



**MEMORANDUM**

**DATE:** December 10, 2012  
**TO:** Mayor and City Council  
**THROUGH:** Rich Dlugas, City Manager *RD*  
Debra Stapleton, Human Resources Director *JAS*  
**FROM:** Valerie F. Hernandez, Benefit Programs Supervisor *VFH*  
**SUBJECT:** Recommendation for approval of addendum to the City of Chandler Services Agreement for Short Term Disability Income Benefits Plan Administrative Services Agreement No. HR1-953-2988 to include the administration of the City’s Family Medical Leave Program with Matrix Absence Management.

RECOMMENDATION: Approve addendum to the City of Chandler Services Agreement for Short Term Disability Income Benefits Plan Administrative Services Agreement No. HR1-953-2988 to include the administration of the City’s Family Medical Leave Program with Matrix Absence Management.

BACKGROUND/DISCUSSION: Matrix Absence Management currently assists the City in managing the Short Term Disability Income Benefit Program. They have extensive experience providing fully integrated disability programs and are one of the largest absence management vendors, with a local office here in Arizona.

With ever changing federal regulations pertaining to leave programs it has become increasingly more difficult to manage and ascertain an employee’s absence due to a medical leave involving a serious health condition and disability. Enabling Matrix Absence Management to assist the City in coordinating and administering the City’s Family Medical Leave program will assist Human Resources in limiting liability and compliment the current leave programs provided to City employees.

Funding for the administration of the City's Family Medical Leave program was approved on June 14, 2012 by Mayor and Council as part of the City of Chandler 2012-2013 Adopted Budget.<sup>1</sup>

**PROPOSED MOTION:** Move to approve addendum to the City of Chandler Services Agreement for Short Term Disability Income Benefits Plan Administrative Services Agreement No. HR1-953-2988 to include the administration of the City's Family Medical Leave Program with Matrix Absence Management in an amount not to exceed \$50,000.

Memo to City Council on Addendum to Include FMLA with Matrix.doc

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<sup>1</sup> The amount of \$45,000 per year and \$5,000 one-time implementation costs were approved and adopted in the City of Chandler 2012-2013 Adopted Budget

**ADDENDUM TO THE CITY OF CHANDLER  
SERVICES AGREEMENT FOR SHORT TERM  
DISABILITY BENEFITS PLAN  
ADMINISTRATIVE SERVICES AGREEMENT NO:  
HR1-953-2988**

THIS ADDENDUM is made as of March 1, 2013 by and between City of Chandler ("Client") and Matrix Absence Management, Inc., a corporation organized and existing under the laws of the State of Delaware ("Matrix" or "Contractor").

**RECITALS**

**WHEREAS**, Client is an employer that provides benefits for its employees; and

**WHEREAS**, Client entered the "City of Chandler Services Agreement for Short Term Disability Benefits Plan Administrative Services Agreement No.: HR1-953-2988" "Services Agreement" with Matrix Absence Management Services, Inc. as successor to Reliance Standard Life Insurance Co.; and

**WHEREAS**, Client maintains a leave policy under the Family Medical Leave Act ("FMLA") (hereinafter the "FMLA Policy") for employees of Client ("Employees") as more fully set forth in the documents describing such programs provided to Matrix by Client;

**WHEREAS**, Matrix offers absence and disability management products to employers and Client desires to utilize Matrix's absence and disability management services through this Addendum, to the Services Agreement; and

**THEREFORE**, in accordance with the terms and conditions contained herein, acknowledged to be good and sufficient consideration, the parties agree as follows:

**I. DEFINITIONS**

The following terms, when used in this Addendum shall have the following definitions:

**" Addendum Period"** means the period from Effective Date through December 31, 2014 or through such date as the Addendum is terminated by either party.

**"Claimant"** means anyone filing a claim under any of the Policies.

**"Claim"** means a claim made under, and pursuant to the terms of the Policy.

**"Claim Appeal Brief"** documentation of Matrix review and notifications on Claimant appeal of initial Claim decision.

**"Effective Date"** means, the date upon which this Agreement shall be effective and the services described herein shall begin to be delivered.

**"Employee"** means an employee of Client.

**"FMLA"** has the meaning given in the Recitals.

**"FMLA Policy"** has the meaning given in the Recitals.

**"FMLA Services"** means, collectively, the services, functions, duties and responsibilities related to the administration of Client's FMLA Policy, including the administration, management and adjudication (including first level appeals) of intermittent and stand-alone claims under FMLA, and claims that run concurrently with claims under the STD Plan or under one of the Statutory Plans; the tracking of leaves; co-ordination with Client's systems and managers; co-ordination with workers compensation carriers and long-term disability providers as required.

