April 1, 2016

Plan Administrator – Cafeteria Plan
Town of Canton
P.O. Box 168
Collinsville, CT 06022

Response to this Plan Renewal letter is requested by April 25, 2016 or sooner.

After review, initial and return all pages via fax or email whether or not you have made a change.

Visit WWW.ABS125.COM - ABS has upgraded its software in order to provide you with tools to assist you with Plan administration and accessing information. You may also gain access to several different reports including balances, Benny Card information, online submission of claims and to find out what is eligible for reimbursement, how to enroll and what happens when a participant terminates.

The IRS maximum annual Healthcare Reimbursement (HCR) election of $2,550.00 is subject to a Cost Of Living Adjustment (COLA) each year. The change to an annual election that is currently at $2,550.00 will be automatic and duly noted in your Plan document if necessary.

IF you offer a High Deductible Health Plan in conjunction with a Health Savings Account (HSA) or if you are considering adding an HSA option it is important to consider changing your Section 125 Plan Year to match the Plan Year of your group health plan.

☐ Yes; I would like to have a short plan year from July 1 to ________________, 20___. My Plan will then run the next twelve months ________________, 20__ to ________________, 20__ and thereafter. We can not run short plan years less than three months and in certain situations there may not be a grace period on the short Plan Year.

***If you have the debit card end you are requesting a short plan year, the debit card for all participants may be turned off for up to 30 days during the transition.********

A participant contributing to an HSA bank account may not participate in a full use Flex. Your Plan Document must be amended to include “Limited” Flex for vision and dental claims if you want those enrolled and contributing to an HSA bank account to participate.

☐ Yes; I would like to add “Limited” Flex to our Plan document to allow participation for those in an HSA health plan. Review the next page to see if you already have a “Limited” HCR as part of your Plan document.

ABS has made every effort to contain costs but if you are planning on having a benefit fair in the middle of your Plan Year or group meetings throughout your Plan Year (this does not include the regular annual enrollment meeting) and would like a representative from ABS to be present, we will charge a per diem fee of $300.00. Representative availability is limited so please call as far in advance of your event as possible to schedule.

As a reminder your monthly and or annual rates are subject to change after the first year of service.

Your initial ___RHS_____
June 30
**STEP 1: Below is the current Plan design for Town of Canton**

If you wish to make changes in your current Plan design such as eligibility, annual elections, the Plan Year or contact information, please note that information directly on this form. We will update your documents accordingly. Changes must be initialed.

<table>
<thead>
<tr>
<th>Section 125 current Plan</th>
<th>Year: July 1 to June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCR minimum/yr</td>
<td>$260.00</td>
</tr>
<tr>
<td>HCR maximum/yr</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>Automatic Cost Of Living Adjustment (COLA) for HCR</td>
<td>No</td>
</tr>
</tbody>
</table>

**MUST READ:** If your current maximum is less than $2,550.00 and you want to make a change, please indicate the maximum election for the Plan on this form. A current HCR maximum of $2550.00 is subject to COLA increases each year. If your rate is currently at $2,550.00, this amount will automatically be adjusted to the COLA rate for the tax year if the Plan allows for it (noted above) or unless you decline the COLA change on this notice.

| DCR minimum/yr           | $260.00                |
| DCR maximum/yr           | $5,000.00              |
| New Employee wait period (usually stated in days) | date of hire. |
| Is it first of the month following? | Yes |
| Hours worked per week   | 30                     |
| Employer Funding?       | No                     |
| Debit Card?             | Yes                    |
| Direct Deposit?         | Yes                    |
| $500.00 Carry Over?     | No                     |
| 2 ½ Month Grace Period? | Yes                    |
| Limited HCR for those enrolled in a HDHP in conjunction with an HSA? | Yes (The annual election max is the same as HCR) |

**HDHP = High Deductible Health Plan**

**HSA = Health Savings Account bank account**

Does ABS administer an employer funded Section 105 HRA for your company? No

### Section 132

<table>
<thead>
<tr>
<th>Transportation No / Parking No</th>
</tr>
</thead>
</table>

| Federal Tax ID: | 06-6002383 |

If you have 100 or more participants in your Health FSA plan we will complete the IRS form 5500 for you to EFILE.

