



STATEMENT OF WORK – ACA calendar year 2017

This Agreement is between KEN-TON (“Client”) and WORKTERRA (“Vendor”) dated 09/25/2017. All capitalized terms used herein, but not defined herein, will have the meanings set forth in the Agreement. Unless expressly modified herein, all terms in the Agreement shall remain unchanged and in full force and effect.

1. SOW TERM. Vendor will provide the Services described in this SOW beginning on the date of Statement of Work – ACA calendar year 2017 and will be effective for only the ACA services described herein for the 2017 calendar year.
2. APPLICATIONS. The Applications included in the scope of this SOW are as follows: WORKTERRA ACA Tool
3. SCOPE AND DESCRIPTION OF SERVICES. The Services included in the scope of this SOW are as follows:

WORKTERRA will work with the client to establish the tools that the client intends to use and provide set up documentation and training.

WORKTERRA will upload electronic files provided by clients directly to WORKTERRA that will include information on employees who are not currently housed in the WORKTERRA system but will be in the software for ACA tracking purposes and who may become eligible based on hours worked.

For those using the measurement period calculator, clients will forward files in the WORKTERRA format for hours worked. WORKTERRA will upload those as received.

A. Implementation services

Client will confirm in writing to Vendor the specific services to be utilized. Any additional information required to complete the client filing for 2017 will be uploaded into WORKTERRA based on agreed upon timelines for delivery of this data.

B. SaaS services

ACA tool includes:

- Determination/Stability Period Calculator
- Reporting tool
 - Full time equivalents
 - W-2 report
 - Exchange Notifications
- Cost of coverage calculator
- Hours trending tools
- PCORI Fee calculator
- Reinsurance Fee calculator

- FTE Estimator

Note that WORKTERRA is not acting as a compliance consultant or advisor. The tool is for the use of our clients as they see fit. Neither EBS nor WORKTERRA will provide legal advice or guarantee regulatory results.

EBS/WORKTERRA will not be responsible for any fees or penalties incurred by clients for ACA compliance.

The client is responsible for following the legal requirements and ensuring that all information provided is correct.

Implementation Fee of Hours Worked & Measurement Calculator	\$3,500.00	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Measurement Period Calculator	\$0.35 PEPM	Yes <input type="checkbox"/>	No <input type="checkbox"/>
-Manage eligibility for non-benefit eligible employees (PEPM charged on full population in WORKTERRA) -Utilizing our ACA tool including Look Back, Stability & Administrative Periods -Loading hours to track FTE			

C. Reporting Services

WORKTERRA will provide 1095C forms for the eligible employees that are housed in WORKTERRA as of the date that the forms are due to be delivered to the employees. The delivery of the 1095 forms will be based on dates that additional information was received where applicable and the date that the employer forwarded the testing sign off sheet that will be provided to each client at least 2 weeks prior to the deadline for form delivery.

The 1094C form will be provided and include information and copies of all 1095C forms that were delivered for employee fulfillment. This form will be provided in an electronic format after client testing form has been received.

Clients who can file 1094-C and 1095-C forms with the IRS in a hardcopy format can use the electronic format to print and mail. Please confirm with your legal counsel to confirm eligibility for hardcopy filing.

1095-C Form Generation	\$2.50 per form	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
-Create draft 1095C forms based on the information in WORKTERRA -Deliver draft 1095C forms to Client in December 2017 -Deliver final 1095Cs to client in January 2017			
<u>OR</u>			
1095-C Form Mailing	\$3.75 per form	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
-Create draft 1095C forms based on the information in WORKTERRA -Deliver draft 1095C forms to Client in December 2017 -Deliver final 1095Cs to client in January 2017 -EBS will mail hardcopy 1095-C forms to Clients via first class mail by the deadline provided by the IRS			
		Yes	No

Returned mailers sent to client weekly at client's cost (if no, they will be destroyed)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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D. Filing Services

This is an optional service for clients who have contracted with EBS to provide the 1095C forms. EBS will file the 1094C and 1095C forms with the IRS through the IRS electronic process on or before the 2017 filing deadline on behalf of the employer.

Clients who are required to file in an electronic format and who have elected to file on their own behalf will receive an electronic file in the required IRS format at least 2 weeks prior to the deadline for 2017 filing dependent on the release of the IRS deadlines by October 31, 2017.

All delivery dates are subject to the employer forwarding required information by agreed upon dates.

