



Diversified Administration, Inc.

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PREPARED EXCLUSIVELY FOR

General Distribution

Diversified Administration, Inc.

General Information and Pricing

COBRA - POP - FSA - DCAP - HRA - QSEHRA
ERISA - WRAP - 5500 - ACA - 5699 - 226j

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WELCOME TO THE **DIVERSIFIED** ADMINISTRATION **FAMILY!** PLEASURE TO MEET **YOU.**

Diversified Administration, Inc. is a family owned and operated company, proudly serving our clients for more than 30 years. In that time, we have been honored to provide prompt, compliant, and innovative service to many of Florida's top law firms, CPA practices, professional sports teams, insurance agencies, schools, auto dealerships, governmental agencies, and everyone in between.

Let us help take your employee benefits experience to the next level. With a focus on cutting edge technology and good old fashioned family values, you'll find that Diversified Administration, Inc. provides the very best in boutique benefit administration services. Our commitment to engaging new technologies means your business will always have access to best-in-industry tools. More important than our tools, however, is our team. When you partner with us, our family becomes your family.

Diversified Administration, Inc. is the partner you're looking for. Let us show you how we can help to keep you compliant while providing top-notch, professional services to keep your employees happy while protecting your bottom line.



OUR FAMILY

With three generations, and decades of experience, the Diversified Administration, Inc. family is happy to be your benefits compliance expert. We look forward to helping keep the IRS & DOL out of your conference room.

I will ask that you let us service one of your clients. You will ask that we service the rest of them!
Benjamin Davis, President

BENEFITS TO YOU

AND YOUR CLIENTS!

We take the quality of our service, and client satisfaction very seriously. Our relentless pursuit of this continues to set us apart from the competition time and time again.

While it's great that the technology we use has all the latest bells and whistles, we've found it's also important to meet our clients where they are. If you are looking for integrated solutions that are compatible with Employee Navigator, ADP, Ultimate Software, or any other payroll vendor, we've got that covered. We accept EDI File feeds for COBRA, Retiree billing, HRA, FSA & Transit Administration, as well as ACA reporting. Not only that, but there is **never** any set up costs for file feeds coming in to Diversified Administration

We are also happy to work with companies more comfortable e-mailing data, using our secure fax, or even sending it via snail mail. We do our best to make compliance as painless as possible.



BROKER FRIENDLY

We DO NOT sell insurance products, so you never have to worry about us competing for your clients. We simply handle the compliance issues on all of the plans you sell.



BILINGUAL SERVICE

All of our departments are fully staffed with bilingual personnel, who are able to assist participants, clients, brokers, and HR Personnel in both English and Spanish.



HIPAA COMPLIANT

We take our stewardship of PHI & PII very seriously. Diversified Administration, Inc. employs multiple layers of technology to ensure we keep your data safe and secure.

Don't just take our word for it. A majority of our clients have left glowing reviews online. Many times, they will recognize a particular employee for delivering exceptional service that goes above and beyond what was expected. Our focus on customer service, combined with our unique ability to translate IRS & DOL regulations into plain English, has left positive impressions on companies all around the country. Let us amaze you today.

97.6%
OF OUR GOOGLE
REVIEWS ARE 5-STAR

"Diversified Administration helps me with ACA reporting every year. I've worked with several vendors in the past and no one provides the level of support and expertise that they do. I would recommend them to anyone."

- Luis C., Group Health Insurance Broker

COBRA ADMINISTRATION

**It's easy for participants,
brokers and HR to manage
their accounts, view reports,
track payments and coverages,
and view all notices mailed from
our secure fulfillment center.**

COBRA Administration can be very intimidating for many employers. With all the necessary paperwork and recordkeeping, it can be time-consuming and redirect attention away from the business of being in business. Our office can take the fear and uncertainty out of COBRA administration. Let us review your entire benefits package and determine which benefits are COBRA eligible. We can then tie these together in a seamless system, ensuring all COBRA deadlines are met, and all required notices are furnished properly.



