UNIVERSAL BENEFIT ACCOUNT®

CLIENT ADMINISTRATION MANUAL

TASC®

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This Administration Manual provides all the guidance you need to properly implement and manage TASC Universal Benefit Account. In the meantime, if you have any questions pertaining to TASC, call us at 608-241-1900 or toll-free at 800-422-4661. For speediest service, please have your 12-digit TASC ID available whenever contacting us.

Welcome to the TASC Universal Benefit Account.

TASC's Universal Benefit Account is the smart, easy and connected way to implement and manage benefit accounts. From healthcare to education to giving, TASC is here to help you provide benefits that will attract and retain talent as well as save you, your company and your employees time and money.

It's no secret that higher employee participation in your benefit accounts means more tax savings for all! And with the Universal Benefit Account, it's easy to monitor activity and participation in benefits at www.tasconline.com. We deliver accessible information and work hard to ensure greater visibility and accountability of our services. It's part of our goal to make benefits feel like benefits again.

Visit our TASC news site at www.tasctracker.com and subscribe to receive news updates via email. Must-know information regarding TASC products is posted regularly on this site.

We look forward to serving you and your employees!

SIGN UP

To get started, please go to www.tasconline.com. (Chrome is the preferred browser for accessing TASC online system.) On the left, click the green Sign into Universal Benefit Account button.

1. To access Universal Benefit Account, go to tasconline.com and select the green LOG IN button on the menu bar."Enter your email address and create a password*, then complete the step-by-step process. Once signed in, you can manage your account online at your convenience.
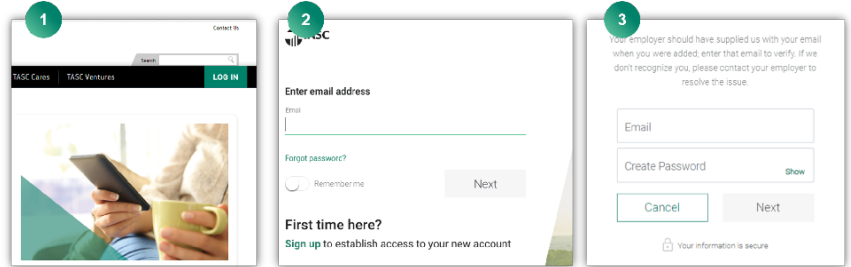

2. From the drop-down menu under Universal Benefit Account Login, participants will select the INDIVIDUAL / EMPLOYEE option, and clients will select the PLAN SPONSOR / EMPLOYER option. This will take you to the Sign In screen for Universal Benefit Account.

3. The first time you access Universal Benefit Account, you'll need to sign up. This applies to new and existing TASC participants or employers. To sign up, locate the area that says 'First time here?, and click on the words Sign Up.

4. You will be asked to enter an email and a password. If the email you entered is not recognized, please contact TASC Customer Care for assistance with adding your email address to your profile.

5. After entering an email address and creating a password, click next. To ensure the safety of your information, set up two-factor authorization by entering and verifying your mobile phone number. For the initial sign up process, TASC will send a verification code to your email address. Enter the six digit code and click Verify.

6. Congratulations! You have successfully signed up for the Universal Benefit Account.

*Password must be a minimum of eight (8) characters and must contain at least one upper case letter, two (2) lower case letters, and one (1) number. Passwords will expire periodically.

SIGN IN

After you sign up and create an account, go to www.tasconline.com and select the green Log In button.

1. From the drop-down menu under Universal Benefit Account Login, participants will select the INDIVIDUAL / EMPLOYEE option, and clients will select the PLAN SPONSOR / EMPLOYER option.

2. You will be directed to the main sign in screen for Universal Benefit Account. Enter your account email address and password and click Sign in.

3. Your six digit verification code will automatically be sent to the cell phone number you entered during the sign up process.

4. Enter the verification code and click on Verify to view your account.
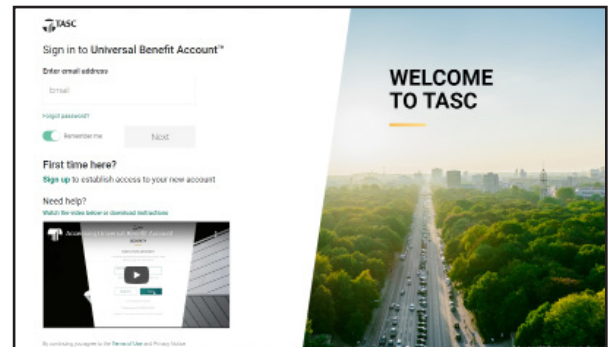
Troubleshooting Employee Sign In

If your employees don't know their email address that TASC on file, you can assist them easily. To view/edit an employee email address:

1. From the EMPLOYEES menu, click VIEW EMPLOYEES
2. Search for the employees by name, TASC ID or Keyword
3. Click the 3-dot icon to the left of the employee name
4. Click EDIT EMPLOYEE PROFILE
5. Go to primary email address and view/edit the email address as needed.
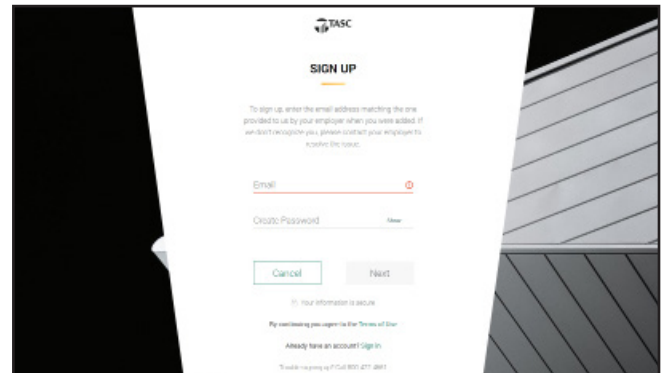
Note: Universal Benefit Account credentials are not the same as MyTASC. These systems do not use the same credentials. Instruct the employee to complete the sign-up process to access Universal Benefit Account.

MANAGING YOUR ACCOUNT ONLINE

When you log in to Universal Benefit Account you are presented with the Overview dashboard. This is where you can review information about your benefit plans, contributions and disbursements, reimbursement totals, summary information about your active participants, and funding transactions.

At the top right of the page, you can check your Alerts, manage your profile and add additional users under the Settings tab, find support through Frequently Asked Questions, or ask for help by submitting a Support Request through the Contact Us tab.

- On the left of the Overview dashboard are your active accounts. Click View All if you have more than four accounts. In the top navigation you can see Alerts that will notify you when items need your attention.

- Here you can view the contributions and disbursements for current and previous years. You can see total number of transactions for reimbursement and the dollar value, including reimbursements that require additional verification and those that are auto verified. We show the most recent funding transactions in this view, but you can see all transactions by clicking View All.

- Finally, at the bottom of the page, you will find information regarding other useful TASC accounts and service offerings.
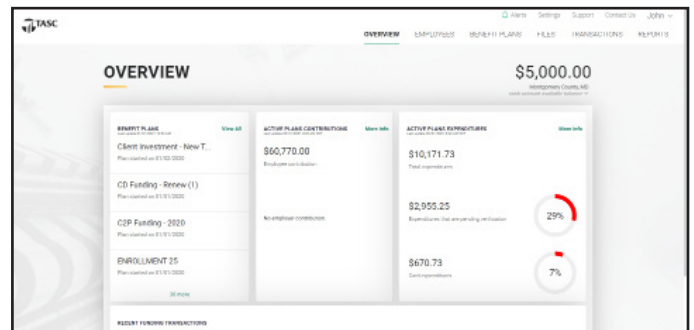
EMPLOYEES

Add Employees

- Click on EMPLOYEES, and then on ADD EMPLOYEES.
- You can add employees one at a time by clicking on the appropriate START button.
- For multiple employees, upload an employee-census file.
- If there are errors with the upload, the portal will notify you so you can fix the data before uploading again.
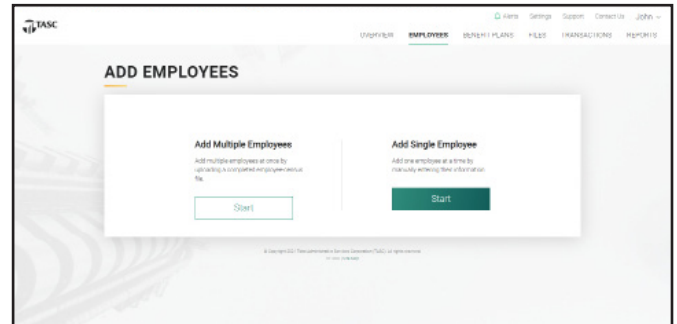
To retrieve the census file template:

- Click FILES, then TEMPLATES from the top navigation menu.
- Click the icon next to the census file template to download.
- Complete the census template as directed.
- Once completed, follow the instructions for uploading the completed employee-census file below.
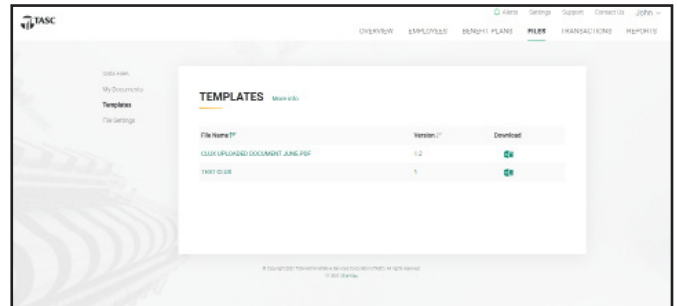
To upload the completed employee-census file:

There are two options to upload Employee data:

1. Employees
   - Click EMPLOYEES, then ADD EMPLOYEE.
   - Click START in the ADD MULTIPLE EMPLOYEES box.
   - Enable the Test File switch and upload your completed census.
   - If no file errors occur, click UPLOAD.
2. Data Files.
   - Click FILES Tab and select DATA FILES
   - Click UPLOAD DATA FILES button
   - Select CENSUS from the Document Category drop-down list
   - Drag and drop files or use the BROWSE button to locate the new completed file template
   - Click UPLOAD button
   - Refresh your page to view the status of your uploaded data file.

Managing Employee Information

To view/change personal and employment information:
- Select VIEW EMPLOYEES from the Employees Tab Menu.
- Search for the employee by name, TASC ID, class or keyword.
- Click employee name to view personal and employment information OR to edit personal or employment information, click the 3-dot icon next to their name and select EDIT EMPLOYEE PROFILE from the list.
- Edit personal information, employment information or dependent information as necessary.
- Click SAVE button.
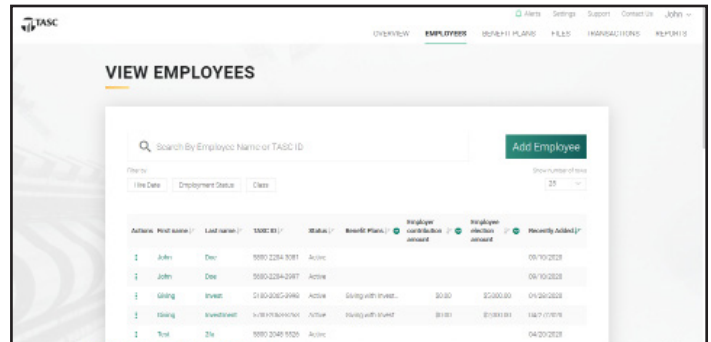
To add dependent(s):
- After performing the steps above to locate employee:
- Click Dependent Information tab on the left.
- Click ADD DEPENDENT button.
- Fill in dependent information and click ADD button.
- Black confirmation banner will appear at the top of the screen.

To edit dependent(s):
- After performing the steps above to locate employee:
- Click Dependent Information tab on the left.
- Click the Name or pencil icon next to the dependent to edit.
- Edit/Update information.
- Click UPDATE button.
- Black confirmation banner will appear at the top of the screen.

To view an employee's benefit plan enrollments:
- Select VIEW EMPLOYEES from the Employees Tab Menu.
- Search for the employee by name, TASC ID, class or keyword.
- Click the green arrow, next to MULTIPLE BENEFITS, under the BENEFIT PLANS column to view the enrolled benefit plans for the employee.
- If the employee only participates in one benefit plan, it will be listed without a green arrow.

To view an employee's account summary:
- Select VIEW EMPLOYEES from the Employees Tab Menu.
- Search for the employee by name, TASC ID, class or keyword.
- Click the 3-dot icon next to the employee name and select EMPLOYEE ACCOUNTS SUMMARY from the drop down list.

Note: To view a detailed list of transactions, select EMPLOYEE TRANSACTIONS from the left hand menu.

Enroll Employees

There is two ways to enroll your employees in an account, enroll employees via file upload or one employee at a time.

To enroll employees via file upload:

There are two options to upload Enrollment data.

1. Employees
   - Click EMPLOYEES, then ENROLL EMPLOYEES from the top navigation menu.
   - Click START in the ENROLL MULTIPLE EMPLOYEES box.
   - Enable the Test File switch and then upload your completed enrollment file.
   - If no file errors occur click UPLOAD.

2. Data Files
   - Select FILES, then click TEMPLATES from top navigation menu.
   - Select TEMPLATES from the FILES menu.
   - Select FILES from the TEMPLATES menu.
   - Click the icon next to the enrollment file template to download.
   - Complete the enrollment template as directed.   Once completed, follow the instructions for uploading the completed enrollment file below.
   - If no file errors occur click UPLOAD.

To enroll employees one at a time:

- Click on EMPLOYEES and then click on ENROLL EMPLOYEES from the dropdown menu.
- Under ENROLL SINGLE EMPLOYEE click on START.
- Select the appropriate employee from the list and the click on ENROLL from the bottom.
- Add the amount of the EMPLOYEE CONTRIBUTION and then click on ENROLL AND FINISH if that is the only or final account you are enrolling the employee in or ENROLL AND CONTINUE if you wish to enroll the employee in additional accounts.
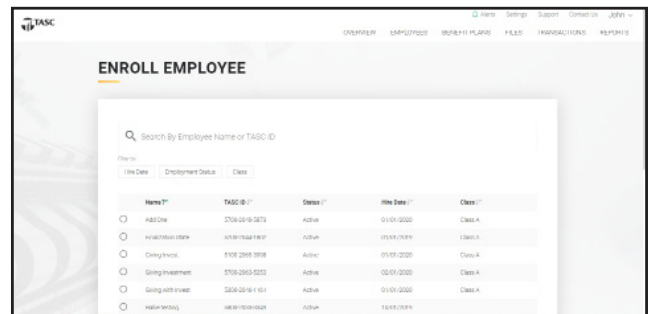
Approve Enrollment

- Click EMPLOYEES, then APPROVE ENROLLMENT.
- Search for the employee by name, TASC ID, class or keyword.
- Click employee name or the pencil icon next to their name.
- Edit personal information, employment information or dependent information as necessary.

