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Plan Document

Introduction

Request for Confidentiality

This Plan Document is proprietary confidential business property of TASC and may be used for the benefit of TASC HRA Clients only.

Effect of Termination

Upon and after the expiration or termination of this Agreement, all specific rights, documents, and other materials granted to the employer pursuant to this Agreement shall revert back to TASC including all manuals, brochures, computer programs, customer and vendor data bases, and any other documents regarding the TASC programs and systems (“Confidential Information”), as well as any copies thereof. In addition, the employer shall refrain from any further direct or indirect use of or reference to the TASC HRA marks, systems, publications, manuals, brochures, documents, computer programs, or systems that enable employers to offer employee benefits on a pre-tax basis. Finally, the termination of this Agreement shall not affect the duty of the employer not to infringe on TASC trademarks and copyrights and not to disclose and keep confidential all said Confidential Information supplied to the employer by TASC.

Important Notice

This Plan Document is intended as a prototype Plan Document for use with TASC HRA. This Plan Document does not stand alone with respect to complete compliance with Internal Revenue Code Section 105. In addition to providing administrative policies, procedures, etc., offered by TASC, the Plan Document represents full operation and compliance with a Section 105 Health Reimbursement Arrangement. It may be used only with respect to that manner, under all circumstances. If you have any questions regarding your particular needs, requirements or circumstances, seek competent legal advice. TASC and their representatives are not attorneys and do not provide legal advice.

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Article II: Purpose

- 2.01 Creation and Title. As defined in the Plan Application, the employer creates a Section 105 Health Reimbursement Account under the terms and conditions set forth in this document as well as through various administrative procedures. The Plan is known as a TASC HRA Plan for the specific employer identified in the Plan Application. This prototype Plan Document encompasses all of the Plan elections and design elements indicated by the employer on the Plan Application.
- 2.02 Effective Date. The effective date of this Plan is as identified in the Plan Application.
- 2.03 Purpose. The Plan has been established to reimburse the employer's eligible employees for medical expenses incurred by them and by other family members, as defined by the Plan. It is intended that the Plan meet the requirements for qualification under Section 105 of the Internal Revenue Code.

Article III: Definitions

- 3.01 Administering Agent. The Administering Agent is assigned by the employer to perform administrative functions for the Plan.
- 3.02 Benefits. Any amounts paid to a Plan Participant as reimbursement for Eligible Medical Expenses incurred by said Participant during the Plan Year and relating to said Participant and/or other family members, as defined by the Plan.
- 3.03 Code. The Internal Revenue Code of 1985, as amended.
- 3.04 Client. The employer or any affiliate or successor thereof that subsequently adopts this Plan. Term Client is meant to include any other organization that is a member of a controlled group of businesses within the meaning of Code Section 414 (b), (c) and (m). As such, Client shall include any organization that is exempt from federal taxation under Code Section 501.
- 3.05 Period of Coverage. The Plan Year as identified in the Plan Application, during which period the benefits provided by this Plan shall be available to a Participant hereunder.
- 3.06 Dependent. A dependent is defined by Section 152(a), including any child of the Participant to whom IRS Rev. Proc. 2008-48 applies (regarding certain children of divorced or separated parents who receive more than half of their support for the calendar year from one or both parents and are in the custody of one or both parents for more than half of the calendar year). For the purposes of the tax advantages available under Qualified Benefit Plans that provide accident and health benefits as defined under Sections 105 and 106 of the Code, a dependent is determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof and includes any child (as defined in Code § 152(f)(1)) of the Participant who as of the end of the taxable year has not attained age 27.
- 3.07 Eligible Medical Expenses. Those expenses incurred during the Plan Year by the employee, the employee's spouse, or the employee's dependents which are allowable as deduction under Code Section 213 or as defined by the Plan.

- 3.08 Employee. Any individual who is considered to be in a legal employer/employee relationship with the employer, as defined by the Internal Revenue Service.
- 3.09 Employer. The company creating this Plan, or any affiliate or successor thereof that likewise adopts this Plan. The employer is the Plan Administrator/Sponsor.
- 3.10 Health Savings Account. This is a medical reimbursement account pursuant to Section 223 of the Internal Revenue Code.
- 3.11 Participant. Any employee who has met the eligibility requirements set forth in the Plan Application.
- 3.12 Plan Administrator/Sponsor. The Plan Administrator/Sponsor is the employer.
- 3.13 Spouse. Any individual who is legally married to a Participant (under applicable state law).

