

WageWorks

Healthcare Accounts and Dependent Care Spending Accounts Services Agreement

Broker/Partner of Record: Lockton Companies

Client Primary Contact Information:

Kathleen FIRST NAME	Dunne LAST NAME	Village of Lombard COMPANY NAME ("Client") <input checked="" type="checkbox"/> Check here if a renewal.
255 East Wilson Avenue ADDRESS 1		Human Resources TITLE
ADDRESS 2		DunneK@villageoflombard.org E-MAIL
Lombard CITY		630-620-5928 PHONE
IL STATE	60148 ZIP	630-620-8222 FAX

1. Services. Choose desired services (must mark at least 1)

- ☒ A. Healthcare FSA*
- ☒ B. Dependent Care FSA (DCAP FSA*)
- ☒ C. Limited Purpose FSA (LPFSA*)
- ☒ D. Healthcare Reimbursement Arrangements (HRA)
- ☒ E. Health Savings Accounts (HSA)

*FSA=Flexible Spending Accounts

2. Term.

Term of One (1) year commencing on 6/1/2007. Except with respect to payments to WageWorks, either party may terminate this Agreement (i) if the other party has breached any of the provisions of this Agreement, on ten (10) days prior written notice to the breaching party, unless the breach shall have been cured to the reasonable satisfaction of the non-breaching party within such ten (10) days, or (ii) if the other party files for protection under Federal or state bankruptcy laws or is determined by a court or government entity to be insolvent. WageWorks may terminate this Agreement five (5) business days following the date any payment is due.

This Agreement shall renew for an additional one-year term. Either party may opt not to renew this Agreement by providing written notice to the other at least 90 days prior to the expiration of the Agreement. WageWorks will notify Client of any fee increases at least 90 days before the natural expiration.

3. Funding of benefits

A. For FSA and HRA

Client agrees to adhere to the arrangement in Appendix A-1 (4% by WageWorks Initiated ACH Debit) for the funding of the benefits for Healthcare FSA, HRA and DCAP FSA. Client is responsible for all products or services purchased by the Participants, regardless of whether Client actually collected sufficient funds from the Participants from payroll deductions (if applicable).

B. For HSA

Client agrees to the HSA funding described in Appendix A-2.

use for [signature]

WageWorks**4. Fees.**

Client (mark here ☐ if the designee listed in Appendix D) will be invoiced monthly electronically for WageWorks' service fees described below.

A. Monthly Service Fees, subject to a monthly minimum fee of \$300.00.:

0 - 100 Total Participants	\$6.25 PPPM
101-250 Total Participants	\$5.85 PPPM
251-500 Total Participants	\$5.15 PPPM
501+ Total Participants	\$4.90 PPPM
HSA Custodial Fee in addition to the PPPM fee above:	\$1.95 per HSA

PPPM refers to per participant per month and applies to each individual with at least one account election. For example, an individual who enrolls in both the Health FSA and the DCAP FSA would be charged as one participant. The number of Participants to be used to determine the PPPM tier is the total number of employees enrolled determined as of the close of the open enrollment for any particular plan year and the PPPM shall be fixed for the duration of the plan year.

B. Initial Program Setup fees: \$950, amount to accompany the executed Agreement. This is charged for a first year client and does not apply upon Client's renewal term.

C. Annual Renewal Fee: \$750.

D. Net of Broker's Fees and Charges

The fees quoted above in A through C are the net amount payable to WageWorks and exclude brokerage fees and commissions, if any.

☐ Mark here if broker fees are due. Client authorizes the monthly charge of _____ per account per month to be added to the above fees. Broker fees shall be paid quarterly to the Broker designated in Appendix D.

E. Payment Terms

If Client is paying the minimum monthly fees of \$300, WageWorks will issue ACH debit against the Client's account for fees for 3 months of fees on the first day of each calendar quarter. Otherwise, WageWorks will issue ACH debit against the Client's account on the last business day of each month.

If a designee is to pay the invoice, or Client wishes to pay by wire, EFT or ACH credit to WageWorks' account, mark here ☐ and complete Appendix D.

