



February 13, 2015

Village of Grayslake - 602  
Bettina O'Connell

Dear Bettina:

Thank you for renewing your Flexible Benefits Plan administration services with Key Benefit Administrators (KBA). Your **2015** Section 125 Flexible Benefits Plan renewal paperwork is included. The new plan year will begin on **May 1, 2015**. This packet contains all of the necessary information to renew your plan. Please review the items from the "Plan Set-Up Options" check list so we can accurately build "The Plan" to your specifications. If you have plan changes, please include the applicable form requesting the specified change.

**A. Here are some important dates to remember:**

- Please return your completed Renewal Packet by **March 13, 2015**. Upon receipt of your completed Renewal Packet, we will generate your custom Employee Information Packet (EIP) used for enrollment and to maintain compliance with the Health Care Reform Notification Requirements (if any amendments are required). We will also provide a pre-populated spreadsheet using current participant information for your renewing convenience. As usual, we will request your Employees provide an email address whenever possible.
- Please return your completed enrollment spreadsheet by **April 15, 2015** to guarantee the debit cards (if applicable) are received by your **new participants** prior to **May 1, 2015**.

**B. How may we assist you with this process?**

- **Communication Options** (Choose one option):

- We will need assistance communicating the Section 125 Flexible Benefits Plan to our employees. **Please respond by March 13, 2015** in order for us to schedule accordingly.
- We will be communicating the Section 125 Flexible Benefits Plan to our employees.

- **Online Enrollment:**

- We would like to offer FlexPro's online enrollments. The timeframe you would like your employees to access the online enrollment website?  
When is your open enrollment period?  
[ ] to [ ] (Midnight)

**C. Enrollment Packet Options:**

- I would like an electronic version of the Employee Information/Enrollment Packet.
- I would like [ ] (# of packets needed) Employee Enrollment Packets sent to the address below by [ ] (date) (A fee may be charged for the cost of these packets, please consult the fee schedule page of the enclosed packet)

Please indicate to whom we should send the EIPs:

<b>BETTINA O'CONNELL</b>	<b>boconnell@villageof</b>			
Contact Name	Mailing Address	City	ST	Zip Code

*grayslake.com*

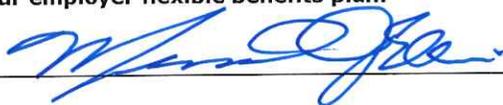


Village of Grayslake - 602  
**Administrative Services Agreement of Flexible Benefits Plan**  
 KBA Schedule of Services and Fees  
 Section 125 Flexible Benefits Plan

<b>I. Monthly Administration services:</b>		<b>\$5.80 per participant</b>
Includes:		<b>Subject to a minimum monthly charge of \$50.00</b>
<ul style="list-style-type: none"> <li>➤ Participant claim processing</li> <li>➤ All checks and correspondence sent to employer for distribution to Plan Participants</li> <li>➤ Toll-Free Phone/Fax for Participant and Employer</li> <li>➤ FlexPro Benefits Card: <b>(Where applicable)</b> <ul style="list-style-type: none"> <li>• Point-of-Purchase Access to FSA Account</li> <li>• Compliance with IRS guidelines on debit card usage</li> </ul> </li> <li>➤ Online Account Management Services:           <ul style="list-style-type: none"> <li>• FSA Balance Inquiries, Scheduled Employee Emails</li> <li>• FSA Balance Inquiries, Scheduled Employee Emails</li> <li>• Transaction History, Statements on demand</li> </ul> </li> </ul>		
<b>II. Annual Service Fee:</b>		
➤ Renewal Setup		<b>\$125.00</b>
<ul style="list-style-type: none"> <li>• Enrollment Packets, E-file packets only</li> <li>• FSA Participant Set-Up, E-file election remittance only</li> <li>• Annual Non-Discrimination Testing 2</li> </ul>		
➤ One On-Site Annual Enrollment Meeting		
<b>III. Additional Services, as requested: (Please check one)</b>		<b>YES NO</b>
<ul style="list-style-type: none"> <li>➤ Participant Direct Mail Service - checks and correspondence sent directly to <del>Participant's Home,</del> <i>Participant's Home, Per employer</i> <span style="float: right;"><del>Participant per month</del> <i>employer</i></span></li> </ul>	<i>See waiver</i> \$ .80 Fee waived	You currently do not offer Direct Mail. <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
<ul style="list-style-type: none"> <li>➤ Participant Direct Deposit Option - Deposits made directly to employee's bank account. Charge is per participant per month but can be combined with Direct Mail or stand alone</li> </ul>	Fee waived	You currently do not offer Direct Deposit. <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
<ul style="list-style-type: none"> <li>➤ Employee Information Packets - hard copies sent to employer, per packet, per year</li> </ul>	\$1.00	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
<ul style="list-style-type: none"> <li>➤ Hard copy enrollment forms returned to KBA for data entry - per participant, per enrollment form</li> </ul>	\$2.00	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
<ul style="list-style-type: none"> <li>➤ Form 5500 Preparation 3, fee per Form 5500</li> </ul>	\$300.00	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
<ul style="list-style-type: none"> <li>➤ Additional On Site Enrollment Meetings, Per Site, Per Day</li> </ul>	\$250 plus expenses	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

