

**(1) EMPLOYER/ADMINISTRATOR**

Contact Name \_\_\_\_\_ Plan Number (If known) \_\_\_\_\_  
 Company Name \_\_\_\_\_ Email \_\_\_\_\_  
 Telephone Number \_\_\_\_\_ Fax Number \_\_\_\_\_  
 Street Address (not PO Box) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

TASC Administration Options (Check only one option.)

FlexSystem FSA     FlexSystem POP    Business Federal ID # \_\_\_\_\_

Tax Filing Status:    C-Corp    S-Corp    Partnership    Sole Proprietor    Non-Profit    LLC    Other \_\_\_\_\_

Total Number of Eligible Employees \_\_\_\_\_ Specify all applicable payroll cycles, (12, 24, 26, etc.) \_\_\_\_\_

Number of Payrolls in First Year \_\_\_\_\_ Number of pre-tax deductions in a typical 12 month Plan Year \_\_\_\_\_

Do you own interest in any other business?    No    Yes If yes, Name \_\_\_\_\_ Federal ID # \_\_\_\_\_

Do you currently have a Section 125 Cafeteria Plan with another administrator?    Yes    No   With TASC?    Yes    No

**FAST TRACK**  - If you would like assistance completing sections 2 or 3 of this application, please check the FAST TRACK option, enter a contact name and number, and send this form and payment to FlexSystem. A FlexSystem representative will contact you to help you complete the application.

Best Time to Call: \_\_\_\_\_ Contact Name: \_\_\_\_\_ Contact Phone Number: \_\_\_\_\_

**(2) PARTICIPATION AND ELIGIBILITY REQUIREMENTS**

Check eligible employees and their respective maximums. If a category is checked, but a maximum is not elected, it will be defaulted to the maximum.

- Part-time employees completing \_\_\_\_\_ hours of work per week will be included (maximum of 30 hours)
- Seasonal employees completing \_\_\_\_\_ months of work within a year will be included (maximum of 6 months)
- Employees reaching \_\_\_\_\_ years of age will be included (maximum 21 years)
- Employees meeting Probationary period of \_\_\_\_\_ months will be included (maximum 24 months)
- Members of bargaining unit will be included

FlexSystem first year administration shall begin on the first day of \_\_\_\_\_ (month/year) and continue for \_\_\_\_\_ consecutive months. For the second and successive years, the Plan shall operate starting on the first day of \_\_\_\_\_ (month/year) and continue for the following consecutive successive twelve (12) month period. Your first payroll deduction for FlexSystem administration will be taken on \_\_\_\_\_ (month/day/year). Note: Plans need not run on the calendar year (i.e. January 1 - December 31).

**Entry Date** - An employee is able to enter and participate in the Plan the first day of the Plan Year, or such dates within the Plan Year noted below, and after they have met the eligibility requirements above. \_\_\_\_\_ (i.e. January 1 and July 1) \*see reverse side

**(3) AVAILABLE BENEFITS**

Select the benefits available to the eligible employee(s). These benefits are taken through salary deductions.

- Medical or Medical-Related Premium - (Group Sponsored - Employee and Family)
- Medical or Medical-Related Expense Reimbursement Account \$ \_\_\_\_\_ Maximum Election - (Employee and Family)
- Dependent Care Reimbursement Account - (Annual Maximum \$5,000, \$2,500 if married filing separately - Employee and Family)
- Transportation Reimbursement Account - (Employee Only - Call for current monthly maximum.)
- Voluntary Term Life Insurance Premium - (Employee Only-Up to \$50,000 in death benefits.)
- Disability Insurance Premium - (Employee Only)
- Cancer Insurance - (Employee and Family)
- Individual Premium Reimbursement Account - Not offered through employer.

**(4) PAYMENT**

An initial Enrollment Fee is due at the time of plan start-up and must be enclosed. The Administration Fee and invoice frequency are determined by fee schedule and invoiced to Employer. (South Dakota residents add 4% sales tax.) **See Application Guide for fee schedule.**

Initial Enrollment Fee: \$ \_\_\_\_\_ + Tax \$ \_\_\_\_\_ = Total Amount \$ \_\_\_\_\_ Minimum Monthly Admin. Fee \$ \_\_\_\_\_ Per Participant Fee: \$ \_\_\_\_\_

Check #: \_\_\_\_\_    Master Card    Visa    American Express    Discover   Freq. of invoicing    Quarterly    Annually

Signature: \_\_\_\_\_ Name of Cardholder (Name on Card): \_\_\_\_\_

Card #: \_\_\_\_\_ Exp. Date: \_\_\_\_\_

**(5) AUTHORIZATION**

I have read, understand and agree to the terms and conditions stated on the other side of this document as attested by the signature below, effective on the date of the signature.

Employer (sign here) \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

If you are a current client of TASC; please note which service:    MAPP    PHiEd

Provider Name: **Eric Herrmann**

Provider #: **TAS-00-2564**

Provider Telephone #: **1-888-533-7928**

Association Code: \_\_\_\_\_ RSD Code: \_\_\_\_\_

Questions? Contact your FlexSystem provider for assistance at 1-800-422-4661 then press 3.



