



Employee Benefits Corporation

Plan Adoption and Service Agreement

Fax to: 608 831 4790
Mail to: Employee Benefits Corporation, PO Box 44347, Madison WI 53744-4347
Phone support: 800 346 2126, 608 831 8445, M - F 8:00 - 5:00 Central
E-mail support: sales@ebcflex.com

Part A: Plan Adoption Agreement

Effect of Plan Adoption Agreement: The Plan Adoption Agreement (pages 1 to 3, the Employer Information Form plus any addendum to the agreement), along with the BESTflexSM Plan Plan Document, contains all the provisions of an Internal Revenue Code Section 125 "cafeteria plan" sponsored by the Employer. The Employer may wish to consult its legal counsel before executing the Plan Adoption Agreement.

As set forth below, the following Employer hereby engages Employee Benefits Corporation, PO Box 44347, Madison, Wisconsin 53744-4347 (telephone: 608 831 8445; toll free 800 346 2126), to provide services related to the BESTflex Plan adopted by the Employer.

Organization Information

City of West Allis

Legal Name of Organization

3 9 - 6 0 0 5 6 5 1

Federal Employer ID Number (FEIN) (xx-xxxxxxx)

Is the company listed above part of a controlled group?

Yes No (If you chose "Yes" the attached Related Employers Form must be completed)

Name The BESTflex Plan

Use a standard Plan name: [Organization Name] Flexible Compensation Plan

Use a custom or previously established name

CITY OF WEST ALLIS FLEXIBLE BENEFIT PLAN

Enter the custom or previously established Plan name

5
Plan Number

Plan Details

- This is an entirely new Section 125 Plan
- This is a continuation of an existing Section 125 Plan
- This is a mid-Plan Year takeover of an existing Section 125 Plan

Takeover Blackout Period:

Original Effective Date, if known (mm-dd-yyyy)

0 7 - 0 1 - 1 9 9 2

Original Effective Date, if known (mm-dd-yyyy)

0 3 - 0 1

0 2 - 2 8

Blackout Period Start Date (mm-dd-yyyy)

Blackout Period End Date (mm-dd-yyyy)

Collectively Bargained Benefit:

Yes No

Effective Date (Start Date):

0 6 - 0 1 - 2 0 1 3

BESTflex Plan Effective Date (mm-dd-yyyy)

Plan Year

- Use a calendar Plan Year: January 01 - December 31
- Use an off-calendar Plan Year

0 3 - 0 1

Start Date (mm-dd)

0 2 - 2 8

End Date (mm-dd)

Group Premium Accounts

- Medical Insurance
- Health Savings Account (HSA) contributions
- Dental Insurance
- Vision Insurance
- Disability
- Group Term Life Insurance (up to \$50,000/Employee only)

Renewal Month (mm-dd)

0 3 - 0 1

0 3 - 0 1

- Accidental Death and Dismemberment Insurance
- Cancer Insurance
- Accident
- Hospital Indemnity
- MA Commonwealth Connector Benefits/Individual Medical Insurance

Renewal Month (mm-dd)

Other: Insurance type name

Flexible Spending Accounts

Health Care FSA Limited Health Care FSA Dependent Care FSA Individual Billed Premium Account

2-1/2 Month Grace Period

Do not add a grace period Health Care FSA and Limited Health Care FSA Dependent Care FSA Individual Billed Premium Account

Runout and/or grace period administration for the prior Plan Year (mid year takeover)

Do not administer runout and/or 2-1/2 month grace period for my prior Plan Year

Administer runout for my prior Plan Year

Runout period for mid-year terminations:

Days from End of the Plan Year Date of Termination

Runout period for the Plan Year:

Days

Administer 2-1/2 month grace period for prior Plan Year

Health Care FSA and Limited Health Care FSA Dependent Care FSA Individual Billed Premium Account

Flexible Spending Accounts Annual Limits

Health Care and Limited Health Care FSA

\$ 3 0 0

Minimum election amount (0000)

No minimum

\$ 2 5 0 0

Maximum election amount (0000)

Statutory Maximum Limit

Dependent Care FSA

\$

Minimum election amount (0000)

No minimum

Individual Billed Insurance Premiums Account

\$

Minimum election amount (0000)

No minimum

Employer Contributions

None Group Premiums Health Care FSA Limited Health Care FSA Dependent Care FSA

All Individual Billed Premium Account

\$

Amount (0000)

Eligibility:

All regular full-time or regular part-time employees working at least 20 hours per week. Dependent Care & Premium Expense Plan – Date of hire. Health Flexible Spending Plan – First of the month following six (6) full months of employment.