WEEKLY DIRECT DEPOSIT DISBURSEMENTS

It's typical in our industry for COBRA administrators to send direct deposit disbursements once a month. We've found this puts an undue burden on many small and mid-sized businesses. By processing payments every week, we help to alleviate these cash flow issues.



URGENT ACCESS TO CARE SPECIALISTS

Any reputable COBRA administrator follows the rules and regulations, but we strive for more than that. Our dedicated COBRA advocates are easy to reach and quick to respond. For urgent access to care issues, we contact your carrier directly, often resolving the issue within 24 hours.



HIRE TO RETIRE COBRA COMPLIANCE

We provide COBRA compliance for the entire employee lifecycle, from hiring to retiring. This covers all required COBRA notices (including all initial notices and termination notices), USPS First Class Proof of Mailing, and comprehensive Open Enrollment processing and support.

HIGHLIGHTS OF OUR COBRA SERVICE

- Import Active Employee Census & Mail past due COBRA Initial Notices
- No Cost EDI/File Feed Set-Up
- 24/7 Online Participant & Employer Level Account Management
- Smooth transition for Participants & QB's
- Online COBRA Elections & Payment via ACH, Debit, or Credit Card
- Website Training of COBRA Processes with HR
- Tamper-proof digital archiving of all notices mailed through fulfillment
- Monthly Email Invoicing & FREE Annual Renewal

POP, FSA, DCAP & TRANSIT

Section 125 & 132 plans are great ways to pay less taxes and make your employees happy at the same time.

Participants & HR can check account balances online. Participants can also view claim details, check the status of debit card swipes & more.

Let Diversified Administration, Inc take the hassle out of your FSA, DCAP & Transit Administration. Our team will update you on the new IRS maximums and changes each year. We are experts at knowing which medical expenses are permissible to reimburse on a pretax basis, and which ones are not. We can tell participants which Lyft or Uber rides are permissible according to their Transit Plan documents and which ones are not. We can also explain to a participant how a claim will be processed when they are enrolled in both an FSA and HRA benefit.



WEEKLY DIRECT DEPOSIT REIMBURSEMENTS

No more waiting for your FSA, HRA or Transit reimbursements. We process your claims and reimburse via Direct Deposit every Wednesday! Of course, all FSA and Transit plans, and many HRA plans, are also compatible with the Plan's Employee Benefits Debit card.



SO MANY DIFFERENT WAYS TO SUBMIT CLAIMS

We try to make it as easy as possible to submit claims. Most debit card transactions will automatically substantiate. For claims requiring documentation, it can be sent via snail mail, e-mail, fax, our phone app, or the online claims portal. Anything but smoke signals.



24/7 ACCESS TO MANAGERIAL REPORTS

Our online portal gives Brokers and HR access to a wide array of managerial reports. The reports can be broken down by benefit (general medical FSA, limited medical FSA compatible with HSA, dependent daycare), or all benefits together. All your data, right at your fingertips.

THE SECRET WHY BROKERS LOVE FSAs

It's great that participants get the tax saving benefits associated with the Flexible Spending Accounts; but the truly amazing part is that the employer's tax savings often greatly exceeds the cost to administer the plan. That means that the FSA is the only benefit a broker can offer, which can be a black line on their company's balance sheet, and not a red line. To help achieve this goal, Diversified Administration will prepare online or in-person enrollment meetings for the potential participants. By explaining the plan details in easy to understand language, we can greatly increase employee participation. As the only employee benefit that can pay for itself, and more, the Flexible Spending Account should be one of a broker's favorite lines of service to offer.

MERPs, HRAs & QSEHRAs

A plan can be written as a standalone HRA, or a MERP paired with either a Section 125 POP or Flexible Benefits Plan.

The plan design used will depend on a number of factors, which we can help determine when we meet to discuss the plan design.

One of the best and most underutilized mechanisms for employers to save money can be found in the design and implementation of our HRA and/ or MERP Plans. Although MERPs and HRAs are used when the employer funds the accounts without employee contributions, savings can be enjoyed by employer and employee alike. We are the experts on the complex interactions of HSA, MERP, FSA and High-Deductible Health Plans, and have been designing these great plans for our clients for many years.



