



## Contract By Authorized Board

**Commodity or Service:** Third-Party Administration of Employee Reimbursement  
Accounts and Commuter Benefits Programs

**Request for Bid/Proposal No:** ETI0022

**Authorized Board:** Employee Trust Funds  
Board

**Contract Period:** 01/01/2010 thru 12/31/2012 with option for two (2) additional one-year periods

1. This contract is entered into by and between the State of Wisconsin, Department of Employee Trust Funds (Department), the State of Wisconsin Employee Trust Funds Board (Board), and the contractor whose name, address, and principal officer appears on page 2. The Department is the sole point of contract for Board contracting;
2. Whereby the Department of Employee Trust Funds agrees to direct the purchase and the contractor agrees to supply the contract requirements cited above in accordance with the terms and conditions of the request for bid cited above, and in accordance with the contractor's bid submitted on this request for bid which request for bid is hereby made a part of this contract;
3. In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employees or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Wis. Stats., sexual orientation as defined in s.111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the contractor further agrees to take affirmative action to ensure equal employment opportunities. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.
4. Contracts estimated to be over twenty-five thousand dollars (\$25,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than twenty-five (25) employees are exempted from this requirement.

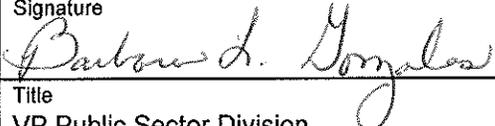
Within fifteen (15) working days after the award of the contract, the plan shall be submitted for approval to the Department. Technical assistance regarding this clause is provided by the Purchasing Agent, Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931, (608) 266-8989, mark.blank@ef.state.wi.us.

5. For purposes of administering the contract, the Order of Precedence is: this contract; the Business Associate Agreement; the technical and cost proposals for the RFP ETI0022 submitted by Fringe Benefits Management Company dated April 28, 2009; RFP ETI0022 dated March 23, 2009, including all appendices, attachments and amendments; Amendment 1 dated December 17, 2009.
6. Assignment of contract to WageWorks, Inc; per Standard Terms and Conditions (Request for Bids & Proposals) Section 17.0 of RFP ETI0022 & FBMC letter of November 18, 2010. Payments for all administrative fee invoices (ERA and Commuter Benefits) will be made to Fringe Benefits Management Company, a Division of WageWorks. fein 94-3351864. Until further notice, continue to use fein 591657263 "WISMART payment address A" when paying the invoices for claims reimbursement.
7. For purposes of administering the contract, the following document is added: Plan Document for the State of Wisconsin Section 125 Cafeteria Plan including Appendix A, Amended and Restated Health Flexible Spending Account Plan; Appendix B, Amended and Restated Dependent Care Flexible Spending Account Plan; and Plan Document Amendment #1, effective January 1, 2011, and all attachments. For purposes of administering this contract the Restated Order of Precedence is:
  - 1) this Contract;
  - 2) Contract Amendment #1 dated December 17, 2009
  - 3) the Business Associate Agreement;
  - 4) the Plan Document for the State of Wisconsin Section 125 Cafeteria Plan as described above including all appendices, attachments and amendments;
  - 5) the technical and cost proposals for the RFP ETI0022 submitted by Fringe Benefits Management Company dated April 28, 2009;
  - 6) RFP ETI0022 dated March 23, 2009, including all appendices, attachments and amendments.

*This document can be made available in accessible formats to qualified individuals with disabilities.*

**Contract Number & Service:** Third-Party Administration of Employee Reimbursement Accounts and Commuter Benefits Programs

State of Wisconsin Department of Employee Trust Funds
By Authorized Board (Name) Employee Trust Funds Board
By (Name) Wayne Koessl
Signature 
Title Vice Chair, Employee Trust Funds Board
Phone 608-261-7940 (Robert J. Conlin, Deputy Secretary)
Date (MM/DD/CCYY)
Witness (1):
Witness (2):