**Plan Administrator - Robert Skinner**  
Email address: cnardi@townofcantonct.org (add if missing)

**Internal Contact - Dawn Bertoli**  
Email address: dbertoli@townofcantonct.org (add if missing)

**Phone** (860) 693-7841  
Fax: (860) 693-7884

**Current Plan Year fees:**

- Initial Fees are subject to change.

<table>
<thead>
<tr>
<th>Annual fee</th>
<th>$500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly participant fee</td>
<td>$4.50</td>
</tr>
<tr>
<td>Debit card monthly fee</td>
<td>$1.25</td>
</tr>
<tr>
<td>Transit &amp; Parking monthly fee</td>
<td>$</td>
</tr>
</tbody>
</table>

Monthly participant fees and the debit card fees will be one fee for quarterly billing 2016.
STEP 2:
Please answer the questions below in regards to your Section 125 Flexible Benefits Plan renewal. Regardless of your requests made below, your enrollment materials for Plan Year Ending June 30, for Town of Canton will be emailed to this address, cnardi@townofcanton.net.org, unless you otherwise specify on this page.

<table>
<thead>
<tr>
<th>MATERIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes, mail me complete enrollment kits.</td>
</tr>
<tr>
<td>☐ Yes, mail me booklets only (I will print the forms myself if needed)</td>
</tr>
<tr>
<td>Do you have your own online enrollment system that you require your employees to use?</td>
</tr>
<tr>
<td>How many? 20</td>
</tr>
<tr>
<td>How many?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEBIT CARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>If your company does not have a debit card and are interested in obtaining the Debit Card for your groups FSA Plan please check the box. A Debit Card Agreement will be sent to you. It must be signed and returned prior to cards being ordered and prior to the start of the new Plan Year.</td>
</tr>
<tr>
<td>☐ Yes – I am interested in obtaining the debit card for my group.</td>
</tr>
</tbody>
</table>

*If your company has the debit card, enrollment information needs to be at ABS at least 15 days before the end of the Plan Year in order for cards to be loaded and mailed in time for your Plan start date. A participant can submit paper reimbursement until their card arrives or is reloaded.

<table>
<thead>
<tr>
<th>PAYROLL (do not leave blank)</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is your Company Payroll Mode/s? Enter date for each payroll mode/s that apply. Entering the correct payroll date is imperative to having the correct annual elections calculated without over or under payment.</td>
</tr>
<tr>
<td>(1st Payroll deduction date is the date of the first pay check in the new Plan Year.)</td>
</tr>
<tr>
<td>12 - Monthly</td>
</tr>
<tr>
<td>Enter 1st payroll date:</td>
</tr>
<tr>
<td>20 - payrolls per year</td>
</tr>
<tr>
<td>Enter 1st payroll date:</td>
</tr>
<tr>
<td>24 - Semi-Monthly</td>
</tr>
<tr>
<td>Enter 1st payroll date:</td>
</tr>
<tr>
<td>26 - Bi-Weekly</td>
</tr>
<tr>
<td>Enter 1st payroll date:</td>
</tr>
<tr>
<td>52 - Weekly</td>
</tr>
<tr>
<td>Enter 1st payroll date:</td>
</tr>
</tbody>
</table>

Who in your office should the completed enrollment forms be returned to and by what date?
Name: Olivia Nardi Date June 30, 2020

<table>
<thead>
<tr>
<th>FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>If you are interested in learning about our new claims based funding options available to you, please give us a call.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEETINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Internet enrollment meeting via “Go to Meeting”? ABS will contact you for scheduling.</td>
</tr>
<tr>
<td>☐ Do you want an enrollment meeting at your site? ABS will contact you for scheduling availability. This annual enrollment meeting has no added cost however due to the high cost of fuel/travel these days we request that the enrollment meeting be mandatory for your Employees.</td>
</tr>
<tr>
<td>☐ I will visit <a href="http://www.abs125.com">www.abs125.com</a> to view the educational video for the Employees or the Administrators on the YouTube link at the bottom of the website</td>
</tr>
</tbody>
</table>
READ THIS TOO AND THANK YOU FOR RENEWING WITH ABS!