Article IV: Administration

- 4.01 Plan Administrator/Sponsor. The Plan Administrator/Sponsor is the employer. While the employer may appoint a representative or agent to carry out the administration of the Plan, said administration shall be conducted under the supervision of the Plan Administrator/Sponsor. It shall be the principal duty of the Plan Administrator to see that the Plan is carried out, in accordance with its terms, for the exclusive benefit of those persons who are entitled to participate in the Plan.
- 4.02 Administering Agent. The agent or representative will carry out the terms of the Plan in accordance with this Plan document and at the direction of the Plan Administrator.
- Powers and Duties. The Plan Administrator shall have the power and duty to do all things necessary to affect the intent and purpose of this Plan that are consistent with the provisions hereof, whether or not such powers and duties are specifically set forth herein. The employer shall have power to:
- (a) Provide rules and regulations for the administration of the Plan, and, from time to time amend or supplement such rules and regulations.
- (b) Construe the provisions of the Plan; such construction shall be final and binding.
- (c) Correct any defect, supply any omission, or reconcile any inconsistency in the Plan in such a manner and to such extent as it shall be deemed expedient to administer the Plan.
- (d) Appropriately answer all questions that may arise under the Plan, including questions submitted by Plan Participants.
- The Plan Administrator shall perform the duties and exercise the powers and discretion assigned to it in this section; any such decisions and actions shall be final and conclusive for all persons affected therein.
- Any and all disputes which may arise involving Participants, former Participants and beneficiaries, shall be referred to the Plan Administrator.
- 4.04 Facility of Payment. In the Plan Administrator's opinion, whenever a Participant, who is entitled to receive any payment of benefit hereunder, is under legal disability or is incapacitated in any way so as to be unable to manage his/her personal financial affairs,

the Administrator may make payments to the Participant's legal representative, relative or for the benefit of said Participant in such manner as the Administrator considers advisable. Any such payment of a benefit or installment thereof in accordance with the provisions of this document shall be considered a complete discharge of any liability for the making of such payment under the provisions of the Plan.

4.05 Information to be Furnished. Participants shall provide the company and Plan Administrator with such information and evidence, and shall sign such documents, as

may reasonably be requested from time to time for the purpose of administration of the Plan.

4.06 Reasonable Care. The Plan Administrator shall use reasonable care and diligence in the exercise of its powers and the performance of its duties hereunder.

4.07 Carry Over. The plan allows for unused dollars at the end of the year to be forwarded and applied (as available dollars) to the subsequent year, if so chosen by the employer.

Article V: Eligibility and Participation

5.01 Eligibility Requirements. Each employee shall be eligible to participate in this Plan upon meeting the eligibility requirements (either as set forth by the employer's group sponsored health insurance or by meeting the eligibility requirements of Section 105). These requirements are outlined in the Plan Application. An employee (or former employee) can permanently opt out and waive future reimbursements from this HRA Plan at least annually (and upon termination of employment). Upon opting out, the remaining amounts in this HRA Plan will be forfeited.

5.02 Current Employees at time of Plan Inception. At the time of Plan adoption, all employees who meet the eligibility requirements may participate.

5.03 New Employees. New employees engaged for employment after Plan adoption, who meet the eligibility requirements, may participate.

5.04 Re-employment of Former Employees. If previously eligible, a re-employed former employee shall become eligible upon their return.

5.05 Determination of Eligibility. The Plan Administrator shall determine each employee's eligibility for participation in the Plan. Based on information furnished by

said employee, such determination shall be conclusive and binding upon all persons.

5.06 Notification to Employees. The employer will communicate in writing to all Participants the terms and conditions of this Plan through a Summary Plan Description as well as other administrative materials.

5.07 Termination of Participation. A Participant will automatically cease to be a Plan Participant on the earlier of the following dates (unless a retiree benefit is allowed under the terms of this Plan):

- (a) The date on which the Plan terminates,
- (b) The date on which the individual ceases to be an employee.

5.08 Continuation of Coverage (COBRA). This Plan is subject to the rules set forth by the Consolidated Omnibus Budget Reconciliation Act (COBRA), unless the Employer employed less than 20 employees on a typical business day during the preceding calendar year, or this Plan is a Qualified Small Employer HRA as indicated on the Group Plan Application.

5.09 Health Insurance Portability and Accountability Act (HIPAA). HIPAA restricts the Plan Sponsor's ability to use and disclose protected health information (PHI). PHI is defined as information that is created or received by the Plan and relates to:

- the past, present or future physical or mental health or condition of a Participant;
- the provision of health care to a Participant;
- the past, present, or future payment for the provision of health care to a Participant; and
- identifies the Participant (or for which there is a reasonable basis to believe the information is for said person, whether living or deceased).