**"Participant"** means an Employee who Client determines is eligible for, and who is enrolled in, and covered by the Policy.

**"Proprietary Business Information"** means information about Client's business or Matrix's business that is confidential, proprietary, trade secret or is not readily available to the general public; or, information that has been designated by Client or Matrix as confidential or proprietary.

**"Requirements Document"** means the document(s) listing the specifications and requirements of the Services, including the manner in which the Services will be provided, as such document(s) may be amended or supplemented from time to time.

**"Return to Work" or "RTW"** means a transition process for return to active work of those Employees or Participants who are (1) receiving short-term disability benefits or long-term disability benefits, and/or (2) absent from work due to an approved leave, and who have a medical release to return to work at modified duty or with restrictions.

**"Service Period"** The billing period in which Matrix provides Administrative Services to the Client.

**"Services"** means, collectively, the services, functions, duties and responsibilities related to certain claims and other leave administrative management services under the Policy to be performed by Matrix as described in more detail in the Requirements Documents in the Attached Addendums.

## II. OBLIGATIONS OF MATRIX AS TO FMLA ADMINISTRATIVE SERVICES

A. **Enrollment Services for the Policy.** Client shall be responsible for determining the eligibility of Employees to be Participants. Client or its designated third-party benefits administrator shall provide, and Matrix shall accept in an agreed upon format, eligibility information electronically or otherwise on a weekly basis or as needed.

Matrix shall be entitled to rely on the most current information provided by Client regarding eligibility of Participants.

B. **Compliance with Laws.** Matrix represents and warrants that it will remain, throughout the period in which this Agreement is effective, in compliance with all laws, rules, and regulations that are now or hereafter promulgated by any governmental authority or

agency that govern or apply to the operation and/or use of the services described herein or that otherwise govern or apply to Matrix.

- C. **Privacy.** Matrix represents and warrants that it will remain, throughout the period in which this agreement is effective, in compliance with applicable federal privacy laws and regulations.
- D. **Other Obligations of Matrix.** Matrix agrees to discharge its duties with respect to this Agreement with the care, skill, prudence, and diligence under the circumstances then prevailing as would a prudent person, acting in a like capacity and familiar with such matters in accordance with, and pursuant to, the provisions of the Policy.

### III. OBLIGATIONS OF CLIENT AS TO FMLA ADMINISTRATIVE SERVICES

- A. **Responsibility for the Policy.** Except to the extent this Agreement specifically requires Matrix to have the responsibility for a Policy's administrative function, Client is responsible for the Policy.
- B. **Description of the Policy.** Client will give Matrix a written description of the Policy benefits and provisions in a timely manner, so that Matrix will be able to provide its services under this Agreement on the effective date.
- C. **Policy Documents.** Client will provide Matrix with copies of Policy documents and Employee communications. Client will provide to Matrix any documentation which Matrix reasonably requests for review.
- D. **Policy Changes.** Client will notify Matrix in writing if Client intends to change relevant Policy benefits or other relevant provisions, including termination, within a reasonable period of time but no less than thirty (30) days prior to the change becoming effective.
- E. **Compliance with Laws.** Client represents and warrants that it will remain, throughout the period in which this Agreement is effective, in compliance with all laws, rules, and regulations that are now or hereafter promulgated by any governmental authority or agency that govern or apply to the operation and/or use of the services described herein or that otherwise govern or apply to Client. Client acknowledges that while Matrix may, from time to time, advise client of regulatory changes that it becomes aware of which may affect the Policy, it is the Client's sole responsibility to maintain awareness of all regulatory changes, and to make such modifications to the Policy as may be required.
- F. **Responsibility for Employment Decisions** - Client is and shall remain solely responsible for all determinations of the employment status of employees of Client, including but not limited to eligibility and qualification for leave of absence, and any extensions thereof, pursuant to Client's employment policies. In addition, Client shall remain solely responsible for all determinations regarding accommodations requested by employees in their employment, including without limitation extension of any leave of absence or reduced work schedules. Matrix shall direct any employee who submits such a request to Matrix to submit the request directly to the Client and Matrix shall notify a designated person at the Client of any such requests that it receives.