Your Account Manager will email you a **pre-completed enrollment spreadsheet** (based on current year enrollees) at least 30 days prior to the start of your Plan Year. After you collect the enrollment forms from the participants you will simply adjust the annual election column and add any new participants not currently listed.

Should you have any questions please do not hesitate to call me or your Account Manager. Thank you!

Sandy Miller Ext. 416  
sandymiller@abs125.com

Phone: Local 860-675-2261  Toll free 877-732-8125  Fax 860-284-0468

**Return all pages** via fax or email **whether or not** you have made a change.
March 29, 2016

Town of Canton
Plan Administrator
4 Market Street
Collinsville, CT 06022

Dear Plan Administrator;

Enclosed please find an updated Advanced Benefit Strategies, Inc. Service Agreement. It has been awhile since we have sent out an update and felt that 2016 is a good year to get that done. The main change you will notice is that any charge for the debit card is now inclusive of the monthly participant fee for whichever program it is associated with.

- Please sign the Service Agreement after your review
- Please send us a COPY of the signature page only for our records.
- Keep your copy in a safe place and discard your old version.

Please feel free to give me a call with any questions.

Sincerely,

Sandy Miller

Enclosures
SERVICE AGREEMENT

This Agreement, made effective as of January 1, 2003 and updated as of July 1, 2016 is entered into by and between Town of Canton, hereafter referred to as the “Employer” and ABS-125, LLC dba Advanced Benefit Strategies, Inc., a Connecticut Corporation, and an equal opportunity employer hereafter referred to as the “Service Firm”.

WHEREAS, the Employer desires to obtain certain administrative services for operation of its Plan/s from the Service firm; and WHEREAS, the Service Firm desires to provide administrative services for the Employer’s Plan as noted in this agreement. Nothing in this Agreement shall be deemed to impose upon the Service Firm any obligation to any employee of the Employer or any person who is participating in the program.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, it is hereby agreed as follows:

1). The Service Firm agrees to:

a. Administer the Company Cafeteria Plan in accordance with all applicable statutory and regulatory requirements including, but not limited to, Section 125, Section 129, Section 132 and Section 105 of the Internal Revenue Code, as amended from time to time.

b. Create and monitor the design of the Plan to assure compliance with current state and federal law and regulations and assist the Employer in maintaining the operation of the Plan in compliance with such law and regulations; provide the Employer with a plan document, summary plan description, enrollment forms, election confirmations and other documents required by applicable law and regulations; conduct on-site initial employee enrollment meeting(s) and an annual enrollment meeting thereafter for the Plan.

c. Provide plan administration to the Employer for the Plan, including claims reimbursement, monthly transaction ledger report, and annual forfeiture report. Such reports shall be considered protected health information (PHI) and, when transmitted by or maintained in electronic media shall be considered electronic PHI and subject to the privacy and security rules under HIPAA.

d. Provide preparation of the annual IRS form 5500 filing that may be required for a Section 125 Plan only.

e. Determine whether expenses are eligible for payment under the Plan and ensure that reimbursement is made only for such eligible expenses. The Service Firm shall refer to the Employer or its designee, for final determination, any claim for benefits or coverage that is appealed after initial rejection by the Service Firm or any class of claims that Employer may specify, including: any question of eligibility or entitlement of the claimant for coverage under the Plan; any question with respect to the amount due; or any other appeal.