The Plan Sponsor shall have access to PHI from the Plan only as permitted under this Plan or as otherwise required or permitted by HIPAA.

1. The Plan may disclose to the Plan Sponsor information on whether the individual is participating in the Plan or has enrolled in or dis-enrolled from a health insurance issuer or HMO offered by the Plan.
2. The Plan may disclose Summary Health Information to the Plan Sponsor, provided the Plan Sponsor requests the Summary Health Information for the purpose of (a) obtaining premium bids from health plans for providing health insurance coverage under the Plan; or (b) modifying, amending, or terminating the Plan.

Summary Health Information means information that (a) summarizes the claim's history, claim's expenses, or type of claims experienced by individuals for whom a Plan Sponsor had provided health benefits under a Health Plan; and (b) from which the information described in 42 CFR Section 154-514(b)(2)(i)(B) needed to be aggregated only to the level of a five-digit zip code.

3. Unless otherwise permitted by law—and subject to the conditions of disclosure described in Paragraph 4 and obtaining written certification pursuant to paragraph 5—the Plan may disclose PHI to the Plan Sponsor, provided said sponsor uses or discloses such PHI for administrative purposes only. Administrative purposes entail administration functions performed by the Plan Sponsor on behalf of the Plan, such as quality assurance, claims pro-

cessing, auditing and monitoring. Plan Administration functions do not include functions performed by the Plan Sponsor in connection with any other benefit or benefit plan of the Plan Sponsor, and do not include any employment-related functions.

Notwithstanding the provisions of this Plan to the contrary, in no event shall the Plan Sponsor be permitted to use or disclose PHI in a manner that is inconsistent with 45 CFR Section 154.504(f).

4. Plan Sponsor agrees that with respect to any PHI disclosed to it by the Plan, the Plan Sponsor shall:
 - a. Not use or further disclose the PHI other than as permitted or required by the Plan or as required by law.
 - b. Ensure that any agent, including a subcontractor, to whom it provides PHI received from the Plan, agrees to the same restrictions and conditions that apply to the Plan Sponsor with respect to PHI.
 - c. Not use or disclose the PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit Plan offered by the Plan Sponsor.
 - d. Report to the Plan promptly if it becomes aware of any use or disclosure of the information that is inconsistent with the uses or disclosures provided for.
 - e. Make available PHI to comply with HIPAA's right to access in accordance with 45 CFR Section 154-524.
 - f. Make available PHI for amendment and incorporate any amendments to PHI in accordance with 45 CFR Section 154-525.
 - g. Make available the information required to provide an accounting of disclosures in accordance with 45 CFR 154-528.
 - h. Make its internal practices, books and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of Health and Human Services for purposes of determining the Plan's

- compliance with HIPAA privacy requirements.
- i. If feasible, return or destroy all PHI received by the Plan and maintained by the Plan Sponsor in any form. Return or destroy copies of such information when no longer needed for the purpose for which disclosure was made, unless return or destruction is not feasible, in which case limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.
 - j. Ensure that the adequate separation between the Plan and the Plan Sponsor required in 45 CFR Section 504(f)(2)(iii), is satisfied. Plan Sponsor further agrees that if it creates, receives, maintains, or transmits any Electronic PHI (other than enrollment/termination information) on behalf of the Plan, it will:
 - k. implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic PHI that it creates, receives, maintains or transmits on behalf of the Plan;
 - l. ensure that the adequate separation between the Plan and Plan Sponsor (i.e. the firewall) required by 45 CFR Section 504(f)(2)(iii) is supported by reasonable and appropriate security measures;
 - m. ensure that any agent, including a subcontractor, to whom it provides Electronic PHI agrees to implement reasonable and appropriate security measures to protect the information; and
 - n. report to the Plan any security incident of which it becomes aware, as follows: Plan Sponsor will report to the Plan, with such frequency and at such times as agreed, the aggregate number of unsuccessful, unauthorized attempts to access, use, disclose, modify, or destroy Electronic PHI or to interfere with systems operations in an information system containing Electronic PHI; in addition, Plan Sponsor will report to the Plan as soon as feasible any successful unauthorized access, use, disclosure, modification, or destruction of Electronic PHI or interference with systems operations in any information system containing Electronic PHI.
5. The Plan Sponsor shall allow those employees identified as needing access to PHI to have said access. No other persons shall have access to PHI. These specified employees or classes of employees shall have access to and use PHI only to the extent necessary to perform the Plan's administrative functions performed by the Plan Sponsor for the Plan. In the event that any of these specified employees fail to comply with the provisions of this section, said employee shall be subject to disciplinary and termination procedures.
- 5.10 Employee Retirement Income Security Act (ERISA). This Plan is defined as a welfare benefit plan subject to ERISA. This can include but is not limited to the Summary Plan Description, Summary of Material Modification, IRS Form 5500, and Summary Annual Report.
 - 5.11 Terminated Employee. Unless this Plan has a retiree benefit as indicated on the Group Application, a terminated employee's account will be capped to the balance of the account at the time of termination. Claims that are incurred prior to the date of termination can be submitted through the Plan's applicable runout period.
 - 5.12 Plan Year. The Plan Year is established pursuant to the Plan Application. All medical expenses offered include those which were incurred during the period of coverage.
 - 5.13 Effect of Participant Death. Under circumstances relating to a Participant's death, qualified medical expenses will be paid to their estate.

