

DEPENDENT CARE SERVICE CONTRACT BETWEEN BENEFLEX, INC., AND

Employer: _____

Employer EIN: _____ Contact Person: _____

Phone: _____ FAX: _____ E-Mail: _____

Address: _____

City

State

Zip

This Service Contract is entered into on this ____ day of _____ 2003, by and between BENEFLEX, INC., a corporation, hereinafter referred to as "BENEFLEX, INC.", and

_____, hereinafter referred to as "COMPANY".

WHEREAS, BENEFLEX, INC. desires to provide services to COMPANY for the benefit of its employees by operating a Dependent Care Assistance Program, hereinafter referred to as "DCAP", whose written Plan under Section 129 of the Internal Revenue Code of 1986 as amended; qualifies as a dependent care assistance plan.

WHEREAS, COMPANY desires to utilize such DCAP administered by BENEFLEX, INC..

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, the receipt and sufficiency whereof is hereby acknowledged, the parties agree as follows:

1. TERM: Subject to the provisions for termination, as hereinafter provided in paragraph 6, the term of this Service Contract shall commence at 12:01 a.m. Central time on the ____ day of, _____ 200 ____ and shall continue through the last day of, _____ 200 ____ at 12:00 p.m. Central time. Without notice of cancellation, this agreement is automatically renewed for a twelve (12) month period.

2. LOCATION: BENEFLEX, INC. shall provide services pursuant to this Service Contract at the principal place of business located at 2505 21st Avenue South, Suite 450, Nashville, Tennessee 37212, or at such other place of business as BENEFLEX, INC. may notify COMPANY in writing; such notification to be at least two (2) weeks prior to BENEFLEX, INC. commencing business at such location.

3. PAYMENT: Each pay day, COMPANY will transmit child care fund amounts redirected through participating employee's Salary Redirection Agreements plus a BENEFLEX, INC. service fee equal to five and sixty-five hundredth (5.65%) of the total redirected amounts. Funds may be transferred from COMPANY to BENEFLEX, INC. by COMPANY originated electronic funds transfer, BENEFLEX, INC. or originated electronic funds transfer. (Note: Providers will be paid each Friday from funds received or available to BENEFLEX, INC. on **Tuesday** of that week.)

4. OBLIGATIONS OF BENEFLEX, INC.: BENEFLEX, INC. agrees to provide the following services:

a. BENEFLEX, INC. will provide COMPANY with all documents necessary to effect a DCAP, including a written Plan and Summary Plan Description at no cost to COMPANY.

b. BENEFLEX, INC. will attend employee meetings, within reasonable distance of a BENEFLEX, INC. representative or as necessary, to explain the benefit and assist employees with enrollment.

c. BENEFLEX, INC. will provide brochures, descriptive printed material, bulletin board visuals,

Enrollment Application forms and Salary Redirection Agreements to COMPANY.

- d. To service those locations where computers are not available, BENEFLEX, INC. maintains a toll free number for employee inquiries including the tax savings analysis.
- e. BENEFLEX, INC. maintains a qualified staff to answer employee questions relating to the DCAP and to make any necessary changes to an employee's account.
- f. BENEFLEX, INC. will distribute available funds to providers on a weekly or monthly basis at the employee's direction. Payments are made on Friday of each week out of funds available on **Tuesday** of that week. **BENEFLEX, INC. will not advance funds for these payments.**
- g. BENEFLEX, INC. makes no warranties (and shall not be liable) for the care or services performed by the providers. Sole responsibility for care of employee's dependent while under the supervision of a child care provider shall remain with the employee.
- h. BENEFLEX, INC. will provide a detailed report of the activity of an employee's account, if requested by the employee.
- i. BENEFLEX, INC. will provide to COMPANY an accurate accounting of all monies expended for dependent care through December 31 of each year for participating employees.
- j. BENEFLEX, INC. will prepare the tax form 5500 C/R and Schedule F (required by the IRS) for those Plans which offer the DCAP only. If COMPANY'S Plan offers other benefits in addition to the DCAP, BENEFLEX, INC. will provide any information needed to assist COMPANY in the preparation of the DCAP section of the tax forms.
- k. BENEFLEX, INC. will comply with all requirements and obligations as set forth in the DCAP Plan.