f. Assist Employer and participants of the Plan in answering their question and concerns via a national toll free telephone number, fax, regular and electronic mail during regular business hours Eastern Standard Time. Provide on line employee account inquiry via the web at www.abs125.com. The Service Firm shall not be deemed in default of this Agreement, nor held responsible for, any cessation, interruption or delay in the performance of its obligations hereunder due to causes beyond its reasonable control, including but not limited to, natural disaster, act of God, computer hardware/software failure, labor controversy, civil disturbance, inability to obtain sufficient materials or services required in the conduct of its business, including Internet access, or any change in or the adoption of any law, judgment or decree.

g. Complete discrimination testing as required by federal regulations.

h. Maintain errors and omissions insurance coverage of at least $1 million per claim and $2 million in the aggregate. The Service Firm shall provide the Employer upon request with copies of insurance certificates evidencing such coverage during the term of this Agreement. The Service Firm shall provide the Employer with thirty (30) days prior written notice of any cancellation, non-renewal or modification of such coverage. The Employer shall indemnify the Service Firm and hold it harmless from and against all loss, liability, damage, expense, attorneys’ fees or other obligations, resulting from, or arising out of, any act or omission of Employer in connection with the Plan or claim, demand, or lawsuit by Plan Participants and beneficiaries against the Service Firm in connection with benefit payments or services performed hereunder. In addition, the Employer shall indemnify the Service Firm and hold it harmless from and against all loss, liability, damage, expense, attorneys’ fees or other obligations, resulting from, or out of any premium charge, tax or similar assessment (federal or state), for which the Plan or Employer is liable.

i. Forfeited funds will be returned after the Plan year run off period and account evaluation. Any outstanding Plan administration fees will be withheld for payment of those fees from the forfeited funds.

j. Provide an account evaluation to the Employer each month via the online system.

k. Promptly return to the Employer at termination of this Agreement a copy of records maintained on behalf of the Employer or Plan Participants upon the written request of the Employer and any remaining funds (after complete valuation).
I. Maintain accurate records of its activities in connection with the performance of its obligations under this Agreement for at least two (2) years after the termination of this Agreement or such longer period as may be required by applicable law and regulations, and make such records available for inspection, audit, and copying, upon reasonable notice and during normal business hours. The Employer and its designated representatives shall take reasonable measures to minimize disruption of the Service Firm’s activities. Individual claims once processed will be kept no longer than the Tax Year in which it was paid. Destruction of records including PHI (Protected Health Information) will be conducted in a secure manner in accordance to law. Claims that have been processed and paid during the year will be destroyed in the year following.

(2) The Employer agrees to:

a. Provide the service firm information in a protected format to maintain compliance with privacy and security rules under HIPPA regarding Protected Health Information (PHI) and or electronic PHI.

b. Ensure compliance with COBRA; provide required information for nondiscrimination testing; Maintain plan document, summary plan description and enrollment materials for participants and new eligible employees, amend the Plans as necessary to ensure ongoing compliance with applicable law; take all other steps necessary to maintain and operate the Plan in compliance with applicable provisions of the Plans, ERISA, HIPAA, the Code and other applicable federal and state laws. Provide any data necessary within the required time frame for the completion of the IRS form 5500 reporting that may be required for the Plans. The Service Firm will prepare these returns and/or reports and electronically return them to the Employer.

c. Provide the Service Firm all participant and dependent information in conjunction with any Section 105 HRA Plan in order for the Service Firm to provide non elective quarterly reports as required by law to CMS (Center for Medicare and Medicaid Services). The Service Firm will be held harmless should the Employer not provide the required information within the time frame requested by The Service Firm. Penalties may be assessed by CMS for refusing to provide information or providing partial information.

d. Give the Service Firm the authority to act on behalf of the Employer in connection with the Plan including, but not limited to, Section 125, Section 129, Section 132 and Section 105 of the Internal Revenue Code, but only as expressly stated in this Agreement or as mutually agreed in writing by the Company and the Service Firm. All final determinations as to a Participant’s entitlement to Plan benefits are to be made by the Employer, including any determination upon appeal of a denied claim for Plan benefits. The Employer is considered the Plan Administrator and Named Fiduciary of the Plan benefits for purposes of ERISA.

e. PLAN FUNDING OPTIONS
A chosen plan funding option must be maintained for the Plan Year.