Article VI: Election of Available Benefits

- 6.01 Available Benefits. The benefits offered under the Plan shall consist of one or more of the following benefits, as identified in the Plan Application:
- 1) Health insurance (as defined in Code Section 105 and 213(d)).
 - 2) Dental, vision, prescription insurance, etc.
 - 3) Uninsured medical expenses (as defined in Code Section 213(d)).
- 6.02 Benefit Limitation. Benefit limitations are established in the Plan Application. The aggregate limitations of all benefits offered must not exceed those reasonably paid to employees for services rendered.
- 6.03 Election Amounts of Procedures. The employer shall select the benefits offered under the Plan and establish appropriate limitations.
- 6.04 Effect of a Health Savings Account (HSA). An employee cannot contribute or have contributions made to an HSA account during any month in which the employee is covered under the TASC HRA Plan, unless the TASC HRA Plan is either a limited purpose HRA or a post deductible HRA.

Article VII: Claims

- 7.01 When to File. Claims should be filed as soon as reasonably possible after the Participant or eligible dependent incurs an eligible expense, or by a date otherwise determined by the employer.
- 7.02 How to File. A "Request for Reimbursement" form or similar form should be completed (or similar method used) and signed. This form should be completed for all claims submitted. Administrative documents outline how claims should be filed.
- 7.03 Payment. After reviewing the request, the Plan Administrator shall issue benefit payment, if appropriate, to the Plan Participant. The time frame and method in which this is done is at the discretion of the Plan Administrator or administering agent. Payment method will be identified in various administrative documents.
- 7.04 Coordination of Benefits. Under circumstances where there is another medical reimbursement plan, TASC HRA may be either a primary payer or secondary payer, depending on the rules governing the other Plan in place. For example, if the other Plan states it is the secondary payer, than TASC HRA is the primary payer of benefits.
- The Plan Participant is responsible for ensuring that any claimed expenses have not been previously reimbursed by any other benefit Plan and will not be claimed as a tax deduction.
- 7.05 Denial Procedure. The Plan Administrator will provide adequate notice in writing to any Participant or beneficiary whose claim for benefits under the Plan has been denied, setting forth the specific reasons for such denial. The Participant or beneficiary will be given the opportunity for a full and fair review of the decision resulting in denial of the claim. The Participant or beneficiary will be given a reasonable time from the date of the notice of denial of such claim within which to request such review.

Article VIII: Records and Reports

8.01 Responsibility. The Plan Administrator shall exercise authority and responsibility to comply with the Plan relating to Participant records, balances and benefits payable under the Plan. The Plan Administrator shall also be responsible for all Plan reporting and disclosure requirements.

8.02 Examination of Records. The Plan Administrator will make available to each Participant any of his/her records under the Plan

as said records pertain to him/her, for examination at reasonable times during normal business hours.

8.03 Plan Communications. A Summary Plan Description of the Plan shall be given to all employees. Participants with questions concerning the Plan operation or concerning their eligibility for payment of benefits under the Plan should contact the Plan Administrator or his/her designated representative, either in person or writing.

Article IX: Plan Termination

9.01 Plan Termination. The Plan or any portion of the Plan shall be subject to termination at any time by the employer; such termination shall not affect any right or claim arising under the Plan prior to termination. Other unclaimed funds shall become payable as the Plan Administrator may direct. Such direction may include, but is not limited to:

(a) a continuation of the Plan in order to pay balances in accordance with

elected benefits, or

(b) a distribution of the Participant balances subject to the Plan.