1. Fees reflected are Per Participating FSA Employee Per Month. Fees apply only to FSA participants, not to employees solely participating in the plan's pre-tax premium provision. Administration fees will be charged for 90 days past Plan termination including the grace period and run-off.
2. At least some Non-Discrimination testing is required for all entities each year. You will receive the necessary paperwork at the beginning of the plan year.
3. Many employers no longer have Form 5500 filing requirements for Flexible Benefits Plans. Effective April 2002, only Flexible Benefit plans with 100+ participants in the Health Care FSA are subject to the Form 5500 filing requirement. Upon request of the plan sponsor, KBA will prepare the Form 5500 as appropriate.

NOTE: Additional charges may apply if we are in receipt of incorrect banking information or draft is returned as a result of insufficient funds.

EMPLOYER/PLAN SPONSOR:	Village of Grayslake	PLAN YEAR: 05/01/2015 - 04/30/2016
<p><b>Per the above schedule of services and fees, I hereby authorize Key Benefit Administrators to act as the third-party administrator of our employer flexible benefits plan.</b></p>		
Signature:		Date: 03/10/15



## Section 125 Plan Specifics

Village of Grayslake - 602

PLAN YEAR: 05/01/2015 - 04/30/2016

PLAN OPTIONS	PLAN MAXIMUMS
Premium Plan Option	Total Premiums
Health FSA Plan Option Maximum:	\$ 2,500.00
Dependent Care FSA Plan Option:	\$ 5,000.00
Plan Maximum	\$ 7,500.00 + Total Premiums

NEW: 2015 IRS Max  
\$2,550.00

Eligibility Requirements:	Employees must work 30 hours per week and may begin participation the first day of the month following 30 days of employment.
Participation in the Premium Plan Option by New Hires:	Upon Eligibility
Participation in the Health FSA Plan Option by New Hires:	Upon Eligibility
Participation in the Dependent Care FSA Plan Option by New Hires:	Upon Eligibility
Participation by Terminated Employees in the Health FSA:	Terminated employees will be allowed 00 days past termination to continue incurring expenses and an additional 00 days to submit expenses
Participation by Terminated Employees in the Dependent Care FSA:	Terminated employees will be allowed 00 days past termination to continue incurring expenses and an additional 00 days to submit expenses
Premium Deductions:	Premiums will automatically be deducted on a pre-tax basis unless a Waiver of Participation form is signed.
Claims Submission:	Claims must be submitted by noon E.S.T. on Friday prior to Check issuance on Wednesday Checks issued Weekly.
Orthodontia Services:	Your Employer does not offer Up Front Orthodontia payments. At the time services begin, the initial down payment may be reimbursed. The remaining balance may only be reimbursed according to the monthly payment structure outline in the Orthodontia contract. A copy of the Orthodontic contract must be provided to KBA-Flexpro at time of reimbursement.
FSA Grace Period:	If a balance remains in the FSA account, the Grace Period allows 76 days for the participant to incur claims for their Flex Plan after the end of the plan year. <b>Note:</b> Debit Cards may be used to pay for prior year expenses.
DCA Grace Period:	If a balance remains in the Dependent Care account, the Grace Period allows 76 days for the participant to incur claims for their Dependent Care Plan after the end of the plan year. <b>Note:</b> Debit Cards may be used to pay for prior year expenses.
Run Out Period FSA, DCA:	Claims must be submitted no later than 60 days after the end of the Grace Period. <b>Note:</b> Debit Cards may <u>not</u> be used to pay for prior year expenses during the 60 day run-out period. Paper claims may be submitted during this run out time.
Notification Timeframe for Status Changes:	Status changes must be submitted within 30 days of the Qualifying Event.