#### IV. **COMPENSATION TO Matrix**

Client shall pay Matrix the administrative fees provided for in Addendum Exhibit A. Any expenses or fees for products or services not specified in this Addendum, must be agreed to and approved in writing by Client and Matrix prior to commencement of such products or services.

- A. Due Dates, Payments, and Penalties.** Matrix's charges for its Administrative Services under this Addendum are set forth in Addendum Exhibit A attached to and made a part of this Addendum, as may be changed from time to time by written agreement between Matrix and Client. All invoices are due and payable on the first day of the start of the Service Period. If amounts owed are not paid within Thirty (30) days, Client will pay Matrix interest on these amounts at the rate of six percent (6%) per annum or one half of one percent (.5%) per month.
- B. Changes in Service Fees.** If Client and Matrix agree, Matrix can increase or decrease the service fees upon 180 days' notice prior to: (1) a Contract anniversary date after: ; (2) after changes made to this Addendum or the Policy, which cause a significant increase or decrease in Matrix' cost to provide services pursuant to this Addendum; or (3) when there are changes in laws or regulations which cause a significant increase or decrease in costs of the services Matrix is providing, or will be required to provide, under this Addendum; or (4) Client's actual claims activity significantly exceeds the threshold outlined in Exhibit A. Any new service fee which arises out of such change will be effective on the date agreed to by the parties. Matrix shall, however, provide Client with one hundred eighty (180) days' prior written notice of the revised service fees for subsequent Agreement Periods, and service fee adjustments. If the parties are unable to agree on the changes to terms or fees, Matrix shall have the right to terminate this Addendum upon one hundred eighty (180) days written notice to Client. .

#### V. **INSURANCE**

- A. Fidelity Bond.** In addition to the insurance requirements set forth in the Services Agreement, Matrix, at its sole cost, shall procure and maintain in force during the term of this Agreement a fidelity bond in the amount of not less than one million dollars (\$1,000,000) covering all employees of Matrix.

(This paragraph purposely left blank)

#### VI. **LITIGATION AND INDEMNIFICATION**

- A. General Indemnity.** Subject to the limitations of liability contained in Section VI-B below, each party ("Indemnitor") shall indemnify and hold the other party harmless from and against any and all claims, suits, liabilities, obligations, damages and expenses (including reasonable attorneys' fees and expenses of litigation) arising out of either Indemnitor's performance or failure to perform in accordance with the terms of the Services Agreement, or this Addendum, or any negligence or willful misconduct of any kind on the part of the Indemnitor. CITY or Contractor, as applicable, shall reasonably cooperate with the indemnifying party in connection with the indemnifying party's obligations under this section.

- B. Limitation of Liability.** Neither party shall be liable to the other for any indirect, special, incidental, exemplary, reliance or punitive or consequential damages arising out of or related to the Services Agreement, or this Addendum, even if advised of the possibility thereof.

**Plan Benefits Litigation.** If a demand is asserted or litigation proceedings or arbitration is commenced by a Participant or any other person to recover benefits under either the Services Agreement, or this Addendum, ("Plan Benefits Litigation") against Contractor, CITY or any combination of the parties, Contractor will immediately notify CITY in writing of any potential or

actual legal action or regulatory enforcement activity, which affects the Plan, or the performance of Administrative Services by Contractor. If any legal or administrative action is brought against contractor, Plan or CITY, the defense of that action will be borne by CITY at its sole cost. Contractor will cooperate with CITY in any defense of any action. In seeking any recovery under this Agreement, Contractor will not be required to take legal action on behalf of the Plan, but will consult with and defer to CITY who will have the sole discretion and authority to compromise, settle, or both, any claim for recovery by the Plan.

**Employment Litigation.** If a demand is asserted or litigation proceedings or arbitration is commenced by an employee of CITY against Contractor, CITY or any combination of the parties, the defense of that action will be borne by CITY at its sole cost. CITY agrees to hold Contractor harmless and indemnify Contractor from and against any and all claims, liability, loss, obligation, suit, judgment, damage, expenses and costs, including reasonable attorneys' fees and cost of defense, which may be asserted against or incurred by Contractor, which arise out of or in connection with CITY's decisions about the employment status of any employee of CITY.

