

**Educators Benefit Consultants, LLC  
Service Agreement**

Name of "Employer":	Duluth Public Schools		
Employer's Tax ID #:	41-6003776		
Address of Employer:	215 N. First Avenue E., Duluth, MN 55802		
Employer Contact:	William Hanson		
Employer Contact E-mail Address:	william.hanson@duluth.k12.mn.us		
Telephone #:	218-336-8704	Fax #:	218-336-8773
Original "Effective Date" of Plan:	January 1, 2010		
"Plan Year" begins:	Jan 1	Plan Year ends:	Dec 31

Employee Eligibility Requirements:

- |                          |                                     |                                    |
|--------------------------|-------------------------------------|------------------------------------|
| a. Minimum Age           | <input type="checkbox"/>            | (Not to exceed 21)                 |
| b. Years of Employment   | <input type="checkbox"/>            | (No more than 1)                   |
| c. Immediate Eligibility | <input checked="" type="checkbox"/> | (No age or employment requirement) |

Special eligibility rules, such as different requirements for employees employed on the effective date, different rules for different employee classes, like part-time, etc.:

Employee must be "benefit eligible". (Currently this is defined as scheduled for 20 or more hours per week.)

**BENEFITS:** Benefits Provided Under the Plan Must Qualify Under a Cafeteria Plan Under Section 125 of the Code. Everything else remains the same as set out in the Special Plan Information Sheet (attached).

**SERVICES:** See attached "Service Expectations" sheet for an explanation of ....

Full-Service Administration (\$2.50 per participant per month)

***Benny™ Prepaid Benefits Card***

**EBC's prepaid benefits card is a special-purpose Visa® Card that gives participants an easy, automatic way to pay for eligible health care/benefit expenses. The Card lets participants electronically access the pre-tax amounts set aside in their respective Health Flexible Spending Accounts (Full and Limited Use Health FSAs). Health FSA expenses are directly debited for eligible expenses, eliminating "out-of-pocket" cash payments and then waiting for reimbursement. Each Participant will get two (2) Cards.**

**Prepaid Benefits Card (Select One)**

- The District would like to offer the Prepaid Benefits Card to all employees on a mandatory basis. Participants will be responsible for paying the Prepaid Benefit Card fee of \$20.00 per year.
- The District would like to offer the Prepaid Benefits Card to employees on a voluntary basis. Participants will be responsible for paying the Prepaid Benefit Card fee of \$20.00 per year.
- The District would like to offer the Prepaid Benefits Card to employees and pay the \$20.00 annual fee.
- The District does not wish to offer the Prepaid Benefits Card at this time.

**Discrimination Testing.** Includes recommendations on appropriate action if necessary.

**Preparation of Plan and Summary Plan Documents**

**Consultation for employer and administrative staff regarding the Plan**

**On-Line Enrollments**

**Group and one-on-one sessions for employees and spouses at the Employer’s business locations at least once a year.**

**Compliance Responsibility.** EBC retains legal counsel to ensure Plan and forms have been drafted in compliance with Internal Revenue Code 125 and 129. The Employer will be alerted about modifications, which may be required from time to time.

**FEES:** Flat fee paid by employer to EBC based on participating employees. Equates to \$2.50 per participant per month. Fees are subject to change. You will get 90 days notice prior to the beginning of your plan year before a fee change would take place.

**DURATION OF CONTRACT:** This Agreement shall be renewed annually unless EBC is advised in writing of the District’s intent to terminate it at least sixty (60) days prior to the next Plan Year anniversary date, time being of the essence. The party not in default shall be entitled to the costs incurred due to the lack of timely notice.

**CONFIDENTIALITY:** The Educators Benefit Consultants, LLC design shall not be divulged by the Employer to any third parties, unless written permission is received from EBC, providing that the Employer may divulge aspects of the EBC design when acting as a reference to third parties who are considering adoption of the EBC System. No waiver or modification of this Agreement shall be effective unless signed by both parties. References to either party shall include its successors and assigns. This Agreement shall be binding to both parties upon execution by the parties.

**MUTUAL INDEMNIFICATION:** Employer shall indemnify and hold harmless EBC and each of its officers, and employees from and against any and all claims, damages or expense of any kind incurred by EBC as a result of a third party claim that the employer acted in negligence, willfully, or in violation of applicable standard of care in breach of its obligations under this Plan. EBC shall indemnify and hold harmless Employer and each of its officers, directors, and employees from and against any and all claims, damages or expense of any kind incurred by Employer as a result of a third party claim that EBC acted in negligence, willfully, or in violation of applicable standard of care in breach of its obligations under this Plan.

*This Adoption and Service Agreement for the Educators Benefit Consultants Plan only contains employer specific information and choices. It must be used in conjunction with a separate Plan Document to provide a required complete description of the features of the Plan.*

*These documents are provided by Educators Benefit Consultants for the convenience of the employer and its counsel, but are not intended as a substitute for the retention of legal counsel and is not a substitute for specific legal advice on a specific factual situation.*

Executed by:

EDUCATORS BENEFIT CONSULTANTS, LLC

By: \_\_\_\_\_  
Paige McNeal, VP

This \_\_\_\_ day of \_\_\_\_\_, 2011

INDEPENDENT SCHOOL DISTRICT NO 709

By: \_\_\_\_\_

Title: \_\_\_\_\_

This \_\_\_\_ day of October, 2011

## ADDENDUM A

### Full-Service Option

Under the full-service option EBC will reimburse eligible claims from the Medical Flexible Spending Account when submitted, regardless of the amount of funds deducted and collected from the employer. However, at the end of the Plan year a reconciliation of all accounts will occur. The employer is still responsible to provide EBC amounts elected for the plan year even if those amounts were not collected due to an employee termination or other event. On the other hand, if the reconciliation results in left over funds (funds collected but lost to employee) they will be returned to the employer. The employer will get a reconciliation report from EBC at the end of each plan year.

The remaining categories will be reimbursed as deductions are received from the employer and credited to employee's account.

The reimbursement process will begin when payroll deductions are successfully submitted to EBC.

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Signature

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Date

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