CUSTOM TAILORED HRA PLAN DESIGNS

Each HRA is custom designed based on the underlying group medical plan and what the employer wants to reimburse. We know there's no one-size-fits-all solution, so we work with your client to design a reimbursement plan that helps to achieve the specific goals they set.



MEDICARE SECONDARY PAYER REPORTING

If the total reimbursement for an eligible employee (and dependents, if included in the plan design) is \$5000 or more, then Medicare Secondary Payer Reporting is required. Diversified Administration, Inc. will handle this. We just need the demographic information for the covered employees and their dependents.



HRA, FSA & DCAP ALL ON THE SAME DEBIT CARD

For HRAs to work with Debit Cards, the employer has to pay first dollar. If an employer couples an FSA with that kind of HRA, employees can access both benefits on the same debit card. They can even link the DCAP benefit to the card to pay for dependent care expenses, too.

WE EAT THIS ALPHABET SOUP EVERY DAY

FSA, HRA, ACA, ETC, OMG! It's so easy to get overwhelmed by all of the various acronyms associated with employee benefits. We eat this stuff for breakfast, lunch, and dinner - so if you want to know whether a MERP, HRA, or QSEHRA might be right for your client, you've come to the right place. We understand that every company's situation is unique, which is why we work to determine the best way to achieve your client's goals. A plan which pays the first part of an employee's deductible might be right for one company, while a plan which pays after a portion of the deductible has been met might be right for another company. Once we've taken the time to get a firm understanding of what your client's needs are, it becomes quite easy to design a plan that helps achieve that outcome.

ERISA Wrap Docs & Form 5500s

These compliance areas are some of the main ways we help keep the IRS & DOL out of your clients' conference rooms.

The US Department of Labor assesses penalties based on each plan offered. Instead of offering a medical plan, a dental plan and a vision plan - each of which increases a company's exposure - an ERISA Wrap Document bundles all of those benefits in a single plan. This greatly reduces a company's potential exposure.

Let the experts at Diversified Administration, Inc. handle your clients ERISA Wrap Document preparation, as well as their Health & Welfare Form 5500 filings. With penalties of more than \$2400 per day for late filings, you don't want this slipping through the cracks.



ANNUAL REMINDERS & AUTOMATIC EXTENSIONS

It's incredibly easy for a company to overlook their Form 5500 filing obligation. It's also extremely costly. As a result, we contact our clients months before their filings are due to ensure they are completed on time. Form 5558s are automatically filed for any clients whose 5500s need extensions.



UNLIMITED SCHEDULE A'S WITH NO EXTRA CHARGE

There's an old saying that no good deed goes unpunished. Well, we don't believe a company should have to pay more for Form 5500 preparation, just because they offer a generous suite of benefits to their employees. There's no charge for any number of Schedule A's.



OUR SUPER CONVENIENT HAVE / NEED LIST

Working to gather the documents for multiple clients can be taxing for a broker. We make things easy to track. By using data from your prior year 5500 filing, we know which schedule A's to expect. By tracking the Schedule A's as they arrive, we always know what's outstanding.

WE ARE THE DFVCP EXPERTS!

So, you've just received the Broker of Record letter from your new client. It turns out that the old broker wasn't taking care of things, and the client hasn't done their required Form 5500 filings for the last few years. You know that since the DOL can assess penalties of more than \$2400 per day (per plan), per plan year, the client has some serious financial exposure. Fortunately, the specialists here at Diversified Administration, Inc. excel at getting companies - just like this new client of yours - successfully enrolled in the Delinquent Filer Voluntary Compliance Program (DFVCP). This reduces the penalty to \$10 per day (per plan, per plan year), and also puts a \$2000 or \$4000 cap (per plan) on the total penalty amount, often saving a company hundreds of thousands of dollars in penalties.

ACA (1094/1095) REPORTING

The ACA reporting requirements are incredibly burdensome for companies to comply with. Let our dedicated team of experts take this weight off the shoulders of your clients. Our custom designed software takes the clients data and automatically calculates the codes used on the 1095-C.