**Responsibility for Employment Decisions.** CITY is and shall remain solely responsible for all determinations of the employment status of employees of CITY, including but not limited to eligibility and qualification for leave of absence, and any extensions thereof, pursuant to CITY's employment policies. In addition, CITY shall remain solely responsible for all determinations regarding accommodations requested by employees in their employment, including without limitation extension of any leave of absence or reduced work schedules. Contractor shall direct any employee who submits such a request to Contractor to submit the request directly to the CITY and Contractor shall notify a designated person at the CITY of any such requests that it receives.

## **VII. RECORDS**

- A. Maintenance.** Matrix shall keep all books and records necessary to reflect accurately the business it transacts with respect to this Agreement and to determine the respective rights of the parties under this Agreement. Such books and records shall be kept at such location as shall be disclosed in writing. All records will be maintained for a period of at least seven (7) years after the date they are first prepared or for such longer period as may be required by law.

## **VIII. INDEPENDENT CONTRACTORS/SUBCONTRACTING**

- A. Independent Contractors.** Matrix and Client are independent legal entities. Nothing in this Agreement shall be construed or be deemed to create a relationship of joint venturers, principal and agent, or employer and employee. Unless otherwise specifically authorized by Client in writing, Matrix shall have no authority to enter into contracts or otherwise deal with third parties on behalf of, or as agent for, Client. Although Matrix may hire its own independent contractors, agents, or employees to supply data processing, accounting, printing, and other services to it in connection with its performance of services for Client, it is expressly understood and agreed that such independent contractors, agents, and employees are those of Matrix and not of Client, and Client shall have no responsibility or obligation, financial or otherwise, to such independent contractors, agents, or employees.
- B. Assignment.** Neither party can assign this Agreement or any rights or obligations under this Agreement to anyone without the other party's written consent, which shall not be unreasonably withheld. Any attempted assignment in violation of this Article shall be void.

- C. **Data Transfer to Third Parties.** It is acknowledged that it may be necessary from time to time for Matrix, in performing its duties hereunder, to make available to independent contractors, agents, or employees documents belonging to Client and/or containing data belonging to Client. Matrix agrees to secure from any such third parties their agreement to maintain the confidentiality of such documents and information.
- D. **Subcontractors.** Matrix can use its affiliates, independent contractors, or other subcontractors to perform Matrix's or Matrix's services under this Agreement. However, Matrix will be responsible for those services to the same extent that Matrix would have been had it performed those services without the use of an affiliate or subcontractor.

## **IX. PROPRIETARY RIGHTS**

Each of the parties reserves the right to control the use of any of their symbols, trademarks, computer programs, and service marks currently existing or hereafter established. Both parties agree that they will not use such computer programs, work, symbols, trademarks, service marks, or other devices of the other in advertising, promotional materials, or otherwise and will not advertise or display such devices without the prior written consent of the other party. In addition, both parties further agree that any such signs, displays, literature, computer programs, or material furnished to the other shall remain the property of the other party and shall be returned upon demand upon the termination of this Agreement.

## **X. TERM AND TERMINATION**

- A. **Term.** This Agreement shall commence on the Effective Date of this Agreement and end on December 31, 2014, with an option to renew for two additional one-year periods. Additionally, the contract may be extended unilaterally for a thirty-one day period or a portion thereof.
- B. **Termination.** Except as provided for in A above, this Addendum may be terminated as provided in the Services Agreement.
- C. **Prior Obligations.** Termination of this Addendum for any reason shall not relieve any party of any obligation incurred by it prior to such termination. Either party may terminate this Addendum pursuant to its terms without terminating the Services Agreement, and either party may terminate the Service Agreement, pursuant to its terms, without terminating this Addendum.
- D. **Runout Claims Processing.** Matrix shall continue to provide claims administration for a period of Six (6) months after the termination of this Agreement for open claims reported by Participants to Matrix prior to the termination date. Client agrees to pay Matrix a fee for claims administration services during this Run-Out Period and as specified in Exhibit A. This fee shall be due and payable at the time of termination.
- E. **Return of Records.** Upon termination, Matrix will return all Client claim and other data stored electronically upon 45 days written request by Client in Matrix's data format at no charge. Any physical files will be returned upon 45 days written request by Client. The Client will prepay for the cost of transportation (UPS or similar) from Matrix's office, or prepay the cost to have files moved from our Offsite Storage Facility.

## **XI. GENERAL PROVISIONS**

- A. **Amendments.** This Agreement may be amended from time to time by mutual agreement between the parties, which amendment shall be in writing and executed by an authorized representative of each party.