Frequency: Pay Period Annually-Plan Start

Health Savings Account (HSA)

\$

Amount (0000)

Single

\$

Amount (0000)

Family

\$

Amount (0000)

Other:

\$

Amount (0000)

Other:

Frequency: Pay Period Monthly Quarterly Annually-Plan Start Other:

Cash-in-lieu of Insurance Premiums

Health Insurance: No Yes

\$
Amount (0000)

Frequency: Pay Period Monthly Quarterly Annually-Plan End Annually-Plan Start Other:

Other Insurance Type: No Yes

Type:

\$
Amount (0000)

Frequency: Pay Period Monthly Quarterly Annually-Plan End Annually-Plan Start Other:

Eligibility Requirements

Hourly Requirement: Hours per week Other:

Waiting Period: First of the month after:
 30 days 60 days 90 days Date of hire
 Other:

From date of hire:
 30 days 60 days 90 days
 Other:

On date of hire
 Other:

Other Requirement:

Please Sign and Date the Plan Adoption Agreement

X *Paul M. Ziehler*
Employer: Signature

Date (mm-dd-yyyy)

Print Name

Title

Part B: Plan Service Agreement

The Service Agreement (pages 4 to 8, plus any addendum to the agreement), is a contract between the Employer and Employee Benefits Corporation. The Service Agreement provides how Employee Benefits Corporation will assist the Employer in administering the Plan. The Employer may wish to consult its legal counsel before executing the Service Agreement.

Note: In the states of Arizona, Florida, Kentucky, Massachusetts, Montana, North Carolina, Nebraska, Ohio, Rhode Island, Tennessee, Vermont, Virginia, and Washington, Employee Benefits Corporation is registered under the "doing business as" (DBA) name EBC Benefits Administration Corporation. In the state of New Hampshire, Employee Benefits Corporation is registered under the DBA name Employee Benefits Administrators of Wisconsin.

Organization Information

City of West Allis

Legal Name of Organization

3 9 - 6 0 0 5 6 5 1

Federal Employer ID Number (FEIN) (xx-xxxxxxx)

Number Of Employees

5 3 7

Employee Total

5 3 7

Eligible Employee Total

Benny™ Benefits Card

Add the Benny™ Benefits Card

Issue to all Health Care FSA participants

Issue only to Health Care FSA participants electing card

Health Plan co-pays:

Health Plan does not have co-pays

Prescription co-pays: Enter all (generic, brand name, non-formulary, mail order)

\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
(0000)	(0000)	(0000)	(0000)	(0000)	(0000)
\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
(0000)	(0000)	(0000)	(0000)	(0000)	(0000)

Medical co-pays: Enter all (office visit, emergency room, hospital, ambulance)

\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
(0000)	(0000)	(0000)	(0000)	(0000)	(0000)
\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
(0000)	(0000)	(0000)	(0000)	(0000)	(0000)

Dental co-pays: Enter all (office visit, other)

\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
(0000)	(0000)	(0000)	(0000)

Vision co-pays: Enter all (office visit, other)

\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
(0000)	(0000)	(0000)	(0000)

Claim Funding Method

Claims-only Deduction Billing: Employer holds the funds

Billing Frequency: Daily * Twice Weekly Weekly

Payment Options: Employee Benefits Corporation initiated auto-debit * Employer Initiated auto-deposit Check

Direct Payment: Claims paid from employer's checking account

Billing Frequency: Daily * Twice Weekly Weekly

Participant Payment: Participant's choice: Direct Deposit or check Participants must use Direct Deposit

Payroll Deduction Billing: Employee Benefits Corporation holds the funds

Billing Frequency: Monthly Per Payroll

Payment Options: Employee Benefits Corporation initiated auto-debit * Employer initiated auto-deposit Check

