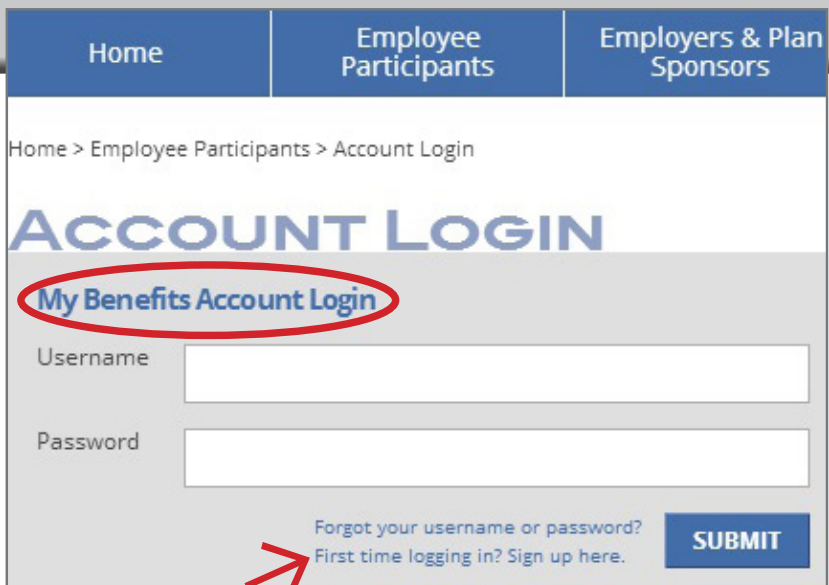


Follow the steps below to login and access your P&A benefit account(s). It's fast, easy and allows you to have 24 hour access to your accounts!

Go to the P&A homepage at www.padmin.com and navigate to the blue login tab at the top of the homepage. Select Employees.



Log into your account underneath the My Benefits Account Login box. Enter your username and password credentials and click the "Submit" button. NOTE: If you press the Enter key on your keyboard instead of "Submit," it will not work. If you are a first time user, please click on the "First Time Logging In" link located near the submit button. You will then be prompted to create a username and password for your account.



Home	Employee Participants	Employers & Plan Sponsors
Home > Employee Participants > Account Login		
ACCOUNT LOGIN		
My Benefits Account Login		
Username	<input type="text"/>	
Password	<input type="password"/>	
Forgot your username or password? First time logging in? Sign up here.		SUBMIT

HOW TO ACCESS *My Benefits*



Once you log in you will reach your "My Benefits Summary," which lists the summary of each plan made available to you through your employer.

FSA -- Choose an action -- ▾

Plan Summary

Plan ID: DEMO1415	Election amount: \$1,800.00
Plan type: UNREIMBURSED MEDICAL ACCOUNT	Available funds: \$1,645.00
Plan year start date: 05/01/2014	Amount contributed: \$69.23
Plan year end date: 04/30/2015	Total of claims submitted: \$155.00
Final date to submit claims: 09/30/2014	Total of claims paid: \$155.00
Status: Active	



Click "Show/Hide Plan Details" on your plan summary to see your claims submitted, pending claims, claims paid and contributions.

Plan Details

[Claims Submitted](#) |
 [Pending Payment](#) |
 [Claims Paid](#) |
 [Contributions](#)

Check Number	Claim Number	Payment Type	Date	Amount	Memo
1019052	1897025	Check	07/03/2014	\$125.00	UPV269847
1019052	1904626	Check	07/03/2014	\$5.00	UPV275625
3163475	3163475	N/A	05/13/2014	\$25.00	N/A

P&A CUSTOMER SERVICE

HOURS: Monday - Friday, 8:30 AM - 10:00 PM ET
 PHONE: (800) 688-2611
 WEB: www.padmin.com - Contact Us

UPLOAD A CLAIM



1. Go to www.padmin.com and log into your account. You are now in the **My Benefits** portal.
2. Hover your mouse over **Member Tools** at the top of the navigation bar. Click **Upload a Claim**.
3. Using the drop down menu, select the claim type. If you are submitting a new claim select **New Claim**.
4. Next you will be prompted to choose from which account you are requesting reimbursement. If you have multiple P&A accounts make sure you select the appropriate account.
5. Enter the dollar amount requested for the claim.
6. If you need to attach a document, click **Browse files** and then select the documents you wish to upload. **In order to successfully upload a document, the document must first be scanned and saved electronically on your computer.* After all documents are attached click **Continue**.
7. View summary of uploaded claims. If you want to submit another claim click **Add Another Claim**. **This option will automatically select the same claim type you have previously chosen. If you want to submit a different claim type you must first complete the current claims process.*
8. Once you have finished uploading your claims, click **Submit Claim**.
9. Authorization Agreement. You must check the box and select **Submit**.
10. Confirmation Number. A confirmation containing a UPV number will be sent to your e-mail address we have on file. If you have not provided your e-mail address to us, please write down your UPV number and store it in safe place. You will need this number to track your claim on our website, or when inquiring about a claim to our customer service team.

P&A GROUP MOBILE FEATURES



Learn about P&A Group's latest technological enhancements, built specifically to give you added convenience. Get faster, direct access to your account today.

P&A MOBILE SITE

The P&A Group mobile website is designed to meet your on-the-go needs! Get direct access to your available account balance, contact our customer service department and link up with our facebook page. Go to www.padmin.com on your mobile phone to access the P&A mobile site.

QUICKCLAIM - P&A'S MOBILE CLAIM UPLOAD

Upload a claim and any supporting documentation directly from your mobile phone with P&A's QuickClaim feature. Go to www.padmin.com on your mobile device and log into your account. Select "Upload" from the menu at the top of the page. Choose your "Claim Type" and follow the prompts on your screen.

HOURS: 8:00 AM - 10:00 PM ET M-F
www.padmin.com • (800) 688-2611
 Buffalo | New York City | Los Angeles | Raleigh

TEXTING

Access your account information right from your mobile phone, anytime, anywhere! To setup this text messaging feature please log into your P&A online account. Under "Profile" enter your cell phone number and mobile carrier. You will then be setup to use the text messaging feature. Text the following codes to the number 70626 to receive updated, on-the-go account information.

Feature	Text Code	Instructions
Account Balance	BAL	Text BAL to receive a text message with your account balance
Claim Status	CLM	Check the status of your most recent claim
History of Your Last Five Reimbursements	HIS	Instantly get an update on your last five reimbursements
Deposit Update	DEP	View your last five deposits into your account(s)

QUIKCLAIM



Instantly upload claims and receipts directly from your smartphone with P&A Group's QuikClaim mobile submission.

Log into your P&A Group Account from your smartphone and follow the steps below. Check out our new "View Claims Paid" feature too!



HOW TO USE QUIKCLAIM*

1. From your smartphone, go to www.padmin.com and log into *My Benefits*.
2. Select **Upload**.
3. Select claim type. Choose your account and enter claim amount.
4. Upload your receipt/documentation by selecting **Add File**. This allows you to use your camera to take a picture of your receipt or select a picture of your receipt from your gallery.
5. Select **Continue**.
6. Review the claim, agree to the authorization statement and click **Submit**.
7. You have successfully submitted a claim!

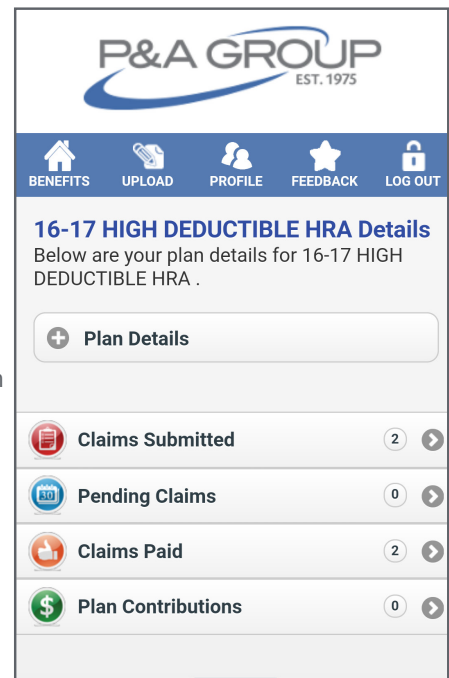
Now you can retrieve your claim image when logged in from your mobile device under the "Claims Paid" option!

When you log into *My Benefits*, your P&A account(s) will be displayed on the screen. You can view claims submitted, pending claims, claims paid and plan contributions. Click on **Claims Paid** to see what you have paid to date for that account!

P&A GROUP CUSTOMER SERVICE

Hours: Monday - Friday, 8:30 AM - 10:00 PM ET
PH: (800) 688-2611 | Live Online Chat at www.padmin.com

EXAMPLE



**Not all mobile claim upload features are currently available on all mobile devices or with all operating systems. Wireless carrier fees may apply. Requires at least a 2- megapixel camera.*

FSA or HSA?

Understanding the differences between accounts is key to making a smart enrollment decision.



Health Flexible Spending Accounts

A Health Flexible Spending Account, also known as a Health FSA, gives you the opportunity to avoid taxes on money you pay for out-of-pocket medical, dental and vision expenses, including prescriptions.

When you enroll in a Health FSA, you lower your taxable income and increase your take-home pay. With total federal and state rates as high as 40%, enrolling in a Health FSA can result in significant tax savings.

Need help? Penny Panda explains what an FSA is. Click [here](#).



Health Savings Accounts

A Health Savings Account (HSA) is an employee owned tax-advantaged bank account. When you enroll in an HSA, you pay for eligible medical, dental and vision expenses with tax-free dollars. Unlike an FSA, there is no “use-or-lose” stipulation with an HSA, so your funds will roll over from year to year.

Eligibility

To qualify for an HSA, you must be 18 years of age and have an HSA compatible high-deductible health plan (HDHP) and not be covered by any other prohibited health coverage, i.e., certain FSAs or HRAs.

Maximum Contribution Amounts

The IRS indexes maximum contribution amounts annually. Click [here](#) to view the maximum limits for 2021. If you and your spouse are both enrolled in an HSA, you can collectively contribute up to the maximum amount, but you cannot each contribute the maximum amount.

Example

You contribute \$2,000 into your HSA. This means your spouse can contribute a maximum of \$5,200 into his/her HSA, bringing your combined contribution to the maximum allowed per family, \$7,200.

HSA & FSA Enrollment: FAQs

1. What happens if I want to enroll in an HSA but I also have funds left over in my FSA carry forward account?

If you have a current balance in your FSA carry forward account, we recommend you spend the remaining funds before you sign up for a Health Savings Account. If you're unable to exhaust your FSA carry forward account before enrolling in an HSA, your FSA carry forward funds will be transferred to a new account called a Limited Purpose FSA.

2. What is a Limited Purpose Health FSA?

A Limited Purpose Health FSA is a restricted Health FSA and the only type of FSA that employees with HSAs are eligible to have. Expenses reimbursed through a Limited Purpose Health FSA are restricted to dental, vision and preventive medical expenses that are not covered under your health plan such as:

- Artificial teeth/dentures
- Braces
- Braille - books and magazines
- Contact lenses and eyeglasses
- Dental fees
- Lasik eye surgery
- Over-the-counter medications
- Preventive medical services (as outlined in your high deductible health plan)
- Seeing eye-dog and maintenance

3. I am eligible to enroll in an HSA but my spouse is enrolled in a Health FSA. Can I still enroll in an HSA?

Unfortunately, no. If your spouse is currently enrolled in a Health FSA that may reimburse your medical expenses, as well as his or hers, you are not eligible to participate in an HSA. In order to enroll in an HSA, you would have to wait until your spouse is no longer an FSA participant.

See comparison chart on next page for more info!

	Health FSA	HSA
Eligibility	Completely independent from insurance; you do not need to be enrolled in a specific health plan to participate.	You must be enrolled in a qualifying high deductible health plan (HDHP).
Tax Savings - How Much?	Use pre-tax dollars and save 30% - 40% on eligible expenses, depending on your tax bracket.	Triple-tax advantaged: <ul style="list-style-type: none"> ✓ Contributions are made with pre-tax dollars ✓ Funds earn interest tax-free ✓ Withdrawals for qualified expenses are tax-free
Investment Options	No	Yes! You can invest your contributions and earn interest.
Maximum Contribution Amounts	For 2021, you can enroll in up to a maximum of \$2,750, regardless of your insurance coverage.	For 2021, you can contribute up to \$3,600 (for individual coverage) or \$7,200 (for family coverage).
Do Funds Rollover?	Yes; unused funds, up to \$550, roll over into the plan year. Any amount over \$550 is forfeited at the end of the plan year and does not roll over.	Yes; funds roll over year-to-year and never expire. Your account is completely portable, which means you can take it with you if you leave your employer.
Can You Change Your Contribution Mid Year?	Not typically, unless you experience a qualifying event such as marriage or birth of a child.	You can make changes throughout the year, up to the annual limits.



Baltimore City Public Schools

Flexible Spending Account



WHAT IS A FLEXIBLE SPENDING ACCOUNT?

A Flexible Spending Account (FSA) allows you to set aside a portion of your pay pre-tax to use for medical, dental, vision, and child care/elder care expenses that are not covered by insurance, or only partially covered, as well as parking and transit commuter expenses. Because it is deducted from your pay before taxes, you can save up to 30% on your dollar (depending on your tax bracket). You need to estimate how much you usually spend for these types of expenses in a year and set aside that dollar amount into your chosen account(s). You do not need to be enrolled in Baltimore City Public School's health insurance plan in order to participate in the Flexible Spending Account.

Flexible Spending Accounts are designed to cut inevitable costs while increasing your take-home pay. Maximize every dollar by taking advantage of this benefit choice!



FLEXIBLE SPENDING ACCOUNTS AVAILABLE

Health Care FSA

Covers the cost of medical, dental, and vision expenses incurred by you and or your eligible dependent(s). Eligible expenses include deductibles, co-pays, prescriptions, eyeglasses, and dental work.

Minimum Annual Election Amount: \$120

Maximum Annual Election Amount: \$2,500

Dependent Day Care FSA

This account does NOT reimburse medical expenses for your dependent(s). It is for qualified day care/ elder care expenses only.

Covers the amount you pay to daycare centers, baby sitters, after school programs, day camp programs (as long as the child is under age 13) and eldercare facilities.

Maximum Annual Election Amount: \$5,000

FSA RULES TO REMEMBER

- Plan Year: January 1, 2015 - December 31, 2015
- Grace period: An extension of the plan year during which participants can incur expenses and spend down remaining balances in their account(s). Participants have until March 15, 2016 to incur expenses. Claims incurred during the plan year and grace period can be submitted until April 30, 2016.
- Use or Los Rule: Unused money left over in your account at the end of the plan year **does not roll over!** Remember, only contribute money you are confident you will use to pay for qualified expenses during the plan year.

Note: The complete FSA brochure is available for you on the P&A Group website at www.padmin.com.

Baltimore City Public Schools

Flexible Spending Account



P&A BENEFITS CARD

Baltimore City Public Schools offers a Benefits MasterCard for employees who participate in the plan. Your debit card is valid for three years from the date of issue. When it is time for you to receive a new card your card will automatically be mailed to your home address in a plain white envelope.

