



**City of West Allis**

**Section 105 - Health Reimbursement Arrangement (HRA)  
Service Agreement - Retiree**

**09/01/2020 - 12/31/2022**

This Agreement for Third Party Administration Services ("Agreement") is made and entered into between Diversified Benefit Services, Inc. hereinafter referred to as "DBS" and the Employer designated on page four (4) hereinafter referred to as "Employer".

**WHEREAS**, Employer has engaged DBS as a Third Party Administrator ("TPA") to provide Section 105 - Health Reimbursement Arrangement – HRA ("Plan") services ("Services") for the Plan sponsored by the Employer;

**WHEREAS**, DBS is making available HRA administrative and other related services to be established by the Employer and designed to comply with Section 105 of the Internal Revenue Code (the "Code");

**WHEREAS**, the HRA administrative services incorporates professional material, and internally developed DBS corporate information;

**NOW THEREFORE**, in consideration of the mutual promises and agreements contained herein the parties hereto agree as follows:

1. DBS agrees to make available Services to be used for the Employer Plan. Employer agrees not to disclose details of the Plan to other parties or copy any materials provided, except for auditors, attorneys, and others to whom disclosure is legally required, unless DBS gives permission to do so.
2. Employer retains DBS as TPA for the Plan and authorizes DBS to perform all functions necessary to prepare, implement, and operate the Plan.
3. Employer agrees to provide data that DBS needs in the communication and administration of the Plan including participant name, address, social security number, medical coverage selected and any related Plan eligibility data, including changes during the Plan Year. These changes may include new hires, terminations or other changes that require coverage changes by Plan participants. The eligibility data may be provided by the insurance carrier of the Employer.
4. Employer recognizes that certain owners and their family members may not be eligible to participate in the Health Reimbursement Arrangement. The Employer agrees to contact their legal counsel as needed to determine whether their owners and family members can participate. The Employer further agrees not to provide DBS with enrollment information on the owners and family members if it is determined said persons are ineligible to participate.
5. Employer agrees to pay fees for services on a timely basis to DBS as listed in the attached Schedule A which is made part of this Agreement. Terms are included on each invoice as due upon receipt. In the event that the Employer does not remit payment for an undisputed invoice within a reasonable period of time (30 days), DBS reserves the right to cease providing Services to the Employer until such time that any outstanding invoices are paid. In the event that a payment is over 30 days past due, the Employer authorizes DBS to satisfy the amounts owed via ACH/EFT transfer from the bank account normally designated for payment of claims under the Plan.
6. Employer recognizes that the Plan allows for a year end run out period to allow Plan participants the opportunity to continue to submit claims for the previous Plan Year in accordance with the Plan Document. The Employer also recognizes that the Plan allows for a termination run out period to allow terminated Plan participants the opportunity to submit claims for expenses, which were incurred while an active Plan participant. DBS does not charge any additional fee for administration of the Plan Year end run out period, as defined in the Plan Document, for participants who are actively employed with the Employer. However, with respect to Plan participants who are not actively employed with the Employer who could submit valid claims during the termination run out period, DBS shall charge the standard fee and the Employer shall be responsible for paying the monthly administrative fee for all such participants. If the Employer re-opens a prior plan year or extends the run-out period a fee will be quoted and assessed to the Employer prior to implementing the extension.