Administration Only: Employer pays claims

* Required with the Benny™ Benefits Card

Invoicing Preference for Claim Funding

Standard By Division

Payroll Deduction Frequency (to add payrolls for divisions, please use the Additional Divisions Form)

Payroll Schedule 1: Weekly Bi-weekly 26 Bi-weekly 24 (enter skipped dates below) Semi-monthly 1st and 15th Semi-monthly 5th and 20th
 Semi-monthly 15th and last Monthly Other:

0 6 - 1 4 - 2 0 1 3

First Payroll Deduction Date (mm-dd-yyyy)

Skipped Payroll Deduction Date (mm-dd-yyyy)

Skipped Payroll Deduction Date (mm-dd-yyyy)

Skipped Payroll Deduction Date (mm-dd-yyyy)

Skipped Payroll Deduction Date (mm-dd-yyyy)

* First payroll after 6/01/2013 effective date

Skipped Payroll Deduction Date (mm-dd-yyyy)

Skipped Payroll Deduction Date (mm-dd-yyyy)

Payroll Schedule 2: Weekly Bi-weekly 26 Bi-weekly 24 (enter skipped dates below) Semi-monthly 1st and 15th Semi-monthly 5th and 20th
 Semi-monthly 15th and last Monthly Other:

First Payroll Deduction Date (mm-dd-yyyy)

Skipped Payroll Deduction Date (mm-dd-yyyy)

Skipped Payroll Deduction Date (mm-dd-yyyy)

Skipped Payroll Deduction Date (mm-dd-yyyy)

Skipped Payroll Deduction Date (mm-dd-yyyy)

Payrolls falling on holidays will be deducted on the preceeding business day.

Annual election rounding: Annual election amount is divided per payroll deduction, rounded down; any residual amount is not deducted unless one of the following is elected:

Round amounts down, with the residual amount included in the first payroll

Round amounts up, with the residual amount excluded from the first payroll

Round amounts down, with the residual amount included in the last payroll

Round amounts up, with the residual amount excluded from the last payroll

Fees

BESTflex Plan Administration

\$ [] [] [] [] Annual Fee (0000)

\$ 3 . 0 0

Monthly Administration Fee Per Participant (0.00) (\$50 minimum fee applies)

Services included with BESTflex Plan

- Plan design and client data entry
- Document updates due to regulatory changes
- Client payment and billing setup
- Participant data processing
- One annual IRS Form 5500 if required
- One nondiscrimination test per Plan Year
- 24/7 secure access to www.ebcflex.com
- Reviewing benefit claims for payment
- Paying qualified benefit claims
- Administering Plan Year runoff and/or Grace Period
- Managing employee account information
- Direct deposit services
- Ongoing, toll-free customer service support
- Dedicated Client Liaison

Benny™ Benefits Card Administration

\$ [] [] [] [] Monthly Administration Fee (0.00) Per Participant

Employer pays fees Employee pays fees

Services included with Benny™ Benefits Card

- Receipt review on unsubstantiated transactions
- Two (2) cards per participant

Runout / 2-1/2 Month Grace Period Takeover Administration

\$ [] [] [] [] Monthly Administration Fee Per Participant (00.00) (\$50 minimum fee applies)

Invoicing Preference for Fees

Standard By division

Payment Method

Choose who will pay the Monthly Administration Fees

Employer pays 100% Employee pays 100% Split: Employer pays %: [] [] % Employee pays %: [] [] %

Choose how you will submit your Annual and Monthly Administration Fees

Payment Options: Auto-debit Auto-deposit Check

Account Options: Use bank information currently on file Use the Auto-Debit and Direct Payment Form attached

Optional Services

Internet Enrollment

We will use Internet Enrollment on Employee Benefits Corporation's web site for our initial plan year at no additional cost

Employee Education

Please add Employee Education Meetings by Employee Benefits Corporation personnel at additional cost

Order BESTflex Plan enrollment publications

BESTflex Plan Enrollment Packet: Summary Plan Description, Enrollment Form and applicable materials:

[] [] [] [] @ 1.25 ea. \$ [] [] [] [] [] [] [] [] (0000.00)

Review the Term of this Service Agreement

This Service Agreement shall be in effect for a 1 year ("Term") and shall thereafter automatically renew indefinitely for like Terms, unless terminated as set forth in TERMINATION.