HEART ACT	
HEART Act - Qualified Reservist Distribution (QRD) Amount:	The amount contributed to the Health Care FSA as of the date of the QRD requested minus any reimbursements.
HEART Act - Medical Expenses Incurred After the Qualified reservist distribution (QRD):	Terminate an employee's right to submit claims.

# Payroll Information

Village of Grayslake - 602

PLAN YEAR: 05/01/2015 - 04/30/2016

## IMPORTANT NOTICE: Renewal processes may be placed on HOLD pending completion and accuracy of this section.

- A. Employers with multiple payroll schedules - please copy and complete this form for each payroll frequency.
- B. Remember to allow for holidays, weekends or skipped deductions.
- C. IRS Regulations indicate **all** deductions for a plan year must occur within dates for that plan year.
- D. Some Annual elections may not divide evenly by the number of payroll deductions in your plan year. (\$2,500.00 / 26 = \$96.15384615). Please choose how we should set our system to best match yours:

match the per pay amount     match the annual election

Employers must choose **one** of the options below so that KBA-Flex can match the payrolls and frequencies of the employer at renewal. This will ensure that the eligibility file can be loaded as accurately as possible.

- Employer will provide the start date and indicate the frequency for each payroll type. Flexpro will allow the system to calculate the actual dates, based on holidays and weekends. These may not match your dates exactly, but will match the number of dates and frequency. Beginning Payroll Deduction date for the upcoming plan year.

(see D above) 5 / 13 / 2015

- Employers will circle all deduction payroll dates on the calendar(s) below and will indicate the frequency for each payroll type. Flexpro will post deposits on those dates. (see D above)

Frequency is required for both Option 1 and Option 2. Please make notes for any alternate frequencies not represented here and Flexpro will match as accurately as possible.

- Weekly (48)                       Weekly (52)                       Bi-weekly (26)  
 Bi-weekly (24)                       Semi-monthly (24)                       Monthly (12)

Calendar for 2015																																																																																								
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Calendar for 2016 (Leap Year)																																																							
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# Plan Set-Up Options

Village of Grayslake - 602

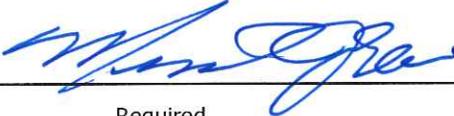
PLAN YEAR: 05/01/2015 - 04/30/2016

Below is a list of "options" where you may select "no change," "not applicable" or indicate you would like to change the Plan Set-Up Options. If there is a plan change or you would like to add a feature, please locate the corresponding page located in the Renewal Detail Explanations Section of this packet. Complete the applicable form and return with the Renewal Packet. If there are no changes, you only need to sign and return the 7 pages of this packet. All of the items included in this packet are used to build your plan and process the claims to your specific plan design. Please review carefully.

**Please help us remind your Employees to review their accounts online for pending or ineligible transactions. Unresolved pending or ineligible transactions will result in temporary deactivation of their Flex Benefit card until the transaction is resolved.**

REQUIRED			
No Changes	Yes, Changes	Not Applicable	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Group's Address</b> 10 S. Seymour Grayslake, IL 60030
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Primary Contact</b> Bettina O'Connell boconnell@villageofgrayslake.com (847) 986-3220  <b>Additional Contact</b>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Decision Maker</b> Bettina O'Connell boconnell@villageofgrayslake.com (847) 986-3220
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Broker</b> First Midwest Bank
<b>We show that you do not offer an HSA.</b>			
<input checked="" type="checkbox"/> There are no changes. <input type="checkbox"/> Yes, change. We now have an HSA and wish to amend our plan to allow a Limited Purpose FSA. Amendment to the plan required. <input type="checkbox"/> Yes, change. We now have an HSA but do not wish to amend our plan to allow a Limited Purpose FSA. No amendment to the plan required. <input type="checkbox"/> Yes, change. Amend our plan to allow a Limited Purpose FSA with No HSA. Adding this amendment will allow any employee whose spouse is participating in an HSA (with their employer) to participate in the Flex Plan on a limited basis.			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>KBA Schedule of Services and Fees:</b> Fees are reviewed annually by the Flex Pricing Committee. Please review the fees that have been set for this plan year. This page requires a signature to authorize KBA to continue administering your Flexible Benefit Plan.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Section 125 Plan Specifics:</b> Please review the Plan Specific page, note changes where applicable, and note here that you require changes (or not).
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The <b>Banking Information for checks</b> has not changed from the prior plan year.
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<b>Direct Deposit:</b> Group does not currently offer Direct Deposit. Employee checks can be issued with the Direct Deposit feature. If you have not set this up before, but would like to read more about it, please see the Direct Deposit section in the Renewal Detail Explanations Section.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The <b>Banking Information for the Flex Card transactions</b> has not changed from the prior plan year. <b>Note:</b> This is the bank account used to pay for the flex card transactions.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The <b>Co-pay/Medical Plan Schedule of Benefits</b> has not changed from the prior plan year. <b>Note:</b> Please make sure we have your current plan co-pays. Building your plan with your current plan co-pays will improve the automatic substantiation rate.