7. This Agreement shall be exclusive and the term shall be for a period of one Plan Year designated by the parties as 09/01/2020 through 12/31/2022. Thereafter, this Agreement shall be renewed automatically for one year terms unless one of the parties gives the other party written notice of its intent not to renew at least sixty (60) days prior to the expiration of the term of the Agreement then in effect. Notification under this Section 7 of the Agreement shall be deemed duly given if delivered by certified or registered mail with postage prepaid to DBS or the Employer.
8. Employer recognizes that if they elect not to renew their annual contract, thereby terminating the services provided by DBS, and request that DBS process claims during a run out period, the Employer will be responsible to pay the monthly administration fees listed on Schedule A during the run out period.
9. Nothing contained herein shall obligate the Employer to utilize DBS as its agent or broker in providing group benefits to employees.
10. With respect to inadvertent overpayments to participants, DBS shall make reasonable efforts to recoup such payments, including offsets to future payments, ACH withdrawals (in the case of direct deposit participants) and a written request to return such overpayments, provided that DBS is notified within sixty days of such overpayments. However, DBS will not be responsible for funding any legal action to recover such overpayments, nor will it be responsible for reimbursing such overpayments to the Employer.
11. Employer recognizes that the Plan Document is an important legal document and that it has been prepared based on the understanding of DBS of the desired provisions. To ensure that the Plan Document conforms to the Employer's situation the Employer should consult with its attorney on the legal and tax implications of the Plan. Employer recognizes that DBS is not a law firm and that DBS employees are not attorneys. Additionally, Employer recognizes that DBS is not an accounting (CPA) firm.
12. Employer recognizes that DBS may maintain paper and/or electronic records related to the member/participant claims for a period of seven years, after which time the records will be destroyed.
13. Employer agrees to indemnify and hold harmless DBS, its affiliates, and any of its directors, officers or employees with respect to any and all claims, liabilities, losses, damages, or expenses, including reasonable attorneys' fees, incurred by reason of the failure of the Employer to carry out its obligation on a timely and non-negligent basis, unless such failure is based upon the negligence of DBS or any of its employees.
14. DBS agrees to indemnify and hold harmless Employer, its affiliates, and any of its directors, officers or employees with respect to any and all claims, liabilities, losses, damages, or expenses, including reasonable attorneys' fees, incurred by reason of the failure of DBS to carry out its obligation on a timely and non-negligent basis, unless such failure is based upon the negligence of Employer or any of its employees.
15. This exclusive Agreement, including Schedule A, constitutes the entire understanding of the parties and may be modified only in writing executed by both parties. It shall be binding upon both parties and their successors or assigns and shall be interpreted under the laws of the State of Wisconsin.




Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

**City of West Allis - "Employer"**

By: \_\_\_\_\_ Title: \_\_\_\_\_

Attest: \_\_\_\_\_ Title: \_\_\_\_\_

**Diversified Benefit Services, Inc. - "DBS"**

By:  Title: President

Witness:  Title: Client Services Specialist



**City of West Allis**  
**Schedule A**

**1. Annual Plan Set-up & Renewal**

Prepare Plan Design Report and master Plan Document and Summary Plan Description (SPD) “as is”  
Review Plan and update Plan Document & SPD as needed  
Group presentation(s) or webinars and related materials to employees as needed (travel & lodging extra if applicable)  
Batch account setup & Electronic Funds Transfer (EFT) account setup  
Input employer Plans and related information  
Setup employee and dependent census information  
Establish reimbursement parameters  
Make coverage changes in administration system  
Establish COBRA provisions for software  
Setup year end payout parameters  
Toll free 800 number for questions

Fee: **\$3.00/covered employee –first year and annual renewal (\$100 minimum / \$750 maximum group renewal fee)**

Fee: **\$575 Document Fee – first year only**

**2. HRA Third Party Administrative Services**

Claim review and entry  
Batch processing and distribution  
Weekly reimbursements  
Online employer reports  
Distribute checks/direct deposit/vendor payment notices directly to Plan participants  
Plan compliance  
Process new hires and terminations  
Process life event/status changes

Fee: **\$4.75/covered employee/month (100/month minimum group fee)**

**3. Other Related Services**

- I. DBS HRA Batch Account: Includes Plan account setup with DBS bank, transfer of Plan contributions (EFT), audit of account, and bank statement reconciliation: ***Included***
- II. Postage/UPS Reimbursement: Statements/checks/direct deposit notices mailed directly to Plan participants and packages sent via UPS directly to the client.  
Fee: ***First class postage and/or UPS shipping fees***
- III. Annual 5500 & SAR Preparation: Includes data gathering, 5500 & SAR form preparation and answers to questions regarding the form. Fee: ***\$350/year (if required for employer)***
- IV. A.S.A.P.® Online Account Viewing (Advanced Strategic Administrative Program) package for enhanced administrative user features including claim details, advanced report options and advanced report filtering services. Also includes access to archived Plan year data for all years and related data and ASCII/Excel data format download for certain reports: ***Included***