The Benefits MasterCard works like a debit card. When you incur an eligible expense present your Benefits Card to the provider of the goods or services you are purchasing. Swipe your card at the point-of-service and the expense will automatically be deducted from your Pre-Tax Account balance. If you are unable to use your Benefits Card you can still be reimbursed for all eligible expenses. Make sure to save a copy of your receipt to submit when you file a claim. This card cannot be used at an ATM machine to withdraw cash.



P&A CUSTOMER SERVICE INFORMATION

Contact a customer representative via phone or use our live online chat feature!

HOURS: Monday - Friday 8:30 AM - 8:00 PM ET.

PHONE: (800) 688-2611

WEB: www.padmin.com



CLAIM SUBMISSION OPTIONS

MOBILE CLAIMS- QUIKCLAIM!

Instantly submit claims and receipts directly from your smartphone. Capture a picture of your receipt or other supporting documentation of your eligible expense. Log into your P&A Account from your smartphone and go to www.padmin.com. Select **Claim** and follow the prompts on your screen!



ELECTRONIC CLAIM UPLOAD

Enter claims directly online through our website (www.padmin.com) by logging into your account. Select **Upload a Claim** under the **Member Tools** tab. Follow the prompts on your screen!

PAPER CLAIMS

Claim forms are available online at www.padmin.com.

FAX: (877) 855-7105

MAILING ADDRESS: P&A Group 17 Court St. Suite 500 Buffalo, NY 14202

**When submitting a claim make sure to include a proof of service documentation (register receipts, etc).*

Balance alerts are available by updating your online P&A profile with your mobile number. Text BAL to 70626 to receive your account balance via text message anytime, anywhere.

CONNECT WITH US!





FLEXIBLE SPENDING ACCOUNT

FSA RULES TO REMEMBER

Open Enrollment

November 1, 2018-
December 14, 2018

Plan Year

January 1, 2019 - December
31, 2019.

Grace Period

You have until March 15,
2020 to incur expenses.

Run-Out Period

You have until June 30,
2020 to submit claims for
expenses incurred between
January 1, 2019 and March
15, 2020.

Use or Lose Rule

You will lose any remaining
balance in the account at the
end of the run-out period.
Remember, only contribute
money you are confident you
will use to pay for qualified
expenses during the plan
year and grace period of
January 1, 2019 - March
15, 2020. If you retire or
terminate employment,
expenses under the Health
FSA need to be incurred prior
to the termination date. If
you are a Dependent Care
participant, you can submit
for expenses incurred
throughout the remaining
year.

New Hires

You can enroll on the 91st
day of employment (see full
brochure for details, see
Note in red below).



WHAT IS A FLEXIBLE SPENDING ACCOUNT?

A Flexible Spending Account (FSA) allows you to set aside a portion of your pay pre-tax to use for medical, dental, vision, and child care/elder care expenses that are not covered by insurance, or only partially covered. Because it is deducted from your pay before taxes, you can save up to 30% on your dollar (depending on your tax bracket)! Estimate how much you usually spend on these types of expenses in a year and set aside that dollar amount into your FSA.

ACCOUNTS AVAILABLE

Health FSA

Covers the cost of medical, dental, and vision expenses incurred by you and/or your eligible dependent(s). Eligible expenses include deductibles, co-pays, prescriptions, eyeglasses, and dental work.

Minimum election amount: \$100 | Maximum election amount: \$2,700

Dependent Care/Daycare Assistance Account

Covers the amount you pay to daycare centers, babysitters, after school programs, day camp programs and elder care facilities.

Minimum election amount: \$100 | Maximum election amount: \$5,000

This account does NOT reimburse medical expenses for your dependent(s). It is for qualified daycare expenses only. For Dependent Care guidelines please refer to page 14 of the FSA brochure.

NOTE: The FSA Enrollment Guide is available on the BSC portal. Go to www.mymta.info and click on My Tax Favored Programs on the ribbons on the left. Then, click on the dark blue balloon on the Flexible Spending Accounts line to pull up the guide.

FLEXIBLE SPENDING ACCOUNT



HOW TO ENROLL

You may enroll during Open Enrollment, November 1- December 14, 24/7 via one of the following methods. You have until December 14, 2018 to make any changes to your 2019 elections.

ONLINE @ www.padmin.com

- Go to www.padmin.com, choose Online Enrollment at the top of the page and select FSA.
- If you previously created an online account, enter your username and password under **Existing User Sign-In**. Once logged in, click **Go to Online Enrollment**. Then, click **Enroll Now**. *First time users, you must use the **New User Sign-Up** box to access online enrollment. See below for more details.*
- Health FSA Election Page - you can choose to re-elect the same amount as last year, enroll with a new dollar amount or opt not to enroll. Make your selection and click **Next**.
- Dependent Care FSA Election Page - follow the same instructions in the step above. Click **Next**.
- Pre-Confirmation Page - view a summary of your elections for the new plan year. To make changes, click the blue pencil icon next to the account. If you have no edits, click **Next**.
- Enrollment Complete Page - choose to have your confirmation e-mailed to you, or print a copy.

ATTENTION FIRST-TIME ONLINE USERS: Use the **New User Sign-Up** box to access online enrollment. You must enter either your Employee ID Number or your Social Security Number as your user ID. Your Employee ID Number is the last four digits of your Social Security Number, your birth month and your birth date: (ssssmddd). Once logged in, click **Enroll Now**.

PHONE / IVR: (877) 765-7137

- When prompted, enter your Employee Identification Number (ssssmddd) then press #
- Enter your DOB (mmddyyyy)
- Follow the audio prompts to enroll in your medical or dependent care FSA. You will receive a confirmation number after you make your election.

P&A BENEFITS CARD

The MTA offers a Benefits MasterCard for employees who participate in the plan. The Benefits MasterCard works like a debit card. When you incur an eligible expense present your Benefits Card to the provider of the goods or services you are purchasing. Swipe your card at the point-of-service and the expense will automatically be deducted from your FSA balance. If you are unable to use your Benefits Card you can still be reimbursed for all eligible expenses. Save your receipt and submit a claim to P&A Group using one of the methods listed to the right. For all purchases we encourage you to save your receipts in case documentation is requested. NOTE: This card cannot be used at an ATM machine to withdraw cash.

Your debit card is valid for three years from the date of issue. If this is your third year enrolling with P&A Group, you may be receiving a new Benefits Card in the mail. When it is time for you to receive a new card your card will automatically be mailed to your home address in a plain white envelope.



HOW TO SUBMIT A CLAIM

QuikClaim

Instantly submit claims and receipts directly from your smartphone. Capture a picture of your receipt or other supporting documentation of your eligible expense. Log into your P&A Account at www.padmin.com from your mobile device. Select **Claim** and follow the prompts on your screen.

Electronic Claim Upload

Submit claims directly online at www.padmin.com by logging into your account. Select **Upload Claim/Documentation** under the **Member Tools** tab.

Fax: (877) 855-7105

Mail: P&A Group
17 Court St. Suite 500
Buffalo, NY 14202

When submitting a claim make sure to include proof of service/documentation (itemized receipt, etc).

QUESTIONS? P&A GROUP IS HERE FOR YOU.

Customer service hours
M-F, 8:30 am - 10:00 pm ET.

PH: (800) 688-2611

WEB: www.padmin.com

MID YEAR ENROLLEES: If you are a mid-year enrollee, please contact the BSC at (646) 376-0123.

IMPORTANT INFORMATION ABOUT YOUR 2015 FLEXIBLE SPENDING ACCOUNT



P&A BENEFITS CARD

Beginning in 2015, FSA Participants who enroll in the Health Flexible Spending Account or Dependent Care Flexible Spending Account will receive a Benefits MasterCard to pay for eligible expenses. When you enroll or re-enroll in the FSA, the Benefits MasterCard will be automatically mailed to your home mailing address. It will arrive in a plain white envelope, so be careful not to throw it away. The Benefits Card is conveniently activated upon use at your point-of-service or provider of goods. When you swipe the card the data is captured electronically and automatically debited from your Flexible Spending Account. The Benefits Card also recognizes Merchant Category Codes and the Inventory Information Approval System, so only eligible expenses can be run on the card at pre-approved stores. The card will not work for ineligible FSA items, such as jewelry or clothing. Once you are enrolled in the plan, additional cards can be ordered for your spouse or eligible dependent, as long as they're over 18 years of age, at no cost to you. Additional cards can be ordered by logging into your P&A account and submitting a request or by calling our Customer Service Team.



If your provider doesn't accept credit or debit cards, you can still be reimbursed for your eligible expense. Simply pay out of pocket for your expense and save your receipt. Then, submit a claim to P&A, along with a copy of your receipt, and submit it one of three ways listed below.

Mobile Claims- QuikClaim

Instantly submit claims and receipts directly from your smartphone. Capture a picture of your receipt or other supporting documentation of your eligible expense(s). Log into your P&A Account from your smartphone and go to www.padmin.com. Select Claim and follow the prompts on your screen.

Electronic Claim Upload

Enter claims directly online at www.padmin.com by logging into your account. Select **Upload a Claim** under the **Member Tools** tab and follow the prompts on your screen.

Fax or Mail

Complete a claim form (accessible at www.padmin.com-->**Employee Participants**-->**Quick Links**-->**Forms**) and fax or mail it to the P&A Group for reimbursement.

Fax: (877) 855-7105 Mailing Address: 17 Court Street Suite 500 Buffalo, NY 14202

FSA GRACE PERIOD

National Fuel has also decided take advantage of the FSA grace period! The grace period extends your plan year, allowing participants to have extra time to incur eligible medical expenses. The grace period will extend the plan year until March 15. Participants who enroll in the 2015 plan year will have until March 15, 2016, to incur eligible medical expenses. Due to the addition of the grace period, the run-out period is also extended to April 30. The run-out period is the time during which expenses that were incurred during the plan year and grace period can be submitted for reimbursement. Participants who enroll in the 2015 plan year will have until April 30, 2016, to submit receipts for eligible expenses that were incurred during the plan year and grace period. The addition of the grace period makes the FSA even more accessible by reducing the opportunity to lose unused funds at the end of the plan year!

FLEXIBLE SPENDING ACCOUNT



Catholic Health



FSA Rules to Remember

Plan Year

January 1, 2016 - December 31, 2016

Grace Period

An extension of the plan year during which expenses can be incurred. Participants have until March 15, 2017 to incur expenses.

Run-Out Period

You have until June 15, 2017 to submit for expenses incurred during the plan year and run out: January 1, 2016 - March 15, 2017.

Use or Lose Rule

You will lose any remaining balance in the Dependent Care/Daycare Account at the end of the run-out period, or any amount over \$500 in the Health FSA.

Remember, only contribute money you are confident you will use to pay for qualified expenses during the plan year.

www.padmin.com

WHAT IS A FLEXIBLE SPENDING ACCOUNT?

A Flexible Spending Account (FSA) allows you to set aside a portion of your pay pre-tax to use for medical, dental, vision, and child care/elder care expenses that are not covered by insurance, or only partially covered. Because it is deducted from your pay before taxes, you can save up to 30% on your dollar (depending on your tax bracket)! Estimate how much you usually spend on these types of expenses in a year and set aside that dollar amount into your FSA.

ACCOUNTS AVAILABLE

Health FSA

Covers the cost of medical, dental, and vision expenses incurred by you and or your eligible dependent(s). Eligible expenses include deductibles, co-pays, prescriptions, eyeglasses, and dental work.

Maximum election amount: \$2,550

Dependent Care/Daycare Assistance Account

Covers the amount you pay to daycare centers, babysitters, after school programs, day camp programs and eldercare facilities. *This account does NOT reimburse medical expenses for your dependent(s). It is for qualified daycare expenses only.*

Maximum election amount: \$5,000

Adoption Assistance Account

Covers the cost of adoption related expenses that you incur in the process of legally adopting a child including attorney and travel fees. If you are in the process of adopting a child and want to enroll in this account please contact P&A Group for further guidance.

Maximum election amount: \$13,190

Individual Premium Reimbursement Account

Covers the cost of non-employer sponsored accident, dental and vision premiums for you and your eligible dependent(s).

Maximum election amount: \$10,000

FLEXIBLE SPENDING ACCOUNT

HOW TO SUBMIT A CLAIM

QuikClaim

Instantly submit claims and receipts directly from your smartphone.

1. Capture a picture of your receipt or other supporting documentation of your eligible expense.
2. Log into your P&A Account at www.padmin.com from your mobile device by selecting **Account Login** and follow the prompts on your screen.

Electronic Claim Upload

Submit claims directly online at P&A's website www.padmin.com by logging into your P&A account. Select **Upload a Claim** under the **Member Tools** tab.

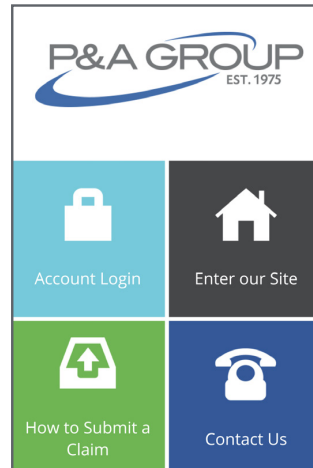
Fax or Mail a Paper Claim

Claim forms are available online at www.padmin.com.

FAX: (877) 855-7105

MAIL: P&A Group 17 Court St. Ste 500 Buffalo, NY 14202

When submitting a claim make sure to include proof of service/documentation (itemized receipt, etc).



NOTE: You do not need to be enrolled in your company's health insurance plan in order to participate in the FSA.

FSA CALCULATOR

Use this online tool to help estimate your calculated savings when you sign up for an FSA. Log into your account at www.padmin.com to access the calculator or go to www.padmin.com, select **Benefit Programs**, then **Tools & Resources**.

TEXT MESSAGING FEATURES

Log into your online P&A Account and update your profile with your mobile number. Then text one of the codes below to the number 70626 and you'll receive a text message with your account information!

- Account balance - text BAL
- Claim status - text CLM
- Deposit update - text DEP

QUESTIONS?

Customer service hours are M - F, 8:30AM - 10:00PM ET.

PH: (800) 688-2611

WEB: www.padmin.com

MAIL: 17 Court Street,
Suite 500
Buffalo, NY 14202

Introducing the P&A Group Parking Plan

The logo for Boston University, consisting of the words "BOSTON UNIVERSITY" in white, serif, all-caps font, enclosed within a red rectangular border.

BOSTON
UNIVERSITY



What is the Pre-Tax Parking Plan?

The Parking Plan helps you save taxes on the money you use to pay for work-related parking by using pre-tax dollars on eligible parking costs. Depending on your tax bracket, you can save up to 40% on state, federal and FICA taxes when you enroll in this plan.

How Does It Work?

Estimate the money you expect to pay for work related parking expenses and have that dollar amount withheld from your paychecks pre-tax each month. The money you elect to be withheld from your paycheck is credited to an account in your name that is used to pay for your work related parking expenses.

For Example:

Let's assume you spend \$100.00 per month for parking at work. This expense is inevitable for those who drive to work every day. The average person's tax bracket is about 30%, meaning they have to make \$130.00 in income to be able to take home \$100.00 as disposable income after tax deductions have been made.

