



District School Board of Pasco County

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Heather Fiorentino, Superintendent

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December 20, 2011

MEMORANDUM

To: Honorable School Board Members

From: Kendra Goodman, CPPO, CPPB, Purchasing Agent *KDG*

Subject: Voluntary Benefits Administrator
Sunbelt Worksite Marketing

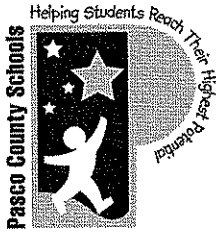
On November 1, 2011, The Board granted permission to Employee Benefits Staff (EBARM) and the Finance Subcommittee to negotiate with Sunbelt Worksite Marketing, Inc. (Sunbelt) to provide voluntary benefit administration services for Pasco School Board employees. Sunbelt has provided these services to the District for the past five years and their service has been satisfactory.

EBARM has negotiated the attached contract with Sunbelt and is recommending The Board approve said contract as submitted. The term of this contract will be from January 1, 2012-December 31, 2012 and be renewable by mutual consent of both parties. The terms and conditions have been approved by Nancy Alfonso, Board Attorney. The District is permitted to negotiate for services of this nature under Florida Administrative Code 6A.012(15).

Although there is no cost for these services, we are requesting Board permission as it involves the handling of District funds.

At this time, we are requesting The Board approve the attached contract with Sunbelt. If you have any questions please contact Mary Tillman or me at your earliest convenience.

KDG/mw
Attachments



District School Board of Pasco County

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DATE: December 20, 2011

TO: Kendra Goodman, Purchasing Agent

FROM: Mary Tillman, Director of Employee Benefits *Mary H. Tillman*

RE: Voluntary Benefits Administrator – Sunbelt Worksite Marketing

On November 1, 2011, the Board gave approval for Employee Benefits Staff and the Finance Subcommittee (of the District Insurance Committee) to negotiate with Sunbelt to provide voluntary benefit administration services for Pasco School Board employees. The District Insurance Committee gave approval for the Subcommittee to interview Sunbelt and make the final recommendation. The Insurance Committee voted unanimously to select Sunbelt.

Sunbelt has provided these services to the District for the last five years and those services have been satisfactory. There is no direct cost to the District for these services.

At this time, I am requesting your assistance in obtaining the Board's approval of the attached contract with Sunbelt. As always I appreciate your assistance and that of your staff during this process.

Voluntary Benefits Third-Party Administration Services Agreement

This Voluntary Benefits Third-Party Administration Services Agreement (hereinafter this "Agreement"), effective as of the 1st day of January, 2012 (hereinafter the "Effective Date") through December 31, 2012 and renewable by mutual agreement, is entered into by and between Sunbelt Worksite Marketing, Inc and District School Board of Pasco County, a Florida School District (hereinafter "Plan Sponsor").

BACKGROUND

Sunbelt has been providing governmental agencies voluntary benefits and administrative services since 1979. Our programs have stretched from offering single products to complete administration.

We are the current Agent of record for The District of Pasco County School Board for all programs except Blue Cross Blue Shield medical, pharmacy, Behavioral Health and Basic Life. We have administered or services since October of 2006. From the open enrollment session to the billings Sunbelt Worksite Marketing provides Pasco County Schools a complete package of products.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, Plan Sponsor and Sunbelt Worksite Marketing agree as follows:

SPECIFICATIONS

The following sections will address the three (3) areas for which services to be provided:

1. Administrative Services
2. Agent Services
3. Application Service Providers (ASP)

1. Administrative Services

1.1 Benefits Management System/Annual Enrollment for All Benefits

A benefits management system

A web based enrollment that can be supplemented by paper enrollment where exceptions are needed

- a. Annual open enrollment
- b. New hires
- c. Mid-year status changes

1.2 Preparation/Printing/Distribution

Enrollment communications materials, e.g. posters, for 85+ work locations

Enrollment and Reference Guides for all benefits – 12,000 annual

Enrollment forms

Certificates of Insurance (Cert guides, books)

1.3 Application Service Provider/Benefits Administration

All employee/retiree core and non-core benefits


Voluntary/flexible benefits (including section 125)

Premium Disbursement/Reconciliation – Monthly

1.4 COBRA Administration

TASC currently provides initial notification of COBRA rights

TASC responsible for election notice (termination of eligibility)

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1.5 HIPAA Administration

For only the voluntary/flexible (not core) products

For all COBRA.

1.6 Section 125 Administration for Premium Conversion

Employee Medical Buy-up to PPO

Dependent Medical

1.7 Flexible Spending Account Administration

Medical Expenses (MFSA)

Dependent Care (DFSA)

Debit card (deducted from FSA)

1.8 Banking Services (associated with 3rd-party administration)

Bank reconciliations

Maintain all banking records

Perform all banking functions (e.g. place stop payments, provide copies of cancelled checks upon request)

Be the banking contact for issues on those accounts utilized by the successful firm

The District retains the right to determine how funds will be transferred (via check or wire transfer) to cover employee contributions.