By clicking on Manage Employees you can track your employees, which accounts they are participating in, their TASC ID, status, hire date, and class. Because Universal Benefit Account contains all your benefits plans and employees in one place, you can use the filters to narrow your results and quickly find the groups of employees you're looking for. You can add a single employee as well.

Your Enrollment is Complete

Your eligible employees are now enrolled, and your accounts are in place and operating! TASC will promptly send a Welcome Letter and Participant Reference Guide directly to each participant at their home address (or email address if provided).
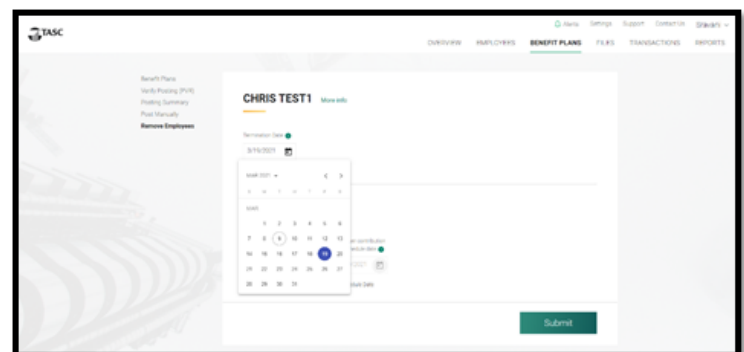
Remove Employees from a Benefit Plan

Important Note: Changes can be made to an Employee's Benefit Plan termination date, eligibility date, and scheduled date for an employee who you previously submitted until the termination date.

Removing an employee from a benefit plan can be done several different workflows. Choose the right one for you!

OPTION 1: Universal Benefit Plan Client Portal

- Under Benefit Plans, select Remove Employees
- Search by first and/or last name of the employee.
- Select the Employee Name.
- Select the calendar icon or enter the Termination Date or Retirement Date.
  - This is the employee's last day worked, or if still employed, the final day participating in your benefit plan(s).

- Select the slider Change dates (the step of selecting the slider is required to activate the Submit button).
- Confirm the dates are correct and select Submit.
  - Change Dates allows the employer to select set the Eligibility Date and Last Scheduled Date.
  - Eligibility Date is defined as the date in which requests with dates of service on or before the stated date will be considered.
  - Scheduled Date is defined as the last day in which deductions will be collected from this employee's payroll for this benefit plan.
  - Important Note: Universal Benefit Account

will default the dates based on the settings in
the appropriate benefit plan. These dates need to be changed only for very few exceptions. By changing the default dates, there is a risk your plans might be out of compliance. If you need to change the benefit plans settings, contact TASC. If you need to make an exception, you can still proceed.

- Once you've successfully submitted the Employee Termination Request, you will be brought back to the Remove Employees screen and a green confirmation bar will appear at the top stating, "Employee Termination request submitted successfully."
- As a reminder, changes may be made to an Employee's Benefit Plan Termination Date, Eligibility Date, and Scheduled Date until the Termination Date. Follow the steps above to make any necessary changes.

OPTIONAL: Add or modify a disbursable date
- Click on a participant's name under Employees
- Edit or add a disbursable date within the Employee Account Summary tab. The disbursable date field is toward the bottom of page under Benefit Accounts (below the circles).

OPTION 2: Upload a Census file or Enrollment file
CENSUS FILE: In order to successfully remove an employee via the Census file, using the standard file Census file template, the following additional required column information is required for each employee:
- Employment Termination Date
- Retired Date (if applicable)

By uploading the Census file, this will terminate the participant's employment record on the date given and move them to either a Terminated or Retired status (based on the 'Retired' column). It will also inactivate any benefit accounts the participant has that are not eligible to be kept in a Terminated or Retired employment status.

ENROLLMENT FILE: To terminate only the individual benefit accounts (not terminating the individual and leaving the individual active), you may use the Enrollment File and enter an 'Eligibility End Date' field. This will terminate a participant's benefit account but will leave the employment status in its current state. The following required column information is required for each employee: Eligibility End Date.

BENEFIT PLANS
To access benefit plan information, click BENEFIT PLANS then View Plans using the top navigation menu. This will take you to the landing page.
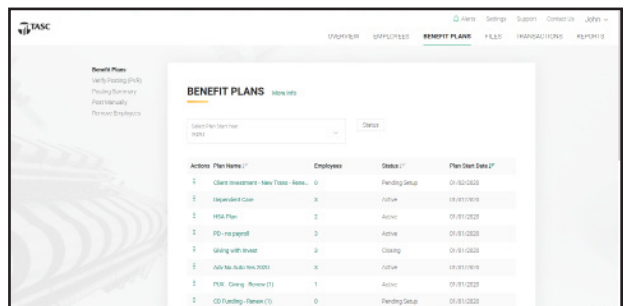
Click the snowman 3-dot icon menu to the left of each benefit plan to access the plan's summary, enrollment information, coverage period, and funding method.

Under the Plan Summary you can access several features using the left menu:

- Click Enrollment Information to view the dates of your plan year, enrollment methods, coverage period and funding method.
- Click Coverage Period to view coverage information including Allow Plan Extension Period, the number of (configurable) days of the extension period, last day to incur expenses, (run out period), number of days of the run out period, and last day to submit expenses.
- Click Funding Method to access funding, bank name, and account number.

VERIFY POSTING (PVR)

The Verify Posting option takes you to a page to view all the Employer Contribution and Employee Deduction transaction amounts for each benefit account. The Posting Summary option takes you to a page summarizing the total contributions to all benefit plans, total employee deductions from their payroll and the total funding from the employer. You can view and filter by date and source of each posting.
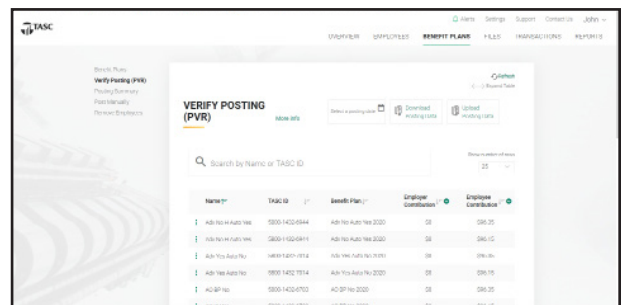
- Select VERIFY POSTING from the BENEFIT PLANS Menu.
- For future posting dates, you can edit individual amounts or make changes via files upload prior to the posting date.
- Locate employee name, if participating in multiple benefit plans, click the green down arrow to see all the benefit plans and the specific contribution amounts for each.
- Make desired changes by updating the amount.
- Click SAVE.

Change Many Contributions at Once
- If you have a lot of changes to make, you can download the complete posting data file, edit the spreadsheet and then upload the new posting data file.
- To upload the new data posting file, click **UPLOAD POSTING DATA** button. Drag and drop the new posting data file or use the 'Browse' button. Click **UPLOAD** button.

Posting & Downloading
- Pick the POSTING DATE (this will populate automatically from your enrollment information)
- Download the POSTING DATA (it will be in a .csv file format)
- Make any necessary changes to data

Posting Summary

Click on **POSTING SUMMARY** to view a summary of the Posting Verification Report. This includes contributions, payroll deductions, and funding and can be sorted by posting date and/or benefit plans.
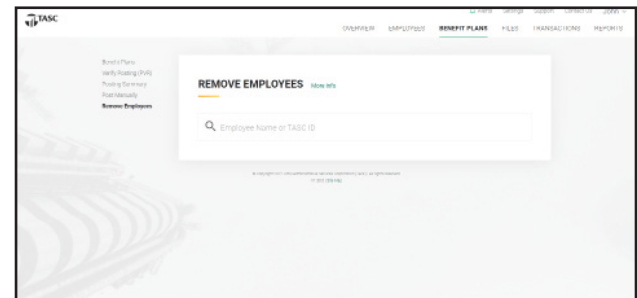
Post Manually

Posting contribution amounts can be automated or manual processes. This option displays the expected posting. The status here is scheduled because the posting has not occurred yet. You can select the benefit plan or plans of which a manual posting can be completed. The posting process moves the funds to so participants can access those funds from their accounts.

Remove Employees

The Remove Employees option allows you to terminate an employee on a specific date, and you can check if the employee retired as some benefit plan options may continue into retirement. When an individual leaves employment or stops participating in a benefit plan because of a qualified life event or other change, remove them here. Dates shown below may be defaults based on your benefit plan configuration. Removing an employee from a benefit plan can be done several different workflows.

OPTION 1: Universal Benefit Plan Client Portal

- Under Benefit Plans, select Remove Employees
- Search by first and/or last name of the employee.
- Select the Employee Name.
- Select the calendar icon or enter the Termination Date. The Termination Date is defined as the employee's last day worked, or if still employed, the final day participating in your benefit plan(s).
- Select the slider Change dates (the step of selecting the slider is required to activate the Submit button). Confirm the dates are correct and select Submit.
  - Change Dates allows the employer to select set the Eligibility Date and Last Scheduled Date.
    - Eligibility Date is defined as the date in which requests with dates of service on or before the stated date will be considered
    - Scheduled Date is defined as the last day in which deductions will be collected from this employee's payroll for this benefit plan.

Important Note: Universal Benefit Account will default the dates based on the settings in the appropriate benefit plan. These dates need to be changed only for very few exceptions. By changing the default dates, there is a risk your plans might be out of compliance. If you need to change the benefit plans settings, contact TASC. If you need to make an exception, you can still proceed.

- One you've successfully submitted the Employee Termination Request, you will be brought back to the Remove Employees screen and a green confirmation bar will appear at the top stating, "Employee Termination request submitted successfully."
- As a reminder, changes may be made to an Employee's Benefit Plan Termination Date, Eligibility Date, and Scheduled Date until the Termination Date. Follow the steps above to make any necessary changes.

OPTION 2: Upload a Census file or Enrollment file
CENSUS FILE: In order to successfully remove an employee via the Census file, using the standard file Census file template, the following additional required column information is required for each employee:
- Employment Termination Date
- Retired Date (if applicable)

By uploading the Census file, this will terminate the participant's employment record on the date given and move them to either a Terminated or Retired status (based on the 'Retired' column). It will also inactivate any benefit accounts the participant has that are not eligible to be kept in a Terminated or Retired employment status.

ENROLLMENT FILE: To terminate only the individual benefit accounts (not terminating the individual and leaving the individual active), you may use the Enrollment File and enter an 'Eligibility End Date' field. This will terminate a participant's benefit account but will leave the employment status in its current state. The following required column information is required for each employee: Eligibility End Date.

TEMPLATES & FILES
The easiest way to get your employees into the system, enrolled, and manage account funding, is to use the Files menu.

Data Files
Click Files to view and manage your data files. From the main Data Files page, you can upload files by clicking on the Upload Data Files on the right. You can search files that have been submitted, filter by File Type or by Uploaded By to narrow your results. Make sure to watch the status to ensure your file uploaded successfully. If it shows as Processed with Error, you can view where the error may have occurred.
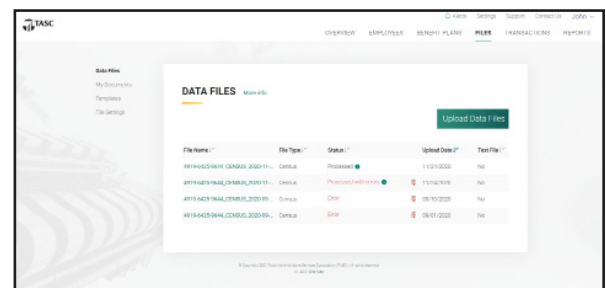
My Documents

Select My Documents options on the left side of your screen to review and upload documents, such as your employee handbook, HR policies, employee records and more. TASC will also upload common documents and guides to your page.

Templates

Click on Templates to access a complete set of file templates to assist you in managing your accounts. Choose from a Census file to upload a full list of your employees, an Enrollment template to complete your employee enrollment into any of your benefit plans or download the Posting Verification file template to complete prior to each of your payroll dates.

Once you download the appropriate file template, complete the file with the required information, save it, and then upload the file for processing. Make sure to name the file exactly as specified using your client TASC ID number_file type_and date.

If you use a third-party vendor to generate and submit your files, TASC will work directly with the vendor to create a process for accepting and processing the file.

Click on the File Contacts option to access a list of your contacts with your organization or a vendor contact complete with Contact Name, Contact Types, Email, Phone Number, and Extension.

TRANSACTIONS

Click on **Transactions** and choose from the following drop-down options: funding transactions, billing transactions, invoices, payment, and credit memos.