Diversified Administration, Inc. has been doing the ACA reporting since it was first required in 2015. Each year, we have found more and more ways to ease the burden that ACA reporting puts on companies. Our technology has been streamlined to such a degree that we are often able to get last minute sign-ups filed before the IRS deadline. Efficiency is not our only focus, though. All of the data we work with goes through a number of rigorous quality assurance checks, to ensure that every filing we do is done right, the very first time.



AUTOMATIC CODE CALCULATION

Many service providers in the ACA reporting space require companies to complete lines 14 and 16 using the appropriate offer and safe harbor codes. We use data they already have, like hire/term dates, and if an employee took or waived coverage, and calculate the appropriate codes for each employee, each month.



4980H (A) & (B) PENALTY ALERT SYSTEM

Every single 1095-C we prepare goes through numerous QA checks. One of the most important ensures that the company is 100% free from both the 4980H(a) and 4980H(b) penalties. When we prepare a company's forms, they get the peace of mind knowing that their filing will be penalty free.



PRINTING, MAILING, E-FILING & CORRECTIONS

Our comprehensive ACA reporting services will satisfy all of an ALE's reporting obligations. Printing, Mailing, and e-filing the 1095-Cs are included in our service. We also process one round of post e-filing corrections, for any names or SSNs that don't match what is in the IRS Database.

FREE IRS PENALTY LETTER PROTECTION

While we have not had a single client who has needed to use this particular service, we do include free IRS Penalty Letter protection on every one of our clients' ACA reporting. This added peace of mind is priceless, especially since the penalty letters typically range from a few hundred thousand dollars, to a few million dollars. Sleep easier knowing our experts have prepared hundreds of thousands of forms over the years, without incident. Yet in the unlikely event that your client does receive a penalty letter, our experts are standing by, ready to assist them in getting their penalty reduced or eliminated.

IRS LETTER 226J/5699 RESPONSES

There are few things as unpleasant as getting a letter from the IRS, saying that you may owe them a couple million dollars for ACA reporting violations.

Fortunately, we wrote the book on how to respond, so to speak. Benjamin Davis, the company President, was featured on the National Association of Health Underwriter's Compliance Corner, recognized as a preeminent expert on handling these issues.

These kinds of IRS penalty letters are frequently sent because a PEO, Payroll Company, or Employer tried to prepare their own 1094-C and 1095-Cs. Often, the ACA reporting is included as part of a PEO's service, or offered for free. Unfortunately, that free service is worth every penny, and not a cent more.



ABILITY TO HANDLE BOTH TYPES OF PENALTY LETTERS

At Diversified Administration, Inc., our knowledgeable staff is able to assist, whether your client received an IRS Letter 5699 (because they didn't do their ACA reporting), or an IRS Letter 226J (because there was an issue with the 1094-C or 1095-Cs that were filed.)



LATE YEAR ACA FILINGS & THE IRS LETTER 5699

Quite often, the most effective way for a company to address an IRS Letter 5699, is to prepare a Late Year ACA filing. Our IRS Penalty Letter Response Department works hand in hand with the ACA Reporting Department to get the penalty either reduced or eliminated.



IRS LETTER 226J & 4980H(A) & (B) PENALTIES

Frequently, a company will have offered affordable coverage to their employees, but the 1095-Cs told the IRS that no coverage was offered. We can use the Form 14765 to address these errors, give the IRS the correct information, and eliminate the penalty all together.

COMPREHENSIVE RESPONSE ASSISTANCE

The very first thing we do is review the letter sent by the IRS. Once we have determined whether it is related to a filing that's been done, or a failure to file all together, we work with the client to formulate our response. One of the things we will typically have a client do, is request an extension to respond to the penalty letter. The requests are almost always granted, but the request still must be made first. This gives the client enough time to gather any documentation necessary for us to prepare a response that will get the penalty eliminated in its entirety. Even in situations with almost insurmountable odds, we are able to satisfy most IRS concerns, and arrive at satisfactory resolutions for the clients. If you have a client who needs this kind of assistance, please contact us immediately.

