



February 1, 2016

Village of Grayslake - 602  
Bettina O'Connell

Dear Bettina:

Thank you for renewing your Flexible Benefits Plan administration services with Key Benefit Administrators (KBA). Your **2016** Section 125 Flexible Benefits Plan renewal paperwork is included. The new plan year will begin on **May 1, 2016**. This packet contains all of the necessary information to renew your plan. Please review the items from the "Plan Set-Up Options" check list so we can accurately build "The Plan" to your specifications. If you have plan changes, please include the applicable form requesting the specified change.

**A. Here are some important dates to remember:**

- Please return your completed Renewal Packet by **March 15, 2016**. Upon receipt of your completed Renewal Packet, we will generate your custom Employee Information Packet (EIP) used for enrollment and to maintain compliance with the Health Care Reform Notification Requirements (if any amendments are required). We will also provide a pre-populated spreadsheet using current participant information for your renewing convenience. As usual, we will request your Employees provide an email address whenever possible.
- Please return your completed enrollment spreadsheet by **April 15, 2016** to guarantee the debit cards (if applicable) are received by your **new participants** prior to **May 1, 2016**.

**B. How may we assist you with this process?**

- **Communication Options** (Choose one option):

- We will need assistance communicating the Section 125 Flexible Benefits Plan to our employees. **Please respond by March 15, 2016** in order for us to schedule accordingly.
- We will be communicating the Section 125 Flexible Benefits Plan to our employees.

- **Online Enrollment:**

- We would like to offer FlexPro's online enrollments. The timeframe you would like your employees to access the online enrollment website?  
When is your open enrollment period?

to  (Midnight)

**C. Enrollment Packet Options:**

- I would like an electronic version of the Employee Information/Enrollment Packet.
- I would like  (# of packets needed) Employee Enrollment Packets sent to the address below by  (date) (A fee may be charged for the cost of these packets, please consult the fee schedule page of the enclosed packet)

Please indicate to whom we should send the EIPs:

BETTINA O'CONNELL	bconnell@villageofgrayslake.com		
Contact Name	Mailing Address	City	ST Zip Code



Village of Grayslake - 602  
**Administrative Services Agreement of Flexible Benefits Plan**  
 KBA Schedule of Services and Fees  
 Section 125 Flexible Benefits Plan

<b>I. Monthly Administration services:</b>		<b>\$5.80 per participant</b>		
Includes:		<b>Subject to a minimum monthly charge of \$50.00</b>		
<ul style="list-style-type: none"> <li>➤ Participant claim processing</li> <li>➤ All checks and correspondence sent to employer for distribution to Plan Participants</li> <li>➤ Toll-Free Phone/Fax for Participant and Employer</li> <li>➤ FlexPro Benefits Card: <b>(Where applicable)</b> <ul style="list-style-type: none"> <li>• Point-of-Purchase Access to FSA Account</li> <li>• Compliance with IRS guidelines on debit card usage</li> </ul> </li> <li>➤ Online Account Management Services:           <ul style="list-style-type: none"> <li>• FSA Balance Inquiries, Scheduled Employee Emails</li> <li>• FSA Balance Inquiries, Scheduled Employee Emails</li> <li>• Transaction History, Statements on demand</li> </ul> </li> </ul>				
<b>II. Annual Service Fee:</b>				
➤ Renewal Setup		<b>\$125.00</b>		
<ul style="list-style-type: none"> <li>• Enrollment Packets, E-file packets only</li> <li>• FSA Participant Set-Up, E-file election remittance only</li> <li>• Annual Non-Discrimination Testing 2</li> </ul>				
➤ One On-Site Annual Enrollment Meeting				
<b>III. Additional Services, as requested: (Please check one)</b>				
		<b>NO</b>		
		<b>YES</b>		
<ul style="list-style-type: none"> <li>➤ Participant Direct Mail Service - checks and correspondence sent directly to <del>Participant's Home, Per Participant per month</del> <b>Participant's Home, Per THE EMPLOYER</b></li> </ul>	<del>-\$0.80</del> <b>FEE WAIVED</b>	You currently do not offer Direct Mail. <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>			
<ul style="list-style-type: none"> <li>➤ Participant Direct Deposit Option - Deposits made directly to employee's bank account. Charge is per participant per month but can be combined with Direct Mail or stand alone</li> </ul>	Fee waived	You currently do offer Direct Deposit. <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>			
<ul style="list-style-type: none"> <li>➤ Employee Information Packets - hard copies sent to employer, per packet, per year</li> </ul>	\$1.00	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>			
<ul style="list-style-type: none"> <li>➤ Hard copy enrollment forms returned to KBA for data entry - per participant, per enrollment form</li> </ul>	\$2.00	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>			
<ul style="list-style-type: none"> <li>➤ Form 5500 Preparation 3, fee per Form 5500</li> </ul>	\$300.00	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>			
<ul style="list-style-type: none"> <li>➤ Additional On Site Enrollment Meetings, Per Site, Per Day</li> </ul>	\$250 plus expenses	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>			