By signing up for the Parking Plan, \$100.00 will be withheld from your paychecks over a month-long period *pre-tax*, so you never have to pay the state, federal and FICA taxes on your parking expenses! If you fall within a 30% tax bracket this will save you \$30 every month.

See reverse side for more plan details!

Parking Claims

Choose from one of the three easy options below to receive reimbursement for your parking expenses.

1 QuikClaim

Instantly submit claims and receipts directly from your smartphone. Log into your account at www.padmin.com from your mobile device by selecting **Account Login** and following the prompts on your screen.

2 Electronic Claim Upload

Upload claims through P&A's website www.padmin.com when logging into your P&A account. Select **Upload a Claim** under the **Member Tools** tab.

3 Fax or Mail a Paper Claim

Claim forms are available when you log into your account at www.padmin.com. Complete a claim form and fax or mail it to P&A Group.

FAX: (877) 855-7105
MAIL: P&A Group
17 Court St.
Suite 500
Buffalo, N.Y. 14202

P&A Group Benefits Card

If you enroll in this plan you will receive a debit card that can be used to pay for your parking expenses right at the point-of-service. Employees who enroll in the Flexible Spending Account (FSA) and the Parking Account will receive one debit card for both accounts. ***If you are currently enrolled in the FSA and enroll in the Parking Account, your election amount will be automatically added to your current debit card.***



Using Your Parking Account

When you incur a work-related parking expense, simply swipe your P&A Benefits Card at the point-of-service and the funds will automatically be deducted from your pre-tax Parking Account. If your parking ramp does not accept debit/credit cards, you can submit a claim to P&A for reimbursement. (See the gray column for P&A's easy claim options.) You can receive reimbursement up to the amount available in your P&A Parking Account.

If the cost of your parking increases or decreases, you may change the amount of your salary withholding for parking each month, with any change you make becoming effective with the first pay period beginning on or after the following month.

Parking Claims Reimbursement

Typically, you will be reimbursed 3-5 business days after P&A receives the claim as long as there are funds available in the account. You will be reimbursed by check, but you also have the option to sign-up for direct deposit reimbursement. Direct deposit is recommended- it provides faster reimbursement time, and the opportunity to go green and use less paper! To enroll in direct deposit, log into your P&A Account and select **Direct Deposit** under the **Quick Links** menu.

Maximum Pre-Tax Contribution Amounts

The IRS issues monthly maximum contribution amounts, which are subject to change and usually do once a year. Currently, the maximum amount of pre-tax parking reimbursement that you may receive is \$255 per month.

How to Log Into Your Account

Go to www.padmin.com and at the top of the page select the blue login box. From the drop down, select **Employees**. Use your login credentials to log into your My Benefits Account Login. If this is your first time logging in, select the "first time logging in" hyperlink in the gray box to setup your username and password.

Customer Service

Call (800) 688-2611 to speak with a representative or use P&A Group's online webchat at www.padmin.com (click the live chat button in the upper right hand corner). Customer service hours are Monday-Friday, 8:30AM to 10:00PM ET.

P&A Group Commuter Benefits

Parking & Transit Accounts



Save money on your monthly commuter parking and transit expenses when you enroll in a pre-tax Parking & Transit Plan!

What is the Parking & Transit Pre-Tax Plan?

The Parking and Transit Plan enables you to save taxes on the money you use to pay for work-related parking or transit expenses by using pre-tax dollars on eligible commuter costs. Depending on your tax bracket, you could save up to 40% on state, federal and FICA taxes.

How Does It Work?

Estimate the money you expect to pay for parking or transit and have that dollar amount withheld from your paychecks pre-tax each month. You can even specify an amount to use for occasional bus or metro rail travel. The money you elect to be withheld from your paycheck is credited to an account in your name that is used to pay for your parking or transit expense.

For Example:

Let's assume you spend \$100.00 per month for parking or transit at work. This expense is inevitable for you because you drive or travel to work every day. The average person's tax bracket is about 30%, meaning they have to make \$143.00 in income to be able to take home \$100.00 as disposable income after tax deductions have been made.

By signing up for the Parking and Transit Plan, \$100.00 will be withheld from your paychecks over a month-long period pre-tax, so you never have to pay the state, federal and FICA taxes on your parking or transit expenses! If you fall within a 30% tax bracket this will save you \$30 every month!

See reverse side for more plan details!

PLEASE NOTE: if you term employment, unused commuter and parking amounts are forfeited. You can submit parking claims for eligible expenses incurred while actively employed. Per IRS regulations, transit claims can not be submitted for reimbursement.

Parking Claims

Choose from one of the options below to submit a claim for reimbursement. Per IRS regulations, only parking claims can be accepted. All transit expenses must be paid for using the P&A issued Benefits Card.

P&A GROUP MOBILE APP

Download our mobile app and log into your account. Go to the menu and tap Upload Claim/Documentation to submit your claims.

QUIKCLAIM

Instantly submit claims from your smartphone. Log into your account from your mobile device by selecting Account Login and follow the prompts on your screen.

ELECTRONIC CLAIM UPLOAD

Upload claims when you log into your account at padmin.com. Click Upload Claim/Documentation under the Member Tools tab.

FAX OR MAIL A CLAIM

Claim forms are available in your account at www.padmin.com.

FAX: (877) 855-7105

MAIL: P&A Group

17 Court St. Suite 500
Buffalo, NY 14202

P&A Group Benefits Card

If you enroll in this plan, you will receive a debit card that can be used to pay for your parking/transit expenses. Employees who enroll in the Flexible Spending Account (FSA) and the Parking/Transit Account will receive one debit card for both accounts. If you are currently enrolled in the FSA and enroll in the Parking/Transit Account, your election amount will be automatically added to your current debit card.



REMINDER: Due to IRS regulations, claims cannot be submitted for transit expenses. You must use your debit card for all transit purchases.

Parking Claims Reimbursement

Typically, you will be reimbursed 3-5 business days after P&A receives the claim as long as there are funds available in your account. You will receive a reimbursement check but you have the option to sign up for direct deposit reimbursement. Direct deposit is recommended because it provides the fastest reimbursement! Log into your P&A account to sign up for direct deposit today.

Sample Eligible Expenses

TRAINS, SUBWAYS

BUSES

VANPOOLING

PARKING AT WORK, PARK AND RIDE EXPENSES

UBERPOOL, LYFT LINE, VIA

Sample Ineligible Expenses

TOLLS

E-Z PASSES

TAXIS

Maximum Pre-Tax Contribution Amounts

The IRS issues monthly maximum contribution amounts, which are subject to change and usually do once a year. For 2021, the maximum amount of pre-tax parking reimbursement that you can receive is \$270 per month and the maximum amount of pre-tax transit reimbursement that you can receive is \$270 per month.

If the cost of your parking/transit increases or decreases, you can change the amount of your salary withholding for parking/transit each month, with any change you make becoming effective with the first pay period beginning on or after the following month.

Mobile App

Manage your account through our mobile app. Go to the App Store or Google Play and search "P&A Group" to download it today!



✓ Register for account alerts

✓ Submit parking claims

✓ Order a Benefits Card

✓ Check your account balance

P&A Group Customer Service

HOURS: M-F, 8:30 a.m. - 10:00 p.m. ET | WEB: www.padmin.com | PHONE: (800) 688-2611

Flex Account Balances

Report Generated Date: 07/15/2011

Status: A For Active T For Terminated

SSN	MemberID	Division	Last Name	First Name	Benefit	Annual Election	YTD Deposits	YTD Claims	YTD Paid	Avail Balance	Curr Balance	Status	
XXX-XX-6017	69922	ADMIN	GRACE	TAYLOR	UNREIMBURSED MEDICAL ACCOUNT	\$3600.00	\$450.00	\$753.52	\$753.52	\$2846.48	-\$303.52	A	
XXX-XX-3030	69920	ADMIN	GREGORY	CAMERON	UNREIMBURSED MEDICAL ACCOUNT	\$1500.00	\$187.50	\$0.00	\$0.00	\$1500.00	\$187.50	A	
XXX-XX-2231	69916	CLERICAL	JOHN	MICHAEL	UNREIMBURSED MEDICAL ACCOUNT	\$2499.90	\$384.60	\$5500.00	\$2499.90	\$0.00	-\$2115.30	A	
XXX-XX-5646	69915	ADMIN	MICHAEL	RYAN	UNREIMBURSED MEDICAL ACCOUNT	\$1000.08	\$125.01	\$500.00	\$500.00	\$500.08	-\$374.99	A	
XXX-XX-1654	69914	TEACHER	MICHELLE	BRENNA	UNREIMBURSED MEDICAL ACCOUNT	\$500.00	\$0.00	\$0.00	\$0.00	\$500.00	\$0.00	A	
XXX-XX-5630	69919	TEACHER	ROSE	KARLEIGH	UNREIMBURSED MEDICAL ACCOUNT	\$600.00	\$0.00	\$289.65	\$289.65	\$310.35	-\$289.65	A	
XXX-XX-3154	69917	TEACHER	SHEA	KATELYN	UNREIMBURSED MEDICAL ACCOUNT	\$900.00	\$0.00	\$204.79	\$204.79	\$695.21	-\$204.79	A	
XXX-XX-4000	69921	CLERICAL	THOMAS	DAWSON	UNREIMBURSED MEDICAL ACCOUNT	\$848.94	\$130.76	\$89.74	\$89.74	\$759.20	\$41.02	A	
XXX-XX-4861	69918	TEACHER	WARD	JACK	UNREIMBURSED MEDICAL ACCOUNT	\$4000.00	\$0.00	\$348.87	\$348.87	\$3651.13	-\$348.87	A	
XXX-XX-6017	69922	ADMIN	GRACE	TAYLOR	DEPENDENT CARE ACCOUNT	\$4600.08	\$575.01	\$0.00	\$0.00	\$575.01	\$575.01	A	
XXX-XX-3030	69920	ADMIN	GREGORY	CAMERON	DEPENDENT CARE ACCOUNT	\$2800.08	\$350.01	\$0.00	\$0.00	\$350.01	\$350.01	A	
XXX-XX-2231	69916	CLERICAL	JOHN	MICHAEL	DEPENDENT CARE ACCOUNT	\$800.02	\$123.08	\$0.00	\$0.00	\$123.08	\$123.08	A	
XXX-XX-5646	69915	ADMIN	MICHAEL	RYAN	DEPENDENT CARE ACCOUNT	\$4999.92	\$624.99	\$0.00	\$0.00	\$624.99	\$624.99	A	
XXX-XX-3154	69917	TEACHER	SHEA	KATELYN	DEPENDENT CARE ACCOUNT	\$1700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	A	
XXX-XX-4861	69918	TEACHER	WARD	JACK	DEPENDENT CARE ACCOUNT	\$1800.00	\$0.00	\$1000.00	\$0.00	\$0.00	\$0.00	A	
XXX-XX-6017	69922	ADMIN	GRACE	TAYLOR	INDIVIDUAL PREMIUM ACCOUNT	\$799.92	\$99.99	\$137.50	\$66.66	\$33.33	\$33.33	A	
XXX-XX-3030	69920	ADMIN	GREGORY	CAMERON	INDIVIDUAL PREMIUM ACCOUNT	\$744.96	\$93.12	\$0.00	\$0.00	\$93.12	\$93.12	A	
XXX-XX-2231	69916	CLERICAL	JOHN	MICHAEL	INDIVIDUAL PREMIUM ACCOUNT	\$325.00	\$50.00	\$0.00	\$0.00	\$50.00	\$50.00	A	
XXX-XX-5630	69919	TEACHER	ROSE	KARLEIGH	INDIVIDUAL PREMIUM ACCOUNT	\$800.00	\$0.00	\$145.00	\$0.00	\$0.00	\$0.00	A	
XXX-XX-4000	69921	CLERICAL	THOMAS	DAWSON	INDIVIDUAL PREMIUM ACCOUNT	\$450.06	\$69.24	\$1200.00	\$50.98	\$18.26	\$18.26	A	
XXX-XX-4861	69918	TEACHER	WARD	JACK	INDIVIDUAL PREMIUM ACCOUNT	\$2500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	A	
XXX-XX-6017	69922	ADMIN	GRACE	TAYLOR	ADOPTION ASSISTANCE PLAN	\$6000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	A	
Report Totals:							22	\$43768.96	\$3263.31	\$10169.07	\$4804.11	\$12630.25	-\$1540.80

This report is available anytime through P&A's secure employer web portal, *HR Connect*[™]. This report can be sorted and exported in a variety of formats: XML, CSV, PDF, MHTML, Excel, Tiff File, and Word.

Explanation of Data Elements:

This report provides summarized information for each enrollee's account(s).

FSA Reimbursement Report By Division

Debit Card, Check and ACH Transactions

From 01/01/2009 To 07/15/2011

Report Generated On: 07/15/2011

Trans Date	ADMIN	CLERICAL	TEACHER	Daily Total
07/10/2009		\$89.74		\$89.74
07/20/2009			\$503.66	\$503.66
07/29/2009		\$50.98		\$50.98
08/02/2009			\$50.00	\$50.00
08/03/2009	\$1320.18	\$2499.90	\$289.65	\$4109.73
Division Total:	\$1320.18	\$2640.62	\$843.31	\$4804.11

Total Reimbursement: \$4804.11

This report is available anytime through P&A's secure employer web portal, *HR Connect™*. This report can be sorted and exported in a variety of formats: XML, CSV, PDF, MHTML, Excel, Tiff File, and Word.

Explanation of Data Elements:

This report provides a summary of daily reimbursement totals.

Check Register From: 01/01/2009 Thru 07/15/2011

FLEX DEMO

Division	Last Name	First Name	Entry Date	Check No	Amount	MOP	Stat	Acc. Type	Notes
ADMIN	GRACE	TAYLOR	08/03/2009	11113	\$68.52	CHK	A	FSA MED	
ADMIN	GRACE	TAYLOR	08/03/2009	11113	\$685.00	CHK	A	FSA MED	
ADMIN	MICHAEL	RYAN	08/03/2009	11114	\$500.00	CHK	A	FSA MED	
ADMIN	GRACE	TAYLOR	08/03/2009	11113	\$66.66	CHK	A	FSA IND	
		FSA IND	Acct Total:		\$66.66				
		FSA MED	Acct Total:		\$1253.52				
		ADMIN	Division Total:		\$1320.18				
CLERICAL	THOMAS	DAWSON	07/10/2009	11111	\$21.85	CHK	A	FSA MED	
CLERICAL	THOMAS	DAWSON	07/10/2009	11111	\$67.89	CHK	A	FSA MED	
CLERICAL	THOMAS	DAWSON	07/29/2009	11111	\$50.98	CHK	A	FSA IND	
CLERICAL	JOHN	MICHAEL	08/03/2009	11112	\$2499.90	CHK	A	FSA MED	
		FSA IND	Acct Total:		\$50.98				
		FSA MED	Acct Total:		\$2589.64				
		CLERICAL	Division Total:		\$2640.62				
TEACHER	WARD	JACK	07/20/2009	11115	\$348.87	CHK	A	FSA MED	
TEACHER	SHEA	KATELYN	07/20/2009	11117	\$154.79	CHK	A	FSA MED	
TEACHER	SHEA	KATELYN	08/02/2009	11117	\$50.00	CHK	A	FSA MED	
TEACHER	ROSE	KARLEIGH	08/03/2009	11116	\$289.65	CHK	A	FSA MED	
		FSA MED	Acct Total:		\$843.31				
		TEACHER	Division Total:		\$843.31				
			Report Summary:						
		FSA IND	Rpt Acct Total:		\$117.64				
		FSA MED	Rpt Acct Total:		\$4686.47				
		ADMIN	Division Total:		\$1320.18				
		CLERICAL	Division Total:		\$2640.62				
		TEACHER	Division Total:		\$843.31				
			Report Total:		\$4804.11				

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Explanation of Data Elements:

This report provides details of reimbursements within selected data range(s).

