

To be completed by the Employer or Incorporated Self-Employed Individual. Employees do not need to complete this document.

MEDICAL & DENTAL SPENDING ACCOUNT ADMINISTRATIVE SERVICES AGREEMENT

Between

Alternative Benefit Solutions Inc.

(Owner of the **Menuflex**TM Trademark & Third Party Administrator of the Program)

And

Employer:

Address:

OBJECTIVE: The objective of this **Medical & Dental Spending Account** is to assist participants with the funding of their medical and dental expenses on a non-insured basis.

WHEREAS:

1. The sponsoring employer wishes to establish a **Medical & Dental Spending Account**, otherwise known as a **Health Spending Account**, which qualifies as a “private health services plan”, as defined in IT Bulletin IT339R2 of the *Income Tax Act*, for its employees and their dependents;
2. The eligible medical expenses to be reimbursed under the MDSA are as defined in Section 118.2 (2) of the *Income Tax Act*, and *Interpretation Bulletin IT-519R2*;
3. **Alternative Benefit Solutions Inc.** is engaged in the administration of employee benefit/insurance programs under the **Menuflex**TM banner;

NOW THEREFORE:

Alternative Benefit Solutions Inc. (ABS) as the **Third Party Administrator** and the **Employer** hereby agree as follows:

- (1.) **ABS** will act as the **Administrator** of the **MDSA** on behalf of the **Employer**;
- (2.) **ABS’s responsibilities will include, but will not necessarily be limited to the following:**
 - (a) Receipt and deposit of the monthly/annual employer contributions to the **MDSA** in a Trust Account at one of Canada’s principal Banks.
 - (b) Establishment of individual employee accounts indicating the balance in their **MDSA** Account.
 - (c) Confirming and paying the **MDSA** claims that meet the definition of eligible Medical & Dental expenses as defined in subsection 118.2(2) of the *Income Tax Act* and *IT-519R2*.
 - (d) On each claim payment indicate the balance in the employee’s account.
 - (e) Holding on file any **MDSA** claim where there are insufficient funds in the employee’s account until further employer contributions have been received.
 - (f) At year-end, advising the employer of the carry forward amounts in the employee accounts.
 - (g) Refunding carry forward amounts to the employer, which have been forfeited by employees, at the appropriate time following the end of a Plan Year.
 - (h) Notification of eligible participants and payment of the monthly premiums with respect to the **Optional Supplementary EHC or EHC + Dental plans**, or other **Optional Benefits** to the appropriate insurer(s) and service providers.
 - (i) Issuing employee booklets describing the **MDSA Program** and the method of filing claims; responding to employee inquiries regarding the Program.
- (3.) **The Employer will be responsible for:**
 - (a) Enrolling newly eligible employees and remitting the forms to ABS to enable them to be added to their database.
 - (b) Distributing the **Menuflex**TM MDSA Program Booklets and claim forms produced by ABS to all employees enrolled in the Program.
 - (c) Reporting additions or terminations of employees, or changes in their status under the Program (e.g. a single employee becoming married, or an employee adding dependents).
 - (d) Ensuring that there are sufficient funds in the corporate bank account on the first Thursday of every month to allow ABS to withdraw the monthly contributions to the **MDSA** including Administration fees, any insurance premiums, as well as any **Optional Benefit** premiums that are being paid for by employees through payroll deductions.

- (e) Notifying ABS at least 30 days prior to the end of each Plan Year of any changes to the Employer contribution amounts for the following Plan Year.

Other Terms and Conditions:

1. The **Employer** authorizes **ABS** to make payments from each eligible employee's account in settlement of eligible **MDSA** claims.
2. **MDSA** funds held by **ABS** will bear no interest for the employer.
3. **ABS** will not be liable for any **MDSA** claims paid where the employee failed to provide accurate information as to the eligibility of the claim or a dependent for coverage under the Program.
4. Either party, upon thirty (30) days written notice, can terminate this Agreement. In the event of termination **ABS** will provide a terminal accounting of all employer contributions received and **MDSA** claims paid within 90 days of termination of the Program, as employees have up to 30 days to submit any outstanding claims incurred prior to the date of termination.
5. The **Employer** shall be required to fund its obligations under this Agreement, including Administration fees, up to and including the date of termination.
6. This **Master Application and Agreement**, and **MDSA Application/Enrolment Forms**, constitutes the entire Agreement. No Agent, Broker, or other person has authority to waive any conditions of this Agreement; to modify the Agreement, or to bind **ABS** by making any promise or representation or by giving or receiving any information.

As a participating employer we wish to make the following monthly MDSA contributions:

Class A: _____ \$ _____/month
(Define eligible class)

Class B: _____ \$ _____/month

Class C: _____ \$ _____/month
(Note: All employees may be in one class)

We wish to cover a total of _____ employees under the MDSA effective: _____

A **Deposit Employer Contribution** in the amount of \$ _____ (payable to **Alternative Benefit Solutions Trust**) is attached along with a **VOID cheque** for future payments.

The terms of this Application and Agreement are hereby accepted by:

_____ Dated at: _____ on _____
(Employer)

_____ Title: _____
(Authorized representative)

(Witness)

Broker: _____

Address: _____ Tel: _____ Fax: _____

E-Mail: _____

Please mail, FAX or courier to: **Alternative Benefit Solutions Inc.**
5045 Orbitor Drive, Unit 10, Suite 300
Mississauga, Ontario L4W 4Y4 Fax: 905-602-7983