### **Eligible Employees**

The employer must establish the eligibility requirements in order for employees to participate in the Plan and may select up to the maximum listed or instead select lower requirements for participation. The ability to select a lower requirement applies to any of the regulations for participation in the Plan. Many of the regulations listed may exclude an employee from participating in the Plan. If you choose to no select any exclusions, all employees will be eligible for participation. Any excludable options left blank will also be considered as being included.

### **Highly Compensated Employees**

Section 125 of the Internal Revenue Code requires that Cafeteria Plans be offered on a non-discriminatory basis. In assuring compliance, the Internal Revenue Code does not provide one simple test. Section 125 has its own non-discrimination test, just as the individual benefits (Section 105, Section 129 and Section 79) have separate tests that must be met. The complication of this aspect of a Cafeteria Plan stems from the uncertainty of each test's application. Although the various tests tend to be subjective in relation to each other, you will find the concept of fairness is consistent throughout.

Because of the uncertainty, FlexSystem has created a test which considers the similarities of all tests. Since the Internal Revenue Service has not provided much guidance, administrators are left to define a common ground in meeting the non-discrimination requirements. In doing this, it is first necessary to define who is highly compensated. After this determination has been made, it is necessary to apply the concentration test which states that those deemed highly compensated may contribute no more than 33% of total contributions made by the non-highly compensated employees. Those who are defined as highly compensated include:

1. Any officer.
2. Any individual owning 5% or more of the corporation.
3. Any employee earning in excess of \$90,000 (2002 figures) and in the top paid group.
4. Any dependent of an employee meeting the above criteria.

FlexSystem will perform non-discrimination tests for you. However, employers should consider the concentration test when highly compensated employees are making their Plan elections. They may be asked to provide additional information for accurate testing. The employer will be notified of the results.

### **Appointment**

Subject to the supervision of the Administrator/Employer, the signee on the other side of this agreement, the appointed Administering Agent will administer the Plan, including the amendments thereto in accordance with its terms. All of the provisions of the Plan, including the provisions governing indemnification and limitations of liability, are hereby incorporated by reference. The Administrator of the Plan is limited to: monitoring of benefit accounts and plan deferral limits, processing of benefit claims, preparation of a Summary Plan Description, employee election forms, and Summary Annual Reports. The Administrator acts as an agent for the Employer in receiving payments from the Employer and processing employee benefit payments. The Plan will remain in the possession of the Administrator and will be kept within the guidelines of Section 125 of the Internal Revenue Code and ERISA. The employer also appoints and authorizes FlexSystem to act as its agent and in its name for the employer's use and benefit with respect to establishment of the plan using the Plan Application.

### **Plan Number**

A Plan Number will be assigned to this Plan and communicated to the Client. The client should make note of the Plan Number and use it when contacting TASC's Customer Service Department to ensure efficient and accurate transferring of plan-related information.

**Entry Date** - Choosing this option does not constitute an open enrollment. It allows newly eligible participants to enroll on the specified dates only. This is optional.

### **Employer Responsibilities**

The Employer shall provide to the Administrator the information necessary to administer the Plan in a timely manner. This information should include the employee census data. Each payroll period the Employer shall pay to the Administrator the Employee's salary reduction amounts for that period, plus administration costs calculated by the Administrator.

### **Termination**

This Plan may be terminated by proper notice of one party to the other. Following the termination of the Plan, this agreement shall automatically terminate, and all benefits shall be paid and final reports prepared. Terms by which this Plan can be terminated are by written notice sixty (60) days in advance from either party or by written notice fifteen (15) days in advance to the Employer for failure to forward to the Administrator funds from employee deductions. Upon this sooner termination, the Administrator shall use the funds in its possession for the payment of benefits to the Employer and for its own fees and expenses. The Administrator has no responsibility to enforce the Employer's funding of benefits required under the Plan. Upon and after the expiration or termination of this Application, the rights granted to the employer pursuant to this Agreement shall revert back to FlexSystem, a division of Total Administrative Services Corporation. Within 20 days after termination or expiration of this Application, the employer shall return to FlexSystem all manuals, brochures, computer programs, customer and vendor data bases, and any other documents regarding the FlexSystem programs and systems and any copies thereof. In addition, the employer shall refrain from any further direct or indirect use of or reference to the FlexSystem marks, systems, publications, manuals, brochures, documents, computer programs and computer databases in connection with the marketing, use, implementation, license, sale or distribution of any program or system that enables employers to offer employee benefits on a pre-tax basis. Finally, the termination of this Application shall not affect the duty of the employer not to infringe on FlexSystem's trademarks and copyrights and not to disclose and keep confidential all said Confidential Information supplied to the employer by FlexSystem.

### **Money Back Guarantee**

If you are not entirely pleased with FlexSystem simply return all the FlexSystem materials to receive a full refund. You may return FlexSystem within 30 days of the date received to be refunded for the full purchase price.

Please mail your Plan Application along with your enrollment fee to the following address:

Total Administrative Services Corporation  
2302 International Lane  
P.O. Box 14140  
Madison, Wisconsin 53704-3140