1.9 Other Services

Personnel to assist with open enrollment for 85+ sites

On-site representative to assist with benefits administration

Toll free number

Web-based self-service tools

Legislative/Regulatory Awareness

Updates for new product consideration

Attendance at Employee Benefits Insurance Committee meetings, as needed

Coordination of RFP(s) for new or renewing voluntary benefits products

Assistance to the Employee Benefits Department with product education

Sunbelt Worksite Marketing is required to maintain books, records, documents, and any evidence on costs and expenses for services provided. Records must be available to the District for audit of payroll deductions in compliance with the State of Florida General Records Schedule GS-1 for Local Government Agencies.

1.10 FSA Deductions


Sunbelt Worksite Marketing/TASC shall, upon open enrollment, provide communications materials to participants regarding options they may choose, and the effect on their taxable income, especially for dependent care deductions.

Dependent care information must be individually prepared and explained to employees to allow them to knowledgeably choose between flexible spending accounts and itemizing the expense for federal income tax purposes.

Sunbelt Worksite Marketing/TASC shall be responsible for ongoing enrollment, and for producing reports to the District and to individual employees.

The FSA administrator is expected to provide the District with at least the following services:

- Assistance with up-dating plan documents, to assure compliance with applicable law, regulations, etc.
- Employee group seminars and individual enrollments.
- Preparation of enrollment communications materials, including a letter explaining the program, FSA questions/answers, examples of the benefits of FSAs, a worksheet for employees to determine amounts to place in their FSAs, and an enrollment form.

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- An "800" number that employees may call throughout the year for counseling, information or service regarding the flexible benefits plans.
- Establishment of all records necessary for maintaining account balances.
- A "dependent care reimbursement" process and form.
- A "medical expense reimbursement" process and form.
- Payment of claims. The expected frequency will be 3 – 5 business days after receipt.
- Quarterly individual account status reports to participants.
- Bi-weekly participation and account status reports to the District.
- A summary Annual Report for employees.
- An annual forfeiture report to the District.
- Preparation of form 5500, if required.

The District will retain property rights to all materials, reports, and documentation produced by the administrator for the District.

The District desires that the administrator coordinate the FRS deductibility function for its retirees by collecting and remitting premium for retiree insurance by deduction from the retiree's Florida Retirement System (FRS) accounts.

It is presumed that those persons currently participating in the products and services in the table subsequently herein will continue without regard to a change of administrators.

1.11 COBRA/HIPAA Services

Services are to be provided for all District benefits plans for which the COBRA law applies.

HIPAA services are to be furnished for voluntary benefits and services provided by the administrator.

The District currently provides the names of terminating employees and any related qualifying life event changes to its administrator.

COBRA administration is expected to conform with Federal regulations as currently written and to any changes in the regulations during the contract period.

The administrator is expected to coordinate with the benefits providers, to collect premiums from the participants and to remit premiums to the benefits providers. The District prefers that a 24-hour help line be available to COBRA prospects and participants.

The District expects the COBRA administrator to be responsible for all fines generated by the administrator's errors and omissions. The administrator should also be responsible for any benefits paid to ineligible persons arising from the administrator's failure to promptly notify benefits providers of participants' failure to pay premiums.

Flexible Spending Account/Section 125 administration services are desired for all District voluntary benefits that qualify, and for medical benefits, dental and vision plan premium conversion.

2. AGENT SERVICES

The current group voluntary and flexible benefits program, for which SWM is remunerated, is provided by many firms, all having a January 1 anniversary.

2.1 Organize planning for annual voluntary benefits plan enrollment; assist the District with enrollment meetings and activities.

2.2 On a day-to-day basis, monitor issues and claims for contract compliance.

2.3 Maintain verbal contact with employee benefits staff at least weekly, and be available on-site to address specific problems of plan participants.

2.4 Resolve billing problems and claims disputes of employees.

2.5 Receive all voluntary benefit monthly premiums and remit to insurers.

2.6 Provide monthly reconciliation of all voluntary benefits.

2.7 Receive and remit premiums for employees on leave-of-absence.

2.8 Seek creative ways to resolve claims disputes.



- 2.9 Work closely with the FSA Administrator and the District's Employee Benefits Department to anticipate issues or problems and proactively discuss them.
- 2.10 Review plan utilization; analyze plan and market trends.
- 2.11 Report emerging/ongoing trends to the District for planning and financial management.
- 2.12 Meet with the District at regular intervals (monthly) to review/discuss plan performance.
- 2.13 Meet with the Insurance Committee as desired by the District.
- 2.14 Compare and contrast the District's plan and performance with other like plans.
- 2.15 Advise the Plan Administrator and Risk Management Department of regulatory changes.
- 2.16 Assist with product education and implementation of required plan modifications.
- 2.17 Coordinate renewals, as may be desired by the District.
- 2.18 Other services as mutually agreed.

3. APPLICATION SERVICES PROVIDERS (ASP)

ASP services are at the center of the benefits administration and coordination function within the District. The TERMS system is currently being used.