Active Employees

Report Generated Date: 07/15/2011

SS#	MBR ID	File ID	Division	Last Name	First Name	Acc. Type	YTD Claim	YTD DEP	YTD Paid	YTD Debit	Election Amt
XXX-XX-5646	69915		ADMIN	MICHAEL	RYAN	FSA DPNT	\$0.00	\$624.99	\$0.00	\$0.00	\$4999.92
XXX-XX-5646	69915		ADMIN	MICHAEL	RYAN	FSA MED	\$500.00	\$125.01	\$500.00	\$0.00	\$1000.08
XXX-XX-1654	69914		TEACHER	MICHELLE	BRENNA	FSA MED	\$0.00	\$0.00	\$0.00	\$0.00	\$500.00
XXX-XX-3154	69917		TEACHER	SHEA	KATELYN	FSA DPNT	\$0.00	\$0.00	\$0.00	\$0.00	\$1700.00
XXX-XX-3154	69917		TEACHER	SHEA	KATELYN	FSA MED	\$204.79	\$0.00	\$204.79	\$0.00	\$900.00
XXX-XX-5630	69919		TEACHER	ROSE	KARLEIGH	FSA MED	\$289.65	\$0.00	\$289.65	\$0.00	\$800.00
XXX-XX-5630	69919		TEACHER	ROSE	KARLEIGH	FSA IND	\$145.00	\$0.00	\$0.00	\$0.00	\$800.00
XXX-XX-4000	69921		CLERICAL	THOMAS	DAWSON	FSA MED	\$89.74	\$130.76	\$89.74	\$0.00	\$848.94
XXX-XX-4000	69921		CLERICAL	THOMAS	DAWSON	FSA IND	\$1200.00	\$69.24	\$50.98	\$0.00	\$450.06
XXX-XX-4861	69918		TEACHER	WARD	JACK	FSA DPNT	\$1000.00	\$0.00	\$0.00	\$0.00	\$1800.00
XXX-XX-4861	69918		TEACHER	WARD	JACK	FSA MED	\$348.87	\$0.00	\$348.87	\$0.00	\$4000.00
XXX-XX-4861	69918		TEACHER	WARD	JACK	FSA IND	\$0.00	\$0.00	\$0.00	\$0.00	\$2500.00
XXX-XX-3030	69920		ADMIN	GREGORY	CAMERON	FSA DPNT	\$0.00	\$350.01	\$0.00	\$0.00	\$2800.08
XXX-XX-3030	69920		ADMIN	GREGORY	CAMERON	FSA MED	\$0.00	\$187.50	\$0.00	\$0.00	\$1500.00
XXX-XX-3030	69920		ADMIN	GREGORY	CAMERON	FSA IND	\$0.00	\$93.12	\$0.00	\$0.00	\$744.96
XXX-XX-2231	69916		CLERICAL	JOHN	MICHAEL	FSA DPNT	\$0.00	\$123.08	\$0.00	\$0.00	\$800.02
XXX-XX-2231	69916		CLERICAL	JOHN	MICHAEL	FSA MED	\$5500.00	\$384.60	\$2499.90	\$0.00	\$2499.90
XXX-XX-2231	69916		CLERICAL	JOHN	MICHAEL	FSA IND	\$0.00	\$50.00	\$0.00	\$0.00	\$325.00
XXX-XX-6017	69922		ADMIN	GRACE	TAYLOR	FSA ADPT	\$0.00	\$0.00	\$0.00	\$0.00	\$6000.00
XXX-XX-6017	69922		ADMIN	GRACE	TAYLOR	FSA DPNT	\$0.00	\$575.01	\$0.00	\$0.00	\$4800.08
XXX-XX-6017	69922		ADMIN	GRACE	TAYLOR	FSA MED	\$753.52	\$450.00	\$753.52	\$0.00	\$3600.00
XXX-XX-6017	69922		ADMIN	GRACE	TAYLOR	FSA IND	\$137.50	\$99.99	\$66.66	\$0.00	\$799.92
				Grand Total:			\$10169.07	\$3253.31	\$4804.11	\$0.00	\$43768.96

This report is available anytime through P&A's secure employer web portal, *HR Connect*[™]. This report can be sorted and exported in a variety of formats: XML, CSV, PDF, MHTML, Excel, Tiff File, and Word.

Explanation of Data Elements:

This report provides a summary of account information for all active enrollees.

Flex Demographic

SSN	Division	Last Name	First Name	MNAME	Address	City	State	Zip	Country	DOB	Division
XXX-XX-5646	ADMIN	MICHAEL	RYAN		123 STREET	CITY	NY	12345		1968-09-05	ADMIN
XXX-XX-1654	TEACHER	MICHELLE	BRENNA		123 STREET	CITY	NY	12345		1976-12-15	TEACHER
XXX-XX-3154	TEACHER	SHEA	KATELYN		123 STREET	CITY	NY	12345		1974-06-26	TEACHER
XXX-XX-5630	TEACHER	ROSE	KARLEIGH		123 STREET	CITY	NY	12345		1975-04-11	TEACHER
XXX-XX-4000	CLERICAL	THOMAS	DAWSON		123 STREET	CITY	NY	12345		1981-05-08	CLERICAL
XXX-XX-4861	TEACHER	WARD	JACK		123 STREET	CITY	NY	12345		1981-12-16	TEACHER
XXX-XX-3030	ADMIN	GREGORY	CAMERON		123 STREET	CITY	NY	12345		1962-09-05	ADMIN
XXX-XX-2231	CLERICAL	JOHN	MICHAEL		123 STREET	CITY	NY	12345		1962-05-04	CLERICAL
XXX-XX-6017	ADMIN	GRACE	TAYLOR		123 STREET	CITY	NY	12345		1980-02-22	ADMIN

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Explanation of Data Elements:

This report provides detail of employee demographic information.

Account Balance By Date Range

Report Generated Date: 07/15/2011

Account Balance From 1/1/2009 To 1/2/2009

Company	Division	Member ID	Last Name	First Name	Acct Nbr	Account	Claims	Deposits	Paid	Debit
DEMO	ADMIN	69915	MICHAEL	RYAN	1	FSA MED	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	ADMIN	69915	MICHAEL	RYAN	2	FSA DPNT	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	TEACHER	69914	MICHELLE	BRENNA	1	FSA MED	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	TEACHER	69917	SHEA	KATELYN	1	FSA MED	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	TEACHER	69917	SHEA	KATELYN	2	FSA DPNT	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	TEACHER	69919	ROSE	KARLEIGH	1	FSA MED	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	TEACHER	69919	ROSE	KARLEIGH	3	FSA IND	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	CLERICAL	69921	THOMAS	DAWSON	1	FSA MED	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	CLERICAL	69921	THOMAS	DAWSON	3	FSA IND	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	TEACHER	69918	WARD	JACK	1	FSA MED	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	TEACHER	69918	WARD	JACK	2	FSA DPNT	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	TEACHER	69918	WARD	JACK	3	FSA IND	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	ADMIN	69920	GREGORY	CAMERON	1	FSA MED	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	ADMIN	69920	GREGORY	CAMERON	2	FSA DPNT	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	ADMIN	69920	GREGORY	CAMERON	3	FSA IND	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	CLERICAL	69916	JOHN	MICHAEL	1	FSA MED	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	CLERICAL	69916	JOHN	MICHAEL	2	FSA DPNT	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	CLERICAL	69916	JOHN	MICHAEL	3	FSA IND	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	ADMIN	69922	GRACE	TAYLOR	1	FSA MED	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	ADMIN	69922	GRACE	TAYLOR	2	FSA DPNT	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	ADMIN	69922	GRACE	TAYLOR	3	FSA IND	\$0.00	\$0.00	\$0.00	\$0.00
DEMO	ADMIN	69922	GRACE	TAYLOR	4	FSA ADPT	\$0.00	\$0.00	\$0.00	\$0.00

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Explanation of Data Elements:

This report allows for multiple plan year report generation.



Jane Doe
9/15/2014
123 Main St
SAMPLEFSA

Date:

Plan:

Buffalo, NY 14202

Reference: Notice of Adverse Determination

Member ID: 12345

Dear Member:

This letter is regarding claim number 123456, for \$85.00 that you recently submitted to P&A Group for reimbursement from your Flex plan. After careful review, \$25.00 is being held or denied due to the following reason(s):

Your funds for this plan have been exhausted.

[DENIAL CODE/REASON HERE]

Pertinent Plan Provisions: *The subsection in 5.1 establishing the Plan’s Medical Expense Reimbursement Plan benefit option and the section in Article II that defines “Qualifying Medical Care Expenses” together describe the expenses that are eligible reimbursement under the plan.*

If applicable, please send the above requested documentation at your earliest convenience so we may process your claim. You may use any of the following options: upload this letter and your documentation using the “Upload a Claim” feature in the My Benefits section of the P&A website, www.padmin.com, use the mobile version of the upload feature, fax to (877) 855-7105 or mail to P&A Group, Flex Department, 17 Court Street, Suite 500, Buffalo, NY 14202.

If you would like to view your account status, please visit www.padmin.com and log into your account. If you have any questions about this letter, please do not hesitate to contact P&A Group’s call center at (800) 688-2611.

Please see the reverse side of this letter for additional information on the denial process and your Right to Appeal. Your prompt attention to this matter is appreciated.

Sincerely,

P&A Group
Flexible Spending Department

Your Right To Appeal: You have the right to appeal the adverse determination within 180 days after you receive it. Your appeal should state the reason that you believe the adverse determination was in error. If you file an appeal, you (or a person you authorize to represent you) will have the opportunity to review documents that are pertinent to your claim, to submit issues and comments in writing and to discuss the reviewed documents and the submitted issues. In most cases, you will receive a final decision on that claim within 60 days after receipt of your written appeal. In special cases, such as where a hearing is needed; the decision will be made as soon as possible but no later than 120 days after receipt of your appeal.

Appealing a Claim Denial

You have the right to an internal appeal and, if applicable, an external review* to an independent review organization.

An internal appeal must be submitted to the Claims Administrator and must include the following information:

1. Your name and address;
2. A statement that you are disputing a denial of a claim or the Claims Administrator's act or omission;
3. The date of the Claims Administrator's notice denying your claim; and
4. The reasons for your disputing the Claims Administrator's denial of the claim or the Claims Administrator's act or omission.
5. You should also submit any documentation not previously provided that supports your claim.

Your internal appeal must be delivered to the Claims Administrator within 180 days after you receiving the denial notice or after the Claims Administrator's act or omission. Your internal appeal will be heard and decided by the Claims Administrator's Operations Manager. If you do not file your internal appeal with this 180-day period, you lose your appeal rights

Decision on Review

The Claims Administrator's Operations Manager will review and decide your appeal in a reasonable time not later than 60 days after he or she receives your request for review. The Claims Administrator's Operations Manager may, in his or her discretion, hold a hearing of the denied claim. Any medical expert consulted in connection with your appeal will be different from and not subordinate to any expert consulted in connection with the initial claim denial. You will be informed of the identity of any medical expert consulted in connection with your appeal. If the decision on review affirms the initial denial of your claim, you will be furnished with a notice of adverse benefit determination on review that will include:

1. The specific reason for the denial on review;
2. A reference to the provision of the Plan on which the denial was based;
3. A statement of your right to review, upon request and at no charge, relevant documents and other information;
4. If the Claims Administrator's Operations Manager relied on an internal rule, guideline, protocol or similar criteria in making its determination, either a copy of the specific rule, guideline or protocol, or a statement that such rule, guideline, protocol or similar criterion was relied on in making the determination and that a copy of such rule, guideline, protocol or similar criterion will be provided to you free of charge upon request; and
5. A statement of your right to bring an external appeal or a civil action under ERISA Section 502(a).

****External Appeals – not applicable if the Plan provides only “excepted benefits” for purposes of the Affordable Care Act:***

You have the right to an external review of an internal appeal that is denied unless the denial was based on a failure to meet the Plan's eligibility requirements.

The Claims Administrator's Operations Manager will advise you of the process for requesting an external review when your internal appeal is denied. It must be filed within 4 months after you were provided with his or her response to your internal appeal request, or you will lose your right to request it.

The external reviewer must notify you and the Claims Administrator of its decision within 45 days after it receives your external appeal request. The decision is binding on all parties unless other State or Federal law remedies are available.

Flexible Spending Account Claim Form



Today's Date: ___ / ___ / ___ # of pages: _____ Plan Year: 20 ____ New Claim Response to Claim Denial

Employee Name	Employer Name/Division Name	
Employee Address		
Social Security Number of Member ID Number	Work Phone	Home Phone

Account	Reimbursement Amount
<input type="checkbox"/> Health Flexible Spending Account	Total Amount Requested _____
<input type="checkbox"/> Dependent Care Flexible Spending Account	Total Amount Requested _____
Dependent Care Provider Signature: X _____	
<p><i>NOTE: You must include the provider Tax ID Number in the services provider column in the table below. If you use the account to pay for the cost of a babysitter, you must provide the babysitter's Social Security Number. If you cannot remit a copy of your bill/contract, your daycare provider must sign on the line below in lieu of submitting a receipt. In addition, as to the dependent care expenses identified above (if any), I meet each of the certifications at "Qualifying Care Expense Certifications on page 2."</i></p>	
Employee Signature: X _____	

Date of Service	Employee, Spouse or Dependent	Amount Requested	Type of Service (Rx, co-pay, dental)	Service Provider/Rx Number
1.				
2.				
3.				
4.				
5.				

***Minimum check reimbursement is \$25; minimum reimbursement for direct deposit is .50**

To the best of my knowledge and belief, my statements in this reimbursement voucher are complete and true. I am claiming reimbursement only for eligible expenses incurred during the applicable plan year and for eligible plan participants. I certify that these expenses have not been previously reimbursed on this or any other benefit plan and WILL NOT BE CLAIMED AS AN INCOME TAX DEDUCTION. I authorize my Flexible Compensation account be reduced by the amount requested.

Employee's Signature: _____

Date: ___ / ___ / ___

Claim Submission Guidelines

- Please number each receipt according to its order of appearance on this form.
- IRS guidelines do not consider cancelled checks as valid documentation.
- Previous balances are not acceptable.
- All reimbursements will be made payable to the employee.