Responsibilities of the Employer

1.0 Effect of Service Agreement

This Service Agreement is a contract between the Employer and Employee Benefits Corporation. The Employer may wish to consult its legal counsel before executing this Service Agreement.

2.0 Plan Sponsor and Administrator for BESTflex Plan

The Employer is both the sponsor and the administrator of the Plan, with the ultimate responsibility for: (1) ensuring that the Plan complies with all applicable federal, state, and local laws, including Internal Revenue Code § 125; (2) establishing, amending, terminating, and interpreting the Plan provisions. In addition, responsibility will include (3) determining whether particular claims shall be paid; and (4) collecting refund payments from Participants in situations such as overpayments due to excess deduction amounts, Benny™ Benefits Card retrospective claims review collections, and other situations requiring refund of overpayments.

The Employer understands that as a condition of Employee Benefits Corporation providing the services on page 5 of this Agreement, Employer shall timely and accurately perform all of the stated responsibilities and provide timely and accurate information. Employee Benefits Corporation shall be entitled to rely on any information provided by Employer or Employer's vendor as accurate, valid and complete.

Although the Employer has engaged Employee Benefits Corporation to provide certain documents and administrative services (including review and payment of qualified claims under the Plan), Employee Benefits Corporation shall whenever possible, consistent with this Service Agreement, act as directed by the Employer. Accordingly, because the ultimate decision-making authority rests with the Employer, Employee Benefits Corporation is not the fiduciary of the Plan.

2.1 Fees

Employee Benefits Corporation may upon notice to the Employer increase its fees from year to year. Employee Benefits Corporation will charge a \$30 fee for any payments returned as Non-sufficient Funds (NSF).

2.2 Fee Disclosure

We will upon request provide you with a summary of the fees paid to us by you (the Employer) or by Participants for the most recent Plan Year. Such information may be necessary for preparing Schedule C (Form 5500) for the Plan.

2.3 Advance Payment

If we have reason to believe that your (the Employer's) financial condition is such that you might not timely pay our fees or provide funds for payment of claims, then we may, upon written notice to you, require payment in advance of performing services for any particular period.

2.4 Funding of the BESTflex Plan

The Employer shall provide Employee Benefits Corporation with all funds that Employee Benefits Corporation needs to pay benefit claims under the BESTflex Plan. If Employee Benefits Corporation receives qualified benefit claims in excess of the corresponding funds from the Employer, the Employer shall provide the funds to Employee Benefits Corporation within two days of notice of such request by Employee Benefits Corporation.

Employee Benefits Corporation will notify Employer on the date of the agreed upon schedule of the amount of all claims received for a specific period of time. After notification, Employee Benefits Corporation will acquire funds based on an agreed upon funding method.

3.0 Funding of the Benny™ Benefits Card

If the Benny™ Benefits Card option is chosen, claims checks and debit card transactions will automatically be performed on a daily basis. Employee Benefits Corporation will initiate auto debit from the employers' account as funds are needed and notify the employer simultaneously.

Employee Benefits Corporation does not require Employer pre-funding but reserves the right to require the Employer to pre-fund 4% of annual employee elections before cards can be issued to plan participants. This pre-funding would allow the cards to be used immediately for participant health care expenses.

Employers electing Benny™ Benefits Card services must complete the "Auto Debit and Direct Payment Authorization Form" included with this document.

3.1 Benny™ Benefits Card Retrospective Review

Under IRS guidelines, Employee Benefits Corporation is required to have Benny™ Benefits Card participants submit receipts each time the Benny™ Benefits Card is used. Failure to provide receipts will result in card suspension.

If an Employer's health plan charges a set co-pay amount and the Employer provides Employee Benefits Corporation that co-pay information, participants covered under the Employer's health plan who use the Benny™ Benefits Card for that co-pay amount (up to multiples of five) only are not required to submit a receipt for that purchase.