Funding Transactions
- You can check all funding transactions, filtering by date, funding source or status.
- You can see dates, funding source, funding type, status, amount, bank details, and transaction summary and details.
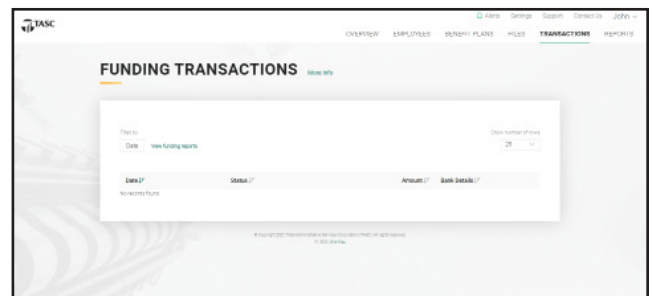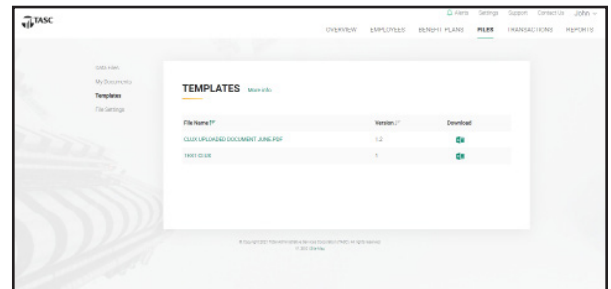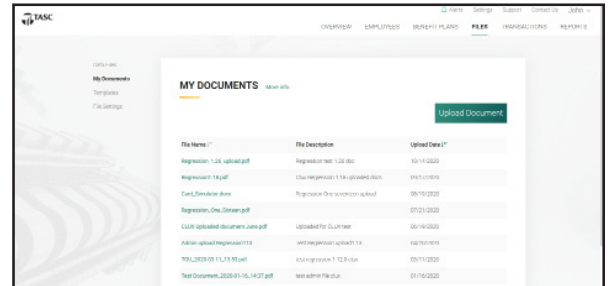
Billing Transactions (you will be redirected NetSuite)
- You can track all your billing transactions with TASC including payments, invoices and credit memos.
- You can filter your results by type and status

Invoices (you will be redirected NetSuite)
When you click on INVOICES you will be taken to Net Suite where you will need to login to access your invoices.

Payments (you will be redirected NetSuite)
When you click on PAYMENTS you will be taken to Net Suite where you will need to login to access your payments.

Credit Memo (you will be redirected NetSuite)
- Track your invoices, including status, customer, date, amount paid, and items.
- Track your payments, payment status, payment method on this page.
- Track your Credit Memos

REPORTS

Enrollment/Funding /Request Payment Details/Month End Statements

You can access a variety of the reports on this page. Filter your results by Report Type, Time-Period, Benefit Plans and Divisions to locate the desired report quickly. Once located, you can download any of the reports as either a PDF or CSV file with contributions, within IRS limits, for the plan year. Contributions are deducted throughout the plan year.

Generate a new funding report
- Select FUNDING from REPORTS top menu bar
- Select GET NEW REPORT
- You may filter your report by Date and/or Payment Source.
- To filter by Date:
- Select the Date which you wish to view funding activity.
- Select APPLY
- Select SUBMIT
- To filter by Payment Source:
- Select ACH, Paper Check, or Wire
- TIP: This selection should equal the payment source for the selected Date Range. If the payment source varies by date, a separate report will have to be generated by each date and payment source type.
- Select APPLY
- Select SUBMIT
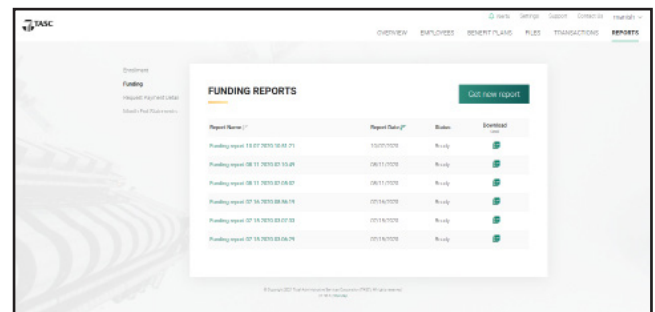
Generate a new enrollment report

- Select ENROLLMENT from REPORTS top menu bar
- Select GET NEW REPORT
- You may filter your report by Date and/or Benefit Plan.
- To filter by Date:
- Select the Date Range of which you wish to view enrolled participants into a Benefit Plan.
- Select APPLY
- Select SUBMIT
- To filter by Benefit Plan:
- Select one, multiple or all available plans
- Select APPLY
- Select SUBMIT
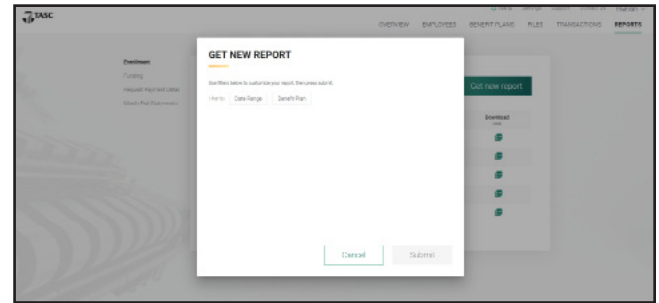
Download reports

- Select report type from the REPORTS tab menu:
  - Enrollment
  - Funding
  - Request payment detail
- Once the report is ready, your new Report will appear at the top of the Report list.
- Each Report Name is labeled with the date and time the report is run.
- TIP: If you do not immediately see your Enrollment Report at the top of the list, right click and Refresh/Reload the page
- Click the CSV icon under the download column to download past report

Month End Statements

The Month End Balance Statement and associated activity files will provide you with:

- The Client's Liabilities, a breakout of your Client Net Cash position through the Unapplied Cash and Funded (unfunded) Balances by Plan.
- Gain an understanding of any Unapplied Cash in your account that can be used to fund your plans.
- Review the Funded (unfunded) Balances by Plan.
- And use the various supporting activity files to view the detailed transactions that account for the month over month changes in the Client Net Cash Position.
- And after your review, you'll be able for your net cash position with the Month End Balance Sheet & Activity Reports.

From the Overview Page within your Universal Benefit Account, select the menu option, Reports, then Month End Statements. Here you will find many reports, including: the monthly account balance statement, the monthly funding activity, disbursement activity file, and if available, the monthly account balance adjustment activity.

It's important to note other important reports for reconciliation purposes.

- To reconcile your records with funding pulled via ACH for a given period, it's best to use the Funding Report.
- Or, if you're a client who has Point of Disbursement benefit plans, who wants to reconcile claim activity with an associated funding pulled via ACH, you want the Point of Disbursement Report.
- The Participant Balance Summary Report provides the current state of each of your participants' contribution, disbursements, benefit plan funding amounts, and transaction type, along with the available balance based on when the report was run.

All of these Reports can be located under the Reports menu within Universal Benefit Account.

To reconcile your Net Cash Position, begin by opening the Month End Balance Statements. It's important to understand the definition of two terms when looking at assets & liabilities:

- The Client Account Balance is the Client Net Cash Position equal to the Client Account Balance and the total funded (unfunded) balances by plan.
- Client Available Balance is the DETAIL of the debits and credits of the in-store credit account that can be used to fund benefit plans, purchase other services like compliance products, or pay administrative benefit plan fees.
- Under Liabilities, the Unapplied Client Cash represents funding minus the participant's request for payment.
- The Monthly Client Account Balance Statement shows the activity that accounts for the change in the Client Available Balance Account.
- By subtracting the prior month balances from two months prior, you will see the net change in Month-end Balance Statements.
- Unfunded Participant Available Balances represents the balances of paid requests by benefit plan.
- The Monthly Funding Activity file, Disbursement Activity, and if applicable, the Adjustment Activity will allow you to calculate the change.
- Within each activity report, sort and subtotal by benefit plan. Then, add each subtotal by benefit plan to calculate the activity change.
- By taking Monthly Funding, less the Monthly Disbursements, adding the Client Balance Activity, and Adjustments (if applicable) will provide the Net Monthly Activity.
- When you sum the total Net Account Activity and add the Client Available Balance, the total will match the net change in month over month Month-end Balance Statements.
- Further down on the Month End Statement, under Supplemental information, you will find any past due funding amounts not yet posted or past the scheduled funding date.
- Under Unfunded Balances Available to Participants, are presents the total unfunded amount available by benefit plan. Clients who fund benefit plans with a budgeted amount will continue to fund their plans for the remainder of the plan year.
- Clients who have a Point of Disbursement plan will also continue to fund their benefit plan based on the participant's using their remaining available balance.

SETTINGS

Under the Settings tab you manage and make edits to the specifics regarding your account. This includes your Profile, Manage Users, TASC Card, Payroll Schedule, Bank Accounts, and Sign In and Security.

Profile

By clicking on PROFILE under SETTINGS you can view your TASC ID number, EIN, Client Name, Federal Filing Status, and your Primary, Billing and Shipping Addresses. Make sure all this information is correct and current. Call or submit a support request to make changes to your profile.
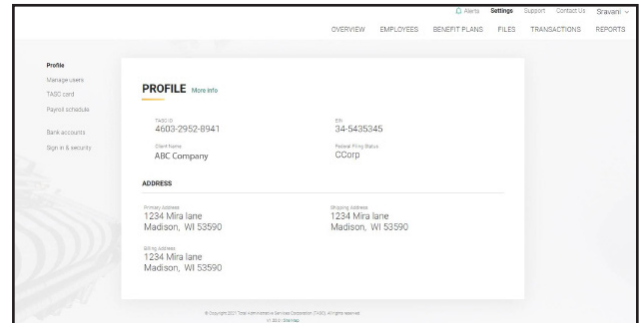
Users Access Roles

We understand that kind of across-the-board access may not be the best fit for everyone, however. You might have someone in your office whose job is to handle invoices, or you may work with an external vendor who approves your enrollments. We've created eight user roles that let you define the level of flexibility you need for your team. To assign users access role, click on Setting at the top of your screen, and then click on Manage User. On the next page, click on Setup User Access in the green box. On the next the page to manage your user click on Add New User, using the search function to locate additional users.

Once you have added users, you can assign access roles. The choices are listed below. To select the option, just select a user, click on the appropriate role and click on Save. Continue this process until you have assign all the user roles you want.

- Administrator—All Universal Benefit Account functionality. There must be at least one administrator for your account – typically you, the primary contact.
- Benefit Plan Manager—All functionality except billing. Users in this role can access everything an administrator can, with the exception of billing transactions and NetSuite. Only the benefit plan manager and the administrator can add or update user access.
- Employee Manager—Add and enroll employees. Can also approve enrollments, upload documents and view reports.
- File Specialist—Download templates and upload data files. All other users come to the overview upon signing in, but the file specialist only sees the download and upload screens, making this highly specialized role ideally suited for outside vendors who manage your files.
- Financial Manager—View financial transactions. This includes posting verification and summaries. Can also request new reports.
- Billing Manager—View billing transactions. This includes access to NetSuite.
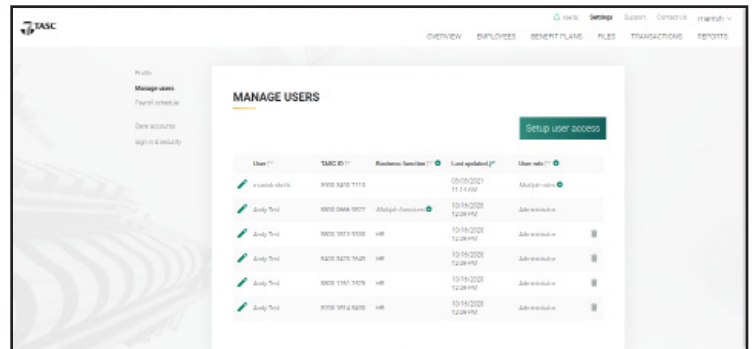
- Reports Manager—View reports. Can also request new ones.
- Reviewer—View everything. View-only access to all areas of the client experience, except for billing transactions and NetSuite.

How to Update or Remove a User

To update a user's access, sign in to your Universal Benefit Account, click on Settings from the options at the top, and then Manage Users from the dropdown. Click on PENCIL icon to the right of the users name. Make the needed updates and then click on Save at the bottom.

To remove a user, on the Manage Users page, click the TRASH icon, located to the left of the appropriate User.

Some functions remain open to everyone. All users can:
- Manage their own Universal Benefit Account access (two-factor authentication, password changes, etc.)
- Find support online (submit a support request and view documentation, videos & FAQs)
- Receive alerts.

And all contacts can continue to call our Customer Care team – but it's important to note that their designated role will tell us what kind of information we should be sharing with them. Just as with the online experience, users will receive support appropriate to their level of access.

TASC Card

You can view your TASC Card by clicking on **TASC CARD**. Here you can see which accounts your TASC Card is enabled for and how the Card is mailed.

Payroll Schedule

Click on PAYROLL SCHEDULE to view all employee payroll schedules and frequencies. Please contact us if you need to add, remove, or modify a schedule.

Bank Accounts

Click on BANK ACCOUNTS to view a list of your bank accounts for invoices and billing and for benefit plan funding. Please contact us if you need to add a new bank account, or update or remove one listed here.

Sign in & Security

Lastly, click on SIGN IN & SECURITY to control your sign-access and two-factor authentication. Two factor authentication will prompt you to enter a code every time
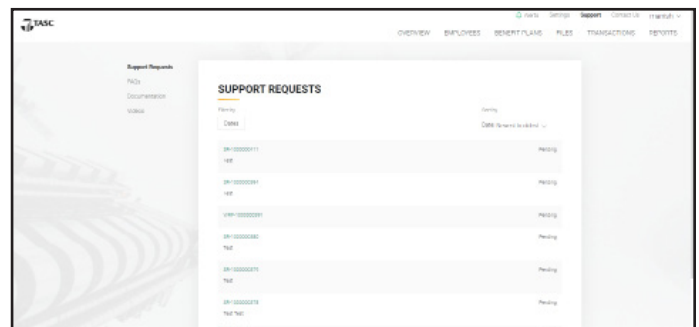
you sign in. Why? With your sign-in, you have access to employee's Personally Identifiable Information (PII) and Protected Health Information (PHI). To help ensure the security of that information, two-factor authentication is required. Click on either CHANGE PASSWORD or CHANGE PHONE NUMBER to edit.

SUPPORT
Universal Benefit Account makes it easy to receive support from TASC. Click on SUPPORT to track your support requests, to access some Frequently Asked Questions (FAQs), to access some Universal Benefit Account Documentation, and to view instructional videos.

PLAN DOCUMENTS
For certain benefit plans, such as a Section 125 Cafeteria Plan, to be compliant and maintain the tax advantage, regulations require an employer to officially adopt and maintain the plan pursuant to a written plan document. If this requirement applies to your plan and as a new client your services include TASC standard plan documents, TASC will provide you with the appropriate documents for your plan. If you are an existing client and you need plan documents, they will be provided upon request. TASC recommends updating your plan documents annually at plan renewal to ensure you have the current terms for your plan. TASC will reach out to you at renewal to see if you have had any changes to your plan that requires an update to your plan documents.