Claim Submission

- Fax: Toll-free (877) 855-7105 or (716) 855-7105
- Mail: Att: Flex Department 17 Court Street, Suite 500 Buffalo, N.Y. 14202-3204

Qualifying Care Expense Certifications



Qualifying Care Expense Certifications


1. The dependent care expenses identified on page 1 were incurred for the care of only one or more Qualifying Individuals. I understand that only the following persons are Qualifying Individuals for this purpose.
 - a. a person under age 13 who is my “qualifying child” under the Internal Revenue Code (the “Code”), i.e., (1) he or she has the same principal residence as me for more than half the year, (2) he or she is my child or stepchild (by blood or adoption), foster child, sibling or stepsibling, or a descendant of one of them; and (3) he or she does not provide more than half of his or her own support for the year.
 - b. my spouse if he or she is physically or mentally incapable of self-care and has the same principal abode as me for more than half the year.
 - c. a person who is physically or mentally incapable of caring for himself or herself, has the same principal place of abode as me for more than half of the year, and is my tax dependent under the Code (for this purpose, status as a tax dependent is determined without regard to the gross income limitation for a “qualifying relative” and certain other provisions of the Code’s definition).
 - d. if I am divorced or separated, my child but only if I am the primary custodial parent (irrespective of whether which parent may claim a personal exemption for the child on his or her federal income tax return).
2. The expenses were incurred to enable me (and my spouse, if any) to be gainfully employed. If spouse is not employed, I certify my spouse is incapacitated or a full-time student.
3. The expenses were for the care of a Qualifying Individual or for household services attributable in part to the care of a Qualifying Individual.
4. To the extent that the expenses were for services outside of my household for the care of a Qualifying Individual other than a person under age 13 who is my qualifying child, that Qualifying Individual regularly spends at least eight hours per day in my household.
5. To the extent that the expenses were for services provided by a dependent care center (including a day camp), the center complies with all applicable state and local laws and regulations.
6. None of the expenses were for dependent care services provided by my spouse, by a parent of my under-age-13 qualifying child or by a person for whom I or my spouse is entitled to a claim a personal exemption on a federal income tax return.
7. In the case of any expenses for dependent care services provided by a child of mine, that child will be at least 19 years old at the end of the year in which the services were provided.
8. None of the expenses were for services or attendance at an overnight camp.

P&A Group Customer Service

- Hours: Monday – Friday, 8:30AM – 10:00PM ET
- Website: www.padmin.com
- Toll-free: (800) 688-2611

4/12/2021

Web Claim Form

	<h2 style="margin: 0;">Universal Claim Form</h2> <p style="margin: 0;">INSTRUCTIONS To submit this form you can: Fill out the form online and print OR Print the Universal Claim Form and fill it out. Then, Fax or Mail the form to P&A, address and fax numbers below.</p>		
<p>Date: 4/12/2021 9:19:36 AM</p>			
<p>Please use these buttons INSTEAD of the browser controls. ⇒ ⇒</p>			
<p>Print</p>	<p>Close</p>		
<p>Go Back</p>			
<h3>Account Holder Information</h3>			
Plan ID:	DEMOTEST (FLEX DEMO ROLL TEST) ▼	Employee Name:	Dawson Thomas
Address:	17 COURT STREET		
City/State:	BUFFALO	NY ▼	Zip Code: 14202
Address Change:	NO ▼		
Email Address:	stevefox48@gmail.com	Phone Number:	7168522611
Member ID:	1087682	OR SSN:	___-__-____ (note: the first 5 digits of the SSN will be hidden when you print)
Claim Type:	--Select-- ▼	Number of pages:	<input type="text"/>
<p>Minimum Direct Deposit Reimbursement for Manual Claims - \$0.50 Minimum Check Reimbursement for Manual Claims - \$25 Sign up for Direct Deposit TODAY!</p>			
<h3>CLAIMS FOR OUT OF POCKET EXPENSES</h3>		<h3>PLEASE COMPLETE ALL FIELDS</h3>	
1	Account Type: --SELECT-- ▼	Service Date:	<input type="text"/>
	Patient's Name:	Relationship to Account Holder:	--SELECT-- ▼
		Cost: \$	<input type="text"/>
2	Account Type: --SELECT-- ▼	Service Date:	<input type="text"/>
	Patient's Name:	Relationship to Account Holder:	--SELECT-- ▼
		Cost: \$	<input type="text"/>
3	Account Type: --SELECT-- ▼	Service Date:	<input type="text"/>
	Patient's Name:	Relationship to Account Holder:	--SELECT-- ▼
		Cost: \$	<input type="text"/>
4	Account Type: --SELECT-- ▼	Service Date:	<input type="text"/>
	Patient's Name:	Relationship to Account Holder:	--SELECT-- ▼
		Cost: \$	<input type="text"/>
5	Account Type: --SELECT-- ▼	Service Date:	<input type="text"/>
	Patient's Name:	Relationship to Account Holder:	--SELECT-- ▼
		Cost: \$	<input type="text"/>
6	Account Type: --SELECT-- ▼	Service Date:	<input type="text"/>
	Patient's Name:	Relationship to Account Holder:	--SELECT-- ▼
		Cost: \$	<input type="text"/>
<p>YOU MUST ATTACH APPROPRIATE PROOF OF SERVICE (receipts) FOR EACH CLAIM LISTED ABOVE.</p> <p>IF YOU HAVE MORE CLAIMS TO SUBMIT, PLEASE FILL OUT ANOTHER FORM.</p>			
<p>Please use these buttons INSTEAD of the browser controls. ⇒ ⇒</p>		<p>Print</p>	<p>Close</p>
<p>Go Back</p>			
<h3>Authorization</h3> <p>To the best of my knowledge and belief, my statements in this reimbursement voucher are complete and true. I am claiming reimbursement only for eligible expenses incurred during the applicable plan year and for eligible plan participants. I certify that these expenses have not been previously reimbursed on this or any other benefit plan and WILL NOT BE CLAIMED AS AN INCOME TAX DEDUCTION. I authorize my Flexible Compensation account be reduced by the amount requested.</p> <p>Signature of Account Holder: _____ Date: _____</p> <p style="text-align: center;">For faster service, fax claims to: (716)855-7105 or (877)855-7105 Or, mail to Flex Department, 17 Court St, Suite 500, Buffalo, NY 14202-3204 Visit our website to access account information at www.padmin.com</p>			



CARD PERKS

- * Improve personal cash flow!
- * Reduce the hassle of submitting claims and waiting for reimbursements
- * Order additional cards for your spouse or dependent(s) - at no cost to you!
- * Real-time account balance available at www.padmin.com



P&A GROUP BENEFITS CARD



ORDER ADDITIONAL CARDS

Your Benefits Card is valid for three years from the date of issue. To order an additional card for your spouse or eligible dependent or to report a lost or stolen card, log into your P&A account at www.padmin.com and select Benefits Card Order Form.

CUSTOMER SERVICE

Contact P&A's customer service team for assistance Monday - Friday, 8:30 am - 10:00 pm ET



(800) 688-2611



www.padmin.com

Click Online Chat at the top of the page

YOUR BENEFITS JUST GOT EASIER

Use your P&A Benefits Card to easily pay for your eligible expenses, including medical, dental, vision and dependent day care expenses, depending on your company's plan design. When you swipe the card at the point-of-service, the data is captured electronically and is automatically debited from your account. Your Benefits Card is "smart," and recognizes Merchant Category Codes (MCCs) and the Inventory Information Approval System (IIAS) so only eligible expenses are charged at pre-approved vendors.

Occasionally, you may have an instance where your card is declined because an expense isn't categorized as eligible, or the expense needs supporting documentation in order to be approved for reimbursement, like a Letter of Medical Necessity Form. If you're unable to use your Benefits Card, or if your provider doesn't accept debit cards, pay for the expense out-of-pocket and submit a claim for reimbursement to P&A Group, along with a copy of your receipt and any requested additional documentation.

SUBMIT A CLAIM FOR REIMBURSEMENT

Claims can be submitted directly from your computer or mobile device through QuikClaim, P&A's mobile claim upload option at www.padmin.com. You can also complete a claim form and submit it via fax or mail to P&A Group. Claim forms are available when you log into your P&A Group account at www.padmin.com under Employee Participants- Quick Links- Forms.

P&A GROUP BENEFITS CARD



Since July 1, 2009, Health Flexible Spending Account (FSA), Health Reimbursement Arrangement (HRA) and Health Savings Account (HSA) Benefit Cards can only be used at stores that support the Inventory Information Approval System (IIAS).

Drugstores or pharmacies that don't utilize IIAS can only authorize Health FSA, HRA or HSA Benefit Card transactions if they meet the requirements of the 90% Rule. The rule states that the Benefits Card can be used at drugstores and pharmacies that have 90% or more of gross sales from eligible healthcare items.

WHAT IS IIAS?

IIAS is a technology that retailers use in order to identify items that are eligible under an FSA, HRA or HSA plan. Under this system scanned items are recognized as eligible or ineligible healthcare expenses at the time of purchase. This auto adjudication capability eliminates the need for paper claim substantiation.

The Benefits Card can also be used at mixed-use merchants who sell both eligible and ineligible healthcare items, such as supermarkets, large drugstores and superstores. Under IRS rules, these types of merchants must adopt the IIAS so that FSA, HRA and HSA Benefits Cards are accepted. The retailer's point-of-sale system identifies eligible healthcare FSA, HRA or HSA purchases by comparing the inventory control information (i.e., UPC or SKU number) for the items being purchased against a pre-established list of eligible expenses.



WHAT ARE ADVANTAGES OF THE BENEFITS CARD?

- Limits your double out-of-pocket exposure
- Reduces paperwork
- Ability to integrate plans with one card solution (i.e., FSA & Commuter)

WHAT SHOULD I DO IF A STORE DECLINES MY BENEFITS CARD?

If your Benefits Card transaction is declined at the point-of-purchase, you are still eligible for reimbursement as long as the item you purchase is an IRS approved expense. Save your receipt(s) and submit a claim to P&A Group by logging into your account at www.padmin.com. Once your claim is processed, you'll receive a check or you can sign up for direct deposit and have your funds automatically deposited into your designated checking or savings account. To enroll in direct deposit, log into your P&A account and click **Direct Deposit** under **Quick Links**.

HOW CAN I TELL IF A STORE HAS IMPLEMENTED IIAS?

Many of the "big box" merchants already utilize IIAS, such as Walmart, Walgreens and CVS. If you're a patron of a smaller local store that does not support the IIAS, you'll be unable to use the Benefits Card at that location. Instead, you can submit a claim to P&A Group for reimbursement of any eligible expenses. For a list of IRS eligible expenses, visit www.padmin.com.

P&A GROUP CUSTOMER SERVICE

HOURS: Monday - Friday, 8:30 am - 10:00 pm ET

PHONE: (800) 688-2611 | **WEB:** www.padmin.com | **FAX:** (877) 855-7105

MAIL: 17 Court Street, Suite 500 Buffalo, N.Y. 14202

FLEXIBLE SPENDING ACCOUNT



SAMPLE ELIGIBLE EXPENSES FOR FSA REIMBURSEMENTS

CARES Act of 2020 Update

Over-the-counter (OTC) medications are now reimbursable under FSAs without requiring a prescription or completing a Letter of Medical Necessity Form. This provision is retroactive to January 1, 2020. Menstrual care products are now reimbursable as eligible expenses, including tampons and pads.

Eligible Health FSA Expenses

- Acupuncture
- Alcoholism treatment
- Allergy medication, nasal sprays
- Ambulance
- Analgesics, fever reducers, pain reducers (aspirin, ibuprofen, acetaminophen)
- Antacids and heartburn relief
- Antibiotic ointments
- Anti-itch creams and hydrocortisone creams
- Arthritis pain relieving creams
- Athlete's foot treatment, anti-fungal creams
- Artificial teeth/dentures
- Bandages
- Birth control
- Blood pressure monitors
- Braces
- Braille-books and magazines
- Breast pumps and lactation supplies
- Cancer screening
- Chiropractors
- Chondroitin
- Co-insurance amount you pay
- Cold/hot packs
- Cold medicines, tablets, syrups, cough drops & lozenges
- Co-pay amount you pay
- Compression hose (30-40 mmHg or higher)
- Condoms
- Contact lenses and eyeglasses
- Contact lens solutions
- Cost of medically necessary operations and related treatments
- Crutches
- Deductible medical coverage (amounts you pay)
- Dental fees
- Diabetic supplies
- Diaper rash ointment
- Drug addiction treatment
- Doula
- Ear wax removal kits
- Eye exams, eye surgery
- Eye glasses (protection plans/warranties are NOT eligible expenses)
- Eczema treatments
- Feminine hygiene products
- Fertility treatments (in vitro fertilization, surgery)
- First-aid cream
- Glucosamine
- Hearing devices and batteries
- Hemorrhoid treatments
- Hospital services
- Incontinence products
- Infertility treatments
- Insulin
- Laboratory fees
- Lactose intolerance tablets
- Lamaze classes
- Latex gloves
- Laxatives
- Medical alert bracelets
- Medical information plan
- Menstrual pain relievers
- Mentally handicapped persons cost of special home care
- Motion sickness pills
- Nasal spray and strips
- Nicotine gum, patches
- Nursing fees (including boarding)
- Obstetrical expenses
- Orthotics
- Over-the-counter medications
- Oxygen
- PPE (i.e., face masks, hand sanitizer, sanitizing wipes). *These expenses are temporarily eligible through 12/31/2022.*
- Petroleum jelly
- Prosthesis
- Pregnancy tests
- Prenatal vitamins
- Psychiatrists' and psychologists' fees
- Radial keratotomy and lasik eye surgery
- Routine physical & other non diagnostic services or treatments
- Sinus medication
- Smoking cessation programs
- Speech therapy
- Special education for the blind
- Special plumbing for handicapped
- Sterilization (i.e., tubal ligation, vasectomy) and reversal
- Stomach and digestive relief items
- Sunburn cream (Solarcaine)
- Surgical fees
- Telephone, special for hearing impaired
- Television audio display equipment for hearing impaired
- Therapeutic care for drug and alcohol addiction received as medical treatment
- Thermometers
- Toothache and teething pain relievers
- Transportation expenses for person to receive medical care
- Urinary pain relief medication
- Vaccines
- Walkers
- Wart removal, i.e., W Freeze Off (certain wart medicines may require a prescription)
- Wheelchair
- X-rays
- Yeast infection medication

Eligible Health FSA Expenses Only with a Letter of Medical Necessity Form

- Compression hose (20-30 mmHg)
- Dietary supplements
- Exercise programs or equipment
- Fiber supplements
- Humidifier
- Hypnosis
- Lead-base paint removal
- Massage therapy, rolfing therapy
- Mineral supplements
- Occupational therapy
- Orthopedic shoes (*Reimbursement is permitted for the cost difference between orthopedic shoes and regular shoes.*)
- Scooter, electric
- Service animal (guide dogs are eligible without a LOMN)
- Tuition/meals/lodging for special needs schooling
- Varicose vein, treatment of
- Vitamins
- Water-Pik

FLEXIBLE SPENDING ACCOUNT



SAMPLE ELIGIBLE EXPENSES FOR FSA REIMBURSEMENTS

Never Eligible

- COBRA premiums
 - Concierge service fees - *only medical services actually provided are eligible for reimbursement; membership fees for concierge services are not eligible for reimbursement*
 - Cosmetic products and cosmetic surgery (unless to remediate damage from an illness or injury)
 - Disposable diapers
 - Diet program foods
 - Electric toothbrush
 - Electrolysis
 - Fitness programs*
 - Hair transplants*
 - Hand sanitizer
 - Household help
 - Maternity clothes
 - Teeth whitening*
- *Unless prescribed by a doctor to treat an existing illness or injury.*

Eligible Dependent Care FSA Expenses

- Babysitters
- Daycare centers
- Nursery schools
- After-school programs
- Day camp
- Eldercare
- (Overnight camps are NOT eligible)

Eligible Individual Premium FSA Expenses

- Individual dental/vision/accident coverage*
- Individual disability premiums*

***PLEASE NOTE:** If you use this pre-tax account to pay for the cost of your individual disability policy, the benefit you would receive will be taxed. The IRS will not allow you to use tax-free dollars and receive a tax-free benefit for the same expense.

