



HEALTH REIMBURSEMENT ARRANGEMENT PLAN MAINTENANCE AGREEMENT

This Agreement made and entered into by and between **Flexible Benefit Administrators, Inc.**, a Virginia Corporation ("FBA") and **Town of Nags Head** ("CLIENT") provides as follows:

WHEREAS, CLIENT has adopted the following plan: Health Reimbursement Arrangement Plan

WHEREAS, CLIENT has enrolled its and its affiliates' eligible employees in the Plan; and

WHEREAS, CLIENT desires to have FBA perform the administrative bookkeeping of the Plan;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements contained herein, and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties agree as follows:

1. **Engagement of FBA.** CLIENT hereby engages FBA to do the administrative bookkeeping of the Plan, and FBA agrees to accept such duties on the terms and conditions provided in the Agreement. Although FBA will serve as the administrative bookkeeper, FBA makes no representation as to the tax effects of the Plan, and CLIENT warrants to FBA that it is relying solely on its own counselors and advisors regarding any potential tax benefit of the Plan.
2. **Term of Agreement.** This agreement shall remain in effect for the Plan Year as stated in the Client's Plan Document. This Agreement will automatically renew one (1) year from the Effective Date for an additional one (1) year term, unless terminated earlier by either party with at least ninety (90) days advance notice prior to the end of the term. Agent of Record change is not considered a valid reason for termination of the contract without the required timeframe of notice.
3. **Fees.** CLIENT agrees to pay the fees as set forth in the attached Fee Schedule. Such fees shall be comprised of a set-up fee for company and employee files, and a spending account fee for reviewing the claim forms, processing the claims, and printing the checks. These fees may change from Plan Year to Plan Year. Fees are due the 15th of the month following the month of provided service.

4. Operation of the Plan.

- a. **Reimbursement.** FBA agrees to reimburse according to IRS Regulations as outlined in the Employee Guide.
 - b. **Claim Forms.** FBA shall provide a claim form for CLIENT to copy for use by CLIENT's employees and its affiliate's employees. Completion of the claim form shall be the sole responsibility of the employee and FBA shall make no recommendation to the employee as to the existence or amount of any claim. However, FBA shall provide information to CLIENT, its employees, and its affiliates' employees regarding the Plans' status, the amounts claimed to date, and the claim limits. CLIENT shall be responsible for distribution of the claim forms.
 - c. **Process.** FBA shall process the claim forms, check the apparent validity of the claims, and produce reimbursement checks representing claims made under the Plan.
 - d. **Taxes.** CLIENT is solely responsible for any Federal, State or Local taxes which are or may become applicable to the Plan.
 - e. **Maintenance of Records.** FBA agrees to maintain the computer and physical records regarding the claims and reimbursements made under the Plan retention period as required by the Internal Revenue Service. FBA shall, at the frequency decided in the most recent design phase, deliver a status report regarding the Plan to CLIENT, accounting for all funds received and disbursed by FBA with respect to the Plan.
 - f. **Customer Service.** At no additional charge to CLIENT, FBA agrees to provide help in answering questions of CLIENT's accounting department regarding administration of the Plan.
5. **Confidentiality.** FBA acknowledges that information about CLIENT and its employees represents confidential and proprietary information, and CLIENT acknowledges that information provided by or concerning FBA is confidential and proprietary information of FBA. Both parties agree to maintain the confidentiality of information obtained about the other party during the term of this Agreement, and agree not to disclose any such information to any third party without the prior written consent of the other party. This agreement regarding confidentiality shall survive the termination of this agreement.
6. **Not Trustee.** Notwithstanding anything to the contrary herein contained, FBA shall not hold any funds in trust for CLIENT, its employees or its affiliates' employees, and shall in no event be deemed to be a trustee for either of the parties regarding any sums covered by the Plan.
7. FBA agrees to provide service to any CLIENT affiliates and affiliates' employees who are or may become eligible to participate in the Plan.