Summary Plan Description
A Summary Plan Description (SPD) is a summary of the benefit(s) your company selected in the TASC USA Purchaser Details. In accordance with IRS regulations, the SPD must be provided annually to all employees who are eligible for participation in your plans subject to ERISA. If your plan is not subject to ERISA, your plan will have a benefit Summary Description to provide to employees. As a new client, once your benefit plan is completely set up, the applicable document for your plan will be provided to you (when your service includes TASC Standard plan documents). If you are an existing client and you need plan documents, they will be provided upon request. Distribute a copy of the SPD, or Account Summary, to all new hires, as well as employees who may become eligible for the plan in the future.

Plan Documents and Renewals
Important: TASC recommends making any updates at each plan renewal to ensure you have the current terms for your plan. TASC will reach out to you at renewal to see if you have had any changes to your plan that requires an update to your plan documents.

Plan Finalization
Within 67 days after your Plan's Runout End Date has been reached, TASC completes the final review of the Plan and the Plan status changes to Finalized. At this time, an email is sent to the Primary Contact indicating the final balance of the Plan.

Plans with a negative balance will have an invoice generated.

Positive balances will be moved to the Client Available Balance Account and used to pay open invoices if applicable. You may then request the final amount to be refunded to you. Be sure to watch for the Finalization email with more details.

Non-Discrimination

Benefit plans, such as those offered under a Section 125 Cafeteria Plan, are required to be offered to employees on a non-discriminatory basis. Employers that selected benefits subject to this requirement will receive a non-discrimination data worksheet and instructions on an annual basis. Upon receipt, please review and return the completed data request form to TASC within 30 days. It is important to review your plan's non-discrimination status early in the plan year to allow for corrections prior to the end of the plan year, if needed.

Form 5500

In general, employers with 100 or more employees (including former employees, COBRA participants, retirees) who are participating in any health and welfare benefits plan as of the first day of a plan year must complete an Internal Revenue Service (IRS) Form 5500.

Compliance is the employer's responsibility and failure to file an annual return can result in penalties. The deadline to file a Form 5500 is the last day of the seventh month after the plan year ends. If needed, a one-time extension may be requested by filing IRS Form 5558 by the date of the original filing deadline.

Employers may file a consolidated Form 5500 with their other benefits or file one separately for your specific TASC benefit. If you are filing separately and would like TASC to prepare the Form 5500 for your TASC benefit, go to: www.tasconline. com/5500/ and complete the 5500 Data Request Form and submit it to TASC. Upon completion of your Data Request Form, TASC will prepare the Form 5500 and Summary Annual Report (SAR) for that benefit. As the employer, it is your responsibility to sign and submit the Form 5500 electronically once prepared. A notification will be sent to you with instructions on how to electronically sign and submit your Form 5500 under the ERISA Filing Acceptance System (EFAST). If TASC does not receive your completed Data Request Form, it is assumed that you do not wish to utilize this service.

CONTACT US

Click on **CONTACT US** tab to access the multiple ways for contacting TASC for assistance. On the Contact Us page you can choose the topic and sub-topic drop down menus. We will then display the best ways for you to contact us.
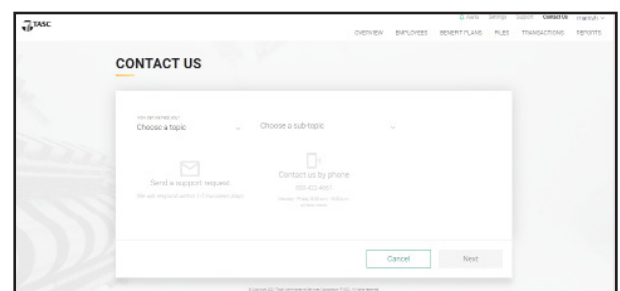
NEW UNIVERSAL BENEFIT ACCOUNT FEATURES

Alerts

Every time you sign in to your account online you may notice some alerts. Alerts are our way of calling attention to some matters concerning your account that need action. You can access your alerts by clicking on the alert tab at the top of the screen. You will also see alerts posted next to the item needing attention, such as a reimbursement, transaction or contribution. You can also select how you wish to receive alerts.

Audit Guarantee

TASC will support and assist any enrolled employers or participants who adhere to our Plan procedures and parameters and nevertheless, have their Section 125 challenged by the IRS. We will provide if requested:

- Plan Documentation (TASC standard documents) and Communications
- Claim and Account Information
- Form 5500 Filing Information
- All other necessary information regarding TASC or other filing requirements related to the account

Additionally, if all procedures are adhered to, TASC will assume financial responsibility for any penalty and/or interest charged because of an audit that results in the payment of additional Federal, State, Social Security, or Medicare tax as these pertain to TASC. TASC will also assume financial responsibility for any penalty issued by the Internal Revenue Service or Department of Labor for untimely reporting or lack of reporting as these pertain to TASC.

Client Cash Account

When an employee leaves funds in a benefit account at the end of the year that cannot be rolled over, what happens? As an employer you may receive a check that you need to process to recoup these funds. Instead, we've created a way that saves a step (or three) by having these dollars directly deposited into a Client Cash Account. Think of it as "in-store credit" you can allocate back to the specific employee to use for additional benefits or help pay for the employee's benefit for the next fiscal year. Even better, utilize the full potential of Universal Benefit Account and offer a totally new account offering of value by using all the leftover funds to create an Employee Crisis Account or Workplace Giving Account that gives back to your employees and community. This amount is available on the overview page.

My Documents

Document warehouse gives you the ability to store your benefit related documents on the Universal Benefit Account system in your document warehouse for easy secure storage and ready retrieval. Here, you can see a complete history of all such uploads – note the Call to Action, with a link to download a status report. It's convenient storage for your own internal HR documents and reference materials.

Endless Aisle

When you want to stand out as an employer of choice to attract and retain top talent, you need a tailored benefit package that meets the unique needs of your organization and your employees. That's why we've created the Universal Benefit Account with an "endless aisle" of benefit accounts. With an unlimited account package, you can add as many accounts as you want—at no extra cost. We already have more than 50 to choose from, but account possibilities are endless—whatever you can imagine!

And all the accounts work the same across features and channels, meaning participants use one website, one TASC Card, and one mobile app – for one easy, smart, connected experience.

Fast Track Service
Everyone knows how frustrating it is to be on hold waiting for customer service. All you need is a quick piece of information, but here you are, stuck on hold. With TASC Priority Queuing you feel important special because your call, transaction or inquiry gets fast tracked and you get on with your busy day. After you set it up, you contact TASC with a need or question. TASC's system is smart enough to recognize you and your employees and move your call (or email) into the fast pass line. You get faster resolution, transaction and service.

Hold Harmless
TASC provides one of the best, if not the best, protection packages in our industry. Available with all benefit accounts, we include a Hold Harmless clause in each Service Agreement and a total aggregate liability of one million dollars, setting TASC apart from competitors as a service provider that stands behind our services.

Pre-Built APIs
An interface is established that would automatically push TASC Universal Benefit Account data to and from an external system when applicable. The client would elicit the seamless experience and benefits through utilization of Universal Benefit Account. API is a real-time transmission of information therefore it creates a seamless experience when presenting data from separate source systems when an API connection is established.

Role Based Security
You'll have the ability to create user access roles for the other members of your team. Whether that's your co-worker in another area of the business, like Finance or Compliance; your boss; or even someone outside your company, like a vendor or distributor, you can control what areas of the experience they'll have access to, selecting from a list of roles to ensure everyone can do what they need to do. It's as simple as checking a box.

Business Processing Timeline

Event	Event Title	Time Allotted	Responsibility
	Submit TASC USA & Purchaser Details with fees.	Varies*	Provider/Client
	TASC receives TASC USA & Purchaser Details, set up fees, and reviews, and assigns ID. Plan status changes to Setup.	2+ days (Client)	TASC
	TASC sends a Welcome email with sign in instruction.	1 day	TASC
	TASC schedules education call or webinar with employer and/or employer uses self-serve education on the online Client Education Guide.	1 week	TASC/Employer
	Prior to the start of the plan year, employer completes/receives required plan documents for their benefits, as applicable.	2 weeks	TASC and/or
One	Employer holds Enrollment Meeting.	Varies*	Employer
	Employer's open enrollment begins. Employer uploads a Census file that contains a record for all employees. Employees may go online and complete their enrollment; the employer may collect paper enrollments and upload a file or enter the participant enrollment information online. Employer approves enrollment, if required.		Provider/Employer
	The plan is initiated and TASC Cards are issued to participant Participants receive a Welcome email that contains sign in information.	2 weeks to receive	TASC
Two	Participant accounts are open and reimbursements for qualified expenses for the current plan year begins.	1+ days	TASC and Post Office
Three	If required by the plan, Employer reviews and approves plan contributions and funding using the Posting Verification Report (PVR) online.	Varies*	Employer
	If employer submits PVR and paper check to TASC, PVR is received at TASC and it is edited, entered, and posted to accounts.	1 day (Clean) or 2 days (Unclean)	TASC
	Note: Claims for Dependent Care FSA, Non-Employer Sponsored Insurance Premiums, and Transit/Parking expenses may begin at this point.		
Four	Employer prints Summary Plan Description (SPD) or applicable Account Summary and distributes to all eligible employees.	Within 90 days of plan start date	Employer

* TASC cannot state the number of days this event will require, as the responsibility for this event is beyond TASC's control.

WHAT IS THE TASC CARD?

The TASC Card features two accounts on one card—benefits for employee benefits purchases—and MyCash for cash reimbursements.

The TASC Card looks like a typical debit card but is used as a credit card for eligible expenses, based on the funds available in a participant's benefit account. Card purchases are limited to the accounts elected, and to merchants with an inventory information approval system (IIAS) in place to identify eligible purchases. At the point of purchase, the IIAS automatically approves the purchase of eligible items and payment is made automatically to the authorized merchant from the participant's benefit account.

MyCash

TASC Card holders who do not use their TASC Card to pay for an eligible benefit expense may manually submit a request for reimbursement (online, mobile device, fax, or mail). Reimbursement for the out-of-pocket benefits expense will be deposited in the participant's MyCash account. MyCash funds can be accessed in three ways: (1) swipe the TASC Card at any merchant that accepts major credit cards, (2) withdraw at an ATM (with a PIN) using the TASC Card, or (3) transfer to a personal bank account from TASC. Funds in MyCash can be spent any way and anywhere; purchases are not limited to a merchant or by type of expense.

Participants may choose to direct deposit their MyCash funds to a personal bank account by clicking Set Up Direct Deposit from TASC. If a check is preferred, the participant can set up a transfer to a paper check from Schedule MyCash Transfer in TASC. (A check convenience fee may be applied per check.)

NOTE: Participants can set a schedule to transfer their MyCash funds to their bank account. However, they must have a minimum of $25.00 in their MyCash account to be able to set up a schedule and transfer money.

When will my participants receive their cards?

TASC Cards will be issued to participants 10 days following the completion of the enrollment. This delay in no way affects a participant's ability to access their account funds. Participants can request a reimbursement online or via the TASC mobile app prior to receiving their TASC Card.

How is the card issued?

The TASC Card will be mailed directly to the participant's home address along with the Cardholder Agreement. A PIN is required if a participant would like to access their MyCash funds via an ATM using their TASC Card. A PIN can be obtained online: sign in to TASC (www.tasconline.com) and click TASC WALLET. A participant may request one card for a dependent at no charge. A $10 fee is charged for additional cards. To request a dependent card, sign in to TASC and click Manage My Card, then press the Request Card button under Dependent Card(s).

NOTE: You are not allowed to order a new TASC Card on behalf of a participant.

How can a lost/stolen card be replaced?

Participants must notify TASC immediately to report a lost or stolen TASC Card. To do so, (a) sign in to TASC (www.tasconline.com) and click Manage My Card, then press the Reissue Card button, and select Lost/Stolen as the reason for reissue; or (b) submit an online Service Request (from TASC, click Contact Us); or (c) call Customer Care at 608-241-1900 or 800-422-4661. A new card will be issued within 7-15 days and a $10 reissue fee will be automatically withdrawn from their account (pretax).

How do I add a new employee and notify TASC when an employee terminates?

Following successful enrollment, new participants will be automatically issued a TASC Card. The participant's TASC Card remains active until you notify TASC of the participant's termination or cancel the plan. Upon notification of termination or on the effective date of a plan cancellation, the benefit account will be automatically deactivated. Once the card has been deactivated, a participant can access available benefits funds by requesting reimbursement using one of the alternative Request for Reimbursement submission methods (fax, mail, or online).

The MyCash account is handled differently. While the Benefit account is deactivated upon termination, the MyCash account stays available until all funds are depleted. Even when your employee benefit plan grace period has expired, the participant may continue to access their MyCash funds via their TASC Card indefinitely. To do so, the participant must simply cover a monthly $5 account maintenance fee. To close the MyCash account, the participant should spend, transfer, or withdraw their funds within 90 days of termination.

TASC MOBILE APP FOR YOUR PARTICIPANTS

The TASC Mobile app is a fast and accessible account management tool for your participant's accounts! With TASC Mobile app, your participants are now able to securely access their account(s) balances from anywhere at any time using their mobile device.

TASC Mobile App Features:

- Submit a request for reimbursement for out-of-pocket eligible expenses.

- Upload pictures of receipts with phone camera.

- View real-time account balances and transactions for active and closing plans and MyCash account.

- Review account information and annual contributions.

- Securely sign in to www.tasconline.com with username and password.
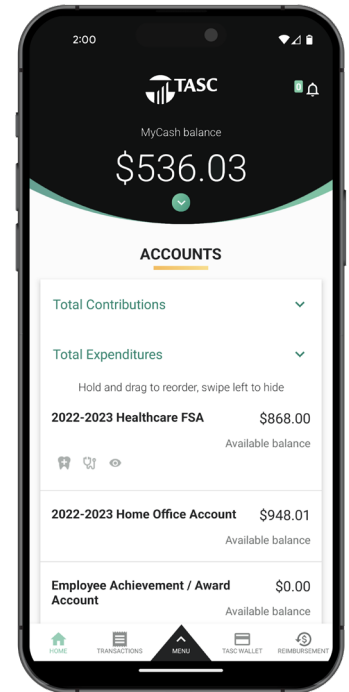
HEALTHCARE ACCOUNTS

UNIVERSAL BENEFIT ACCOUNT

TASC®

Healthcare Flexible Spending Account

A Healthcare Flexible Spending Account (FSA) is one of the qualified benefits that may be offered under a Section 125 Cafeteria Plan. The cafeteria plan provides employers the ability to help employees pay for certain expenses with pretax dollars. Participants in the plan elect or set aside pretax dollars to pay for their out-of-pocket healthcare expenses.

