

Pre-Funding Agreement of HRA Plan with Ongoing Weekly Funding

Nassau County Board of County Commissioners ("Client") has agreed to establish a payroll deduction for Client's HRA Plan. This includes HRAs established pursuant to Section 125 of the Internal Revenue Code. The parties have executed an HRA Service Agreement dated 01/01/2023 whereas PayFlex Systems USA, Inc. ("PayFlex") will serve as third party administrator for Client's HRA Plan.

Under the terms and conditions of this Pre-Funding Agreement, Client agrees to prefund the HRA Plan. This means Client will transfer funds from their own general assets to PayFlex in an amount equivalent to **five percent (5%)** of the 2023 Total Annual Elections. Client will make this initial deposit on or before December 29, 2022. This is before any payroll deductions start for Client's HRA Plan administered by PayFlex. PayFlex will use the funds to reimburse claims for Client's HRA participants. PayFlex will retain this prefund amount for subsequent plan years. Annually, PayFlex will evaluate the client's prefunding amount based on total annual elections and funding activity. PayFlex reserves the right to request additional prefunding in the event of an increase in HRA participation. The additional prefunding amount will be calculated using the difference between the prior total annual elections and the current annual elections. The difference will be multiplied by five percent (5%) to determine client's additional prefunding amount. Should there be a decrease in HRA participation, PayFlex will return the difference in prefunding based on total annual elections.

On a weekly basis, PayFlex will report to Client the amount of HRA claims processed and paid the previous week. Client will transfer money to PayFlex for these claims payments. Client will do this through an Automated Clearing House (ACH) payment. This arrangement will restore the prefunding amount for ongoing claims payments, with the intent of minimizing or avoiding held claims. Held claims may occur if the HRA Plan goes into a negative status. This would result from the total claims for the week being greater than the prefund amount. Client can make an off-cycle ACH payment to PayFlex to allow the claims to release to impacted participants. If Client does not make an off-cycle payment, the held claims will release once the weekly payment is received and the prefund amount restored.

This Pre-Funding Agreement represents the agreement of the parties regarding pre-funding as described herein; all provisions of the HRA Agreement remain in full force. Where there is a conflict between the terms and conditions of this Pre-Funding Agreement and the HRA Service Agreement the terms and conditions of the Pre-Funding Agreement shall apply.

PayFlex hereby agrees to return the prefund amount to Client, minus of any claims paid against that amount, at the end of its term as administrator of Client's HRA Plan.

Client must send the initial deposit and weekly payments to the following PayFlex bank account:

Bank Name:	American National Bank
Address:	8990 West Dodge Road
	Omaha, NE 68114
ABA Number:	104000854
Account Number:	5127459
Account Name:	PayFlex Custodial Claims

By signing this document, both parties agree to the terms described above.

PayFlex Systems USA, Inc.

Signature

Carolyn G Arabolos

Name

Chief Operating Officer

Title

Date

Nassau County Board of CC

Signature

Jeff Gray

Name

Nassau County BOCC Chairman

Title

Date