



**Section 125 Premium Only Plan Administrative Services Agreement**

**A. Client Information**

Date	Assoc Number	Client Number(s)
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Client Legal Name		Trade Name (DBA)	
Mailing Address for Plan Information, City, State, Zip Code			
( )	( )		
Telephone Number	Fax Number	E-mail	Contact Name for Plan Data

**B. Federal Reporting Information**

Check Entity Type		Fed Id #			-										
<input type="checkbox"/> S-Corporation	<input type="checkbox"/> Limited Liability Corporation (LLC)	SIC Code													
<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Partnership (LLP)														
<input type="checkbox"/> C-Corporation	<input type="checkbox"/> Sole Proprietor														
<input type="checkbox"/> Non Profit Corporation															

**C. Plan Information**

Original Effective Date of Plan	/	/	
<i>If you already have an existing plan, this date is the original start date of the first plan year.</i>			
Beginning Date of This Plan Year	/	/	Ending Date of This Plan Year
3 Digit Plan Code			
<i>For annual reporting purposes, you must assign sequential numbers starting with 501 for each welfare and fringe benefit plan established, such as medical, dental, and cafeteria; we use 501 if unknown.</i>			
Days of Employment for Employees to Become Eligible	<input type="checkbox"/> 30 Days	<input type="checkbox"/> 60 Days	<input type="checkbox"/> 90 Days
Minimum Weekly Hours Worked for Employees to be Eligible	<input type="checkbox"/> 20 Hours	<input type="checkbox"/> 30 Hours	<input type="checkbox"/> 40 Hours

(1) Group Insurance Company Name	Type of Insurance	Policy Number
(2) Group Insurance Company Name	Type of Insurance	Policy Number
(3) Group Insurance Company Name	Type of Insurance	Policy Number
Annual Fee	\$	<input type="checkbox"/> Check Attached <input type="checkbox"/> Bill with Payroll

**D. Agreement**

*This Agreement made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Advantage Payroll Services, Inc. (hereinafter "APSI") and the undersigned employer (hereinafter "Participating Employer") is an amendment to the Payroll and Tax Processing Agreement signed by the parties dated \_\_\_\_\_. Additional services provided for in this Agreement are subject to the terms and conditions of the Payroll and Tax Processing Agreement.*

**E. Terms and Conditions**

***All of the terms and conditions on the reverse side of this Agreement, including the Whereas clauses, are part of the Agreement and are incorporated herein by reference. This Agreement shall not become effective unless signed by an authorized representative of APSI and Participating Employer.***

***In Witness Whereof, the parties herby execute this Agreement as of the day and year written in Section D above.***

Authorized (Participating Employer Signature)	Print Name
Witnessed By (APSI Signature)	Print Name

Please forward completed Administrative Services Agreement to the APSI office. A Premium Only Cafeteria Plan Discrimination Questionnaire will be prepared by APSI and mailed to the participating Employer to complete, along with the Plan Document, Summary Plan Description, and Cover Letter.

Check here to have the sample Plan documentation delivered by the Sales Representative.

## WITNESSETH

**WHEREAS**, the Participating Employer maintains a group health plan for its eligible employees; and **WHEREAS**, the Participating Employer has established or intends to establish and maintain a cafeteria plan, pursuant to Section 125 of the Internal Revenue Code of 1986 (“Code”) and the regulations thereunder, which provides for its eligible employees to pay their portion of the premium for coverage under the Participating Employer’s group health plan on a pre-tax basis (“premium conversion cafeteria plan”); and **WHEREAS**, APSI renders services to assist employers in implementing and administering premium conversion cafeteria plans; and **WHEREAS**, the Participating Employer desires to engage the services of APSI with respect to the implementation and administration of the Participating Employer’s premium conversion cafeteria plan and APSI desire to provide said services; **NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein, **IT IS AGREED**:

1. **Engagement.** The Participating Employer hereby engages APSI to perform the services described in Section 2 of this Agreement and APSI hereby accepts such engagement on the terms and conditions set forth herein.
2. **Services.** APSI shall perform the following services for the Participating Employer:
  - a) delivering to the Participating Employer the following sample documents necessary to establish and maintain a premium conversion cafeteria plan: a form of plan document intended to comply with the requirements of Section 125 of the Code and the regulations thereunder, a form of summary plan description intended to meet the requirements of the Employee Retirement Income Security Act of 1974 (“ERISA”), an enrollment form, and a change in benefit election form (hereinafter “plan documents”);
  - b) preparing such sample amendments as may be necessary from time to time to keep the form plan documents in compliance with applicable law;
  - c) preparing and distributing to the Participating Employer such statements, and other documents as may be required by the Code or ERISA, as the same may be amended from time to time, and regulations issued thereunder;
  - d) preparing and delivering to the Participating Employer such reports of administration as may be reasonably required by the Participating Employer.
3. **Responsibilities of APSI.** APSI shall be responsible for the following:
  - a) the timely delivery to the Participating Employer of plan documents and any amendments intended to keep such documents in compliance with applicable law;
  - b) the timeliness, completeness, and accuracy of the written statements and reports prepared by APSI.
4. **Responsibilities of the Participating Employer.** The Participating Employer shall, from time to time, provide such data and other information as APSI may reasonably request in order to perform the services described herein. The Participating Employer shall be responsible for the timeliness, completeness, and accuracy of the data and other information supplied to APSI. APSI shall be entitled to conclusively rely on such information furnished by the Participating Employer and shall be fully protected by the Participating Employer in any action it may take or suffer in reliance on such information. The Participating Employer shall be solely responsible for the compliance of its premium conversion cafeteria plan with the Code, ERISA, and any other applicable law, with respect to both the form and the operation of the plan. The Participating Employer acknowledges and agrees that the plan documents provided by APSI under this Agreement are sample and form documents only that are provided as a courtesy to the Participating Employer, and that the Participating Employer is specifically advised to seek legal counsel with regard to the establishment and maintenance of its premium conversion cafeteria plan.
5. **Confidentiality of Information.** Any information requested by APSI hereunder shall be used only for purposes of performing the services described herein and shall not be released by APSI to any other person without the consent of the Participating Employer except as otherwise required by law.
6. **Compensation.** In consideration for the services described in this Agreement, the Participating Employer shall pay APSI. APSI may, from time to time, adjust the fees provided that no such adjustment increasing fees shall take effect earlier than the plan year coinciding with or following the next anniversary of the date of the Agreement. The fee shall be paid annually in advance of the beginning of the plan year for which services are to be rendered and shall cover all services rendered under this Agreement during such plan year.
7. **Term.** The term of this Agreement shall be for one (1) year, commencing on the date hereof, unless earlier terminated by either party on thirty (30) days’ written notice to the other; provided, however, the Participating Employer may extend said term from year to year by timely paying the fee pursuant to Section 6 of this Agreement with respect to each additional year prior to the issuance of a written notice of cancellation by APSI. If the Participating Employer fails to pay the fee due pursuant to Section 6 of the Agreement with respect to any additional year, such failure shall result in immediate termination of the Agreement in the sole discretion of APSI.
8. **Miscellaneous.**
  - a) This Agreement may be amended at any time by written agreement of the parties.
  - b) This Agreement contains the entire understanding of the parties, and all prior representations, promises or statements are merged herein.
  - c) Neither party may assign any rights or delegate any duties under this Agreement without first obtaining the written consent of the other party
  - d) Nothing in this Agreement shall be construed to cause APSI to be treated as the plan administrator or a named fiduciary for purposes of Section 402(a) (1) of ERISA with respect to the Participating Employer’s group health plan or premium conversion cafeteria plan.