Eligible Adoption Assistance FSA Expenses

- Reasonable and necessary adoption fees
- Court costs
- Attorney's fees
- Travel expenses



Expense eligibility is subject to change. If you are unsure if an expense is eligible for reimbursement, please call P&A Group at (800) 688-2611 or chat with customer service through online webchat at www.padmin.com. For a more extensive eligible expense list, you can also visit www.padmin.com.

CARES Act

Updates for Flexible Spending Accounts



Restrictions on over-the-Counter (OTC) medications have been relaxed under the CARES Act. Now you can use your Flexible Spending Account to pay for all eligible OTC medications.

Use your FSA
to purchase
OTC
medications!

CARES Act Provisions

(OTC) eligible expenses are reimbursable under FSAs without requiring a prescription or completing a Letter of Medical Necessity Form.

This provision is retroactive to January 1, 2020.

Menstrual care products are reimbursable as eligible expenses, including tampons and pads.

Important Merchant Updates

Every merchant will need to update their system to allow Benefit Cards to work at the point-of-service for OTC and menstrual care expenses. The updates will take approximately 4-6 weeks and will differ based on merchant.

Increase your savings on thousands of eligible expenses!



OTC Purchases

You can purchase eligible OTC expenses with your Benefits Card when the merchant/provider has updated its system. Most merchants will have their systems updated within six weeks. In the meantime, you can begin to receive immediate reimbursement of eligible OTC expenses by submitting a claim to P&A Group.

If your company doesn't offer a Benefits Card, please continue to follow the standard claims procedure for reimbursement.



Claims

Log into your P&A Group account at www.padmin.com or through our mobile app. Click Upload Claim/Documentation. Claim forms are also available when you log into your account.

Please note: If you are submitting a claim for previously denied OTC expenses incurred between January 1, 2020 and March 27, 2020, please submit the expense as a new claim.

Contact Us

| www.padmin.com | (800) 688-2611 | Monday - Friday, 8:30 am - 10:00 pm ET |

Affordable Care Act Report













	A	B	C	D	E	F	G	H	I	J	K
	CusNo	Location	Class	SSN	Last Name	First Name	Address1	Address2	City	State	Zip
1											
2	1	CALIFORNIA	COBRA	111-33-6614	Brostko	Steve	17 Court Street		Buffalo	NY	14202
3	1	BUFFALO	COBRA	555-55-5555	ACCOUNT	HOLDING	123 Rodeo Drive Apt 8D Suite 500		Hollywood	CA	87654
4	1	CALIFORNIA	COBRA	T41-65-4000	Thomas	Dawson	17 Court SWWWtreet		BUFFALO	NY	14202

L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
Relationship	Dep. FName	Dep. LName	Dep. DOB	Dep. SSN	Carrier	Plan Name	Plan Type	Tier Level	Total Cost	Paid Thru	01/01/2018	02/01/2018	03/01/2018
SUBSCRIBER	Steve	Brostko	01/01/1960	111-33-6614	Blue Shield of California	HEALTH	HEALTH	FAMILY	\$9000.00	10/31/2018	X	X	X
SUBSCRIBER	HOLDING	ACCOUNT	10/19/1953	555-55-5555	Blue Cross Blue Shield WNY	80/20 MEDIC	HEALTH	SINGLE	\$1800.00	7/31/2018		X	X
SUBSCRIBER	Dawson	Thomas	05/08/1981	T41-65-4000	Blue Shield of California	HEALTH	HEALTH	FAMILY	\$7200.00	8/31/2018	X	X	X

Z	AA	AB	AC	AD	AE	AF
04/01/2018	05/01/2018	06/01/2018	07/01/2018	08/01/2018	09/01/2018	10/01/2018
X	X	X	X	X	X	X
X	X	X	X			
X	X	X	X	X		

This report is available anytime through P&A’s secure employer web portal, *HR Connect*. This report can be sorted and exported in a variety of formats: XML, CSV, PDF, MHTML, Excel, Tiff File, and Word.

Notice History

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
CusNo	Location	P&A Member ID	SSN	Last Name	First Name	Relationship	COBRA Event	Qualifying Event Date	End of Active Coverage	Estimated end of COBRA	Deadline to Elect COBRA	Print Date	COBRA Elected (Y/N)	View Document
1	BUFFALO	69922	987-20-6017	GRACE	TAYLOR	Employee	Termination	07/01/2015	07/31/2015	01/31/2017	09/29/2015	07/01/2015	N	
1	BUFFALO	194911	333-33-3333	Sample	Joe	Employee	Initial/General Notice					06/24/2016	N	
1	BUFFALO	689400	502-52-0346	Smith	Sarah	Employee	Initial/General Notice					02/09/2016	N	
1	BUFFALO	667036	554-44-4444	Test	Test	Employee	Termination	12/31/2015	12/31/2015	06/30/2017	02/29/2016	12/11/2015	N	
1	BUFFALO	581349	123-44-5555	TEST	TESTADD	Employee	Initial/General Notice					01/05/2016	N	
1	BUFFALO	581349	123-44-5555	TEST	TESTADD	Employee	Initial/General Notice					01/05/2016	N	
1	BUFFALO	581349	123-44-5555	TEST	TESTADD	Employee	Termination	01/05/2016	01/31/2016	07/31/2017	03/31/2016	01/05/2016	N	
1	BUFFALO	740851	112-11-1133	TESTER	ADDRESS	Employee	Termination	09/27/2016	09/30/2016	03/30/2018	11/29/2016	09/27/2016	N	
1	BUFFALO	69921	641-65-4000	THOMAS	DAWSON	Employee	Initial/General Notice					11/09/2016	N	
1	CALIFORNIA	69922	987-20-6017	GRACE	TAYLOR	Employee	Initial/General Notice					08/30/2016	N	
1	CALIFORNIA	69922	987-20-6017	GRACE	TAYLOR	Employee	Initial/General Notice					08/30/2016	N	
1	CALIFORNIA	69922	987-20-6017	GRACE	TAYLOR	Employee	Initial/General Notice					08/30/2016	N	

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Census

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Cus.No	Location	Class	SSN	P&A Member ID	Last Name	First Name	Category	Carrier	Plan Name	Plan Type	Tier Code	Group Number	Amount	Benefit Period	Remittance Date
1	CALIFORNIA	COBRA	641-65-4000	69921	THOMAS	DAWSON	DENTAL	GUARDLV	DENTAL	DENTAL	EE + 1	DEMO	\$80.00	05/01/2016	11/01/2016
1	CALIFORNIA	COBRA	641-65-4000	69921	THOMAS	DAWSON	DENTAL	GUARDLV	DENTAL	DENTAL	EE + 1	DEMO	\$80.00	06/01/2016	11/01/2016
1	CALIFORNIA	COBRA	641-65-4000	69921	THOMAS	DAWSON	HEALTH	BC CA	HEALTH	HEALTH	FAMILY	DEMO	\$900.00	05/01/2016	11/01/2016
1	CALIFORNIA	COBRA	641-65-4000	69921	THOMAS	DAWSON	HEALTH	BC CA	HEALTH	HEALTH	FAMILY	DEMO	\$900.00	06/01/2016	11/01/2016

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Benefits Paid Detail

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Cus.No	Location	Class	SSN	P&A Member ID	Last Name	First Name	Category	Carrier	Plan Name	Plan Type	Tier Code	Group Number	Amount	Benefit Period	Remittance Date
1	CALIFORNIA	COBRA	641-65-4000	69921	THOMAS	DAWSON	DENTAL	GUARDLV	DENTAL	DENTAL	EE + 1	DEMO	\$80.00	05/01/2016	11/01/2016
1	CALIFORNIA	COBRA	641-65-4000	69921	THOMAS	DAWSON	DENTAL	GUARDLV	DENTAL	DENTAL	EE + 1	DEMO	\$80.00	06/01/2016	11/01/2016
1	CALIFORNIA	COBRA	641-65-4000	69921	THOMAS	DAWSON	HEALTH	BC CA	HEALTH	HEALTH	FAMILY	DEMO	\$900.00	05/01/2016	11/01/2016
1	CALIFORNIA	COBRA	641-65-4000	69921	THOMAS	DAWSON	HEALTH	BC CA	HEALTH	HEALTH	FAMILY	DEMO	\$900.00	06/01/2016	11/01/2016

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Insurance Premium Rates

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
CusNo	Location	Location Description	Class	Category	Carrier	Plan Name	Plan Type	Effective Date	Tier	Rate	Rate (w/2%)	Tier	Rate	Rate (w/2%)	Tier
1	BUFFALO	COBRA DEMO	COBRA	HEALTH	BCBSWNY	80/20 MEDIC	HEALTH	01/01/2018	SINGLE	\$300.00	\$306.00	EE + 1	\$600.00	\$612.00	FAMILY
1	BUFFALO	COBRA DEMO	COBRA	HEALTH	BCBSWNY	HEALTH	HEALTH	01/01/2018	SINGLE	\$300.00	\$306.00	EE + 1	\$600.00	\$612.00	FAMILY
1	BUFFALO	COBRA DEMO	COBRA	DENTAL	GUARDLV	DENTAL	DENTAL	01/01/2018	SINGLE	\$20.00	\$20.40	EE + 1	\$40.00	\$40.80	FAMILY
1	BUFFALO	COBRA DEMO	COBRA	EAP	GUARDLV	EAP	EAP	01/01/2018	SINGLE			FAMILY			
1	BUFFALO	COBRA DEMO	COBRA	FSA	P&A	FSA	FSA	01/01/1900	UNIQUE						
1	BUFFALO	COBRA DEMO	COBRA	VISION	VSP	VISION	VISION	01/01/2018	SINGLE	\$5.00	\$5.10	EE + 1	\$9.00	\$9.18	FAMILY
1	BUFFALO	COBRA DEMO	COBRA	WELL	WELLSFARGO	WELLNESS	WELLNESS	01/01/2018	SINGLE	\$30.00	\$30.60	FAMILY	\$60.00	\$61.20	
1	CALIFORNIA	COBRA DEMO CA	COBRA	HEALTH	BC CA	HEALTH	HEALTH	01/01/2018	AGE BANDED						
1	CALIFORNIA	COBRA DEMO CA	COBRA	HEALTH	BC CA	HEALTH	PPO	01/01/2018	AGE BANDED						
1	CALIFORNIA	COBRA DEMO CA	COBRA	DENTAL	GUARDLV	DENTAL	DENTAL	01/01/2018	SINGLE	\$20.00	\$20.40	EE + 1	\$40.00	\$40.80	FAMILY
1	CALIFORNIA	COBRA DEMO CA	COBRA	VISION	VSP	VISION	VISION	01/01/2018	SINGLE	\$5.00	\$5.10	EE + 1	\$9.00	\$9.18	FAMILY
1	NEW YORK	COBRA DEMO NY	COBRA	FSA	P&A	FSA	FSA	01/01/1900	UNIQUE						

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Premium Remittance

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Please review the premium remittance report, it is a tool to assist you in reconciling your carrier invoices. We ask you contact your P&A Administrator concerning any discrepancies within 30 days of the receipt of this remittance report. The P&A Group will not be responsible for discrepancies discovered more than 30 days after the report has been delivered due to our service agreement Exhibit 2. We rely on the employer to communicate any discrepancies to us so that we can assist in correcting any discrepancies in a timely manner.																	
Cus.No	Location	Class	SSN	P&A ID	First Name	Last Name	Category	Carrier	Plan Name	Plan Type	Tier Code	Group Number	Amount	Billed	Subsidy	Benefit Period	Remittance Date
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	DENTAL	GUARDLV	DENTAL	DENTAL	SINGLE	DEMO	\$20.00	\$20.00	\$0.00	03/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	DENTAL	GUARDLV	DENTAL	DENTAL	SINGLE	DEMO	\$20.00	\$20.00	\$0.00	04/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	DENTAL	GUARDLV	DENTAL	DENTAL	SINGLE	DEMO	\$20.00	\$20.00	\$0.00	05/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	DENTAL	GUARDLV	DENTAL	DENTAL	SINGLE	DEMO	\$20.00	\$20.00	\$0.00	06/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	DENTAL	GUARDLV	DENTAL	DENTAL	SINGLE	DEMO	\$20.00	\$20.00	\$0.00	07/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	HEALTH	BCBSWNY	80/20 MEDIC	HEALTH	SINGLE	1256	\$300.00	\$300.00	\$0.00	03/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	HEALTH	BCBSWNY	80/20 MEDIC	HEALTH	SINGLE	1256	\$300.00	\$300.00	\$0.00	04/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	HEALTH	BCBSWNY	80/20 MEDIC	HEALTH	SINGLE	1256	\$300.00	\$300.00	\$0.00	05/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	HEALTH	BCBSWNY	80/20 MEDIC	HEALTH	SINGLE	1256	\$300.00	\$300.00	\$0.00	06/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	HEALTH	BCBSWNY	80/20 MEDIC	HEALTH	SINGLE	1256	\$300.00	\$300.00	\$0.00	07/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	VISION	VSP	VISION	VISION	SINGLE	DEMO	\$5.00	\$5.00	\$0.00	03/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	VISION	VSP	VISION	VISION	SINGLE	DEMO	\$5.00	\$5.00	\$0.00	04/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	VISION	VSP	VISION	VISION	SINGLE	DEMO	\$5.00	\$5.00	\$0.00	05/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	VISION	VSP	VISION	VISION	SINGLE	DEMO	\$5.00	\$5.00	\$0.00	06/01/2018	11/01/2018
1	BUFFALO	COBRA	555-55-5555	119731	HOLDING	ACCOUNT	VISION	VSP	VISION	VISION	SINGLE	DEMO	\$5.00	\$5.00	\$0.00	07/01/2018	11/01/2018
1	BUFFALO	COBRA	456-45-6486	194913	Jess	Bing	HEALTH	BCBSWNY	80/20 MEDIC	HEALTH	SINGLE	1256	\$300.00	\$300.00	\$0.00	03/01/2018	11/01/2018
1	BUFFALO	COBRA	456-45-6486	194913	Jess	Bing	HEALTH	BCBSWNY	80/20 MEDIC	HEALTH	SINGLE	1256	\$300.00	\$300.00	\$0.00	04/01/2018	11/01/2018
1	BUFFALO	COBRA	456-45-6486	194913	Jess	Bing	HEALTH	BCBSWNY	80/20 MEDIC	HEALTH	SINGLE	1256	\$300.00	\$300.00	\$0.00	05/01/2018	11/01/2018
1	BUFFALO	COBRA	456-45-6486	194913	Jess	Bing	HEALTH	BCBSWNY	80/20 MEDIC	HEALTH	SINGLE	1256	\$300.00	\$300.00	\$0.00	06/01/2018	11/01/2018
1	BUFFALO	COBRA	456-45-6486	194913	Jess	Bing	HEALTH	BCBSWNY	80/20 MEDIC	HEALTH	SINGLE	1256	\$300.00	\$300.00	\$0.00	07/01/2018	11/01/2018
1	BUFFALO	COBRA	456-45-6486	194913	Jess	Bing	VISION	VSP	VISION	VISION	FAMILY	DEMO	\$15.00	\$15.00	\$0.00	03/01/2018	11/01/2018
1	BUFFALO	COBRA	456-45-6486	194913	Jess	Bing	VISION	VSP	VISION	VISION	FAMILY	DEMO	\$15.00	\$15.00	\$0.00	04/01/2018	11/01/2018
1	BUFFALO	COBRA	456-45-6486	194913	Jess	Bing	VISION	VSP	VISION	VISION	FAMILY	DEMO	\$15.00	\$15.00	\$0.00	05/01/2018	11/01/2018
1	BUFFALO	COBRA	456-45-6486	194913	Jess	Bing	VISION	VSP	VISION	VISION	FAMILY	DEMO	\$15.00	\$15.00	\$0.00	06/01/2018	11/01/2018
1	BUFFALO	COBRA	456-45-6486	194913	Jess	Bing	VISION	VSP	VISION	VISION	FAMILY	DEMO	\$15.00	\$15.00	\$0.00	07/01/2018	11/01/2018
1	BUFFALO	COBRA	987-65-4322	194918	Jane	Doe	DENTAL	GUARDLV	DENTAL	DENTAL	FAMILY	DEMO	\$80.00	\$80.00	\$0.00	06/01/2018	11/01/2018