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>GRACE PERIOD:</b></p> <p><b>FSA Grace Period:</b> Our records indicate that you currently offer the FSA Grace Period. Your current plan includes a 76 day grace period with a 60 day runout off. Note: If you are interested in the new Carryover option, you must amend the plan and remove the Grace period for the FSA.</p> <p><b>DCA Grace Period:</b> Our records indicate that you currently offer the DCA Grace Period. Your plan includes a 76day grace period and a 60 day runout off.</p>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Year End Carryover:</b> Our records indicate that you do not offer the Carryover option. If you are interested in making changes please complete and return the Carryover Questionnaire. Please note: IRS does not permit the FSA/LPF Grace period if the Carryover is elected.</p>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Ortho-Up Front:</b> Our records indicate that you do not accept claims for up-front payment of Orthodontia services.</p>

Authorizing Signature: CBK  Date: 03/10/15  
 Required

**If above you indicated "No Changes," you may  here and only return the pages up to this point. If you are making changes, please include only the pages indicating changes you would like to implement.**

For assistance in completing any of the enclosed paperwork, please contact me.

Sincerely,

*Glynis Hardaway, FCS*  
 Glynis Hardaway, FCS  
 Benefit Consultant  
 317-284-7685  
 Glynis.Hardaway@keybenefit.com

*Garlene Greathouse*  
 Garlene Greathouse  
 B&E Coordinator  
 317-284-7685



# Co-Payment – Outline of Benefits

Village of Grayslake - 602

PLAN YEAR: 05/01/2015 - 04/30/2016

## ONLY COMPLETE IF THERE ARE CHANGES

Providing KBA with your **MEDICAL PLAN SCHEDULE OF BENEFITS/BENEFIT SUMMARY** will help to increase automatic transaction approval at time of purchase/service and decrease substantiation requests. KBA will build your plan to automatically approve claims that match your plan co-pays (IRS guidelines, as outlined in Revenue Ruling 2003-43, allow automatic adjudication in the exact amount of the applicable medical plan co-pays)

**PLEASE NOTE: We will replicate the information from your current plan year if no new information is provided.**

- See attached schedule of benefits. Please provide a clear copy of your benefit summary.
  - See benefit information noted below.
  - We are making medical plan changes and our new Schedule of Benefits is not available at this time. Please build our plan with the current plan co-pays. When our new Schedule of Benefits is available, we will provide the new information so our plan can be updated. The Employer is responsible for providing benefit changes to KBA.
- IMPORTANT:** If your benefits change any time throughout the year, it is important that you provide updated co-pay information to KBA so that we can update our system and provide the most efficient auto-approval process as possible.

Please initial:                     

*MJG*

You may complete the form below or provide a copy of your schedule of benefits.

	Generic Co-Pay	Brand Co-Pay	Formulary Co-Pay
Pharmacy Co-Pay:	\$10 <sup>00</sup>	\$35 <sup>00</sup>	\$60 <sup>00</sup>
Mail Order Rx Co-Pay:	\$25 90day	\$7.50 90day	\$150 <sup>00</sup> 90day
Provider	In-Network	Non-Network	
Physician Co-Pay:	\$20.00	60% after deductible	
Dental Co-Pay:	\$50.00 deductible	50.00 deductible	
Vision Co-Pay:	\$10 exam w/dilation	up to \$30 <sup>00</sup>	
Chiropractic Co-Pay:			
Emergency Room:	80% after \$250 copay	80% after \$250 copay	
Urgent Care:	\$75.00	60% after deductible	
In-Patient Hospital	80% after deductible	60% after deductible	
Out-Patient Hospital			
Other Co-Pay: _____			