If Client (or its designee) fails to have sufficient funds to cover the ACH debit or pay the invoices timely, Client shall pay a per incident charge of \$250 plus 1.5% interest each month or partial month. The designation of another party to receive or pay invoices does not relieve the Client of its obligation to pay timely. This is in addition to other remedies that WageWorks may have.

WageWorks**F. Definitions****1) Participant**

- a) For billing purposes, other than for HSAs, a Participant is
 - i) any individual who may receive a benefit during a month in the plan year, regardless of account balance or employment status, and
 - ii) during the Run Out of a plan year, any individual who has an account balance, regardless of whether the individual has terminated employment.
- b) For HSA, a billable account is one which has not been closed or which has a positive account balance. Fees for individuals who have terminated employment will be billed against the individual's account.

2. Run Out

The number of months following a plan year in which claims will be accepted for adjudication.

G. Marketing Support

WageWorks will provide access to an online communications website where Client may access and download standard electronic employee collateral at no additional charge. Customized employee collateral is available for additional fees. See Appendix C for fees associated printed employee collateral. Clients shall pay all shipping and handling of printed materials ordered from the website.

5. Reliance on Client Provided Information.

WageWorks shall be entitled to rely on the completeness and accuracy of all information provided by Client, its delegates or employees.

6. Eligible Employees.

It is Client's sole responsibility to determine employee eligibility for the benefits. Client shall provide at least one monthly file containing the information requested by WageWorks using WageWorks FTP site. Such file to be formatted to WageWorks specifications.

7. Privacy.

Except as noted herein, WageWorks will not disclose to any third party any Client information of a confidential nature, including employee-specific information. WageWorks agrees to the Business Associate Agreement attached as Appendix B for any program subject to Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

8. Employee Responsible to Maintain Account Security.

Each of Client's employees is provided with a unique username/password combination to WageWorks website. WageWorks has no liability for costs and expenses incurred as a result from the transfer of username or password by an employee.

9. Scope of Core Services.**A. Implementation**

WageWorks shall contact Client, by electronic means (email or phone), to:

- (i) collect plan minimums and maximums from Client;
- (ii) provide data exchange requirements definition;
- (iii) configure Client's plan on the WageWorks system;
- (iv) provide weekly education and enrollment web conferences for employers and employees;
- and
- (v) provide telephone support during open enrollment for employer inquiry.

WageWorks**B. Enrollment**

WageWorks shall:

- (i) make available standard electronic versions of the employee communication materials for Client to download and distribute;
- (ii) enroll employees onto WageWorks' administration system based on the data file provided by Client in a format as specified by WageWorks; and
- (iii) once enrolled, deliver Health Care Guide to the Participant's designated address.

The electronic communication materials available in the web Content Library are:

- E-mail Announcement series
- Frequently Asked Questions (FAQ)
- Web banners and buttons
- Open Enrollment website tools
- Open Enrollment PowerPoint Presentation and script

C. Benefit Services

WageWorks shall:

- (i) provide up to two debit cards to each Participant who enrolls in a Healthcare FSA, Limited Purpose FSA, or an HRA (or any combination), such debit cards to be usable at (a) merchants who sell eligible medical supplies or equipment or (b) medical service providers who normally would accept credit or debit cards, ~~except that~~ if the individual is a participant in a Limited Purpose FSA, the card shall be further limited to providers who provide dental or vision services;
- (ii) make payments directly to medical or dependent care providers designated by the Participants on WageWorks website (and who accept such payments and are determined by WageWorks to be medical or dependent care providers); and
- (iii) provide reimbursements to Participants who have (a) incurred eligible medical or dependent care expenses during the plan year (or grace period, if elected by employer), (b) submitted complete documentation and claims forms in timely manner as prescribed by WageWorks, and (c) sufficient account balances for the benefits. Each reimbursement is subject to a minimum of \$5/ transaction, ~~except for distributions of final balances,~~
- (iv) with respect to HSA only, provide the same services as above, except that the reimbursement request shall not be conditioned on WageWorks determination of whether the payment recipient provides eligible medical services, and further, HSA participants may also elect to use WageWorks system to select and allocate investment options available from the trustee.