8. FBA agrees not to outsource its administration services.
9. **Termination due to non-payment.** CLIENT shall be given written notice of any unpaid invoice within 30 days of its due date. Thereafter, CLIENT shall be given 30 days from the date of such notice to cure the default.
10. FBA shall maintain Professional Liability Insurance for administration of the Plan with limits of liability of one million dollars and Excess Liability Insurance with limits of liability of nine million dollars covering the errors and omissions of FBA, its employees, agents, servants and associates. FBA further agrees to indemnify CLIENT and its officers for, and hold CLIENT and its officers harmless against, any and all losses, claims, suits, or expenses arising out of or relating to FBA's performance of its duties in administering the Plan.
11. In the event of a natural disaster, all administration data is backed up daily and kept off premise along with additional check stock.
12. Flexible Benefit Administrators, Inc. will mail, fax, email or upload to our secure website a disbursement register at the frequency determined in the design phase to:

Town of Nags Head

13. All required notices to FBA should be sent to:

G. Landon Browning, III
Vice President
Flexible Benefit Administrators, Inc.
P.O. Box 8188
Virginia Beach, VA 23450

14. Our toll-free line is 1-800-437-3539. Live representatives are available anytime Monday through Friday from 8:30 am to 5:00 pm. FBA can also be reached via e-mail at flexdivision@flex-admin.com.
15. CLIENT is required to update plan participant information prior to each reimbursement cycle to ensure that all records are accurate at the time of processing. Our clients and participants notify us of changes by telephone, facsimile, e-mail or written correspondence or electronic file. The method utilized is determined by CLIENT.
16. If CLIENT has chosen to use Flexible Benefit Administrators, Inc.'s General Reimbursement Account, the amount disbursed for claim payment each processing cycle must be deposited at FBA's Bank within 24 hours of release of checks and direct deposit.

17. Employer reports are generated each processing cycle. All participants' accounts have year-to-date activity listed on the check stub, online portal or mobile account.
18. Prior to commencement of services, Flexible Benefit Administrators, Inc. will need the name, address, and employee identification numbers of each employee that will be participating in the Health Reimbursement Arrangement Plan.
19. This agreement constitutes the entire agreement of the parties, and may be modified only by an instrument in writing signed by both parties. This agreement shall be construed in accordance with and governed by the laws of the State of Virginia.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this ____ day of _____, 20__.

Signatures: Presentation and acceptance of this agreement through electronic communication will be effective to bind the parties to the same extent as if the parties affixed written signatures to a printed document.

For: Flexible Benefit Administrators, Inc.

For: Town of Nags Head

Signature

Signature

G. Landon Browning III
Printed Name

Printed Name

Vice President
Title

Title

Date

Date

Fee Schedule – Health Reimbursement Arrangement Effective 9/1/2020

First Year Set-up Fees	\$300.00
Annual Renewal Fees	\$300.00 each renewal date
Monthly Administrative Fee	\$5.00 per participant, per month
Benefits Card	Included – No monthly fee Dependent Cards/Lost Cards – No monthly charge
HRA Plan Document and SPD Preparation (Optional Service)	\$375.00 First Year Preparation Revisions and Updates- Priced at time of Request
Discrimination Testing (Optional Service)	Priced at time of request
Employee Group Meetings	\$100.00 per day, per presenter, plus expenses
Employee Educational Webinars	Included
Electronic Communication Materials	Included
Returned Mail Fee – Checks and Cards	\$5.00 per returned mail/re-mailing of check or card
File Processing Fee – Production File Corrections <i>Minimum charge - \$50.00</i>	Minimum charge of \$50.00 per hour (up to a maximum of \$75.00 per hour) to correct production data errors received from the group or approved file vendor, resulting in manipulation of data for any eligible employees

- *Administrative fees and line item adjustments are subject to change by Flexible Benefit Administrators, Inc.*