There are a number of issues required for current processing requirements and the interface of a vendor's new software solution. They include the following:

- 3.1 Data downloads will be required to be provided on all changes to employee and dependent deductions, contributions, and adjustments for each payroll run. The timing, flexibility, and ease in the processing of these downloads will be critical to meet payroll run times and changing processing schedules as they develop throughout the school year. The timing will be required to meet the editing requirements for each payroll cycle.
- 3.2 File formats for payroll processing must be established and standardized to meet all TERMS file and payroll processing requirements. The external system will be the only source for these employee benefit changes for TERMS payroll processing.
- 3.4 Based on the reconciliation requirements between payroll and benefits processing and carrier insurance premiums, data uploads from the TERMS system to the vendor's database may be required. File formats for this processing and timing of these uploads must be agreed to by Information Services and the Finance and Employee Benefits and Risk Management Departments.
- 3.5 The sensitivity and critical nature of the data for these applications must meet all of the District's network online security requirements. All data must be encrypted and secured. For an ASP solution, agreements must also be in place that ensure the security of all employee and District data stored off-site. Additionally, all data transmissions (uploads and downloads) will be completed in a secured format agreeable to meet the District's Information Services network and data security requirements.

4. General

- 4.1 Sunbelt agrees to provide for a full-time, on-site representative of the District. As of the date of this contract. During any term of this contract, Sunbelt agrees to pay for the services of this representative, including taxes and benefits, whether a direct employee of Sunbelt, or if a direct employee of the District, by reimbursement to the District.
- 4.2 The District is contracting with Sunbelt as the provider for services. Sunbelt has full and final responsibility for the action of and performance under this contract of Sunbelt's designated subcontractors. As of this writing, these subcontractors are TASC and CBIZ, Inc. (CBIZ). Sunbelt agrees that these subcontractors, and Sunbelt its

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perform services as outlined in the initial term of this contract. In subsequent contract years, Sunbelt shall not assign these services performed by subcontractors, or its own responsibilities under this contract, without the prior permission of the District.

4.3 Sunbelt will provide full disclosure to the District on a monthly basis for any and all commissions, fees, or other remuneration received based on any source related to this contract.

4.4 During the term of this contract, Sunbelt will provide full disclosure to the District of all competitive proposals received on products being marketed to District employees.

4.5 When proposals are solicited by Sunbelt for products the District intends to offer for sale to its employees, the District reserves the following rights: to direct when proposals are solicited, from whom they are solicited, and the method(s) by which they are solicited.

4.7 The District and Sunbelt will meet, at a minimum, on a quarterly basis to review problems, address concerns, and strive for continuous improvement in contract performance. The parties will mutually determine the standards and the criteria to measure those standards.

4.8 All data, computerized data, material, documents, or other District-furnished property or information shall remain the exclusive property of the District. Sunbelt agrees that such District property will be used for no other purpose other than for work for the District under this contract. The District acknowledges that items developed specifically for the District may be provided through a template, which Sunbelt may also use for other clients. While Sunbelt retains ownership rights to the template, it also agrees that any such customized items containing Districts information will be provided upon request to the Districts, using whatever reasonable format the District requires.

4.9 The District shall remit monies collected for voluntary benefits sold by Sunbelt directly to Sunbelt, on a schedule to be outlined and mutually agreed. Sunbelt shall remit said monies to the respective voluntary benefit insurance agents and companies on behalf of the District employees.

4.10 Additional addenda may be added to this contract as needed. Provided there is no cost to the District regarding such Addenda, They shall be considered documents necessary for the proper operation of this contract, and shall be executed by the District's Purchasing Agent on behalf of the District.

4.11 Indemnification for Goods and Services: During the term of this contract, Sunbelt Worksite Marketing shall indemnify, hold harmless, and defend the School District of Pasco County Florida, its agents, servants and employees from any and all cost and expenses, including but not limited to attorney's fees, reasonable investigative and discovery cost, court costs and all other sums which the School District, its agents, servants and employees may pay or become obligated to pay on account of any actions founded thereon, arising or alleged to have arisen out of the products, goods, or services furnished by the Sunbelt Worksite Marketing, our agents, servants, employees, or any equipment, excluding the District's sole negligence.

4.12 Termination: With ninety (90) days' written notice, and at any time during the course of performance, the District shall have the right to terminate the contract and subsequent contract(s), in whole or in part, for its convenience, by written notice. Upon

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receipt of any termination notices, Sunbelt Worksite Marketing shall work with the District and the new provider(s) as may be necessary to facilitate and assure a smooth transition. Insurance coverage's shall be arranged on the basis so that the incoming form(s) is assured of receiving future commissions and other applicable remuneration to be used for their future provision of services to the District.

IN WITNESS WHEREOF, Sunbelt Worksite Marketing, Inc and District School Board of Pasco County have executed this Agreement of the Effective Date above.

For: Sunbelt Worksite Marketing

For: Plan Sponsor District School
Board of Pasco County



Signature

Signature

Spencer Vice President

Print Name & Title

Print Name & Title

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