If WageWorks determines, subsequent to an approved transaction that the amount paid may not be or was not for eligible medical or dependent care expenses, to the extent permitted by law, WageWorks shall attempt to take corrective action(s) to recover the funds from the participant. Such actions include but are not limited to those contained in Rev. Rul. 2003-43 and other pronouncements, such as request for additional receipts, offset future claims against, suspend any debit cards. However, in no case shall WageWorks be responsible for such amounts even if the corrective actions were not successful. While WageWorks will provide reports of all unsuccessful corrective actions, Client shall be solely responsible for any attempt to collect amounts through payroll deductions.

D. Customer Services for Participants

WageWorks shall:

- (i) make a customer call center available between the hours of 5:00AM and 5:00PM Pacific Time, Monday through Friday except holidays;
- (ii) make its employee accessible web site available 24/7 except for 1 hour routine daily maintenance; and
- (iii) send monthly Health FSA/HRA/LPFSA statements to Participants via email, or by paper mail if email addresses are not available;

WageWorks

- (iv) send quarterly DCAP FSA statements to Participants via email, or by paper mail if email addresses are not available.

The web site shall contain account information, transaction records, administration forms in Adobe® PDF formats.

E. Customer Services for Client

WageWorks shall:

- (i) make a customer call center available between the hours of 6:00AM and 5:00PM Pacific Time, Monday through Friday except holidays to handle employer level issues, and
- (ii) make an employer accessible web site which contains employer downloadable reports available 24/7 except for 1 hour routine daily maintenance.

Services do not include enrollment meetings, or any cost of travel, meals and lodging expenses.

F. Limitations

WageWorks shall use commercially reasonable efforts to make Client aware of any changes in the relevant laws, regulations, industry, market conditions or other circumstances, that could affect the services provided by WageWorks hereunder. WageWorks shall be obligated only for work or deliverables specified in the Agreement. WageWorks' services shall not be construed to include accounting; tax preparation; tax, legal or consulting services; giving testimony or appearing or participating in discovery proceedings; in administrative hearings, in court, or in other legal or regulatory inquiries or proceedings.

10. Warranty

WageWorks warrants that all services performed under the Agreement will be done in a professional manner and to its best understanding of applicable Federal tax laws. Other than its obligations under Section 11, with respect to any services, work product or other deliverables hereunder, or this engagement generally, WageWorks' liability shall in no event exceed the service fees it has received hereunder.

WageWorks is not associated with the trustee or custodian of any HSAs. WageWorks' duties with respect to the HSA investments is strictly confined to transmit information between the HSA participant and the trustee, and makes no representation or warranty as to the quality of investments, the viability of the trustee or investment funds, or any information provided by such trustee.

NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR EXEMPLARY DAMAGES OR LOSS (NOR ANY LOST PROFITS, SAVINGS OR BUSINESS OPPORTUNITY).

11. Indemnification.

WageWorks will indemnify Client, its affiliates and their partners, principals and agents against actual damages and all reasonable costs, fees and expenses associated with any third party claim that a competent court of law determined to be proximately caused by WageWorks' negligence, willful misconduct and/or breach of the terms of this Agreement, and not caused by any other party's negligence or willful misconduct, or a breach by Client of the terms of this Agreement. Client will indemnify WageWorks, its affiliates and their partners, principals and agents against claims, damages and reasonable costs, fees and expenses associated with any third party claim that a competent court of law determined not to be proximately caused by WageWorks' negligence, willful misconduct and/or breach of the terms of this Agreement.

WageWorks does not promote, or solicit the purchase or sale of any securities and is not in any way affiliated with the HSA trustee. WageWorks' indemnification duties explicitly exclude any and all liabilities with respect to the investments or actions taken (or failed to be taken) by the HSA trustee.

WageWorks

No private right to damages due to HIPAA violation is hereby created. Thus, notwithstanding the forgoing, with respect to any claimed HIPAA violation, WageWorks' duty of indemnification shall be limited to the reasonable defense costs and penalties payable for proceedings filed by the Secretary of Human Services or its delegates to the extent the violation is found to be caused by WageWorks' negligence or willful misconduct.

The foregoing terms are intended to apply to the extent not contrary to applicable laws, regardless of the grounds or nature of any claim asserted (including contract, statute, any form of negligence, intentional tort, strict liability or otherwise) and whether or not each party was advised of the potential liability in advance. The party seeking indemnification must notify in writing the indemnifying party no later than 10 days of a claim being made against it. The indemnifying party may proffer defense of any claim.