I. Allocating funds to a Company Account:
For Flex Plans (including but not limit to Section 125, Section 132 and Section 129 of the code and Employer funded Plans):
Use the Deduction Remittance form provided by Advanced Benefit Strategies, Inc. If the Employer chooses not to use our Deduction Remittance form, an additional fee may be added to your monthly participant fee, see “Fixed Fee” section below. Use the Deduction Remittance form to notify the Service Firm of a terminated employee to prevent the processing of claims post-termination. Use the Deduction Remittance form for the reporting of deduction changes, employee status changes or any information that relates to the processing of a payroll. The Service Firm shall have no responsibility with regard to benefits paid in error due to Company’s failure to report changes or any other pertinent employee data not entered on the Deduction Remittance form or otherwise not reported in writing.

II. Remit to the Service Firm expected payroll contributions within the generally accepted Department of Labor limitations for releasing Plan contributions from the employer assets. The Service Firm retains the right to suspend reimbursement checks and or suspend the debit card, if applicable, on the account until the funds to support the Plan are remitted. Remit to the Service Firm negative forfeiture at the end of the Plan Year.

III. For Section 105 Health Reimbursement Arrangements (HRA):
Remit to the Service Firm the calculated potential claims exposure. The Service Firm will send you a funding / invoice to be included with the initial payment in advance as working capital. The Employer agrees to have payments made within 30 days of a negative “Account Balance Detail” report available for viewing on the assigned Employer web portal. It is the Employer’s responsibility to review the any applicable and available account report via the assigned Employer web portal and to rectify negative account balances within 30 days. The Service Firm retains the right to suspend reimbursement checks and or direct deposits and suspend the debit card on the account until the Section 105 Plan account is funded.

IV. Claims based funding:
To complete all necessary banking forms appropriate to the reimbursement program chosen on behalf of the Employer to allow the Service Firm access to the bank account to pay claims on behalf of the Plan Participants.

V. Health Savings Account (HSA):
Remit plan contributions within the generally accepted Department of Labor limitations for releasing Plan contributions from the employer assets. Plan contributions will always be funded electronically. The Service Firm acknowledges that Employer Funding may be done on and add hoc basis. Employer contributions to the HSA must be consistent with non discrimination rules.

f. Use the Enrollment Spreadsheet provided, without altering the format. The enrollment spreadsheet is technically recognized by our systems, and the Service Firm reserves the right to assess a fee for non use of the Enrollment Spreadsheet or a Spreadsheet that has been altered and requires internal IT repair. See “Fixed Fee” section below.

g. Provide the full year’s election or a prorated election if the Employer should cease business whether through sale or closure. The Service Firm will be held harmless and reimbursement checks will be written at the discretion of the Service Firm.

h. Remit to the Service Firm the agreed upon service fees in a separate check from any other remittance for the Plan within 30 days, including run off fees. Undisputed invoices outstanding after 30 days will be assessed a 1% per month late fee. An employee separated from service will remain on the quarterly invoice for 60 days after the date of termination. Fees included with the remittance of employee election deposits may require special account audits that will result in an hourly accounting fee of $150.00 charged to the Employer.

i. Maintain an agreement with the Service Firm in the event the Employer ceases to do business with the Service Firm either by choice, through corporate transition or bankruptcy to the extent that negative accounts are brought into balance and Run off fees” the standard monthly participant fee for 90 days following the end of the agreement are charged and paid.

j. Remit to the Service Firm any fees that your broker traditionally paid for once said Broker is no longer the Broker of Record.

ALL FEES NOTED IN BELOW IN 1-11 ARE SUBJECT TO CHANGE AFTER FIRST PLAN YEAR.

1. ☑ Cafeteria Plan administrative annual fee: $500.00

2. ☑ Section 125 Flexible Spending monthly fees per Participant of the Cafeteria Plan which includes the debit card: $5.75. A fee is charged by the debit card company for replacement of lost or stolen cards. The fee, subject to change is the responsibility of the card holder, and is automatically charged against the employee’s current annual election or.