Providing a Test File to the Client for the Client to File with the IRS	\$3,500.00	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Providing the File to the Client for the Client to File with the IRS	\$3,500.00	Yes <input type="checkbox"/>	No <input type="checkbox"/>
<ul style="list-style-type: none"> -Creation of the 1094C / 1095C XML file in the IRS format -Submission to the Client at least one week before the IRS deadline -Checking for processing updates from the IRS website once per week -Defining and distributing to the client any error codes that occur from the IRS filing 			
Providing the Refile to the Client for the Client to Refile with the IRS	\$1,500.00	Yes <input type="checkbox"/>	No <input type="checkbox"/>
<ul style="list-style-type: none"> -Creating a refile of the IRS XML for the Client after corrections are made -Submission to the Client by the IRS deadline -Checking for processing updates from the IRS website once per week -Defining and distributing to the client any error codes that occur from the IRS filing -Per refile fee 			

OR

Creation and Submission of the 1094/1095 XML	\$7,500.00	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<ul style="list-style-type: none"> -Creation of the 1094C / 1095C XML file in the IRS format -Submission to the IRS on the Client's behalf by the IRS deadline -Checking for processing updates from the IRS website once per week -Defining and distributing to the client any error codes that occur from the IRS filing -Creating a refile of the IRS XML for the Client after corrections are made -Submission of the refile to the IRS on the Client's behalf by the IRS deadline -Defining and distributing to the client any final error codes that occur from the IRS filing 			
Any additional refiles to the IRS (fee per file)	\$1,500.00	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Additional Fees

Definition of Codes	\$175.00 per hour
-Providing definition on IRS codes input onto the 1095C forms from WORKTERRA	
Codes Change Requests by Client	\$175.00 per hour
-Changing of codes without Client providing legal guidance as to why they should be changed	
Historical Data Loads	\$2,500.00 per file
-Data load of employee data with election date, if applicable. Includes up to eight hours of data scrubbing. File must be in our format.	
Additional Data Loads	\$2,500.00 per file
-Data load of additional employee data such as hours worked, class changes, benefitted status, etc.. Includes up to eight hours of data scrubbing. File must be in our format.	

All fees listed are for any SOW that is completed by October 15, 2017. Any SOWs executed from October 15, 2017 through November 15, 2017 will have an increase of 25% on each service selected. No SOWs will be accepted after November 15, 2017 for the 2017 filing year.

4. FEES. In exchange for the Services listed in this SOW, Client shall pay vendor the fees outlined within this SOW. Fees for any service not specifically outlined herein will be quoted upon request. Please note – these fees are based on the services as directed by the IRS as of the signing of this SOW. If there are additional changes to the regulations that require additional coding / services, our fees may need to be re-quoted.

5. WORK PRODUCT AND INTELLECTUAL PROPERTY

For the purposes of this SOW, "Work Product" is defined as all inventions, improvements, computer programs, discoveries, ideas, processes, systems, writings or other works existing at the time of this SOW and made or conceived by Vendor, or its employees, agents or independent Vendors, solely or jointly with others, and any such information or materials which (a) are produced as part of or in the course of performing the Services; or (b) are conceived of or made during the term of or at any time following the expiration of this SOW by Vendor that are improvements, advances, changes or derivations of Vendor's existing Work Product. Vendor will retain all rights, title and interest it may have in its Work Product, including the source code, compilers, related documentation and materials, and any modifications and enhancements to the Work Product at all stages of development and upon completion, and all patents and copyrights in the Work Product, and nothing in this SOW shall be construed to give Client any right, title or interest therein. Client shall render all reasonably required assistance to Vendor to protect the rights described above. Client warrants it has all right, power and authority to affect all assignments, transfers, and waivers provided herein. Any jointly developed work product will be owned by Vendor who may use, license, modify, or transfer such Work Product without permission, compensation, or accounting to Client.

Client has not and shall not assign, license or otherwise transfer ownership, rights, title, or interest in the Work Product to any third party (including but not limited to copyright, patent, trademark, trade secret or any other intellectual proprietary right) or allow any lien or other encumbrance to be placed on any part of the Work Product to be created pursuant to this SOW.

6. INVOICING

Subject to the terms and conditions of the agreement, payment for Services will be due ten (10) days after Client's receipt of a complete invoice. The fees will be billed directly to the Client.

Recurring Fees: PEPM, PPPM, fulfillment, or other agreed upon charges specifically identified in this SOW will be billed according to this SOW.

Optional Services: Additional services may be elected and will be estimated and signed off by Client prior to work beginning. In some cases, an additional SOW will be completed.

Changes: Requests for changes to the configuration of the system, or files will be quoted based on the hourly rate listed in Attachment A. Work will not begin on changes until the change request form has been fully executed by both parties.

Any service not specifically outlined in this SOW will be quoted upon request.

This SOW may be executed in one or more counterparts, and if in more than one counterpart, each, when taken together, shall constitute one and the same instrument. Signatures on this SOW which are exchanged by facsimile or other electronic means are true and valid signatures for all purposes hereunder and shall bind the Parties to the same extent as original signatures.

IN WITNESS WHEREOF, the parties hereto have caused this SOW to be executed by their respective authorized representatives effective as of the date last written below.

KEN-TON

WORKTERRA

By: _____

By: _____

Name: [Click or tap here to enter Name]

Name: David Rhodes

Title: [Click or tap here to enter Title]

Title: CEO

Date: [Click or tap here to enter Date]

Date: 9/25/2017