The amount deducted from the participant's salary to pay for these expenses is called an "election." These pretax payroll deductions allow participants to be taxed on a lower gross salary, thereby saving them money that would otherwise be spent on federal, state, and FICA taxes (will vary by state). As the employing company, you reduce your portion of FICA taxes (7.65 percent for every dollar a participant pretaxes through the FSA).

Section 125 Cafeteria Plan Documents
For a cafeteria plan to be compliant and maintain the tax advantage, regulations require an employer to officially adopt and maintain the plan pursuant to a written plan document and provide a Summary Plan Description (SPD) to all eligible employees. As a new client if your service includes TASC standard plan documents, TASC will provide you with the appropriate documents for your plan. If you are an existing client and you need plan documents, they will be provided upon request.

Whenever there are changes to your cafeteria plan, that require the plan document to be updated, those changes must be officially adopted to be tax-advantaged. The SPD might also need to be updated and re-distributed.

Eligibility Requirements
FSA regulations require all participants to be employees of the employer, and eligible for the group health plan. As such, eligibility to participate is generally limited to common-law employees of the employer and the specific eligibility requirements for the plan are set out in the plan document and summary plan description. It is important to note there are individuals who are specifically excluded from participating in an FSA. For instance, a sole proprietor or owner of a LLC may sponsor an FSA; however, the owner(s) are not considered

an employee and thus may not participate. In addition, more-than-2% shareholders of an S-Corporation are not eligible to participate and due to attribution rules, the shareholder's spouse, children, parents, and grandparents are also excluded from participation.

How a Healthcare FSA Works
Employees may enroll in Healthcare FSA at the start-up of a new plan or at the time they first become eligible for a plan. During enrollment, all participants must choose their election(s) for each benefit account in which they will be participating for the plan year. Elections are specific to each benefit type, meaning that dollars set aside for dependent care can only be used for dependent care and not for healthcare expenses, etc. With a section 125, you (employer) deduct the FSA-elected amounts for the reimbursement benefits from each participant's payroll (pretax) and deposit the withheld amounts to TASC. TASC maintains these funds in an account until the participant requests a reimbursement (via TASC Card or manual request). section 125 also allows you to deduct the employee's portion of group-sponsored premiums under the plan, when elected. You send these premium contributions, along with any employer portions, directly to your insurance provider. They are not maintained or tracked via TASC, however we include the language allowing these deductions to be pretaxed in your documents.

Nondiscrimination Requirements
A healthcare FSA is subject to nondiscrimination requirements. Please refer to the information under the Nondiscrimination Requirements section of this manual.

Form 5500
A healthcare FSA is subject to the Form 5500 requirements and may be required for your plan. Please refer to the information and instructions under the Form 5500 section of this manual.

HIPAA Requirements
Because of the Health Insurance Portability & Accountability Act (HIPAA), employers who sponsor a health reimbursement plan are subject to regulations that ensure the privacy and confidentiality of individual health information, otherwise known as Protected Health Information (PHI). The HIPAA

Compliance Manual provides information regarding the requirements and regulations of HIPAA.

Transitional Period
Following the end of the plan year is considered the transitional period. This is usually 90 days. During this time, the participant may continue to submit Requests for Reimbursement for FSA expenses incurred during the previous plan. The plan year officially closes following the end of the transitional period.

Carryover Option for Healthcare FSA
At the end of the plan year, you may allow a Carryover in which participants may carryover a portion of their unused Healthcare FSA balance to the next plan year, even if the participant did not re-enroll. Any unused Healthcare FSA funds (exceeding the Carryover maximum) are forfeited to the employer. Carryover occurs after the Transition Period (Runout Period) end date. During the Runout Period, participants in past and current plan years may request reimbursements from both respective plan years. The correct service date must be entered to ensure accurate reimbursements. Universal Benefit Account will move carryover funds the first day of the plan year. If a participant submits a claim for a past plan year, the system will deduct accordingly.

NOTE: Participants who did not re-enroll in the account will have a zero for their annual election and Carryover funds will be included in their available balance for the new plan year. Because the Carryover accords participants a $500 safety net, it's strong motivation for them to contribute at least $500 or increase annual election amounts.

Grace Period Extension Option
During the Grace Period Extension, participants may continue to incur and submit eligible expenses against the just-ended plan year. Your current Runout Period will remain the same, and will run concurrently with the Grace Period.

Please be aware that because the accounts may remain open past the end of the plan year, it is important that you are mindful of possible financial impacts to you:

- TASC will invoice for your participants who remain in the plan during the Grace Period Extension (up to an

additional two months and 15 days).

- This fee reflects our need to manage and administer your participants' accounts for the Grace Period and the Runout period.
- Finally, we note that these fees do not affect clients with flat fee invoicing or those billed annually.
- To switch to annual invoicing, contact Customer Care.

A participant may request reimbursement any time a qualified expense has been incurred. The service related to the expense needs only to have taken place; it need not be paid before requesting reimbursement. The participant may only claim reimbursement for:

- eligible expenses incurred during the applicable plan year, or subsequent Grace Period (if applicable);
- expenses incurred by eligible participants; and
- for expenses that have been neither previously reimbursed under this or any other benefit plan, nor claimed as an income tax deduction.

It is the participant's responsibility to comply with these guidelines and to avoid submitting duplicate or ineligible requests. Failure to comply may delay reimbursement payment.

Request Verification
All reimbursement requests must include verification. Upon receipt of the reimbursement request and verification, TASC will verify the expense and process the request. Any request that fails verification will be denied. If payments for ineligible expenses or request overpayments occur, TASC will hold the participant responsible for refunding those amounts back into their account. The resolution process can be found in the TASC Universal Subscription Agreement.

Daily Request Processing and Payment
TASC processes Requests for Reimbursements daily and payments are initiated within 48 to 72 hours of receipt of a complete and accurate reimbursement request. All reimbursements are deposited directly into a participant's MyCash account, unless otherwise instructed. Participants with bank direct deposit must check with their financial

institution for deposits of FSA funds. TASC is not responsible if a participant's bank account is assessed non-sufficient funds fees in anticipation of required deposits to cover Requests for Reimbursements.

Availability of Funds
For reimbursements under the Healthcare FSA, the full annual election is available at the start of the plan year.

Uniform Coverage Rule
In accordance with the IRS Uniform Coverage Rule, a participant's total annual Healthcare FSA election amount must be available at all times during the participant's period of coverage (less any prior reimbursements). Therefore, a participant's Healthcare FSA annual election cannot relate to the amount contributed to the Healthcare FSA during their active coverage period and any negative contribution balances are the responsibility of the employer. In sum, when a participant terminates their Healthcare FSA and the reimbursements to the participant exceed the amount of contributions taken, the employer is responsible for funding the difference. This is the employer's part of the risk feature required of a Cafeteria Plan. The risk to the participant is when they are not able to use all of the funds they contributed to the plan (the Use-or- Lose Rule).

Ordering Rules for HRA Plans with FSA
If an employer has a Health Reimbursement Arrangement (HRA) along with their Healthcare FSA, certain ordering rules apply to reimbursements. Although TASC's standard is that the HRA would pay first, the employer chooses the ordering rules at plan set up.

Health Reimbursement Arrangement
TASC Health Reimbursement Arrangement (HRA) offers employers Accounts designed to work in conjunction with a company-sponsored group health insurance plan. An HRA is the right choice for employers who want to allocate a set dollar amount for employees to use on their healthcare expenses, or for employers who offers an Account that covers a specific type of medical expense such as deductible expenses.

Our HRA offerings are standardized to seven types:
- Deductible Only Expenses
- Deductible/Rx Expenses
- Deductible/ Coinsurance Expenses
- Deductible/Co-pay/Rx Expenses
- Uninsured Medical (213d) Expenses integrated with a health plan
- Deductible/Co-pay/Coinsurance/Rx Expenses

Deductible and/or Coinsurance
- An Explanation of Benefits (EOB) must accompany all Requests for Reimbursement evidencing the expenses as applicable to the insurance deductible or coinsurance amount.
- An EOB or Itemized Statement must accompany all Requests for Reimbursement for evidence the expense as applicable to reimbursing 213(d) expenses.

IMPORTANT: There are three additional compliance requirements for QSEHRA:

1. The law requires the employer to obtain proof that their employees have Minimum Essential Coverage. This is used to determine when the benefits under the Qualified Small Employer HRA are taxable income. The QSEHRA benefits are taxable income for any month in which the employee is not covered under Minimum Essential Coverage. TASC provides a certification on its enrollment form for you to use.

2. The Maximum Benefit under the QSEHRA is reported on the W-2 Form. Check with your tax or payroll advisor to determine how this is reported. If you use the

TASC Payroll Plus offering, then TASC will report this requirement.

3. There is a notice requirement for every employee who participates which TASC will provide.

Plan Funding Arrangement
Unique in the industry and available to TASC Clients only is the TASC Funding Arrangement. This distinctive fund management program allows employers to advance reimbursement payments to employees before the full reimbursement amount is present in their account. TASC and not the employer fronts the necessary funds to reimburse employee requests. TASC HRA Clients use the Funding Arrangement as an effective budgeting tool. Gone are the financial management issues that may arise when the necessary funds must be collected in advance to cover the occasional spike in employee requests. TASC manages request volatility without disrupting reimbursements to employees.

Establishing the Funding Arrangement
When an employer establishes an HRA Plan, he she assumes the risk that all insured may reach the Account maximums; this does not happen often. At the beginning of each Plan Year, a Funding Arrangement amount is established based on an estimated utilization factor. The utilization factor varies depending on the benefits offered and is designed as a floor amount, thus allowing the employer a way to establish their personal comfort level related to Account risk.

Once established, this set monthly amount is transferred from the employer's account directly to TASC via ACH. These funds are used to pay employee reimbursements. TASC will pre-fund participant reimbursements even when funds are insufficient in an employer's account at the time of the request. If an employer's plan experiences monthly requests that are less than the monthly funding amount, the fund balance will be held in the employer's HRA account. If during the year claim utilization exceeds the annual plan funding, TASC reserves the right to require an employer to fund all requests exceeding the annual plan funding.

On a quarterly basis, TASC will do an official review of the employer's claim utilization and compare it to the Plan Funding Arrangement. On a monthly basis, TASC will do a quick review to ensure that the Plan is not in a negative balance. At either of these reviews, TASC will determine if there are necessary adjustments to the Plan Funding Arrangement. If it is determined that expenditures exceed funding received, the client will receive an email indicating the amount due that will be taken by ACH debit for the difference between reimbursements paid and the funding received. To ensure that you are up-to-date with your current reimbursements utilization status, all employers are encouraged to review the reimbursement history web tools and reports located online. Our easy-to-use web is available for you in real time, 24/7.

CMS Reporting Requirements for HRA Plans
As part of the Medicare, Medicaid, and SCHIP Extension Act of 2007, the Centers for Medicare and Medicaid Services (CMS) require Health Reimbursement Arrangement (HRA) reporting under Section 111. TASC will serve as the Responsible Reporting Entity (RRE) for all eligible HRA Plans.

CMS reporting for HRA Plans is required for those Plans with the following parameters:

• An annual benefit value of $5,000* or more.

• 20 or more employees.

• Employers who participate in a multi-employer Group Health Plan with a combined 20 or more employees.

• Employers who have covered an individual on their Plan who is receiving dialysis or has had a kidney transplant.

• Reporting is exempt for HRA Plans with the following parameters:

• An annual benefit value of less than $5,000

• Less than 20 employees

• Retirement plans

• COBRA plans

• Non-medical plans such as dental and vision plans

TASC is required to report on any Active Covered Individual who is either:

• 45 years old or older;

• Receiving kidney dialysis or who has received a kidney transplant, regardless of their own or a family member's current employment status; or

- Entitled to Medicare and has coverage based on their own or a family member's current employment status.

An Active Covered Individual is defined as someone who may be Medicare eligible and currently is employed, or an employee's spouse or other family member who is covered by said employee's Group Health Plan and who may be eligible for Medicare and for whom Medicare would be a secondary payer.

Along with basis demographic information, we will require the following information to be provided to us so that we can fulfill the requirements of CMS HRA reporting.

- Employee Social Security number
- Employee date of birth
- Spouse date of birth
- Spouse Social Security number
- Date of birth, Social Security number, and HICN number (if available) for any known dependent that is currently covered by Medicare

NOTE: While CMS reporting requirements mandate that we include Social Security number and date of birth, this information will not be used for any other purpose and will not be included on any participant forms we generate. More information regarding CMS reporting can be found at www. cms.gov.

*The benefit value includes funding deposit amounts rolled over from the previous year's coverage. TASC will provide a limited enrollment version for Qualified Small Employer HRAs in which we don't require the full data set captured for CMS reporting required plans.

Summary Benefits and Coverage Requirements

- The Departments of Treasury, Labor, and Health & Human Services (HHS) have released regulations regarding the Patient Protection & Affordable Care Act (PPACA) requirement to distribute a uniform explanation of coverage. Per the regulations, group health Plans and health insurance issuers must distribute an easy-to-understand Summary of Benefits and Coverage (SBC). As a self-funded group health Plan, your TASC HRA Plan is subject to the SBC requirements.

- TASC will work with you to ensure that your HRA Plan remains in compliance with this important requirement. Please care- fully review the below details to ensure that you are ready for this regulation.

- This requirement begins for the first open enrollment period that commences on or after September 23, 2012.

- TASC will provide the SBCs along with your Summary Plan Description (when included in your service option) for new HRA Plans, and at Plan renewals.

- TASC will provide the SBC to the employer, who will be responsible for distribution to the required employees and dependents.