3. ☐ Section 105 HRA Annual administration fee: $ NA.

4. ☐ Section 105 HRA Monthly participant fee which includes the debit card: $NA. A fee is charged by the debit card company for replacement of lost or stolen cards. The fee, subject to change is the responsibility of the card holder, and is automatically charged against the employee’s current annual election.

5. ☐ Health Savings Account (HSA) monthly fee: $NA.

6. ☐ Health Savings Account (HSA) annual fee: $NA

7. ☐ Misc. Section 125 Flexible Spending Monthly Participant fee: $NA

8. ☐ Center for Medicare Services (CMS) quarterly reporting fee: $NA

9. ☐ Section 132 Transportation and or Qualified Parking Annual fee: $NA

10. ☐ Section 132 Transportation and or Qualified Parking Monthly Participant fee: $NA.

11. ☐ Summary of Benefit Charges (SBC) annual fee: $NA

FIXED FEES – Current listed fees are subject to change after the second year.

Customized report fee - $150.00 per hour for customized report services. A time quote will be produced upon request.

Additional mid plan year onsite benefit fairs/meetings: $300.00 per diem.

Mid Plan Year design changes or changes after a Plan has been initialized to run: 50% of your current annual fee.

Non use of the Deduction Remittance form provided: additional 10% of total quarterly invoice. See section 2e under “The Employer.”

Non use of the Enrollment Spreadsheet provided or altered spreadsheet: additional 10% of total quarterly invoice. See section 2e under “The Employer.”

Remitting fees with Plan contributions –$50.00 per occurrence will be added to the quarterly invoice for remitting fees with Plan contributions. See Section h under “The Employer.”

Late fee for undisputed quarterly invoice – Additional 1% per month to the next quarters invoice for a total of 3% per quarter, 12% annually.

Storage retrieval - A $25.00 hourly fee will be charged to an individual or Employer who wants to retrieve a claim from storage. Claims are destroyed the year after they are paid.

Applied Bank service fees: Bank fees are subject to change any time: Current Fed. Wire Fee - $20.00 per wire, current returned check fee - $20.00, current ACH/ Electronic Funds transfer – No charge.

3
Minimum check reimbursements from the Plan: a minimum check amount is hereby set to be $20.00. Submitted claims for less than $20.00 will be held until an accumulation of the minimum is reached, or until the closing period for the Plan Year whichever comes first.

k. Consent of this agreement is implied whether or not a Signed copy of this agreement is returned to the Service Firm.

I. Legal fees incurred if the Service Firm is required to seek legal counsel to rectify any section of this agreement will be the responsibility of the Employer.

3) Survival

The obligations of the Service Firm pursuant to Section 1(h), 1(i) shall survive the termination of this Agreement.

The above terms and conditions represent the entire agreement between the Service Firm and the Employer. This Agreement shall be binding until termination of the Agreement. Either party may terminate this Agreement without cause by providing the other party with at least sixty (60) days prior notice of termination. Notwithstanding the foregoing, in the event of any material breach of the terms of this Agreement by either party, the non-breaching party (reserving cumulatively all other rights under this Agreement and in law and in equity) may terminate this Agreement by giving thirty (30) days prior notice of termination to the breaching party; provided, however, that this Agreement shall not terminate if the breaching party cures the breach prior to the expiration of the thirty (30) day notice period. Either party may also terminate this Agreement immediately in the event the other party ceases to carry on business as going concern, becomes the object of involuntary petition purporting to be made under any reorganization or insolvency law of any jurisdiction, makes a general assignment for the benefit of creditors or a receiver is appointed with respect to a substantial part of its assets.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officers.

Town of Canton

By: ____________________________

Print name: Robert H. Skinner

Title: Chief Date: 5-12-16

ABS-125, LLC dba Advanced Benefit Strategies

By: ____________________________

Print name: Stephen J. Repka, II

Title: President Section 125 Date: March 23, 2016

Administrative officer.