This report is available anytime through P&A’s secure employer web portal, *HR Connect*. This report can be sorted and exported in a variety of formats: XML, CSV, PDF, MHTML, Excel, Tiff File, and Word.

BUSINESS ASSOCIATE AGREEMENT

This Agreement made effective as of January 1, 2017 (the "Effective Date"), by and between the Covered Entity identified below, and **P&A ADMINISTRATIVE SERVICES, INC.**, 17 Court Street, Suite 500, Buffalo, NY 14202-3294 ("**Business Associate**").

1. **Definitions.**

- a. **Breach.** "Breach" shall have the same meaning as the term "breach" in 45 CFR § 164.402.
- b. **Breach Notification Rule.** "Breach Notification Rule" shall mean the Standards and Implementation Specifications for Notification of Breaches of Unsecured Protected Health Information under 45 CFR Parts 160 and 164, subparts A and D.
- c. **Business Associate.** "Business Associate" shall mean P&A Administrative Services, Inc.
- d. **Covered Entity.** "Covered Entity" shall mean the Medical Expense Reimbursement Account Option under the **SAMPLE COMPANY** Flexible Benefits Plan.
- e. **Electronic Protected Health Information.** "Electronic Protected Health Information" shall have the same meaning as the term "electronic protected health information" in 45 CFR § 160.103.
- f. **Electronic Transactions Rule.** "Electronic Transactions Rule" shall mean the final regulations issued by HHS concerning standard transactions and code sets under 45 CFR Parts 160 and 162.
- g. **Enforcement Rule.** "Enforcement Rule" shall mean the Enforcement Provisions set forth in 45 CFR Part 160.
- h. **Genetic Information.** "Genetic Information" shall have the same meaning as the term "genetic information" in 45 CFR § 160.103.
- i. **HHS.** "HHS" shall mean the Department of Health and Human Services.
- j. **HIPAA Rules.** "HIPAA Rules" shall mean the Privacy Rule, Security Rule, Breach Notification Rule, and Enforcement Rule.
- k. **HITECH Act.** "HITECH Act" shall mean the Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009.
- l. **Privacy Rule.** "Privacy Rule" shall mean the Privacy Standards and Implementation Specifications at 45 CFR Parts 160 and 164, subparts A and E.
- m. **Protected Health Information.** "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR § 160.103, limited to the information created, received,

maintained, or transmitted by Business Associate from or on behalf of Covered Entity pursuant to this Agreement.

n. **Required by Law.** “Required by Law” shall have the same meaning as the term “required by law” in 45 CFR § 164.103.

o. **Security Incident.** “Security Incident” shall have the same meaning as the term “security incident” in 45 CFR § 164.304.

p. **Security Rule.** “Security Rule” shall mean the Security Standards and Implementation Specifications at 45 CFR Parts 160 and 164, subparts A and C.

q. **Services Agreement.** “Services Agreement” shall mean the “Flexible Benefits Plan Services Agreement” of even date herewith between the **SAMPLE COMPANY** and the Business Associate including any subsequent amendments or restatements thereof.

r. **Subcontractor.** “Subcontractor” shall have the same meaning as the term “subcontractor” in 45 CFR § 160.103.

s. **Transaction.** “Transaction” shall have the meaning given the term “transaction” in 45 CFR § 160.103.

t. **Unsecured Protected Health Information.** “Unsecured Protected Health Information” shall have the meaning given the term “unsecured protected health information” in 45 CFR § 164.402.

2. ***Privacy and Security of Protected Health Information.***

a. **Permitted Uses and Disclosures.** Business Associate is permitted to use and disclose Protected Health Information only as set forth below:

(i) **Functions and Activities on Covered Entity’s Behalf.** Business Associate shall provide the services described in a certain administrative services agreement of even date herewith (the “Services Agreement”). The Business Associate hereby is authorized to de-identify Protected Health Information whenever, in its best judgment, it is necessary to do so to comply with the HIPAA Rules.

(ii) **Business Associate’s Operations.** Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate. Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate or to carry out Business Associate’s legal responsibilities, provided that—

(A) The disclosure is Required by Law; or

(B) Business Associate obtains reasonable assurance from any person or entity to which Business Associate will disclose Protected Health Information that the person or entity will —

(1) Hold the Protected Health Information in confidence and use or further disclose the Protected Health Information only for the purpose for which Business Associate disclosed Protected Health Information to the person or entity or as Required by Law; and

(2) Promptly notify Business Associate of any instance of which the person or entity becomes aware in which the confidentiality of Protected Health Information was breached.

(iii) Minimum Necessary. Business Associate will, in its performance of the functions, activities, services, and operations specified above, make reasonable efforts to use, to disclose, and to request only the minimum amount of Protected Health Information reasonably necessary to accomplish the intended purpose of the use, disclosure, or request, except that Business Associate will not be obligated to comply with this minimum-necessary limitation if neither Business Associate nor Covered Entity is required to limit its use, disclosure, or request to the minimum necessary under the HIPAA Rules. Business Associate and Covered Entity acknowledge that the phrase “minimum necessary” shall be interpreted in accordance with the HITECH Act and the HIPAA Rules.

b. Prohibition on Unauthorized Use or Disclosure. Business Associate will neither use nor disclose Protected Health Information, except as permitted or required by this Agreement or in writing by Covered Entity or as Required by Law. This Agreement does not authorize Business Associate to use or disclose Covered Entity’s Protected Health Information in a manner that would violate the HIPAA Rules if done by Covered Entity, except as permitted for Business Associate’s proper management and administration, as described above.

c. Information Safeguards.

(i) Privacy of Protected Health Information. Business Associate will develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards to protect the privacy of Protected Health Information. The safeguards must reasonably protect Protected Health Information from any intentional or unintentional use or disclosure in violation of the Privacy Rule and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement. To the extent the parties agree that the Business Associate will carry out directly one or more of Covered Entity’s obligations under the Privacy Rule, the Business Associate will comply with the requirements of the Privacy Rule that apply to the Covered Entity in the performance of such obligations.

(ii) Security of Covered Entity’s Electronic Protected Health Information. Business Associate will comply with the Security Rule and will use appropriate administrative, technical, and physical

safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that Business Associate creates, receives, maintains, or transmits on Covered Entity's behalf.

(iii) **No Transfer of PHI Outside United States.** Business Associate will not transfer Protected Health Information outside the United States without the prior written consent of the Covered Entity. In this context, a "transfer" outside the United States occurs if Business Associate's workforce members, agents, or subcontractors physically located outside the United States are able to access, use, or disclose Protected Health Information.

d. **Subcontractors.** Business Associate will require each of its Subcontractors to agree, in a written agreement with Business Associate, to comply with the provisions of the Security Rule; to appropriately safeguard Protected Health Information created, received, maintained, or transmitted on behalf of the Business Associate; and to apply the same restrictions and conditions that apply to the Business Associate with respect to such Protected Health Information.

e. **Prohibition on Sale of Protected Health Information.** Effective immediately, Business Associate shall not engage in any sale (as defined in the HIPAA rules) of Protected Health Information.

f. **Prohibition on Use or Disclosure of Genetic Information.** Effective immediately, Business Associate shall not use or disclose Genetic Information for underwriting purposes in violation of the HIPAA rules.

g. **Penalties for Noncompliance.** Business Associate acknowledges that it is subject to civil and criminal enforcement for failure to comply with the HIPAA Rules, to the extent provided by the HITECH Act and the HIPAA Rules.

3. **Compliance with Electronic Transactions Rule.** If Business Associate conducts in whole or part electronic Transactions on behalf of Covered Entity for which HHS has established standards, Business Associate will comply, and will require any Subcontractor it involves with the conduct of such Transactions to comply, with each applicable requirement of the Electronic Transactions Rule and of any operating rules adopted by HHS with respect to Transactions.

4. **Individual Rights.**

a. **Access.** Business Associate will, within twenty-nine calendar days following Covered Entity's request, make available to Covered Entity (or, at Covered Entity's written direction, to an individual or the individual's designee) for inspection and copying Protected Health Information about the individual that is in a Designated Record Set in Business Associate's custody or control, so that Covered Entity may meet its access obligations under 45 CFR § 164.524. Effective September 23, 2013, if Covered Entity requests an

electronic copy of Protected Health Information that is maintained electronically in a Designated Record Set in the Business Associate's custody or control, Business Associate will provide an electronic copy in the form and format specified by the Covered Entity if it is readily producible in such format; if it is not readily producible in such format, Business Associate will work with Covered Entity to determine an alternative form and format that will enable Covered Entity to meet its electronic access obligations under 45 CFR § 164.524.

b. **Amendment.** Business Associate will, upon receipt of written notice from Covered Entity, promptly amend or permit Covered Entity access to amend any portion of an individual's Protected Health Information that is in a Designated Record Set in the custody or control of the Business Associate, so that Covered Entity may meet its amendment obligations under 45 CFR § 164.526.

c. **Disclosure Accounting.** To allow Covered Entity to meet its obligations to account for disclosures of Protected Health Information under 45 CFR § 164.528:

(i) **Disclosures Subject to Accounting.** Business Associate will record the information specified below ("Disclosure Information") for each disclosure of Protected Health Information, not excepted from disclosure accounting as specified below, that Business Associate makes to Covered Entity or to a third party.

(ii) **Disclosures Not Subject to Accounting.** Business Associate will not be obligated to record Disclosure Information or otherwise account for disclosures of Protected Health Information if Covered Entity need not account for such disclosures under the HIPAA Rules.

(iii) **Disclosure Information.** With respect to any disclosure by Business Associate of Protected Health Information that is not excepted from disclosure accounting under the HIPAA Rules, Business Associate will record the following Disclosure Information as applicable to the type of accountable disclosure made:

(A) **Disclosure Information Generally.** Except for repetitive disclosures of Protected Health Information as specified below, the Disclosure Information that Business Associate must record for each accountable disclosure is (i) the disclosure date, (ii) the name and (if known) address of the entity to which Business Associate made the disclosure, (iii) a brief description of the Protected Health Information disclosed, and (iv) a brief statement of the purpose of the disclosure.

(B) **Disclosure Information for Repetitive Disclosures.** For repetitive disclosures of Protected Health Information that Business Associate makes for a single purpose to the same person or entity (including Covered Entity), the Disclosure Information that Business Associate must record is either the Disclosure Information specified above for each accountable disclosure, or (i) the Disclosure Information specified above for the first of the repetitive accountable

disclosures; (ii) the frequency, periodicity, or number of the repetitive accountable disclosures; and (iii) the date of the last of the repetitive accountable disclosures.

(iv) **Availability of Disclosure Information.** Business Associate will maintain the Disclosure Information for at least six years following the date of the accountable disclosure to which the Disclosure Information relates. Business Associate will make the Disclosure Information available to Covered Entity fifty-nine calendar days following Covered Entity's request for such Disclosure Information to comply with an individual's request for disclosure accounting.

d. **Restriction Agreements and Confidential Communications.** Covered Entity shall notify Business Associate of any limitations in the notice of privacy practices of Covered Entity under 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information. Business Associate will comply with any notice from Covered Entity to (1) restrict use or disclosure of Protected Health Information pursuant to 45 CFR § 164.522(a), or (2) provide for confidential communications of Protected Health Information pursuant to 45 CFR § 164.522(b), provided that Covered Entity notifies Business Associate in writing of the restriction or confidential communications obligations that Business Associate must follow. Covered Entity will promptly notify Business Associate in writing of the termination of any such restriction or confidential communications requirement and, with respect to termination of any such restriction, instruct Business Associate whether any of the Protected Health Information will remain subject to the terms of the restriction agreement.

5. ***Breaches and Security Incidents.***

a. **Reporting.**

(i) **Impermissible Use or Disclosure.** Business Associate will report to Covered Entity any use or disclosure of Protected Health Information not permitted by this Agreement not more than fifty-nine calendar days after Business Associate discovers such non-permitted use or disclosure.

(ii) **Breach of Unsecured Protected Health Information.** Business Associate will report to Covered Entity any potential Breach of Unsecured Protected Health Information not more than fifty-nine calendar days after discovery of such potential Breach. Business Associate will treat a potential Breach as being discovered in accordance with 45 CFR § 164.410. Business Associate will make the report to Covered Entity's Privacy Officer. If a delay is requested by a law-enforcement official in accordance with 45 CFR § 164.412, Business Associate may delay notifying Covered Entity for the applicable time period. Business Associate's report will include at least the following, provided that absence of any information will not be cause for Business Associate to delay the report:

- (A) Identify the nature of the Breach, which will include a brief description of what happened, including the date of any Breach and the date of the discovery of any Breach;
- (B) Identify the types of Protected Health Information that were involved in the Breach (such as whether full name, Social Security number, date of birth, home address, account number, diagnosis, or other information were involved);
- (C) Identify who made the non-permitted use or disclosure and who received the non-permitted disclosure;
- (D) Identify what corrective or investigational action Business Associate took or will take to prevent further non-permitted uses or disclosures, to mitigate harmful effects, and to protect against any further Breaches;
- (E) Identify what steps the individuals who were subject to a Breach should take to protect themselves;
- (F) Provide such other information, including a written report and risk assessment under 45 CFR § 164.402, as Covered Entity may reasonably request.