- B. Relationship to Services Agreement.** Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all terms of the Services Agreement remain in force and effect. The Services Agreement, as amended by this Addendum including their respective exhibits and schedules supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter hereof, and contains all of the covenants and agreements between the parties with respect to such matters. Any inducements, promises, or agreements, oral or otherwise that have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, shall not be valid or binding. This Addendum shall be binding upon the parties, their successors and permitted assigns.
- C. Waiver of Breach.** Nothing in this Addendum is considered to be waived by any party unless the party claiming the waiver receives the waiver in writing. Waiver of a breach of any provision of this Addendum shall not be deemed a waiver of any other breach of the same or a different provision.
- D. Severability.** In the event any portion of this Addendum is rendered invalid or unenforceable, the remainder of the provisions of this Addendum shall remain in full force and effect.
- E. Headings.** The headings of articles and sections contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Addendum.
- F. Notices.** Any notices required to be given pursuant to the terms and provisions of this Addendum shall be in writing, postage prepaid, and shall be sent by certified mail, return receipt requested, to the parties at the addresses below. The notices shall be effective on the date indicated on the return receipt.

To: Valerie Hernandez, Benefits Program Supervisor  
P.O. Box 4008, MS 703  
Chandler, AZ 85244-4008  
Phone: 480-782-2359  
Fax: 480-782-2345

To: Matrix Absence Management, Inc.  
181 Metro Drive, Suit 300  
San Jose, California 95110

With a Copy To:

Matrix Absence Management, Inc.  
Attention: General Counsel  
2001 Market Street, Suite 1500  
Philadelphia, PA 19103

- G. Counterparts.** This Addendum may be executed in more than one counterpart, each of which shall be deemed to be an original and all of which, when taken together, shall constitute a single instrument.
- H. Information Exchange.** Each party shall be responsible for liabilities arising from errors or omissions made by it in the transmission of information to the other party, and each party shall be entitled to assume the accuracy of all information transmitted to it by the other party and to rely on such information for all purposes under this Addendum.

- I. **Force Majeure.** Except with respect to Client's obligation to pay fees hereunder, neither party shall be liable to the other for any failure of (or delay in performance of) its obligations hereunder due to any cause or circumstance which is beyond its reasonable control including, but without limiting the generality of the foregoing, any failure or delay caused by fire, explosion, shipwreck, act of God or the public enemy, war, riot, interference by the military or governmental authorities, act(s) of terrorism or compliance with the laws of the United States or with the laws or orders of any other government or regulatory authority.
- J. **Cooperation.** Each party agrees to consult, cooperate with and assist the other as reasonably necessary in the performance of its obligations under this Agreement.
- K. **Representations and Warranties.** In addition to other representations and warranties throughout this Agreement, each party represents and warrants that this Agreement and the transactions and activities contemplated hereby (i) are within its corporate powers; (ii) have been duly authorized by all of its necessary corporate action; (iii) constitute its legal, valid and binding obligations, enforceable against it in accordance with its terms; and (iv) do not and will not conflict with or result in a breach of any of the provisions of, or constitute a default under the provisions of any law, regulation, licensing requirement, charter provision, by-law or other instrument applicable to it or its employees or to which it is a party or by which it may be bound.

## XII. SYSTEM ACCESS

- A. **System Access.** Subject to the terms of any applicable E-services Agreement, Matrix grants Client the nonexclusive, nontransferable right to access and use the functionalities contained within the web based systems Matrix makes available to the Client for the purpose of accessing Client's data and reports, under the terms set forth in this Addendum. Client agrees that all rights, title and interest in the systems and all rights in patents, copyrights, trademarks and trade secrets encompassed in the systems will remain Matrix's. In order to obtain access to the systems, Client shall obtain, and be responsible for maintaining, at no expense to Matrix, the hardware, software and Internet browser requirements Matrix provides to Client, including any amendments thereto. Client shall be responsible for obtaining an Internet Service Provider or other access to the Internet. Client shall not (a) access systems or use, copy, reproduce, modify, or excerpt any of the systems documentation provided by Matrix in order to access or utilize systems, for purposes other than as expressly permitted under this Addendum; or (b) share, transfer or lease Client's right to access and use systems, to any other person or entity which is not a party to this Addendum. Upon prior written consent by Matrix, Client may designate any third party to access systems on Client's behalf, provided the third party agrees to these terms.
- B. **Security Procedures.** Client shall use commercially reasonable physical and software-based measures acceptable to Matrix, and comply with Matrix's security procedures, as may be amended from time to time, to protect the system, its functionalities, and data accessed through systems from any unauthorized access or damage (including damage caused by computer viruses). Client shall notify Matrix immediately if any breach of the security procedures, such as unauthorized use, is suspected.
- C. **System Access Termination.** Matrix reserves the right to terminate Client's system access (a) on the date Client fails to accept the hardware, software and browser requirements provided by Matrix, including any amendments thereto or (b) immediately on the date Matrix reasonably determines that Client has breached, or allowed a breach of, any applicable provision of this Addendum or any applicable E-Services Addendum.