WE PRIORITIZE VALUE OVER PRICE

Diversified Administration, Inc. focuses on giving our clients the best possible value. Some of our competitors instead strive to give the lowest price possible. They may even give their services away for free, which makes sense, because they're essentially worthless. One broker said "I can't afford 'FREE' because of how much time, energy, and effort it also ends up costing. I know you aren't the cheapest at what you do, but you unquestionably provide the best value for me and my clients."

COBRA ADMINISTRATION		RETIREE BILLING	
# of Benefit Eligible Employees	Cost Per Employee (\$60 Min/Month)	Per Enrolled Participant Tiers	Cost Per Participant
20-100	\$0.90	1-50	\$5.00
101-250	\$0.85	51-100	\$4.50
251-500	\$0.80	101+	\$4.00
501-750	\$0.75		
751+	\$0.70		
Mailing of COBRA Initial Notice to active employee population prior to the beginning of services contract			\$2.50/notice
Returned mail fees (First 10 returned pieces at no charge)			\$4.00/remailed notice
Mailed paper check COBRA premium remittances to employer (No charge for direct deposit remittances)			\$5.00/month
Premium Grace Letters			\$10.00/letter
Hand delivery of COBRA notices to Post Office for USPS Proof of Mailing (Most often used for late notices or in some cases if modification of notices is required.)			\$50.00/post office trip

FSA, DCAP, HRA & TRANSIT ADMINISTRATION	
FSA Plan Document and Summary Plan Description (Includes discrimination testing for initial year)	\$750 - One Time Setup
HRA Plan Document and Summary Plan Description (Includes discrimination testing for initial year)	\$600 - One Time Setup
Transit Plan Document and Summary Plan Description	\$300 - One Time Setup
FSA, HRA & Transit Document Annual Renewal	\$100/year (Per Document)
Annual Discrimination Testing	\$200/year
Annual Re-enrollment (Under 100 employees)	\$100/year
Annual Re-enrollment (Over 100 employees)	\$200/year
FSA Benefits Administration	\$7.00/PPPM (\$150 Min/Mo)
HRA Benefits Administration	\$5.00/PPPM (\$75 Min/Mo)
Transit Benefits Administration	\$5.00/PPPM (Not in FSA/HRA)
Flex Card – per flexible spending participant (Optional)	\$1.00/PPPM (1-Time \$3/Card)
Direct Deposit (Optional)	\$10 + \$0.25/transaction
Medicare Secondary Payer Reporting (If applicable)	\$5 Monthly

AFFORDABLE CARE ACT REPORTING (Obamacare - 1094/1095-C's)

	Fully Insured Plans		Self/Level Funded & Combination Funded Plans	
# of Employees	Annual Setup	Cost Per Form	Annual Setup	Cost Per Form
0-250	\$900	\$12.00	\$1,100	\$14.00
251-500	\$1,000	\$11.00	\$1,300	\$13.00
501-1000	\$1,300	\$10.00	\$1,700	\$12.00
1001+	\$1,700	\$9.00	\$2,200	\$11.00
Additional EIN	\$300/2nd EIN	\$100/extra EINs	\$450/2nd EIN	\$100/extra EINs
IRS 226J & 5699 Penalty Letter Response (If we did not prepare the forms)				\$500 + 2% of the ESRP

HEALTH & WELFARE FORM 5500 FILINGS

Timely Filings (Unlimited number of Schedule A's)	\$450/Filing
Delinquent Filings (Unlimited Schedule A's, DFVCP assistance)	\$550/Filing
Form 5558 Extension	\$75/Extension

ERISA & POP DOCUMENT PREPARATION

ERISA Wrap Document Preparation	\$500
Annual ERISA Wrap Document Amendments	\$50
Premium Only Plan Document Preparation	\$500
Premium Only Plan Document Annual Renewal	\$100

All services - benefits administration, filings, preparing plan documents - are all done on an annual basis. We never lock you in with multi-year contracts. When you continue to do business with us year after year, we want that to be because of the quality of service we provide, not because you're contractually obligated to. This is why more than 95% of our clients are renewals and referrals. Referring a business associate to us is one of the best ways you can possibly tell us "Thank you."

THE COST OF COMPLIANCE IS NOTHING COMPARED TO THE COST OF NONCOMPLIANCE