9.02 Employer Right to Terminate. In accordance with the procedures set forth in this section, the employer may terminate the Plan at any time. In the event of a dissolution, merger consolidation, or re-organization of the employer, the Plan shall terminate unless the Plan is continued by a successor

Article X: Plan Construction

to the employer in accordance with the resolution of its Board of Directors.

10.01 Taxation. The employer intends that this Plan be in compliance with Section 105 of the Internal Revenue Code and thereby shall be entitled to deduct the amount required to pay for the benefits provided under Section 162 of the Code. However, this Plan has not been submitted to the Internal Revenue Service. Neither the Plan Administrator nor its designated representative makes any commitment or guarantee that

any amounts elected or paid for the benefit of a Participant will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. Participants must determine whether each payment is excludable from their gross income for federal and state income tax purposes; said Participants must notify the employer of there is any reason to believe that such payment is not so excludable. Any Participant, by accepting a benefit under this Plan, agrees to be liable for any tax penalties as

well as any interest which may be imposed by the Internal Revenue Service with respect to these benefits, unless otherwise covered by the Audit Guarantee.

shall govern the rights, liabilities and obligations of the Plan, except as it may be modified.

- 10.02 Adoption by Related Organizations. Upon the employer's approval, this Plan may be adopted by any organization in affiliation with the employer. Affiliated organizations for the purpose of this Plan are described in Section 414(b), (c) or (m) of the Internal Revenue Code. The adopting organizations shall execute and deliver to the employer a supplemental agreement providing for the adoption of this Plan, along with any other such documents as the employer shall deem necessary or desirable. The provisions of this Plan shall be applicable to such organization to the extent provided in the supplemental agreement.
- 10.03 Uniform Exercise of Powers. In the exercise of any of its powers, duties and discretion under this Plan and within the scope of its authority, and in all of its acts, decisions, and determinations hereunder, the employer shall at all times act in good faith and in a non-discriminatory manner and shall follow a consistent policy on comparable issues. All employer actions and determinations shall be duly recorded and all such records, together with such other documents as may be necessary for the administration of this Plan shall be preserved. Employer decisions regarding any disputed questions relative to a Participant's rights hereunder and upon all matters within the scope of its authority shall be final and binding on all interested parties.
- 10.04 Construction. No provision of this Plan shall be construed to conflict with any U.S. Treasury Department, Department of Labor, or Internal Revenue Service Regulation, Ruling, Release or Proposed Regulation or other order which affect, or could affect the terms of the Plan. This Plan will be in compliance with any changes related to the Internal Revenue Code, ERISA, COBRA and Department of Labor.
- 10.05 Entire Document. This document, including any appendices or supplements thereto, shall constitute the entire document and
- 10.06 Controlling Law. This Agreement shall be construed and enforced according to the laws of the state of the employer's domicile, except to the extent such state laws are preempted by federal law.
- 10.07 Severability. In the event any provisions of this document shall be held illegal or invalid for any reason by law or a court of competent jurisdiction, said illegality or invalidity shall not affect the remaining provisions included herein either initially, or beyond the date said provisions are first held to be illegal or invalid, provided the basic purposes thereof can be affected through the remaining valid and/or illegal provisions.
- 10.08 Benefits Provided Through Third Parties. In the case of any benefit provided through a third party, such as an insurance company, pursuant to a contract or policy with such third party, if any conflict or inconsistency exists between the description of benefits contained in this Plan and such contract or policy, the terms of such contract or policy shall control.
- 10.09 Non Alienation. No benefit payable at any time under this Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, or encumbrance of any kind.
- 10.10 Rights Against the Employer. Neither the establishment of the Plan, nor any modification thereof, nor any distribution hereunder, shall be construed as giving to any Participant or any person whomsoever any legal or equitable rights against the employer, its shareholders, directors, or officers, as such, or as giving any person the right to be retained in the employ of the employer.
- 10.11 Successor-Businesses. Unless this Plan is sooner terminated, a successor to the business of the employer, by whatever form or manner resulting, may continue this Plan by appropriate supplemental agreement.

ACA Employer Reporting
COBRA Administration
Flexible Spending Accounts (FSA)
ERISA Compliance
FMLA Administration
Form 5500 Preparation
Funded HRA
GiveBack
Health Reimbursement Arrangements (HRA)
Health Savings Accounts (HSA)
HIPAA Compliance
Medicare Part D
Non-Discrimination Testing
PayPath Payroll Services
PCORI
Retiree Billing
Transit & Parking