



Private Health Services Plan

ADMINISTRATIVE SERVICES AGREEMENT

BETWEEN: Tax Free Health Inc. of #295, 11012 Macleod Trail SE, Calgary, Alberta T2J 6A5
(hereinafter called "**TFH Inc.**")
- and -

(hereinafter called "the Employer")

WHEREAS:

(A) The Employer has established a Private Health Services Plan, a summary of which is included in this document, for its employees and their dependents (hereinafter called the Employee Health Care Plan) and
(B) **TFH Inc.** is engaged in the business of providing financial, administrative and trustee services; now therefore **TFH Inc.** and the Employer hereby agree as follows:

Responsibilities of TFH Inc.

Tax Free Health Inc. shall provide the following services to the Employer:

1. Provide consultation to the Employer with regard to requirements to establish an Employee Health Care Plan for its employees.
2. Assist the Employer with implementing the Employee Health Care Plan.
3. Administer and manage the Employee Health Care Plan on an ongoing basis. Administration of the Employee Health Care Plan will include but not be limited to the following:
 - a. Establishing accounts for eligible employees, as authorized by employer
 - b. Confirming that claims meet eligibility requirements
 - c. Monitoring claim pools to ensure account maximums are not exceeded
 - d. Establishing client reporting procedures
 - e. Processing elections on year end account balances
 - f. Processing and distributing claims from accounts
 - g. Arbitrating contestable claims between Employee and Employer
4. Follow the guidelines and procedure manuals set forth by respective Provincial Health Information Acts and the Federal Freedom of Information and Privacy Protection Act.
5. Hold all monies received from the Employer in trust, which bears no interest to the employer.
6. **TFH Inc.** will be entitled to all interest earned on trust funds.

Responsibilities of the Employer

1. The Employer will ensure that the plan remains funded, as outlined in the attached Fee Schedule, in a manner necessary to meet its obligations to its employees and **TFH Inc.** In the event that the Employer fails to fund the plan as required, **TFH Inc.** is under no obligation to, and will not pay out claims submitted by the employees.
2. The Employer shall provide **TFH Inc.** with a current record of all eligible employees and dependents covered under the plan.
3. The Employer shall notify **TFH Inc.** immediately about changes affecting the eligibility of any employees and/or dependents in a manner that is satisfactory to **TFH Inc.**
4. The Employer shall maintain a registry of all eligible employees signifying which employees are participating in the Employee Health Care Plan and which employees are opting out.

Other Terms

1. The Employer authorizes **TFH Inc.** to apply payments from the Employer's account in settlement of eligible benefits payable to employees under the Employee Health Care Plan and settlement of administration fees due to **TFH Inc.**, and to make adjustments to accounts to comply with the Fee Schedule of this agreement.
2. **TFH Inc.** shall not be liable in the event that it has paid a benefit for which an employee was not eligible because the Employer failed to supply **TFH Inc.** with timely or accurate information in the manner satisfactory to **TFH Inc.**
3. This agreement can be terminated immediately by either party upon written notice to the offices of the other party. Termination of this agreement constitutes termination of the Employee Health Care Plan. In the event this agreement is terminated, **TFH Inc.** shall have no obligation under the Employee Health Care Plan beyond paying claims incurred prior and including the date of termination. The Employer shall be required to fund its obligations under this agreement, including fees and applicable taxes due to the administrator, up to and including the date of termination.
4. In the event that there has been no activity for a period of 30 consecutive months, **TFH Inc.** reserves the right to terminate this agreement by written notice mailed to the Employer's address.

5. This agreement, together with the Employee Enrollment Form and the Client Account Information Form, copies of which are attached and made a part hereof, constitutes the entire agreement.
6. Time is of the essence in the agreement.
7. In addition, Federal and Provincial sales taxes will be levied on fees when applicable **TFH Inc.** GST Registration #135398030 RT 0001.
8. In the event that the actual number of eligible employees at start up should differ from the number indicated on this schedule, an adjustment will be made to the employers account.
9. Each additional Employee subsequently added to the plan will be subject to a \$40.00 + GST set up fee. Employees dropped from the plan will be deleted at no charge.

EMPLOYER FEE SCHEDULE PAYABLE TO TAX FREE HEALTH INC.

1. Enrollment Fee – A ONE TIME enrollment fee as follows:

i. Base Fee.....\$ 250.00

Plus

ii. \$25 for each participating employee (\$25 x {# of employees}).....\$ _____

Subtotal: \$ _____

GST: \$ _____

Total Due: \$ _____

2. Administration Fees

Calculated as 10% (plus GST) of benefits paid out under the Employee Health Care Plan

Special Instructions: _____

Recommended by: _____

TOGETHER WITH THE ENCLOSED PAYMENT OF \$ _____ PURSUANT TO THE SET UP FEE OUTLINED IN THE FEE SCHEDULE OF THIS AGREEMENT, AND IN WITNESS WHEREOF, the terms of this agreement are hereby accepted by the parties hereto this _____ day of the month of _____, 20____ at Calgary, Alberta.

Acknowledgement **Tax Free Health Inc.**

And Acceptance by:

By: _____
Tax Free Health Inc. Agent Signature

Employer Signature