1. Fees reflected are Per Participating FSA Employee Per Month. Fees apply only to FSA participants, not to employees solely participating in the plan's pre-tax premium provision. Administration fees will be charged for 90 days past Plan termination including the grace period and run-off.
2. At least some Non-Discrimination testing is required for all entities each year. You will receive the necessary paperwork at the beginning of the plan year.
3. Many employers no longer have Form 5500 filing requirements for Flexible Benefits Plans. Effective April 2002, only Flexible Benefit plans with 100+ participants in the Health Care FSA are subject to the Form 5500 filing requirement. Upon request of the plan sponsor, KBA will prepare the Form 5500 as appropriate.

NOTE: Additional charges may apply if we are in receipt of incorrect banking information or draft is returned as a result of insufficient funds.

EMPLOYER/PLAN SPONSOR:	Village of Grayslake	PLAN YEAR:	05/01/2016 - 04/30/2017
<p><b>Per the above schedule of services and fees, I hereby authorize Key Benefit Administrators to act as the third-party administrator of our employer flexible benefits plan.</b></p>			
Signature:			Date: 2-11-15



## Section 125 Plan Specifics

Village of Grayslake - 602

PLAN YEAR: 05/01/2016 - 04/30/2017

PLAN OPTIONS	PLAN MAXIMUMS
Premium Plan Option	Total Premiums
Health FSA Plan Option Maximum:	\$ 2,500.00 <span style="border: 1px solid black; padding: 2px;">2015 IRS Max \$2,550.00</span>
Dependent Care FSA Plan Option:	\$ 5,000.00
Plan Maximum	\$ 7,500.00 + Total Premiums

Eligibility Requirements:	Employees must work 30 hours per week and may begin participation the first day of the month following 30 days of employment.
Participation in the Premium Plan Option by New Hires:	Upon Eligibility
Participation in the Health FSA Plan Option by New Hires:	Upon Eligibility
Participation in the Dependent Care FSA Plan Option by New Hires:	Upon Eligibility
Participation by Terminated Employees in the Health FSA:	Terminated employees will be allowed 00 days past termination to continue incurring expenses and an additional 00 days to submit expenses
Participation by Terminated Employees in the Dependent Care FSA:	Terminated employees will be allowed 00 days past termination to continue incurring expenses and an additional 00 days to submit expenses
Premium Deductions:	Premiums will automatically be deducted on a pre-tax basis unless a Waiver of Participation form is signed.
Claims Submission:	Claims must be submitted by noon E.S.T. on Friday prior to Check issuance on Wednesday Checks issued Weekly.
Orthodontia Services:	Your Employer does not offer Up Front Orthodontia payments. At the time services begin, the initial down payment may be reimbursed. The remaining balance may only be reimbursed according to the monthly payment structure outline in the Orthodontia contract. A copy of the Orthodontic contract must be provided to KBA-Flexpro at time of reimbursement.
FSA Grace Period:	If a balance remains in the FSA account, the Grace Period allows 76 days for the participant to incur claims for their Flex Plan after the end of the plan year. Note: Debit Cards may be used to pay for prior year expenses.
DCA Grace Period:	If a balance remains in the Dependent Care account or Individual Premium account, the Grace Period allows 76 days for the participant to incur claims for their Dependent Care Plan or Individual Premium plan after the end of the plan year. <b>Note:</b> Debit Cards may be used to pay for prior year expenses.
Run Out Period FSA, DCA:	Claims must be submitted no later than 60 days after the end of the Grace Period. <b>Note:</b> Debit Cards may <u>not</u> be used to pay for prior year expenses during the 60 day run-out period. Paper claims may be submitted during this run out time.
Notification Timeframe for Status Changes:	Status changes must be submitted within 30 days of the Qualifying Event.

HEART ACT	
HEART Act - Qualified Reservist Distribution (QRD) Amount:	The amount contributed to the Health Care FSA as of the date of the QRD requested minus any reimbursements.
HEART Act - Medical Expenses Incurred After the Qualified reservist distribution (QRD):	Terminate an employee's right to submit claims.