It takes 30 business days for participants to receive their cards once the Benny™ Benefits Card service is set up. The Benny™ Benefits Card is a MasterCard signature debit card and does not require a Personal Identification Number (PIN); services that require a PIN for card transactions will refuse the Benny™ Benefits Card. The Benny™ Benefits Card is issued for 5 years before it is replaced. Claims made within the Runout Period after the Plan Year ends MUST be submitted in writing with receipts attached.

3.2 Right To Recoup

If an administrative error occurs resulting in a BESTflex Plan or Benny Benefits Card overpayment to an employee, including overpayment as a result of the timing of Benny Benefits Card claim settlements and paper claims submission, Employee Benefits Corporation retains the right to recoup the overpayment from the employee so that an Employer's Plan can be appropriately credited. The employer is responsible for overpayments.

4.0 3-Month Runout Period

I understand that there is a 3-month runout period that begins immediately following the end of the BESTflex Plan Plan Year in which employees may submit reimbursement claims incurred during that Plan Year. Reimbursement claims submitted after the 3-month runout period will not be eligible for payment.

5.0 Cooperation with Employee Benefits Corporation

So that Employee Benefits Corporation can perform its services regarding the Plan, the Employer shall provide Employee Benefits Corporation with complete information accurately and in a timely fashion that Employee Benefits Corporation reasonably requests, on Employee Benefits Corporation accepted forms or in a mutually agreed upon format, including completed employee enrollment forms, employee census data, and nondiscrimination testing data, and shall otherwise cooperate with Employee Benefits Corporation. Issues arising from incorrect, incomplete or untimely information submitted to Employee Benefits Corporation will be billed at a rate of \$100 per hour to help the Employer facilitate the resolution of the issue.

The Employer is both the sponsor and the administrator of the Plan with ultimate responsibility to ensure compliance with debit card rules. This includes but is not limited to: (1) updating co-pay amounts, (2) recoupment or taxation of unsubstantiated expenses when applicable and (3) timely notification of participant terminations from the Plan.

6.0 Special Ownership Rules

Sole Proprietors and Partners of a partnership (including LLPs and LLCs taxed as Partnerships) may not participate in the BESTflex Plan.

More than 2% shareholders in Subchapter S Corporations, their spouses and lineal ascendants and descendants are not eligible to participate in the BESTflex Plan.

7.0 Optional Services

Optional services are billed separately and subject to change. Extraordinary one time services will be billed as agreed upon by Employee Benefits Corporation and Employer. Optional legal services are billed separately and subject to change. Legal research or Plan Document changes by Employee Benefits Corporation are \$100.00 per hour with a one hour minimum. Legal research or Plan Document changes by Employee Benefits Corporation appointed attorney are billed at the attorney's hourly rate.

8.0 Changes To This Service Agreement

Plan Design changes must be submitted before your Plan starts. All Plan Design changes are subject to review and approval by Employee Benefits Corporation. Changes requested for a date other than the effective start date (renewal date) of the Plan will be billed a fee of \$50 and must be submitted using a Certificate of Resolution Amendment to the Service Agreement.

9.0 Indemnity Clause

The Employer shall indemnify Employee Benefits Corporation, its employees, directors, and agents (collectively, Indemnitees) and hold the Indemnitees harmless against all damages, losses, or other liabilities incurred by the Indemnitees arising from any act or failure to act by the Employer, its employees, directors, or agents in connection with the Plan. Such indemnification shall include (and not be limited to) liabilities arising from a failure to timely provide Employee Benefits Corporation with information. Such indemnification shall also include liabilities arising from administration or interpretation of the Plan by the Employer in a manner contrary to law.