- You must distribute the HRA SBC at open enrollment (renewal): If you distribute written materials for enrollment (in paper or electronic form), the SBC must be provided as part of those materials. If no HRA materials are distributed, then the SBC must be provided no later than the first date a participant is eligible to enroll in coverage; at special enrollment: Within 90 days after special enrollment; this rule applies to the Summary Plan Description as well, or on request: No later than seven business days after request.

- Who needs to receive the HRA SBC? Every employee, spouse, and dependent enrolled in or eligible to enroll in your HRA Plan. In contrast, the Summary Plan Description (SPD) is required only for persons who actually enroll/re-enroll (renew) in your HRA Plan. One HRA SBC mailed to the employee's last known address will suffice (covers everyone who is eligible in the employee's family) unless you have information that a Plan-eligible family member does not reside with the employee.

- Can you disseminate the HRA SBC by electronic means? The same Department of Labor rules that are used for your Summary Plan Description and other ERISA documents apply. In summary, if you provide the SBC by Internet posting, you must also distribute a paper notice or email notice of the availability. Besides detailing the Internet address, the notice must indicate that the SBC is available in paper form on request.

- Are you required to provide the HRA SBC in another

language? If the SBC is distributed to residents of a county wherein 10% or more of the population is literate in the same foreign language only, then the SBC must include a notice that interpretative services are available. For a list of counties in which this is required go to www. cciio.cms. gov/resources/factsheets/clas-data.html.

• What happens if you do not provide the SBCs? The penalty for failure to provide an SBC has increased to $1,128 (up from $1,105) for each failure. The new rate is effective for penalties assessed on or after October 11, 2018, for violations occurring on or after November 2, 2015.

• If you have any questions or concerns regarding this requirement, please contact TASC Customer Care.

PCORI Fees
The Patient-Centered Outcomes Research Institute (PCORI) was established by the Patient Protection & Affordable Care Act (PPACA) to evaluate the quality of various medicines and treatments. A private, nonprofit corporation, this Institute conducts comparative clinical effectiveness research and is funded in part by plan sponsors (i.e., employers) of self-insured health plans.

On December 20, 2019, Congress overwhelmingly passed, and President Donald Trump signed into law, new spending packages. There were a number of items in that spending package, but a key component revised the annual fee to fund the Federal Patient Cen- tered Outcomes Research Institute (PCORI), which had been set to expire for plan years ending after September 30, 2019. This new bill extends the inflation adjusted PCORI fee on health insurance policies and self-insured health plans another ten years, through 2029. The adjusted inflation rate for plans that end between October 1, 2019 and December 31, 2019 has yet to be released.

As a current client of ERISA and/or PCORI, TASC will continue to provide you the annual service. There will be no break in service and no change in services provided. If your account was cancelled and fees were to be refunded due to the expected expiration of the PCORI fee, TASC will be reversing the cancellation and reinstating your full PCORI service offering. TASC will generate a new invoice for the July 1, 2019 – June 30, 2020 billing period for the PCORI service due

on July 31, 2020. No response is required at this time. Your PCORI account will be reinstated and services will be provided to you for the July 31, 2020 deadline.

Employers/plan sponsors with self-insured health plans (including non-excepted Health Reimbursement Arrangements and non-excepted Health Flexible Spending Arrangements) are required to file IRS Form 720 and remit PCORI fees to the Treasury Department on an annual basis. Fees are due on July 31 of each year for plan years that ended during the prior calendar year. Initially this fee was $1 per each covered life; then increased to $2 after the first year and in subsequent years will be adjusted based on medical inflation rates. In Notice 2018-85, the IRS set the amount used to calculate the PCORI fee at $2.45 per person covered by plan years ending Oct. 1, 2018, through Sept. 30, 2019. If the fees were included in your ERISA package, there will be no break in coverage and your PCORI service will automatically be reactivated.

TASC PCORI will handle all the bother and decipher the confusion inherent in meeting the new requirements. For a small fee, we will take the mystery out of PCORI and make sure your Plan is in compliance. We will unravel the complexities of employee count determination and fee calculation. We will send you complete instructions for completing and filing IRS Tax Form 720 along with the required PCORI information. By alleviating this confusion, TASC PCORI helps you maintain and continue this important employee benefit.

TASC's ERISA has added the PCORI service to its service offering. At no charge to ERISA Clients, TASC will, on an annual basis, assist in determining which of your plans are subject to these fees and the actual fees due. In addition, ERISA will provide you with guidance relating to the filing of IRS Form 720 and payment of the fees. If the fees were included in your ERISA package, there will be no break in coverage and your PCORI service will automatically be reactivated.

Health Savings Account

An HSA is a tax-advantaged investment vehicle that offers three separate tax benefits for participants:

- Payroll contributions into an HSA are pretax.
- Earned interest on investment funds is tax-free.
- Distributions for qualified expenses are tax-free.

Employer and employee contributions alike may be made on a pretax basis via payroll deduction and are treated the same as the other benefits under the Cafeteria Plan; they are not subject to state tax (certain states apply), federal income tax, or FICA tax. Paying for eligible expenses on a pretax basis allows your employees to increase their take-home pay, without costing you more money. Meanwhile, you reduce your FICA taxes for every employee dollar contributed.

Plan Summary and Requirements

An HSA is established by an eligible individual to pay the qualified medical expenses incurred by the eligible individual and any dependents. An eligible individual meets the following requirements:

- Individual is covered under a High-Deductible Health Plan (HDHP) on the first day of the month.
- Individual does not have any other health coverage except for "permitted coverage" (i.e., accidental, dental or vision coverage). • Individual cannot be enrolled in Medicare.
- Individual cannot be claimed as a dependent on someone else's tax return (spouse excluded).
- Individual may not be enrolled in a General Purpose Healthcare FSA. An HSA must be set up with a qualified custodian or trustee. TASC's custodian is State Bank of Cross Plains (SBCP) and is strategically focused on the HSA product and its benefits.

An HSA is a qualified benefit that may be offered under a Section 125 Cafeteria Plan. When offered under as a pretax benefit under the Cafeteria Plan, the following requirements must be met.

- A written Cafeteria Plan document must be adopted.
- The plan cannot be discriminatory per the nondiscrimination rules.

For detailed information, please refer to the Plan Documents Requirement and Nondiscrimination section of this manual.

HDHP Requirements

- HSAs work hand in hand with a qualifying High-Deductible Health Plans (HDHP). Individuals who make contributions to an HSA must be covered by an HDHP. The HDHP must satisfy minimum deductible amounts with certain out-of-pocket maximums. For annual limits, please visit: www.tasconline.com/benefits-limits.
- HSA account-owners (participants) may not be covered by any other insurance plan that is not an HDHP, or by an insurance plan that covers benefits provided by the HDHP or includes a deductible that is lower than the HDHP's deductible. There are exceptions for "permitted insurance" or "permitted coverage" products.
- HSA Coordination with your Cafeteria Plan.
- Under certain circumstances an employee may establish and fund an HSA in addition to funding a Limited-Purpose Healthcare Flexible Spending Account (LPFSA).
- For example, the Limited-Purpose Healthcare FSA may be established to reimburse dental and vision expenses exclusively.

HSA Contributions & Funding

There are three ways funds can be deposited into a participant's HSA:

- You, as the employer can contribute to the participant's account,
- Participants (employees) can contribute to their account (pretax payroll, as well as after-tax), or
- Both you and your employees can contribute.

Contributions to the TASC HSA are subject to annual limits set by the IRS. When electing their annual contribution amount, the system will warn employees who exceed the federal funding limit. The maximum annual contribution amount is indexed annually.

Note: Two-percent or more shareholders in S-Corporations, Sole Proprietors and LLCs are not allowed to pay for their HSA contributions with pretax dollars.

HSA participants (account holders) may be subject to the Special Rule for Married Individuals, which states that married individuals with family coverage must divide their annual HSA

contribution limit equally between each other, unless they agree upon a different division.

For more information on this Special Rule, go to: www.irs.gov/pub/irs-drop/rr-05-25.pdf

HSA Distributions

Account holders may request a reimbursement from their available HSA balance at any time. Reimbursements may not exceed the amount in the HSA at the time of the request and may not be included in gross income if used to pay for qualified healthcare expenses (as defined in Code Section 213(d)). Reimbursements received for qualified healthcare expenses (not covered by the HDHP) are distributed tax-free.

Unless individuals are disabled, enrolled in Medicare, or die during the year, they must pay income taxes plus an additional 20% on any amount not used for qualified healthcare expenses. Individuals who are disabled or reach age 65 can receive non- medical distributions without penalty but must report the distribution as taxable income.

Unused contributions to the HSA—even if offered under a Cafeteria Plan—are not forfeited at the end of the plan year; instead they rollover from year-to-year. In addition, when an employee moves from one employer to another the HSA funds are not lost; they are portable and stay with the account owner.

HSA Eligible Expenses

Expenses are considered eligible for reimbursement from an HSA if the healthcare expense includes amounts paid for the diagnosis, cure, mitigation, treatment or prevention of disease and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate or prevent a physical or mental defect or illness.

Appropriate HSA expenditures also include Medicare insurance premiums (except Medicare Supplement policies), long-term care coverage, health coverage while receiving unemployment benefits, and healthcare continuation coverage required by federal law (known as COBRA coverage). HSAs may reimburse long-term care insurance premiums limited to the adjustment amounts under section 213(d)(10), even when the HSA is offered through a Cafeteria Plan.

- It is important that participants retain pertinent documentation regarding distributions from an HSA.

- IRS Publication 502, Medical and Dental Expenses (section 213(d)) governs what is and is not eligible and includes a detailed list.

Investment Account Options

HSAs are especially unique because they allow account holders to further save for retirement. Specifically, account holders can choose to set-up their HSA benefits account to automatically sweep funds (in excess of $2,000 minimum HSA balance), out of the HSA account and directly into their pre-selected investment account(s).

Once the investment transfer amount is defined by the account holder, funds above that amount will automatically sweep to the consumer's investment account. In addition, an account holder may have the HSA funds swept into a Deposit Account (works much like a money-market account; funds are safer and provide a smaller interest rate return).

Participants can choose to leave the money in their HSA for future use. The funds left in the HSA earn a minimal interest amount.

Finally, for advice on investments choices, Participants should be directed to contact a licensed investment expert. TASC does not offer investment advice, nor should you, as the employer.

Required Identify Verification

Identity Verification (IDV) is a combination of requirements set forth in Section 326 of the USA PATRIOT Act. The Act states that all financial institutions must verify the identity of individuals wishing to conduct financial transactions with them. A Health Savings Account is a bank account established with TASC. For this reason, TASC is required to comply with this requirement.

TASC will attempt this verification upon enrollment, utilizing the information provided by you, their employer. The verification process reviews SSN, home mailing address, date of birth, and full legal name, against two federal databases. If the participant passes the initial screening, their IDV status will be changed to pass. If the participant does not pass the initial screening, they will remain in "IDV Pending" status and sent an email requesting documents needed to verify identity. While in an IDV Pending status, contributions may be made, but claims will not be paid from this account. Both you and

the participant will be notified and one follow up reminder will be sent. If no response is received within 90 days, TASC will inactivate the participant account and return funds.

Investment Tool Kit Instructions

The assets in your investment related account (Health Savings Account (HSA) or Funded Health Reimbursement Arrangement (FHRA)) are invested in mutual fund(s) that have been pre-selected for the plan by the Plan Fiduciary. You may also have the option of moving money between available investments depending on the provisions of your plan.

How do I access my investment balance?

From the Overview page, click on your benefit account (1) on the left, then click on the green Investment Balance link (2) on the next screen. This will take you from your TASC account to your investment account.

How do I generate a statement on demand?

Investment statements are made available online on a quarterly basis following the end of the quarter and an annual basis following the end of the plan year. If you need an investment statement at any other time, under Account Summary, click State- ment on Demand. Select the time period, then click Generate. Statements can be saved in PDF or Excel format to your own computer.

Where can I find my Historical Transactions?

You can look up transactions that occurred within your Invest-ment Accounts. The system makes available two years of history of all transactions of your account. Under Account Summary, click Transaction History and enter a From Date (mm/dd/yyyy) or click on the calendar to select a date. Enter a To Date (mm/dd/yyy) or click on the calendar to select a date, then click Update.

Where do I change how my contributions are invested?

Click on your account from the left side of your screen. Then click on Investment Balance. You will get a warning stating that you are now leaving TASC and navigating to an external website. Click on Continue to proceed. Click on Plan Services along the top and then select Investment Elections from the dropdown menu. Locate your account from the list on the left and click on Change Elections. On the right side you can select

the percentages you wish to contribute to each investment. Please note, to successfully submit your investment elections change, the new percentages must equal 100%. For more information on each investment, under the heading Link you can access to a Prospectus, Fact Sheet, and a Website. When you have finished your elections click on Submit Investment Elections.

How do I change where my current balance is invested?

You have two options to change your current investment allo-cation: (1) Realign Portfolio or (2) Transfer Funds. You can re-align your entire balance to fit into percentages for each fund or you can pick and choose how much of your current balance goes into each fund, by percentage or by dollar amount. To realign your current balance, under Plan Services, click Realign Portfolio. You have the option to realign all your sources, if you have more than one source, or you can realign by source. Click Realign to the right of your source. Under Current %, you will see what percentage of your current balance is in each fund. Under New %, you will select the percentage of your current balance that you want in each fund.

If you would like to transfer funds rather than realign, click Transfer Funds. Again, you have the option to transfer all your sources, or you can transfer by source. Click Transfer to the right of your source. You must select a Transfer Type, Dollar to Dollar, or Percent to Percent. Select your investment. The amount or percent that is available to transfer out of the fund appears at the bottom next to Transfer Amount. Enter in the amount to transfer out of the fund. Click Continue. In the next screen, you will select where you want to place the amount that you are going to transfer into the remaining fund(s). The amount to transfer is reflected under Amount Remaining. When you have placed the amount, click Transfer.

How do I know if my request has been received?

Under Account Summary, click Activity Summary. Any pend-ing activity will be present here. Should you wish to cancel any transaction in pending status, click Cancel. You will also see at the top right corner of your screen the words Pending Activity in red. If you click there, it will automatically bring you to the Activity Summary screen.

How do I know if my request has been processed?