Upon termination of this Agreement, Client agrees to cease all use of systems, and Matrix shall deactivate Client's identification numbers and passwords and access to the system.

**XIII. INCORPORATION OF CONTRACTOR IMMIGRATION WARRANTY**

The Services Agreement Ex. A, Contractor Immigration Warranty is hereby incorporated in this Addendum and Matrix attests that its statements in that Contractor Immigration Warranty apply to this Addendum.

**XIV. INCORPORATION OF OTHER TERMS FROM SERVICES AGREEMENT**

All other terms and conditions of the above-referenced Services Agreement shall remain unchanged and in full force and effect. All other terms and conditions in the original Services Agreement not specifically amended herein shall be incorporated by reference in their entirety and shall remain in full force and effect.

**IN WITNESS WHEREOF**, authorized representatives of the parties have confirmed the agreement of the parties to the foregoing terms by affixing their signatures below:

FOR THE CITY OF CHANDLER:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

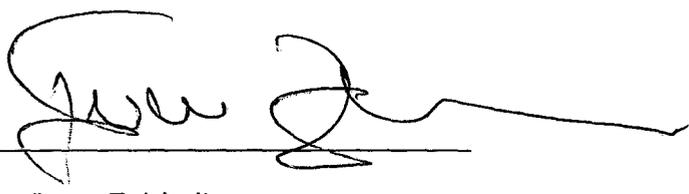
ATTEST :

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM :

\_\_\_\_\_  
City Attorney /s/cjh for City Attorney

Matrix Absence Management, Inc.

By: 

Name: Ivars Zvirbulis

Title: President

Date: 01-19-12

**ADDENDUM Exhibit A**  
**FMLA Administrative**  
**Service Fees**

<b>Service</b>	<b>Assumed Number of Covered Lives*</b>	<b>Rate Per Employee Per Month</b>	<b>Estimated Annual Fee</b>
FMLA (State/Federal)	1,600	\$1.85	\$35,520.00
• Additional LOA Tracking	Additional	N/A	N/A
One-time implementation fee (applicable only to FMLA offering)			\$3,500.00

*If at any time during the life of the agreement, the FMLA/LOA rate for City of Chandler exceeds 16% Matrix reserves the right to review, and if necessary, revise the pricing reflected above subject to the terms of this Addendum.*

\*Assumed Number of Covered Lives will be invoiced based upon eligible headcount as reported from client supplied data eligibility feeds.

**Terms and Conditions:**

All fees outlined above will be paid in monthly installments beginning on March 1, 2013.

The above rates are guaranteed through December 31, 2014.

Administration fees are inclusive of all standard services as outlined above.

Run-out Services are not included as part of this proposal and are priced separately below.

All non-standard fees or unallocated expenses associated with the routine management of claims (i.e. Specialty Exams, Attorney Fees etc...) are invoiced at cost.

**Value Added Services & Expenses – not included**

***Premium Billing Services***

*Priced separately*

***Takeover of existing FMLA Claims /Run-out of Claims at Termination***

*- \$165 per claim*

***eServices Access***

*Up to 25 users included. Additional users available in blocks of 10 users @ \$2,500 per block*

**Non Standard Data Feeds – Including but not limited to: Custom Payroll Feeds & "Reverse Feeds"**

\$185/hour plus \$200 per exception

**Ad Hoc Reporting Services  
(Customized Programming and Reporting);**

- *An Ad Hoc report writing tool is provided to all our Clients free of charge, this gives access to all major data elements and allows users to generate their own reports.*
- *Reports that require complex logic, scheduling, distribution or data encryption will be custom developed after sign off by the Client on a report specification. This specification will be produced by Matrix / Reliance Standard in conjunction with Client representatives.*

**LOA Data File Transfer Fee**

*File transfer, upon termination. One time transfer in Matrix standard format – No charge.  
Customization and/or increased frequency – At Cost*