5. OBLIGATIONS OF COMPANY: COMPANY agrees to comply with the following:

- a. COMPANY acknowledges that they have executed and will comply with all provisions of the DCAP Plan.
- b. COMPANY acknowledges that they will make available to all COMPANY employees a copy of the DCAP Plan and the Summary Plan Description. All documents will be furnished by BENEFLEX, INC.
- c. COMPANY will allow the execution of a BENEFLEX, INC. originated electronic transfer or execute a COMPANY originated electronic funds transfer each pay period, in an amount equal to the dependent care expenses as directed by COMPANY's participating employees' Salary Redirection Agreements plus BENEFLEX, INC.'s fee as stated in paragraph 3. COMPANY understands that each Friday, BENEFLEX, INC. will distribute funds which were available on **Tuesday** of that week, and that **BENEFLEX, INC. does not advance funds for payment to providers.**
- d. COMPANY will not hold BENEFLEX, INC. liable for the care of any dependent while under the supervision of a child care provider.
- e. COMPANY will allow BENEFLEX, INC. to conduct employee meetings to present this benefit, if practical, and will distribute enrollment literature to its locations.

6. TERMINATION: This Service Contract may be terminated upon any of the following events:

- a. Expiration of the Service Contract as stated in 1;
- b. Written mutual agreement of parties to terminate;
- c. Written notice of BENEFLEX, INC. or COMPANY should either party materially fail to comply with the

terms of the Service Contract.

d. Should COMPANY change ownership, then continuation of this Plan shall be at the new owner's discretion and may be terminated without penalties.

e. Thirty (30) days written notice by either party to the other to terminate with or without cause.

7. INDEPENDENT RELATIONSHIP: It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Service Contract is intended, nor shall be construed, to create a principal/agency relationship, a joint venture relationship, to allow either party to exercise control over or direct affairs of the other party in the operation of its usual business.

8. NOTICES: All notices provided for in this Service Contract by COMPANY shall be submitted to BENEFLEX, INC. at 2505 21st Avenue South, Suite 450, Nashville, Tennessee 37212. All notices provided by BENEFLEX, INC. shall be submitted to COMPANY at address listed on page 1.

9. WHOLE AGREEMENT AND MODIFICATIONS: This Service Contract constitutes the whole agreement of the parties concerning the subject matter hereof. The parties hereby acknowledge that there are no agreements or understandings of any nature, oral or written, apart from this Service Contract. This Service Contract shall be binding upon the parties, their successors and assignees. No alteration, change or amendment to this Service Contract, or an extension of it, shall be effective for any purpose unless and until mutually agreed to between the parties in writing. No oral modifications shall be effective for any purpose.

10. SEVERABILITY: Should any portion of this Service Contract be deemed invalid by a Court, the remainder shall remain in full force and effect and the invalid portions shall be struck from the Service Contract and modified as a Court may order.

11. GOVERNING LAW: This Service Contract shall be governed by the laws of the State of Tennessee.

BENEFLEX, INC.

COMPANY

_____		_____			
Title	Date		Title	Date	
Employees are paid:	<input type="checkbox"/> Weekly	<input type="checkbox"/> Bi-Weekly	<input type="checkbox"/> Semi-Monthly	<input type="checkbox"/> Monthly	

Company will send funds to Beneflex, Inc. via: Company generated EFT Beneflex generated Draft

For Beneflex generated Drafts: NAME OF BANK: _____

ROUTING NUMBER:

ACCOUNT NUMBER:

BENEFLEX AGENT NAME: (Please Print)

BENEFLEX AGENT SIGNATURE:

AGENT NUMBER: _____