X = PAY-DAYS

2013

Payroll Schedule for
EBC

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5						1	2						1	2
6	7	8	9	10	X	12	3	4	5	6	7	X	9	3	4	5	6	7	X	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16	10	11	12	13	14	15	16
20	21	22	23	24	X	26	17	18	19	20	21	X	23	17	18	19	20	21	X	23
27	28	29	30	31			24	25	26	27	28			24	25	26	27	28	29	30
end of month ✓							end of month ✓							31 end of month ✓ end of qtr ✓						

APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	X	6				1	2	X	4							1
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
14	15	16	17	18	X	20	12	13	14	15	16	X	18	9	10	11	12	13	X	15
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
28	29	30					26	27	28	29	30	X		23	24	25	26	27	X	29
end of month							end of month							30 end of month end of qtr						

JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6					1	2	3	1	2	3	4	5	X	7
7	8	9	10	11	X	13	4	5	6	7	8	X	10	8	9	10	11	12	X	14
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	X	21
21	22	23	24	25	X	27	18	19	20	21	22	X	24	22	23	24	25	26	27	28
28	29	30	31				25	26	27	28	29	30	31	29	30					
end of month							end of month							end of month end of qtr						

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	X	5						X	2	1	2	3	4	5	6	7
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	X	14
13	14	15	16	17	X	19	10	11	12	13	14	X	16	15	16	17	18	19	20	21
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	X	28
27	28	29	30	31			24	25	26	X	28	X	30	29	30	31				
end of month							end of month							end of month						

Responsibilities of the Employer (cont.)**10.0 Termination at End of Term After 60-Day Notice**

Either party may, upon written notice to the other party at least sixty days before the end of the initial Term or of any renewal Term, terminate this Service Agreement effective as of such end-of-Term date.

10.1 Other Termination by Employer

The Employer may terminate the Service Agreement effective (1) as of an end-of-Term date without the 60-day notice or (2) on a date other than an end-of-Term date. If the Employer does so, however, the Employer shall pay to Employee Benefits Corporation the standard fee of \$300 that Employee Benefits Corporation charges for such terminations.

10.2 Other Termination by Employee Benefits Corporation

Employee Benefits Corporation may terminate the Service Agreement effective (1) as of an end-of-Term date without the 60-day notice or (2) on a date other than an end-of-Term date, if the Employer (a) breaches this Service Agreement, (b) fails to pay Employee Benefits Corporation for its services, (c) fails to provide funds for payment of claims, (d) goes out of business or (e) fails to cooperate with Employee Benefits Corporation.

10.3 Wrap-Up Period of the BESTflex Plan

If either party terminates the Service Agreement, Employee Benefits Corporation shall complete its services that pertain to the period prior to the Effective Date of the termination and the Employer will pay Employee Benefits Corporation for such services. In particular, Employee Benefits Corporation will review and pay claims for the 3-month period after the final Plan Year (or part thereof) and the Employer will pay Employee Benefits Corporation the Monthly Service Fees for that period. The Benny™ Benefits card will not be available to participants during the runout period. All claims made during that time must be manually substantiated.

HIPAA Business Associate Responsibilities**11.0 Preface**

The Employer maintains, for the benefit of its employees, a health care flexible spending arrangement ("FSA") and/or other health plan (the "Covered Entities"), to which the privacy and security rules of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") apply and for which Employee Benefits Corporation provides third-party administrative services (the "Services").

12.0 Obligations and Activity of Employee Benefits Corporation

12.1 Permitted Use and Disclosure. Employee Benefits Corporation may use and disclose Protected Health Information (PHI) as necessary to perform the Services.

12.2 Safeguard Protected Health Information (PHI). Employee Benefits Corporation will use appropriate safeguards to prevent use or disclosure of PHI other than as provided by this agreement. Employee Benefits Corporation will implement administrative, physical, and technical safeguards (including written policies and procedures) that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic PHI that it creates, receives, maintains, or transmits on behalf of the Covered Entities as required by the security rules of HIPAA.

12.3 Mitigate Damage Caused by Improper Disclosure. Employee Benefits Corporation will mitigate, to the extent practicable, any harmful effect known to Employee Benefits Corporation regarding its use or disclosure of PHI in violation of the requirements of this Agreement.

12.4 Reporting Disclosures. HIPAA requires reporting of uses and/or disclosures of PHI which are outside the scope of this Agreement (hereinafter referred to as a "breach"), as outlined in the Department of Health and Human Services' Interim Final Rule called the Breach Notification of Unsecured Protected Health Information (45 C.F.R. Sections 160 and 164) (the "Breach Notification Rules"). If a breach occurs which is the proximate result of an act or omission of Employee Benefits Corporation, then Employee Benefits Corporation shall perform, on the Covered Entity's behalf, the notification(s) required of the Covered Entity by the Breach Notification Rules. If a breach occurs which is not the proximate result of an act or omission of Employee Benefits Corporation, then the notification obligations shall remain with the Covered Entity.