**ADDENDUM Exhibit B**  
**FMLA Administrative Services**  
**Requirements Document**

**A. General Obligations**

Matrix shall administer the Policy in accordance with the terms and conditions of the Policy and this Agreement. In carrying out its responsibilities under this Agreement, Matrix shall provide the following general administrative services:

- (a) When requested by Client, Matrix shall use commercially reasonable efforts to assist Client with respect to its Policy on issues of program design, including benefits and eligibility and other related administrative services.
- (b) Matrix shall design communication materials subject to prior approval by Client as related to the Policy implementation process. Client agrees to cooperate in the review and approval of such materials in a timely manner. It is the Client's responsibility to distribute implementation materials to Employees and Participants.
- (c) Matrix is responsible for maintaining and training adequate levels of staff and providing a toll-free customer service telephone number for responding promptly to inquiries from Client, Client's administrative staff, Employees, former Employees that have or have had an active claim under the Policy, Participants and providers concerning the Policy.
- (d) Matrix shall provide assistance to Client's staff during the Policy's implementation process. Ongoing assistance with training as reasonably requested by Client upon mutual agreement of the parties will be provided at a fee to cover associated expenses.
- (e) Matrix shall provide assistance with review of the Summary Policy Descriptions developed by Client for each product line. Client is responsible for the costs of printing and distributing the Policy, Summary Policy Description and related documents to its participants.
- (f) Matrix shall prepare and distribute to Participants, as appropriate, forms and related materials required for processing claims.
- (g) Matrix shall provide information as permitted by law to assist Client in preparing reports required to be furnished to governmental entities regarding the Policy.
- (h) Matrix agrees to provide standard web based reports that are available without modification. Customized reports may be available by mutual agreement at an additional charge.
- (i) Non-Standard and Custom reports will be produced upon mutual agreement for an additional charge as set forth in Addendum Exhibit A.
- (j) Use of web-based services shall be subject to the current terms and conditions as posted on the Matrix web site.

**B. FMLA Management Services**

Matrix shall provide the following services with respect to the Leave of Absence claims submitted under the Policy:

- (a) Accept and receive all Leave of Absence requests under the Policy.
- (b) Provide necessary forms to Employees.

- (c) Examine all Leave of Absence requests and follow-up information, as appropriate.
- (d) Adhere to the U.S. Department of Labor's federal regulations including regulations for FMLA.
- (e) Obtain additional information, as needed, by correspondence with Claimants, physicians and others.
- (f) Determine an Employee's eligibility for leave and amount in accordance with the Client's Policy and information provided by Client and the Employee.
- (g) Send pending notice of Leave of Absence to Client designated contacts within two (2) days of notice.
- (h) Send formal FMLA approval letter and all follow up notices and FMLA letters to Employee during duration of Leave of Absence.
- (i) Evaluation and notification of approvals or denials of FMLA Leave of Absence Requests, within 2 business days.
- (j) Calculation of Leave of Absence duration.
- (k) Provide Notice of eligibility for Leave of Absence Requests.
- (l) Provide adequate notice to Client on Leave of Absence Requests.
- (m) Continue to provide documentation on Employee Leave of Absence Requests to Client until FMLA leave duration ceases.
- (n) Maintain complete and accurate tracking for purposes of establishing Employee eligibility for a Leave of Absence and records and files on each Leave of Absence Request in accordance with applicable statutory requirements.
- (o) Give timely written notice to Employee of any denial of a Leave of Absence Request in accordance with applicable law.
- (p) Maintain records of family and medical leave utilization.
- (q) Coordinate Return-to-Work dates with Employee and Client, five (5) days prior to scheduled return and on the Employee date of return.
- (r) Accumulate and store in database all applicable leave of absence time in accordance with FMLA regulations.
- (s) Notify Employee and Client when FMLA leave of absence duration is exhausted.
- (t) Provide support for FMLA conflict resolution process.
- (u) Provide contact with Employee by phone or letter to establish/re-assess the Leave of Absence Request and for Employee inquiries concerning leave request status with copies of all written communication.
- (v) Assign a leave coordinator to act on behalf of Employee by responding directly to all FMLA requests.
- (w) Standardize forms to assist in managing FMLA policy.
- (x) Completion, distribution and coordination of all standard forms. Matrix is responsible for the recording, tracking, and reporting of employee absences from various sources as reported through the toll-free number or any other approved media.