On the home page, you can see your new investment elections and or investment allocation. Please note, investment election changes are an overnight process and realignments/transfers may take up to three days to process. For more detail, under Account Summary, click Investment Summary. In addition, a confirmation letter will be mailed to your home address the fol-low- ing business day after your request has been processed.

Where can I find fund fact sheets for the funds?

Throughout the Investment Tool Kit, each time you see a fund that is underlined, you may click on the fund to view current fund information.

How do I submit reimbursement requests?

After you become claim active, you may submit reimburse-ment requests from your online TASC account. It's quick and easy! Before you begin, be sure to have the valid verification for your expenses handy. If you have your verification saved on your computer, you can save yourself a trip to the fax machine or post office by uploading them electronically when you file your request. If you only have paper copies of your verification, you can still file your reimbursement request online, and then send your verification via fax, email, or mail to TASC.

To submit online reimbursement requests, follow these steps:

1. From your TASC account (www.tasconline.com), click the green Request a reimbursement button.

2. Choose who the expense was incurred by, expense date, and expense type.

3. Enter expense amount and provider/merchant.

4. Attach verification (must contain date of service, product name or description of service provided, provider name, and recipient name (unless it is a store receipt for pre-scriptions or eligible over-the-counter items).

5.   Review and submit.

Funded Health Reimbursement Arrangement

TASC Funded Health Reimbursement Arrangement (FHRA) clients will receive some new features when upgrading the Universal Benefit Account.

•   Claim active participants will receive a TASC Card, which provides instant access to healthcare funds in their Funded Health Reimbursement Account, with a simple swipe.

•   Participants can use up to $1000 for a TASC Card item. The money used will trigger a sale of investments to replenish cash account and the invested balance will be reduced daily by the amount of any card transactions until the invested bal- ance is $0.00.

•   Your FHRA will move from weekly to daily claims processing for a much more efficient experience.

•   To access your investment accounts, visit www. tasconline.com. Once signed in, click on your FHRA benefit account and then on Investment Balance Manage Cash Threshold to access Schwab Retirement Technologies.

Excepted Benefit HRA (EBHRA)

EBHRAs are designed to reimburse certain medical expenses for employees who are eligible to participate in a traditional group health plan offered by the employer. EBHRAS are excepted from the Affordable Care Act (ACA) requirements are not considered an offer of coverage under ACA.

EBHRA Offering Requirements

To offer an EBHRA, an employer must offer a Group Health Plan (GHP). Employees are not required to enroll in employer GHP, or be enrolled in any GHP. If EBHRA is for premium only and employee has no applicable coverage, employee is not eligible to enroll. EBHRA must be made available on the same terms to all similarly situated individuals, regardless of health status. IRC Section 105 discrimination rules will apply. An Employer cannot offer both an EBHRA and ICHRA.

EBHRA Funding

An employer's maximum contribution to EBHRA: $1,800 per year (as indexed for inflation).

Reimbursement of Premiums

Can reimburse premiums for:

• COBRA or other continuation coverage

• Short-term, limited-duration coverage (unless prohibited by HHS for small employers in a state under a special rule) Excepted benefits (i.e., dental and vision) cannot reimburse premiums for:

– Individual health insurance coverage

– Medicare Part A, B, C, or D

– Group Health Plan

– Fixed indemnity plans

Employer Options

• May allow rollover of unused funds

• Can elect Premium Only, 213 expenses only, or both

• Can restrict type of 213 expenses for HSA participation

Additional Benefit Account Options

In addition to the EBHRA, employers may offer other pretax reimbursement accounts to help employees pay for any eligible expenses not paid for by the EBHRA.

• Full Healthcare FSA: Allows employees to pretax the cost of eligible medical expenses not paid by EBHRA ($500 maximum employer contribution). If Employer contribution exceeds $500 the EBHRA contribution is reduced dollar-for-dollar.

• Health Savings Account (HSA): The EBHRA can be limited to 213 reimbursements of excepted benefits (dental and vision expense) and post deductible expense in order to allow participant in EBHRA to also open an HSA.

• Traditional HRA (for EEs on GHP); employer EBHRA contribution reduces dollar-for-dollar by traditional HRA contribution.

Individual Coverage HRA

ICHRA (Individual Coverage Health Reimbursement Arrangement) is a tax-advantaged account-based plan that employers can use to reimburse employees for individual health insurance and/or out-of-pocket medical expenses. The ICHRA is designed to expand the use of HRAs by employers to fund premiums for their employees in the individual health insurance market.

Employer Requirements

- Allows employers, regardless of size, to provide an HRA that reimburses employee premiums paid to purchase individual health coverage.

- There is no cap on the amount of the ICHRA contribution.

- Employers may either offer an ICHRA or a traditional GHP, but may not offer employees a choice between the two.

- Employers can offer an ICHRA on a class by class basis (creating classes around certain employment distinctions), employers that offer an ICHRA must do so on the same terms for all employees in a class, and may increase the ICHRA amount for older workers and for workers with more dependents.

- Employers can maintain their traditional GHP for existing enrollees, with new hires offered only an ICHRA.

- Participants and dependents are enrolled in individual market vs. group health insurance coverage or Medicare Part A and B or Part C.

- No traditional group health plan is offered to the same class of employees.

- HRA has reasonable procedures to verify and substantiate enrollment in coverage.
    - Annually if offering Premiums only;
    - Monthly if offering 213 expenses and or premiums

- HRA allows participants to opt-out of the HRA once annually and on termination of employment

- HRA must provide a notice, 90 days prior to plan year, containing certain specified information to eligible individuals; which will help them understand the type of HRA being offered and; how the ICHRA offer may make them ineligible for a premium tax credit/subsidy for ACA exchange-based coverage

- If determined to be affordable coverage

- Must offer the HRA on the same terms to all employees within a class, subject to certain exceptions.

Permitted classes (11)

- Full-time employees
- Part-time employees
- Seasonal employees
- Employees covered by a Collective Bargaining Agreement
- Employees who have not satisfied a waiting period
- Nonresident aliens with no US based income
- Employees working in the same rating area
- Salaried employees
- Non-salaried employees (e.g. hourly)
- Temporary employees of a staffing firm
- Group formed by combining 2 or more of these classes

Minimum class size rule:

- Applies only if an employer offers a traditional group health plan to one class of employees and an Individual Coverage HRA to another class based on:
    - Full-time vs. part-time status
    - Salaried vs. non-salaried status
    - Geographic location (if smaller than a state)
    - Combination of any class above with any other class (except waiting period class)

Minimum class size is:

- Ten employees, for an employer with fewer than 100 employees
- Ten percent of employees, for an employer with 100 to 200 employees.
- Twenty employees, for employers with more than 200 employees

Group Health Plan (GHP) Rules:

- Employer can maintain a group health plan (GHP) for existing employees and transition new hires to the ICHRA program
- Employer cannot offer a choice between the GHP and ICHRA to same class of employees.

Notice Requirements:

- Employer can opt to allow rollover of unused funds
- Employees can pretax difference in ER contribution and actual cost of premium under 125 plan, except for Exchange premiums
- COBRA for ICHRA applies, if applicable event and loss of coverage
- COBRA premiums for GHP not allowed
- Employer can elect Premium only, 213 expenses only, or both
- Employee can participate in both ICHRA and a full FSA;
  – Provided employer does not contribute more than $500
- There can be no traditional HRA that pays all 213 expenses or deductibles;
  – Only Limited purpose HRA allowed
- ICHRA is first payor to other expenses based accounts
- ICHRA will be considered an offer of coverage under ACA
- Employees participating in an ICHRA are not eligible for subsidy under Exchange
- ERISA/ACA/COBRA/HIPAA applies
- TASC will issue cards for ICHRAs
  – Verification required

ACA Employer Mandate:

- The ICHRA may satisfy the ACA requirement that large groups offer coverage.
- Employers must ensure ICHRA satisfies affordability requirement to avoid penalties.
- TASC offers ACA Employer Reporting to help employers satisfy their ACA reporting requirements, as well as ERISA, HIPAA, and COBRA compliance.

Additional Benefit Account Options

In addition to the ICHRA, employers may offer other pretax or non-taxable reimbursement accounts to help employees pay for any eligible expenses not paid for by the ICHRA.

- Healthcare Premium (NESP) Reimbursement Account: Allows employees to pretax the remaining cost of their individual premiums not paid by ICHRA funds (not available for ACA Exchange premiums).
- Full Healthcare FSA: Allows employees to pretax the cost of eligible medical expenses not paid by ICHRA ($500 maximum employer contribution).
- Health Savings Account (HSA): The ICHRA can be limited to 213 reimbursements of excepted benefits (dental and vision) and post-deductible expense in order to allow participant in ICHRA to also open an HSA.
- Limited-Purpose FSA or HRA: Allows employers to set up an FSA that pays only excepted benefits (dental and vision) and ICHRA pays all other type 213 expenses.
- NOTE: Employees on GHP cannot participate in both a traditional HRA and ICHRA.
- TASC can administer a NESP, Healthcare FSA, HSA, and much more alongside the ICHRA to maximize the benefits and reduce administrative costs.

FRINGE BENEFIT ACCOUNTS

UNIVERSAL BENEFIT ACCOUNT

Dependent Care Account

A Dependent Care FSA is a qualified benefit that may be offered under a Section 125 Cafeteria Plan to allow participants to set-aside pretax dollars to use for eligible dependent care expenses. Employees who elect to participate in the Dependent Care FSA will make an annual contribution election to be deducted pretax from their payroll throughout the Plan Year. Unlike the Healthcare FSA, Dependent Care funds are only available to use for eligible expenses as they are contributed (pay in-pay out).

Dependent Care FSA Eligibility Requirements. The FSA regulations require all participants to be employees of the employer. As such, some individuals are specifically excluded under the plan such as a sole proprietor, a more-than-2% shareholder of an S-Corporation and due to attribution rules, the shareholder's spouse, children, parents, and grandparents are also excluded.

Additionally, eligibility for the dependent care benefit requires that certain criteria be met with respect to the expense, the provider, etc.

- The dependent care expenses must be work-related. The care must be necessary for the employee and the employee's spouse to work, to look for work, or to attend school full-time, or if they are physically unable to care for their children.

- The dependent care expenses provided during a calendar year cannot exceed $5,000. In the case of a separate return by a married individual, the limit is $2,500. This amount may be less if the employee's earned income or spouse's earned income is less than $5,000.

Dependent Care Elections
Participants are encouraged to be conservative in making elections because any unused funds left in their Dependent Care FSA at the close of the Plan Year are not refundable, nor is Carryover available for the Dependent Care FSA.

Transitional Period and Grace Period Option
A period of no more than three months following the end of

the Plan Year is considered the transitional period. During this time, the Participant may continue to submit reimbursement claims for expenses incurred during the previous Plan Year or during any elected Grace Period

Section 125 Cafeteria Plan Requirements
A Dependent Care FSA is subject to the same plan document and nondiscrimination requirements as a healthcare FSA. Please refer to the information and instructions under the healthcare FSA section of this manual.

Transit Account

Section 132 of the Internal Revenue Code allows for qualified Transportation Benefits to be paid on a pretax basis. All qualified costs are paid through salary reduction and as such escape federal, social security, and state income tax. The concept mirrors that of a Cafeteria Plan. TASC offers Transportation Benefits in the form of a Transit Account and a Parking Account. You may offer either Account, or both, to your employees.

There is no plan document requirement for a Transportation benefit, however an Account Summary is available for you to distribute a summary of the benefit to eligible employees. Please refer to the information and instructions as noted in the Plan Document Requirements and Summary Plan Description section of this manual.

Eligible Transportation Expenses - All transit and parking expenses must be work-related in order to be eligible for reimbursement.

A transit pass: this is any pass, token, fare card, voucher, or similar item that entitles a person to transportation on mass transit facilities which include (but are not limited to) transport by rail, bus, train, or ferry.

Transport on a commuter highway vehicle: the vehicle must have a seating capacity of at least six adults and at least 80 percent of the mileage must be for purposes of transporting the employee between their residence and their place of employment.

Pretax Benefits
All related costs may be paid through pretax salary reduction, which benefits employees as they escape federal and state income tax, in addition to Social Security and Medicare taxes.

Similar to a Cafeteria Plan, the regulations require all participants in a Transportation Account to be employees of the employer. As such, some individuals are specifically excluded under the plan such as a sole proprietor, a more-than-2% shareholder of an S-Corporation and due to attribution rules, the shareholder's spouse, children, parents, and grandparents are also excluded.

Transit/Parking Funds MAY Rollover
Any Transit/Parking fund balances remaining at the end of the Plan Year will be forfeited unless you (employer) choose to carry these funds forward to the following Plan Year for use by the participating employee (does not need to be enrolled in the new Plan Year).

Employee Enrollment & Elections
Administration and operation of the Transportation Benefit is simple. If you offer this benefit, participants make an election via enrollment form while following the IRS monthly limits. Monthly limits apply for Transit and Parking Benefits. View current limits at: www.tasconline.com/benefits-limits. Funds will be accepted as a special adjustment through the Payroll Verification Report Management only (in MyTASC). Enter the transportation costs on the line assigned for transportation benefits within the Request for Reimbursement process.

Change in Elections
Changes may be made to Transportation Benefit elections each month by the participant, as the amounts paid each month may fluctuate. Requests for election changes must be submitted to the employer (as directed by employer). TASC offers a Change Request form that may be used.

TASC Card Requirement for Transit Benefits
Effective January 1, 2016, the Internal Revenue Service (IRS) no longer allows manual cash reimbursements for pretax Transit Benefits. This means that your employees who participate in the Transit Benefits Plan will be required to use their TASC Card to purchase transit passes from a qualified merchant. This requirement does not apply to Parking Benefits. Participants may use the TASC Card or request a reimbursement for eligible parking expenses.

Parking Account

Qualified parking: this includes costs paid for parking on or near the employer's business premises or at a location from which the employee commutes to work by mass transit facilities, commuter highway vehicle, or carpool.

If parking is at an employer-provided facility, the employer may deduct the cost of parking on a pretax basis. As such, this deduction will be a payroll adjustment, treated much the way group-sponsored health insurance is handled under Section 125.

ACCOUNTABLE PLAN OFFERINGS

UNIVERSAL BENEFIT ACCOUNT

Accountable Plan Offerings

An accountable plan is an employee reimbursement allowance arrangement or method for reimbursing employees for business expenses that complies with IRS regulations.