12. No Third Party Beneficiaries.

This Agreement is made solely for the benefit of Client and WageWorks. No other person shall acquire or have rights hereunder or by virtue of this Agreement.

13. Non-Assignment of Duties.

Neither party shall assign its rights (other than the right to receive payment by WageWorks) or delegate its duties under this Agreement without the prior written consent of the other party.

14. Intellectual Property, etc.

Client and its employees are granted a limited, non-exclusive, non-transferable, non-sublicensable license to access and use the WageWorks System. All forms, designs, programs, methodologies and processes are the exclusive intellectual properties of WageWorks. Client and its employees are not permitted to copy, distribute, reverse engineer, or otherwise duplicate WageWorks intellectual properties. The previous sentence shall survive the termination of this Agreement. WageWorks and its logo are registered trademarks of WageWorks, Inc.

15. Entire Agreement

This Agreement, including the appendices, and any other attachments hereto constitutes the full and complete understanding and agreement of the parties hereto relating to the subject matter hereof and supersedes all prior understandings and agreements relating to such subject matter. Any waiver, modification, or amendment of any provision of this Agreement shall be effective only if in writing and signed by both parties. The provisions of this Agreement shall prevail over any additional or different provisions in a Client purchase order, acceptance notice, or other similar document, which provisions shall be of no force or effect.

16. Independent Contractor.

WageWorks' relationship to the Client is that of an independent contractor. Except as expressly provide herein, WageWorks shall have no authority to commit Client contractually, or otherwise, to any third party.

17. Governing Law.

The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of California without resort to that State's conflict-of-laws rules.

WageWorks**18. Survival, Waivers, Severability.**


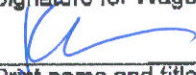
Sections 10 through 17, and the obligations for Client to pay WageWorks shall survive the termination of the Agreement.

The failure of either party hereto to enforce at any time any of the provisions of this Agreement shall not be construed to be a present or future waiver of such provisions, nor in any way affect the validity of either party to enforce each and every such provision thereafter.

In the event any section, paragraph, subparagraph, or provision of this Agreement shall be determined to be contrary to governing law or otherwise unenforceable, all remaining portions of this Agreement shall be enforced to the maximum extent permitted by law.

Agreed to by the Parties:

Execution

Signature for Client: 	Signature for WageWorks: 
Print name and title: Kathleen Burke HR Admin	Print name and title: Kathleen McElwaine CFO
Date: 6/1/2007	Date: 6/26/07



Appendix A- ACH Debit Funding Arrangement for Healthcare and Dependent Care Accounts

The Client agrees to provide funds as follows:

- A. Client agrees to provide a security deposit of 4% of estimated benefit costs. Estimated benefit costs shall be based on an estimate of the aggregate annual elections or available benefits of all participants in the Plan.
- B. At least 45 days prior to the first day of the Plan Year, WageWorks will issue a "pre-note" to test the transactions. No money will be actually debited during this test. Client shall ensure that the account is established for this to occur successfully.
- C. The amount in A shall be made available at least 15 business days prior to the first day of either (i) each Plan Year or (ii) the first day of the month that the benefits will be administered by WageWorks.
- D. On such day, WageWorks shall initiate an Automated Clearing House (ACH) debit against the Client's direct deposit account (DDA). FAILURE TO ENSURE THAT THERE ARE SUFFICIENT FUNDS WILL DELAY THE CREATION OF INDIVIDUAL ACCOUNTS, PREVENTING PARTICIPANTS FROM ANY ACCESS TO THEIR BENEFITS. WAGeworks RESERVES THE RIGHT TO CHARGE ADDITIONAL FEES RESULTING FROM THE INITIAL FUNDING BEING UNTIMELY.
- E. On the first business day of each week, WageWorks shall provide a notice, via electronic mail to one or more electronic addresses designated by the Client, that an electronic report containing all purchases, payments and reimbursements made under the flexible spending accounts during the previous week is available for download. The report shall indicate amounts necessary to maintain a balance of 4% described in A.
- F. Client authorizes WageWorks (or its delegate Bank (ODI)) to initiate an ACH debit against the Client's DDA to ensure that WageWorks receives the amounts described in E on the same day.
- G. In cases during any given week where the balance falls below 50% of the amounts in A, WageWorks (or its delegate Bank) shall initiate an ACH debit against the Client's DDA immediately.
- H. When notified by WageWorks of insufficient funds Client shall have 1 business day to provide the funds through electronic funds transfer to an account designated by WageWorks.
- I. For each incident of failure to make funds available timely as described above, other than *force majeure*, Client shall pay \$250/incident plus 1.5% interest charge.
- J. Should Client fail to have sufficient funds to cover the ACH debits more than once, other than due to any *force majeure*, the funding arrangement above shall be increased to 10% of the aggregate annual elections instead of 4%.
- K. After the second failure to provide timely funding, all WageWorks services shall be terminated until a funding arrangement satisfactory to WageWorks has been implemented by Client. If none can be implemented by Client, all service agreement shall be terminated. Such termination shall not relieve Client of any amounts due WageWorks.
- L. If the total funds available to WageWorks fall to zero, all WageWorks services shall be suspended until funds are made available to WageWorks. Client agrees to pay \$35 per Participant each time WageWorks services have to be suspended due to Client's failure to provide funds timely, plus any other out of pocket costs such as bank charges.