(iii) Security Incidents. Business Associate will report to Covered Entity any Security Incident of which Business Associate becomes aware. Business Associate will make this report _____ once per month, except if any such Security Incident resulted in a disclosure not permitted by this Agreement or Breach of Unsecured Protected Health Information, Business Associate will make the report in accordance with the provisions set forth above.

b. **Mitigation.** Business Associate shall mitigate, to the extent practicable, any harmful effect known to the Business Associate resulting from a use or disclosure in violation of this Agreement.

6. **Term and Termination.**

a. **Term.** This Agreement shall be effective as the Effective Date, and shall remain in effect until the Service Agreement terminates.

b. **Right to Terminate for Cause.** Notwithstanding “a” above, Covered Entity may terminate this Agreement if it determines, in its sole discretion, that Business Associate has breached any provision of this Agreement, and after written notice to Business Associate of the breach, Business Associate has failed to cure the breach within thirty calendar days after receipt of the notice. Any such termination will be effective immediately or at such other date specified in Covered Entity’s notice of termination.

c. **Treatment of Protected Health Information on Termination.**

(i) Return or Destruction of Covered Entity’s Protected Health Information Is Feasible. Upon termination of this Agreement, Business Associate will, if feasible, return to Covered Entity or destroy

all Protected Health Information in whatever form or medium, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of the Protected Health Information. This provision shall apply to Protected Health Information that is in the possession of any Subcontractors of Business Associate. Further, Business Associate shall require any such Subcontractor to certify to Business Associate that it has returned or destroyed all such information which could be returned or destroyed. Business Associate will complete these obligations as promptly as possible, but not later than thirty calendar days following the effective date of the termination of this Agreement.

(ii) Procedure When Return or Destruction Is Not Feasible. Business Associate will identify any Protected Health Information, including any Protected Health Information that Business Associate has disclosed to Subcontractors, that cannot feasibly be returned to Covered Entity or destroyed and explain why return or destruction is infeasible. Business Associate will limit its further use or disclosure of such information to those purposes that make return or destruction of such information infeasible. Business Associate will complete these obligations as promptly as possible, but not later than thirty calendar days following the effective date of the termination or other conclusion of Agreement.

(iii) Continuing Privacy and Security Obligation. Business Associate's obligation to protect the privacy and safeguard the security of Protected Health Information as specified in this Agreement will be continuous and survive termination or other conclusion of this Agreement.

7. General Provisions.

a. **Definitions.** All terms that are used but not otherwise defined in this Agreement shall have the meaning specified under HIPAA, including its statute, regulations, and other official government guidance.

b. **Inspection of Internal Practices, Books, and Records.** Business Associate will make its internal practices, books, and records relating to its use and disclosure of Protected Health Information available to Covered Entity and to HHS to determine compliance with the HIPAA Rules.

c. **Amendment to Agreement.** This Agreement may be amended only by a written instrument signed by the parties. In case of a change in applicable law, the parties agree to negotiate in good faith to adopt such amendments as are necessary to comply with the change in law.

d. **No Third-Party Beneficiaries.** Nothing in this Agreement shall be construed as creating any rights or benefits to any third parties.

e. **Interpretation.** Any ambiguity in the Agreement shall be resolved to permit Covered Entity and Business Associate to comply with the applicable requirements under the HIPAA Rules.

f. **Governing Law, Jurisdiction, and Venue.** This Agreement shall be governed by the governing law identified in the Services Agreement.

g. **Severability.** The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

h. **Construction and Interpretation.** The section headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. This Agreement has been negotiated by the parties at arm's-length and each of them has had an opportunity to modify the language of the Agreement. Accordingly, the Agreement shall be treated as having been drafted equally by the parties, and the language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any party shall not apply. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

i. **Notices.** All notices and communications required by this Agreement shall be in writing. Such notices and communications shall be given in one of the following forms: (i) by delivery in person, (ii) by a nationally-recognized, next-day courier service, (iii) by first-class, registered or certified mail, postage prepaid; or (iv) by electronic mail to the address that each party specifies in writing.

j. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to its subject matter and constitutes and supersedes all prior agreements, representations and understandings of the parties, written or oral, with regard to this same subject matter.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the Effective Date.

COVERED ENTITY

By: _____

Title: _____

BUSINESS ASSOCIATE

By: _____

Title: _____

P&A Group

Written Information Security Policy

Revised July 13, 2017



Written Information Security Policy

Contents

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1. Executive Summary

Mission Statement

The P&A Group is committed to safeguarding the personally identifiable information of its customers, customer's employees, and that of its own employees. In light of the increasing complexity of technology as well as the increasing sophistication of malicious parties, the Company regards the risk of data and identity theft to be higher than ever before and the protection of personally identifiable information (PII) critical to doing business. Accordingly, it is our goal to ensure the integrity of personally identifiable information through compliance with federal, state, and industry regulations, as well as through adherence to commonly accepted standards of information security.

Objective

Our objective in promulgating and implementing this written information security program is to ensure the effectiveness of our administrative, technical, and physical safeguards in compliance with our policies and the requirements of any applicable federal, state, and industry regulations.

2. Purpose

The purposes of this program are to:

1. Ensure the security and confidentiality of personally identifiable information;
2. Protect against any anticipated threats or hazards to the security or integrity of such information;
and
3. Protect against unauthorized access to or use of such information.

3. Scope

The scope of our information security program encompasses any personally identifiable information handled, stored or maintained by any operational, administrative or financial aspect of the Company. This includes, but is not limited to, the following departments:

- Flexible Benefits Administration,
- Retirement Services,
- Group Insurance Services,
- Information Technology,
- Finance and Accounting,
- Legal,
- Human Resources, and

- Mail Processing & Imaging

For purposes of this program, “personally identifiable information” means an individual’s first name and last name or first initial and last name, in combination with any one or more of the following items of information that relate to that individual:

- Social Security number
- Driver’s license number or state-issued identification card number; or
- Financial account number, or credit or debit card number, with or without any required security code, access code, personal identification number or password, that would permit access to an individual’s financial account. However, “personally identifiable information” does not include information that is lawfully obtained from publicly available information, or from federal, state or local government records lawfully made available to the general public.

In formulating and implementing this program, we have:

- Identified reasonably foreseeable internal and external risks to the security, confidentiality and/or integrity of any electronic, paper or other records containing personally identifiable information;
- Assessed the likelihood of potential damage of these threats, taking into consideration the sensitivity of the personally identifiable information;
- Evaluated the sufficiency of existing policies, procedures, customer information systems, and other safeguards in place to control risks; and
- Designed and implemented a plan that puts reasonable safeguards in place to minimize those risks.

4. Roles & Responsibilities

We have designated a cross-functional team chaired by the President consisting of the General Counsel, Director of Information Technology, IT Information Security Officer, Vice President of Operations, and Manager of Human Resources as the P&A Group’s Information Privacy and Security Committee. The Information Privacy and Security Committee is charged with the responsibility of assuring and overseeing the following activities of the program:

- Implementation and oversight of the information security program;
- Identification of personally identifiable information handled, stored or maintained by any operational, administrative or financial aspect of the Company and the assessment of the corresponding risk associated with that information;
- Evaluation of the ability of service providers to appropriately handle personally identifiable information for which we are responsible and ensuring that those service providers protect personally identifiable information in a manner consistent with the applicable laws and regulations;

- Review of the scope of the security measures in the program at least annually, or whenever there is a material change in our business practices that may implicate the security or integrity of records containing personally identifiable information;
- Periodic testing and/or monitoring of the safeguards addressed in this program;
- Documenting responsive actions taken in connection with any incident involving a breach of security, and mandatory post-incident review of events and actions taken, if any, to make changes in business practices relating to the protection of such information; and
- Coordination of an annual training session on the elements of the program for all officers, managers, employees and independent contractors, including temporary and contract employees who have access to personally identifiable information. All attendees at such training sessions will be required to certify their attendance at the training and their familiarity with the company's requirements for ensuring the protection of personally identifiable information.

5. Safeguarding Against Internal & External Risks

To combat internal and external risks to the security, confidentiality and/or integrity of any electronic, paper or other records containing personally identifiable information, and evaluating and improving, where necessary, the effectiveness of the current safeguards for limiting such risks, the following policies and procedures have been implemented:

Information Privacy & Security Committee – As noted above, we have designated a cross-functional team of executives with the responsibility for planning and overseeing the activities of the program. The committee meets on an annual basis to discuss personally identifiable information handled by the company, assess the associated risks, and oversee/implement the corresponding safeguards. The committee is also responsible for monitoring, and modifying as necessary, the ongoing effectiveness of the design and operation of the program, its governance activities, and its safeguards.

Information Security Policies – The information security policies contained within the Employee Handbook address the proper use and handling of personally identifiable information as well as employees' personal obligations in doing so. The Employee Handbook and the information security policy are available on the Company intranet.

Training & Awareness – All employees are trained on the importance of information security and the appropriate handling of personally identifiable information. New employees to the Company receive this training as part of their orientation. All other employees must participate in annual refresher computer based training and recertify their understanding of the aforementioned concepts and their personal obligations. Further, the importance of information security is re-emphasized periodically through company-wide communications.

Disciplinary Measures – All employees are subject to disciplinary measures should they violate company policies pertaining to the handling of personally identifiable information as defined in the Employee Handbook.

Incident Management – Procedures to evaluate suspected and actual breaches of information security are in place. Any suspected or actual breaches will be escalated through proper management channels to the appropriate regulatory and legal (if necessary) bodies accordingly.

Service Providers – We have instituted due diligence procedures whereby we evaluate the willingness and ability of all service providers with whom we share personally identifiable information to properly safeguard that information in accordance with relevant federal, state, and industry privacy and security laws and regulations.

Information Security – An array of manual and automated information technology controls to safeguard personally identifiable information from both internal and external threats are in place. These include, but are not limited to, the following:

User Access Management Controls – Access to applications, file shares, databases, as well as remote access through the VPN, is limited to only those personnel that require it for their job functions. All access requests must be approved by a departmental manager and are implemented by a system administrator in IT. Access to information systems is removed the day of an employee's termination from the Company. Periodic reviews are performed to detect accounts no longer in use and access is removed accordingly. VPN activity is logged and potential inappropriate activity, such as numerous invalid login attempts, is monitored by IT through automated email messages.

- **Unique User IDs and Passwords** – There is no use of shared or generic accounts, whether for end user or administrative purposes. All employees receive unique user IDs for the network, applications, operating platforms and databases. Passwords for such accounts follow Windows complexity requirements. In addition, the following rules regarding passwords apply:
 - The password does not contain the account name of the user
 - The password is a minimum of eight (8) characters in length The password contains characters from All categories; Latin upper/lower case letters (A/a through Z/z), base 10 digits (0-9), non-alphanumeric characters such as exclamation point, dollar sign, number sign, or percent and spaces
 - Password must be hashed and salted with at least 5,000 iterations
 - No password hints
 - Knowledge-Based Authentication (KBA) is not used. KBA is when a site says “pick from a list of questions”
 - Reset password every 90 days unless requested by a user, within reason, i.e. data breach
 - Salt of 32 bits or more, a keyed HMAC hash using SHA-1, SHA-2 or SHA-3 and the “stretching” algorithm PBKDF2 with at least 5,000 iterations
 - Ten (10) minute log out with inactivity
- **Firewalls** – The Company utilizes Dell/SonicWall 5600 routers in a high availability configuration as a first level line of defense against attacks on the network. The routers are configured and controlled by the Director of Information Technology and/or our IT network technician. The Dell/SonicWall 5600 routers also function as Firewalls, IDS and IPS. The firewall software logs all network traffic in and out of the Company's network and potential attacks are monitored by the Director of Information Technology through automated email messages.
- **Intrusion Detection** – Our Dell/SonicWall 5600 routers also function as our Intrusion Detection (IDS) and Intrusion Prevention systems (IPS) along with antivirus, anti-spyware and anti-malware. The rules are setup and maintained by our In-house IT network technicians and reviewed by the Director of Information Technology. Any IDS or IPS detection will result in alert emails going to the various individuals responsible for maintaining and monitoring these activities and a blockage of the IP addresses of the potential threat.

- **Behind Firewall Protection** – The Company has implemented Barracuda Appliances to protect our employees from accessing inappropriate websites further protecting us from malware, spyware and file downloads that could contain embedded malware. The Barracuda Appliances also function as a parameter firewall protecting our workstations from unsolicited attacks. All web activity is monitored by our in-house HR Manager. All logs that have been deemed suspicious are emailed and reviewed by our IT technicians and/or Director of Information Technology.
- **Antivirus, Anti-spyware and Malware Protection** – The Company utilizes Symantec End Point Protection software deployed on individual desktops as well as on the servers to scan files, internet traffic, and email for possible viruses, spyware, and malware. Definition files are updated on a daily basis by Symantec and monitored by IT personnel.
- **Endpoint Security** – The Company employs Symantec Endpoint security software to systemically prevent the copying of data to portable media devices such as USB drives, DVDs and CDs.
- **Data Encryption** – Data files that are uploaded to The P&A Group through our Website, sFTP, FTP SSH are encrypted with our SSL 256 bit secure certificate and our PGP key. Our Microsoft SQL Servers utilize TDE (Transparent Data Encryption) while data is at rest. Data in motion both internal and external uses our SSL 256 bit secure certificate.
- **Web Application Security** – The Company employs internet-based applications that permit P&A customers real-time access to their data. Security of these applications is considered top priority by the Company. Documented security policies and procedures have been established for all internet-based applications. As part of these policies and procedures, all internet-based applications utilize HTTPS with Privacy coupled with Secure Socket Layer (SSL) 256 bit encryption. Any data transferred from P&A to its customers over the internet is encrypted. Further, all customer user accounts are unique and user sessions automatically terminate after 20 minutes of inactivity for HR site and after 10 minutes of inactivity for participants. Passwords have a minimum length requirement and user accounts are disabled after three invalid login attempts.
- **Penetration Testing** – A third party consultancy performs penetration testing on our network security semi-annually. The penetration test results are sent to the Director of Information Technology and Company President for review. Any outstanding issues are addressed and corrected as soon as possible.

6. Physical Security

The Company's information systems are located on site at its headquarters in Buffalo, NY. A business security access control system is in place for all floors of the building. Second-layer security access control is in place for the IT wing and server room. Access to each secured area within the building is customized per employee and granted only as needed to perform his/her job duties. Each entry into secure areas is electronically logged and monitored internally. Cameras are positioned throughout the building which record activity and are monitored on a regular basis. Physical records involved in this program are secured in locked filing cabinets. Access to such physical records is limited to only those employees who are reasonably required to have such information, as necessary to carry out their job duties.

7. Revision History

Date of Change	Responsible	Summary
May 4, 2017	SOC Team	Approved
July 13, 2017	SOC2 Policies team	- IP&SC meeting frequency changed to annually. - Removed that security guard is on duty during business hours.