12.5 Agents Agree to the Same Restrictions. If Employee Benefits Corporation provides PHI to any agent (or subcontractor), Employee Benefits Corporation will require the agent (or subcontractor) to protect the PHI to the extent that it would be protected by Employee Benefits Corporation. Moreover, Employee Benefits Corporation shall ensure that any such agent (or subcontractor) agrees to implement reasonable and appropriate safeguards to protect the PHI of the Covered Entities.

12.6 Provide Access. At the request of the Covered Entities, Employee Benefits Corporation will provide PHI to individuals as provided by 45 Code of Federal Regulations ("CFR") 164.524 or to the Employer.

12.7 Amendments. At the request of the Covered Entities, Employee Benefits Corporation will make any amendments to PHI that an individual directs as set forth in 45 CFR 164.526.

12.8 Provide Records. Employee Benefits Corporation will make available to the Covered Entities (and others to the extent required by HIPAA) any internal practices, books, and records relating to the use and disclosure of PHI created or received by Employee Benefits Corporation.

12.9 Make Records Available. Employee Benefits Corporation will document such disclosures of PHI and information related to such disclosures as would be required for Covered Entities to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528.

12.10 Provide Information. To permit Covered Entities to respond to requests by individuals for PHI-disclosure accountings in accordance with 45 CFR 164.528, Employee Benefits Corporation will provide Covered Entities with information documented in accordance with Section 12.9 of this Agreement.

13.0 Permitted Use and Disclosure Provisions

13.1 Permitted Use and Disclosure. Except as otherwise limited in this Agreement, Employee Benefits Corporation may use or disclose PHI to perform functions, activities, or services for Covered Entities as specified in the BESTflexSM Service Agreements, provided that such use or disclosure would not violate HIPAA if done by the Covered Entities.

13.2 Specific Use and Disclosure. Except as otherwise limited in this Agreement, Employee Benefits Corporation may disclose PHI for the proper management and administration by Employee Benefits Corporation, provided that disclosures are required by law, or Employee Benefits Corporation obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law, or for the purpose for which it was disclosed to the person, and the person notifies Employee Benefits Corporation of any instances of which the person is aware in which the confidentiality of the information has been breached.

13.3 Data Aggregation Services. Employee Benefits Corporation may use PHI to provide data aggregation services relating to the health-care operations of the Covered Entities as permitted by 42 CFR 164.504(e)(2)(i)(B).

14.0 Obligations of Covered Entities

14.1 Notice of Privacy Practices. The Covered Entities shall provide Employee Benefits Corporation with the notices of privacy practices that the Covered Entities produce, in accordance with 45 CFR 164.520, as well as any changes to such notices.

14.2 Changes in Permitted Use. The Covered Entities shall provide Employee Benefits Corporation with any changes in, or revocation of, permission by an individual to use or disclose PHI, if such changes affect Employee Benefits Corporation's permitted or required uses and disclosures.

14.3 Restrictions. The Covered Entities shall notify Employee Benefits Corporation of any restrictions to the use or disclosure of PHI that the Covered Entities have agreed to in accordance with 45 CFR 164.522.

14.4 Permissible Requests by Covered Entity. The Covered Entities shall not request Employee Benefits Corporation to use or disclose PHI in any manner that would not be permissible under HIPAA if done by the Covered Entities.

HIPAA Business Associate Responsibilities (cont.)

15.0 Term and Termination

15.1 Term. The HIPAA provisions shall be effective as of the Plan's Effective Date, and shall terminate when all of the PHI provided by the Covered Entities to Employee Benefits Corporation, or created or received by Employee Benefits Corporation on behalf of the Covered Entities, is destroyed or returned to the Covered Entities or protections are extended to the PHI in accordance with the termination provisions of this Section 15.0.