WageWorks

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- E. On the first business day of each week, WageWorks shall provide a notice, via electronic mail to one or more electronic addresses designated by the Client, that an electronic report containing all purchases, payments and reimbursements made under the flexible spending accounts during the previous week is available for download. The report shall indicate amounts necessary to maintain a balance of 4% described in A.
- F. Client authorizes WageWorks (or its delegate Bank (ODI)) to initiate an ACH debit against the Client's DDA to ensure that WageWorks receives the amounts described in E on the same day.
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- H. When notified by WageWorks of insufficient funds Client shall have 1 business day to provide the funds through electronic funds transfer to an account designated by WageWorks.
- I. For each incident of failure to make funds available timely as described above, other than *force majeure*, Client shall pay \$250/incident plus 1.5% interest charge.
- J. Should Client fail to have sufficient funds to cover the ACH debits more than once, other than due to any *force majeure*, the funding arrangement above shall be increased to 10% of the aggregate annual elections instead of 4%.
- K. After the second failure to provide timely funding, all WageWorks services shall be terminated until a funding arrangement satisfactory to WageWorks has been implemented by Client. If none can be implemented by Client, all service agreement shall be terminated. Such termination shall not relieve Client of any amounts due WageWorks.
- L. If the total funds available to WageWorks fall to zero, all WageWorks services shall be suspended until funds are made available to WageWorks. Client agrees to pay \$35 per Participant each time WageWorks services have to be suspended due to Client's failure to provide funds timely, plus any other out of pocket costs such as bank charges.

WageWorks

NA

Absent fraud perpetrated by WageWorks, Client unconditionally guarantees that it will pay to WageWorks the full amount delivered or deliverable to participants in Client's plans, regardless of whether Client collects sufficient payroll deductions from its employees.

CLIENT ACH Information

Name of Client (Employer):											
Name of Bank:											
Address of Bank:											
Demand Deposit Account Number:											
ABA Routing Number (9 digits):	<table border="1"> <tr> <td>0</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td> </tr> </table>	0	1	2	3	4	5	6	7	8	9
0	1	2	3	4	5	6	7	8	9		
Name (print):											
Title (print):											
Date:											
FEIN:											
Telephone:											
Email:											
Authorized Banking Signature:											
<input checked="" type="checkbox"/> Mark here if fees are to be debited from this account.											

Appendix A-2. Funding Arrangement for HSAs by ACH Debit

☒ Mark here if this Exhibit is not applicable (i.e., Client is not using HSA)

Client agrees to provide funding for all HSA account holders who have completed the account application and enrollment process as defined by WageWorks.