To be Completed by Contractor
Legal Company Name WageWorks, Inc
Trade Name FRINGE BENEFITS MANAGEMENT CO, A DIV OF WAGEWORKS
Taxpayer Identification Number 94-3351864
Company Address (City, State, Zip) 3101 Sessions Road Tallahassee, FL 32303
By (Name) Barbara L. Gonzales
Signature 
Title VP Public Sector Division
Phone 850-425-6200 ext. 2448
Date (MM/DD/CCYY) 04/28/2011
Witness (1): 
Witness (2): 

**AMENDMENT #1 TO THE  
AMENDED AND RESTATED  
HEALTH FLEXIBLE SPENDING ACCOUNT PLAN  
(ET10022)**

This Amendment to the **Health Flexible Spending Account Plan** is adopted by State of Wisconsin, effective January 1, 2011.

**WHEREAS**, the Employer previously adopted a Code Section 105 Health Flexible Spending Account Plan ("HFSA");

**WHEREAS**, the Patient Protection and Affordable Care Act (the "Act"), restricted tax-free reimbursement of over-the-counter drugs and biologicals and changed the definition of a dependent to describe a child to age 26, and modified tax law to permit the tax-free reimbursement of eligible medical expenses for a child through the end of the year in which the child turns age 26;

**WHEREAS**, the above change in tax law is permissive for excepted benefits under HIPAA and the State of Wisconsin HFSA is deemed an excepted benefit;

**WHEREAS**, the State of Wisconsin tax law does not conform to the referenced change in federal tax law; the Employer desires to amend the Plan as set forth herein until such time as the State of Wisconsin tax law does conform to federal tax law for purposes of dependent status; and

**WHEREAS**, the State of Wisconsin chooses to adopt the HEART Act.

**NOW, THEREFORE**, effective as set forth above, the Plan is amended as follows:

**1. Definitions**

A. "Dependent" shall mean any individual who is a tax dependent of the Participant as defined in Code Section 105(b) and who does not also exceed the age permitted under Wisconsin state law for purposes of determining dependent status.

B. Effective for expenses incurred on or after January 1, 2011, the definition for "Eligible Medical Expenses" under the HFSA shall be modified so that over-the-counter medicines and drugs shall only be eligible where prescribed by a physician in accordance with state law.

C. "SPD" shall mean the Employee Reimbursement Account Enrollment Booklet, Plan Booklet, or any other name used in the present or future that denotes the material provided to eligible employees in booklet form and which is used describe the terms and conditions of the Employee Reimbursement Account program.

D. "Qualified Reservist Distribution" means a distribution to an individual of all or a portion of the balance in such individual's HFSA:

- (i) while a Participant, such individual was, by reason of being a member of a reserve component (as defined in section 101 of title 37, United States Code), ordered or called to active duty for a period of 180 days or more, or for an indefinite period, and

(ii) such distribution is made no earlier than the date of such order or call and no later than the last date that reimbursements could otherwise be made under the HFSA for the Plan Year which includes the date of such order or call described in (i).

## **2. Qualified Reservist Distribution**

The Employer will make Qualified Reservist Distributions to the extent that the Participant satisfies all election requirements established in accordance with applicable law and the Employer's internal policies and procedures. The amount of the Qualified Reservist Distribution shall be equal to the amount of the Participant's Pre-tax contributions allocated to the HFSA during the Plan Year that have not been applied to provide Health Care Reimbursements determined as of the date the Plan Administrator receives an election for a Qualified Reservist Distribution ("Determination Date") made in accordance with the Employer's policies and procedures. Qualified Reservist Distributions will be made without regard to claims incurred and submitted but not yet reimbursed as of the Determination Date. Notwithstanding anything to the contrary, Participants who elect to receive a Qualified Reservist Distribution forfeit any right to reimbursement that would otherwise be available under the Plan.

If, it is determined that a Participant has received a Qualified Reservist Distribution for the applicable Plan Year in excess of the amount allowed by the provision above, the Plan Administrator shall give the Participant prompt written notice of any such excess amount, and the Participant shall repay such excess to the Employer within sixty (60) days of receipt of such notification.