The accountable plan must satisfy three basic requirements:

1. expenses have a business connection;
2. expenses are substantiated/accounted for in a reasonable period of time; and
3. excess reimbursements or allowance amounts are returned within a reasonable time period.

Business Connection - Business expenses covered by the plan must satisfy the requirements for deduction as business expenses; and must be paid or incurred by the employee in connection with the performance of their job as an employee.

Expenses Substantiated - The business expenses must be adequately accounted for with the employer within a reasonable time. The employer must require employees to provide detailed information on these expenses which should include date, time, place, amount, and business purpose for the expense.

Excess reimbursements – An excess reimbursement is a reimbursement or allowance greater than allowable amounts. The employee must return excess reimbursements to the employer within a reasonable period of time or these excess amounts are taxable to the employee.

The accountable plan deductions apply only to employees (not owners, board of directors, partners, contracted employees).

Requirements for accountable plans should be put in writing and would typically be incorporated in the employer's employee policy and procedures manual.

Tax Treatment - Amounts that are paid under an accountable plan are:

1. excluded from the employee's gross income,
2. not reported as wages or other compensation on the employee's Form W-2.

3. exempt from the withholding and payment of employment taxes, FICA, FUTA, RRTA, RURT, and income tax.
4. amounts are deductible as business expenses by the employer subject to any regulatory limitations.

Under the Tax Cut and Jobs Act of 2017 the standard deduction amounts were increased. Subsequently the deduction for job expenses subject to 2% floor, such as certain professional fees and unreimbursed employee business expenses, was suspended for tax years between 2018 and 2025. This should make these accountable plans more popular.

Reasonable Period Of Time Safe Harbor: Actions that take place within the times specified in the following list will be treated as taking place within a reasonable period of time.

1. You receive an advance within 30 days of the time you have an expense.
2. You adequately account for your expenses within 60 days after they were paid or incurred.
3. You return any excess reimbursement within 120 days after the expense was paid or incurred.
4. You are given a periodic statement (at least quarterly) that asks you to either return or adequately account for outstanding advances and you comply within 120 days of the statement.

TASC's Accountable Plan Offerings

The following Accountable Plans to be offered by TASC:

1. Professional Dues and Subscription Account
2. Home Office Account
3. Travel and Business Meals Account
4. Work Clothes Account
5. Workplace Tools Account

Important Notes: With each of these plans the vision is that the employee would be able to utilize a TASC Card for payment of the expense as well as have the capability to submit a paper claim for reimbursement.

Typically, with these plan an employee would receive an advance, use a business credit card or be reimbursed after

the fact. The use of a TASC Card would need to be reviewed for legal implications such as but not limited to the effect of not meeting the 'prepaid card' exception for flexible spending accounts, opening for merchant codes, etc. The use of a TASC Card may need to be approved by our card issuer.

Professional Dues and Subscriptions Account
Allowable Expenses:

1. Dues to a chamber of commerce if membership helps employee do their job.
2. Dues to professional societies.
3. Malpractice insurance premiums.
4. License and regulatory fees.
5. Subscriptions to professional journals and trade magazines related to employee's work.
6. Union dues and expenses.
7. Continuing education expenses.

Home Office Account
Home office expenses. If employers require employees to work from home, they can reimburse employees for expenses, such as Internet access. Again, the reimbursements must conform to accountable plan rules.

Allowable Expenses:

- Internet expenses – portion related to and required for work
- Phone land line expenses - if required for work.
- Computer required for work
- Printer required for work
- Office supplies (ink cartridges, paper, etc.)

Travel and Business Meals Account
Allowable expenses are:

1. Business travel: Travel by car, bus, train or airplane between the employee's home and their business destination.
2. Hotel/Motel Lodging charges and taxes
3. Hotel charges, e.g., phone or fax, laundry
4. Expenses for taxis and other types of transportation between airport or train station to lodging, and the work location and return.
5. Shipping of bags and display materials between the employee's regular and temporary work locations
6. Using of employee's car while at employee's business destination. Actual expenses or the standard mileage rate can be deducted, as well as business-related tolls and parking fees.
7. If employee's rent a car, the employee can deduct only the business-use portion for the expenses.
8. Tips and gratuities related to business expenses.
9. Business-related meals, e.g., client dinners, etc.
10. Cell phone expenses.

Work Clothes Account
Allowable expenses are: Work Clothes – cost of clothes and cost of cleaning and repair of said clothes (see explanation below). The value of employer-provided clothing (to the extent not paid for by the employees) is taxable to the employees unless the clothing qualifies as a working condition fringe benefit.

When looking at work clothes deductibility, there is a conflict in the Internal Revenue Code between:

1. Code §162, allows a deduction for "all the ordinary and necessary expenses paid or incurred…in carrying on a trade or business,"
2. Code §262, bars any deduction for "personal, living, or family expenses."

The IRS position on deductibility is that the cost of acquiring and maintaining work clothing is deductible if:

1. the clothes are specifically required to be worn as a condition of employment, and
2. the clothes are not "of a type adaptable to general or continued usage to the extent that they take the place of regular clothing." (Rule was developed in response to questions about the uniforms of "police officers, firemen, letter carriers, nurses, bus drivers, and railway men," but it apparently also applies to other types of work clothing.)

Required to be worn as a condition of employment - The clothing must be specifically required by the employer and not merely seen by the employee as useful to do the job. The condition of employment rule is waived for some employer-provided safety equipment—e.g., hard hats, safety goggles, and safety shoes. Those items are excludable regardless.

Clothing not of the type adaptable to taking the place of regular clothing – Clothes must have some feature that makes them inherently unsuitable for everyday use. This is determined objectively, without reference to the individual's lifestyle or personal taste. Under this rule, it does not matter whether the employer prohibits wearing the articles of clothing when the employee is not working. The mere fact that the clothes have a logo, name tag or other symbols on them does not make them unsuitable for everyday use. Expenses for Cleaning Excludable Clothing. If an item of clothing can be provided by an employer on a tax-free basis under the working condition fringe benefit exclusion, then reimbursements paid by the employer to clean that clothing would also be excludable.

Workplace Tools Account

Allowable expenses are: Work Tools (where an employee is required to use his/her own tools). Private Letter Ruling on Tool Plan which could be viewed as a safe harbor: https://www.irs.gov/pub/irs-wd/0930029.pdf

Looking to above Private Letter ruling where employees were required to submit a claim for reimbursement and putting a debit card into the mix, the following is how the plan is seen as being administered:

1. Employer determines amount that they will allocate to the employee at the beginning of each years for tools.

2. Employer would draw up with each supervisor or manager those tools that are required for the job assignments of

    each employee or job position.

3. Employee receives card with allotted cash (the card would be reused in coming years)

4. Employee agrees to terms of use that any use of the card would be:

    a. for an expense required to fulfill his/her job assignment

    b. the tool will only be used on job assignments for the employer

    c. the tool was required from the approved vendor list (would only make card usable at designated vendor

    d. reimbursement will not be sought from any other source

    e. will not be written off taxes.

5. Employees must submit receipts for tools within 30 days of purchase. The tools are compared to the list of those tools designated by the supervisor or manager as being necessary to the employee's job position. The expense may be partly or fully denied because of incomplete documentation or ineligibility of expenses. The employee would need to either produce any additional documentation/receipt or repay the employer. The employee must return reimbursements made in error within 30 days and must repay any reimbursements paid during the last six months of employment at the time of separation.

6. In cases where the employee does not use the debit card but instead submits a paper request for reimbursement. They would complete a claim form and sign certification language that would state among other things:

    a. the expense was required to fulfill his/her job assignment

    b. the tool will only be used on job assignments for the employer

    c. the tool was required from the approved vendor list (would only make card usable at designated vendor) reimbursement will not be sought from any other source

    d. will not be written off taxes

EDUCATION ACCOUNTS

UNIVERSAL BENEFIT ACCOUNT

Student Loan Reimbursement Account

The Student Loan Reimbursement Account is offered by employers, who contribute a certain dollar amount per year toward paying off an employee's student loan(s). When employers reimburse their workers, those payments are considered equivalent to regular wages. There's no tax benefit, as there is for retirement plans, health insurance, or even tuition assistance. Employers must pay payroll taxes on the student-loan payments, and employees must pay income taxes.

With this account, employers reimburse employees for payments they make on student loans on behalf of employees, at certain amounts per month as decided by the employer. Unlike tuition reimbursement benefits, which are currently tax-free up to $5,250 annually, employer student loan reimbursements are taxed as regular income.

Tuition Reimbursement Account

Tuition reimbursement is a benefit in which the employer agrees to pay for a certain amount of the employee's tuition. In certain cases, tuition reimbursement can be tax-exempt. The IRS currently allows employers to pay up to $5,250 in educational assistance tax-free. If a company pays more than the allowable amount, the excess will be included as gross, taxable income on the employees' W2 form. The tuition reimbursement program is a qualified program. This means that the program does not favor highly compensated employees and the owner does not participate in more than 5% of program reimbursements and is subject to Non-Discrimination Testing. The money in a Tuition Reimbursement Account can only be used towards tuition, fees, and school supplies (including books).

What Subjects Are Covered?
Tuition assistance comes in several different formats depending on the employer. Most employers cover only the cost of classes relevant to the employee's current or next position, or any classes related to attainment of a degree.

How Tuition Assistance Works
Some employers will repay costs after an employee registers for a course, while others might not cover the costs until the course is completed. The most common method for administering the program requires employees to pay for tuition and books when they register for classes. Then the employee submits verification of a passing grade of C* or better to receive reimbursement. (*Some employers may require a grade higher than a C.) In most cases, employers cap the amount of tuition assistance available for employees. Employers either set a limit in terms of dollars available per employee per year or they establish the number of classes they will pay for per year per employee through tuition assistance.

Companies offering these benefits also need to protect the investments they make in their employees. Because of this, there will often be restrictions on how soon employees can take advantage of these benefits or how long they'll need to commit to the company. For example, restrictions such as needing to be with the company for 1-3 years or committing to the company for 5 years may be part of the benefits program. The Tuition Reimbursement Account does not cover Continuing Education expenses, rather these are covered under the Professional Business Expense Account.

Utilizing Benefits
Once the rules of company's benefits are clarified, employees will want to find the best way to put them to use. Many companies will have some restrictions on the type of coursework they'll reimburse. Some companies will cover full programs for undergraduate or graduate degrees at four-year universities, while others might only cover courses you take through online providers. There are rules around how employees can spend tuition assistance payments. According to the IRS, assistance benefits can only be used toward tuition fees, books, and supplies necessary for the courses. Employees cannot use these benefits to help pay for food, housing, transportation, or supplies that can be kept after completing the course.

TASC Invoicing Practices

Purpose
TASC's Invoicing Practices aim to foster a clear understanding by communicating expectations to all Clients and Providers, ensuring compliance to TASC Plans and services, creating consistency between all TASC's divisions, and ensuring the continuation of services.

Philosophy

To ensure that TASC operations continue to run smoothly, various actions need to occur in a timely manner, including the payment of TASC administrative fees. Paying in advance demonstrates that the Plan is for the benefit of employees, provides further evidence that the Plan has been established on a pre-thought basis, and ensures coverage under TASC's Audit Guarantees. TASC invoices in advance for two reasons:

•   TASC requires a commitment in advance of the business being processed, and

•   TASC requires a payment history for its Clients, to determine the Clients' status of good standing.

Types of Payments

Check: Clients may pay by check. An annual fee of $10 per payroll will be assessed.

E-Pay: Clients may pay administrative fees electronically as long as they use E-Pay, and if these fees are debited seven days prior to their service period start date. Therefore, if a service period begins January 1, Clients will be debited on December 23.

ACH Credit: Clients may pay administrative fees, funding invoices or Payroll Verification Reports via an electronic ACH Credit transfer. A $40 per transaction service charge will be assessed. Clients should contact their Provider for details.

ACH Debit: Clients may pay administrative fees, funding invoices, or Payroll Verification Reports via an electronic ACH debit transfer.

Types of Invoices

Administration Fee: Generated annually, quarterly, or monthly for TASC Services that are provided during a pre-determined service period.

Premium Services Fee: This invoice is generated when a Client has elected a Premium Service.
Forfeiture: Generated annually for FSA funds due.

Standard Procedures

Invoice: Generated and sent 45 days prior to the Service Period start.

Due Date: Will be 7 days from the date the invoice was generated.

Service Charge Date: An additional $20 fee will be assessed 60 days from the original Invoice Date if the invoice is not paid by the service charge due date, and the account will be placed on hold. Exception: If HRA funding or FSA invoices are not paid within 21 days of Plan start, a notice will be send to the Client;

if the invoice is still unpaid at 30 days, the account will be placed on hold.

Statement: A Statement (second notice) of unpaid invoices will be mailed 15 days prior to the start of the Service Period.

Past Due Email
Notification: On the first day of the Service Period or 45 days after the original invoice date (whichever comes first), an email will be sent to any account with unpaid invoices older than 40 days. This email will inform the Client that the account will be put on hold and that a $20 service fee will be charged if the invoice is not paid within 60) days of the original invoice issue date. Exception: FSA invoices will receive notification of Past Due at 15 days after the date of invoice.

Final Notice Statement: A Final Notice Statement (third notice) will be mailed out 15 days into the Service Period, with a Service Charge of $20, a notice of default status, and a notice that all account services have been placed on hold.

Collections: The account will be placed in Collections 45 days into the Service Period start, or 90 days after the original invoice date, whichever comes first.

Plan Termination: The account will be terminated 104 days into the Service Period start. Letters will be provided to each Client being terminated.

Fee Calculations: Fees are calculated on the number of known Participants at the time the invoice is generated. Administration fees are either the minimum fee or the number of Participants multiplied by the per Participant fee, whichever is higher. If the number of Participants is unknown, the minimum fee will be charged.

Client Responsibilities

- Mail invoices and payments in the envelope provided (goldenrod color) to: TASC - Client Invoices, PO Box 88278, Milwaukee, WI 53288-0001.

- All invoice payments must be submitted separately from all other payments and transactions.

- All invoice payments must be made separately (i.e. one check with one invoice).

Notify TASC of any disputes or any changes.