15.2 Termination for Cause. Upon a Covered Entity's knowledge of a material breach by Employee Benefits Corporation, the Covered Entity shall either:

- a. Provide an opportunity for Employee Benefits Corporation to cure the breach or end the violation and terminate this Agreement and any other agreement between Employee Benefits Corporation and the Covered Entity (or between Employee Benefits Corporation and the Employer regarding the Covered Entity) if Employee Benefits Corporation does not cure the breach or end the violation within the time specified by the Covered Entity;
- b. Immediately terminate this Agreement and any other agreement between the Covered Entity and Employee Benefits Corporation (or between Employee Benefits Corporation and the Employer regarding the Covered Entity) if Employee Benefits Corporation has breached a material term of this Agreement and cure is not possible; or
- c. If neither termination nor cure is feasible, the Covered Entity shall report the violation to the appropriate governmental authority.

15.3 Effect of Termination.

- a. Return or Destruction of PHI. Except as provided in Section 15.3(b), upon termination of this Agreement for any reason, Employee Benefits Corporation shall return or destroy all PHI received from the Covered Entities, or created or received by Employee Benefits Corporation on behalf of the Covered Entities. This provision shall apply to PHI that is in the possession of subcontractors or agents of Employee Benefits Corporation. Employee Benefits Corporation shall retain no copies of PHI.
- b. Return or Destruction of PHI Infeasible. In the event that returning or destroying the PHI is infeasible, Employee Benefits Corporation shall provide to Covered Entities notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that return or destruction of PHI is infeasible; Employee Benefits Corporation shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Employee Benefits Corporation maintains PHI.
- c. Continuing Privacy Obligation. Employee Benefits Corporation's obligation to protect the confidentiality of the PHI under these HIPAA provisions will be continuous and survive termination, cancellation, expiration, or other conclusion of this Agreement.

16.0 Miscellaneous

16.1 Regulatory References. A reference in this Agreement to a CFR section means the section as in effect or as amended and for which compliance is required.

16.2 Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for the Covered Entities to comply with the requirements of HIPAA. This includes any action necessary by either party as a result of the enactment of the Health Information Technology for Economic and Clinical Health Act ("HITECH Act"). The HITECH Act, effective February 17, 2010, requires that Employee Benefits Corporation comply directly with certain provisions of HIPAA (as opposed to being required to comply with HIPAA via contract with a Covered Entity). Business Associate will comply with the applicable provisions of the HITECH Act and any subsequent rules issued by the Department of Health and Human Services thereunder, and this Agreement hereby incorporates the requirements contained in those provisions without the need for further amendment.

16.3 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits the Covered Entities to comply with HIPAA.

16.4 Binding Effect. This Agreement shall amend, supplement, and supersede each other agreement between Employee Benefits Corporation and the Covered Entities (or the Employer on behalf of the Covered Entities) regarding any access that Employee Benefits Corporation may have to PHI. If the terms and conditions of those other agreements conflict with the terms and conditions of this Agreement, this Agreement shall control. This Agreement may not be amended by any subsequent agreement except one that specifically refers to this Agreement and that is signed by Employee Benefits Corporation and the Covered Entities (or the Employer on behalf of the Covered Entities).

Broker Information

N/A

Willis of Wisconsin

Agency/Organization: Name

3 9 - 1 0 9 8 8 4 4

Federal Employer ID Number (FEIN) or Social Security Number (xx-xxxxxx)

400 N Executive Drive, Suite 300

Agency/Organization Street Address

Brookfield

City

WI

State

5 3 0 0 5

Zip Code

Aschenbrener

Agent/Broker: Last Name

Dan

First Name

Sr. VP

Title

2 6 2 - 7 8 0 - 3 1 2 9

Phone (xxx-xxx-xxxx)

Extension

4 1 4 - 4 7 5 - 0 5 5 9

Fax (xxx-xxx-xxxx)

dan.aschenbrener@willis.com

E-mail address (required to receive email copy of signed contracts to client)

John Wicker

Employee Benefits Corporation Representative

Please Sign and Date the Service Agreement

X

Employer: Signature

Paul Ziehler

Print Name

05-07-2013

Date (mm-dd-yyyy)

City Administrative Officer / Clerk - Treasurer

Title

X

Employee Benefits Corporation: Signature

Print Name

Date (mm-dd-yyyy)

Title