- A. WageWorks shall initiate an Automated Clearinghouse (ACH) debit within 2 business days of receiving the payroll deduction funding file that corresponds to the HSA deposits. **FAILURE TO INSURE SUFFICIENT FUNDS WILL DELAY THE DEPOSITS TO THE INDIVIDUAL HSAs, PREVENTING ACCOUNT HOLDERS FROM ACCESSING THEIR HSA DEPOSITS.**
- B. WageWorks shall provide a notice via electronic mail to one or more electronic addresses designated by the Client, that a electronic report containing all deposits processed is available for download.
- C. Client authorizes WageWorks (or its delegate Bank (ODI)) to initiate an ACH debit against the Client's DDA to ensure that WageWorks receives the amounts described in B on the same day.
- D. When notified by WageWorks of insufficient funds Client shall have 1 business day to provide the funds through electronic funds transfer to the account designated by WageWorks.

Name of Client (Employer):	
Name of Bank:	
Address of Bank:	
Demand Deposit Account Number:	
ABA Routing Number (9 digits):	
Name (print):	
Title (print):	
Date:	
FEIN:	
Telephone:	
Email:	
Authorized Banking Signature:	

Appendix B HIPAA Business Associate Agreement

WageWorks shall comply with all requirements of privacy and security rules related to Protected Health Information under HIPAA as the Business Associate of the Covered Entity(s). Unless otherwise defined in this Agreement, all capitalized words shall have the meaning given to it under HIPAA Privacy and Security Rules (under 45 CFR Part 160 through Part 164, Subparts A and E). Unless the context indicates otherwise, the term Protected Health Information includes Electronic Protected Health Information.

To the extent not prohibited by HIPAA, the duties and responsibilities listed in the following may change without notice:

A. Use and Disclosure

WageWorks agrees to:

- i. not use or disclose Protected Health Information other than as permitted or required by this Agreement or as Required By Law.
- ii. use appropriate safeguards to maintain the confidentiality of Protected Health Information of Participants (and their spouses and dependants), and
- iii. use of such Protected Health Information for WageWorks' management, administrative and legal responsibilities only as permitted by law.

B. Reports of Improper Use Or Disclosure.

WageWorks hereby agrees that it shall report to Client, as soon as reasonably possible, its discovery of any use or disclosure of Protected Health Information not provided for or allowed by this Agreement.

i. Affiliated Service Providers.

WageWorks hereby agrees that any time Protected Health Information is provided or made available to any Affiliated Service Providers, WageWorks will enter into a subcontract with the Affiliated Service Provider that contains terms, conditions and restrictions on the use and disclosure of Protected Health Information substantially similar to those contained in this Agreement.

ii. Right of Access to Protected Health Information.

WageWorks hereby agrees to make available and provide a right of access to Protected Health Information by an Employee or Employee's dependents (as applicable), but only to the Client designated HIPAA recipient.

iii. Amendment and Incorporation of Amendments.

WageWorks agrees to make Protected Health Information available for amendment and to incorporate any amendments to Protected Health Information in accordance with HIPAA and at the direction of the Employee.

iv. Provide Accounting.

WageWorks agrees to document any disclosure of Protected Health Information (if such documentation is required by HIPAA) and to provide an accounting of such disclosures to the Employee if such request originated from the Employee or the Client's designated HIPAA recipient. The request of such accounting must be made in writing. WageWorks shall respond to such request within 10 business days.

WageWorks

v. Access to Books and Records.

For purposes of determining compliance with HIPAA, WageWorks hereby agrees to make its internal practices, books, and records relating to the use or disclosure of Protected Health Information received from, or created or received by WageWorks on behalf of the Client available to the Secretary of the Department of Health and Human Services (or the designee thereof) or the authorized representative of Client that is qualified to review such information, provided that the Client gives WageWorks 30 days written notice.

vi. Return or Destruction of Protected Health Information.

At termination of this Agreement, WageWorks hereby agrees to return or destroy all Protected Health Information received from, or created or received by WageWorks on behalf of Client, and not to retain any copies of such Information after termination of this Agreement. If return or destruction of such information is not feasible or is prohibited by laws on tax record retention, WageWorks agrees to extend the protections of this Agreement for as long as necessary to protect the information and to limit any further use or disclosure. If WageWorks elects to destroy such information, it shall certify to Client that such has been destroyed.

vii. Mitigation Procedures.

WageWorks agrees to have procedures in place for mitigating, to the extent practicable, any harmful effect that is known to WageWorks from the use or disclosure of Protected Health Information in a manner contrary to this Agreement or applicable law.

C. HIPAA Security

- 1) WageWorks warrants that it has implemented administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of any Electronic Protected Health Information that it creates, receives, maintains or transmits on behalf of Client as required by HIPAA or that which is created, received, maintained or transmitted by WageWorks' agents or subcontractors.
- 2) WageWorks shall report to Client any successful Security Incident of which it becomes aware. For purposes of this Agreement, "Security Incident" means the unauthorized access use or disclosure, modification, or destruction of information or interference with the system operations in an information system. WageWorks shall report attempted but unsuccessful security upon request of the Covered Entity, but not more frequently than quarterly. If the Security Rule is amended to eliminate the reporting of attempted but unsuccessful Security Incident, the parties agree that the previous sentence shall become null and void.
- 3) WageWorks shall provide in such notice the remedial or other actions undertaken to correct the unauthorized Use or Disclosure.
- 4) WageWorks shall mitigate, to the extent practicable, any harmful effect that is known to WageWorks of a Use or Disclosure of Protected Health Information by itself, an agent or subcontractor in violation of the requirements of this Agreement.
- 5) WageWorks', its agent's or subcontractor's obligations under this paragraph C shall survive the termination of the Agreement.

D. Client's Responsibilities

Client, on behalf of the Covered Entity(s),

- 1) agrees that WageWorks may use Protected Health Information for the administration of benefits in accordance to this Agreement and its internal management, to the extent allowed by HIPAA,

WageWorks

- 2) shall notify WageWorks of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect WageWorks' use or disclosure of Protected Health Information,
- 3) shall notify WageWorks of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect WageWorks' use or disclosure of Protected Health Information
- 4) shall notify WageWorks of any restriction to the use or disclosure of Protected Health Information that Client has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect WageWorks' use or disclosure of Protected Health Information; and
- 5) shall establish and administer policies and procedures to ensure that accessing WageWorks' site for Client are restricted to authorized personnel.

WageWorks

Appendix C

☒ Mark here if this Exhibit is N/A

1. Optional Services and Fees (mark boxes)

Select	1. Administration Services	Additional Fees
<input type="checkbox"/>	Nondiscrimination tests	\$150 / hr, \$600 minimum
<input type="checkbox"/>	Plan document preparation using WageWorks' standard document template (FSA and HRA only)	\$600
<input type="checkbox"/>	Plan Amendment or Summary of Material Modification due to legislative change	\$600/standard template document with client information filled in. Additional modifications at \$150/hour.
<input type="checkbox"/>	Form 5500	<ul style="list-style-type: none"> FSA and HRA only for 100+ participants as required by ERISA: \$150 5500 Cafeteria Plan Filings, \$150 / hr, \$300 minimum, Includes general information Form 5500 along with Schedules A (based on insurance company provided information) and Schedule C, as required. Includes Summary Annual Report
	II. Enrollment Services	
	Customized web based employee meetings or train the trainer sessions	\$150 / hr
	Co-branded collateral - logo placement in existing materials	\$250 plus actual print costs if WageWorks is printing materials
	On-site Employee Meetings or Benefit Fair Participation	\$750 per day if 60 days notice provided, \$1,500 per day if less than 60 days notice provided. Client shall pay travel expenses.
	III. Invoicing, Costs, and Funding	
<input type="checkbox"/>	Paper based invoice	\$50 / invoice

Client Name: Village of Lombard

Client Initials if Options checked

WageWorks

2. Additional fees not included in standard fees

Check/Payment stoppage and/or re-issuance fee	\$35 / incident
Replacement of lost debit cards	\$5 / card
Materials Available from WageWorks website (collateral suite and prices are shown on the site under the Communications Gateway tab)	Current Prices
Program Overview (tabloid)	\$.35 ea
HRA Customizable Companion insert	Included no charge
"At A Glance" Program Flyer	\$.15 ea
Program Awareness Postcards (series of 3 for FSA, 2 for HRA, 2 for HSA)	\$.30 per set \$.15 ea
Open Enrollment DVD (FSA, HSA)	\$10.00 ea
All prices shown exclude shipping and handling. Shipping and handling will be charged on all orders.	