

**National Benefit Services, LLC**  
**403(b) Provider/Information Sharing Agreement**  
**Annuities**

WHEREAS, the State of Hawaii Department of Education (the “Employer”) is eligible to sponsor and has established a 403(b) Plan for the benefit of its employees; and

WHEREAS, it is intended that the 403(b) Plan comply with the requirements of and qualify under Section 403(b) of the Internal Revenue Code of 1986, as amended ("IRC") and all applicable state and federal laws; and

WHEREAS, National Benefit Services, LLC (“NBS”) has entered into an administrative service agreement with the Employer to assist the Employer in complying with its responsibilities as a sponsor of a 403(b) Plan; and

WHEREAS, IRC Section 403(b) provides that amounts paid by an eligible Employer to an annuity contract (an “Annuity”) that satisfies the requirements of such Section shall be treated as amounts contributed by the Employer for an annuity contract (as described in IRC Section 403(b)) for the employee (“Participant”); and

WHEREAS, Company has offered to provide annuity contracts complying with IRC Section 403(b) for eligible Employees of the Employer who elect to have such Annuities purchased on their behalf.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

1. Annuities. The Company shall provide for purchase by the Employer for its Participants, Annuities complying with the provisions of IRC Section 403(b) and any applicable state and federal laws. Without limiting the foregoing, the Company shall be responsible for:
  - a. Providing a copy of the annuity contract, and, in the case of a variable annuity contract, a prospectus, to the employee; and
  - b. Providing notification to Participants that required minimum distributions must be taken, and providing distribution information to NBS after performing all required minimum distributions; and
  - c. Processing of hardship distributions (for annuity contracts which include hardship provisions) after receiving written approval from NBS; and
  - d. Complying with and processing of qualified domestic relation orders and domestic relation orders (as defined in IRC Sections 414(p)(1)(A) & (B)) that relate to Annuities hereunder after approval by NBS; and

- e. Preparing proper tax reporting documents for all applicable distributions, and satisfying all withholding and remittance requirements of Federal and State law and providing a copy of all reported information to NBS upon request; and
- f. Processing of any loan requests (for annuity contracts which include loan provisions) pursuant to Participant's direction after written notification from NBS that Participant is eligible for the requested loan and the loan amount as determined by NBS; and
- g. Administering loans (for annuity contracts which include loan provision) under Code Section 72(p), and such regulations currently existing or issued in the future by the Internal Revenue Service; including the preparation of the appropriate tax reporting documents in the event of a default under the terms of the loan and providing a copy of all reported default information to NBS within 90 days following the date of the reported default; and
- h. Processing exchanges pursuant to Participant's directions after receiving written notification from NBS that Participant is eligible for the requested exchange; and
- i. Processing transfers for the purpose of purchasing permissive service credit (or a repayment to a defined benefit governmental plan) pursuant to Participant's directions after receiving written notification from NBS that Participant is eligible for the requested transfer; and
- j. Performing transfers of investments from the Employer's plan to another eligible plan pursuant to Participant's directions after receiving written notification from NBS that Participant is eligible for the requested transfer; and
- k. Performing transfers of investments to the Employer's plan from another eligible plan pursuant to Participant's directions after receiving written notification from NBS that Participant is eligible for the requested transfer; and
- l. Providing appropriate account information to the receiving investment provider or plan upon transfer or exchange of assets that shall include but not be limited to the identification of asset source (employee deferral, employer, Roth, etc.), employee deferral amounts, outstanding defaulted loans (for annuity contracts which include loan provisions), and commencement date of the five year holding period (for products that offer Roth provisions); and
- m. Reporting outstanding defaulted loan information from another investment provider or plan as part of a transfer or exchange to NBS within 90 days; and
- n. Processing of rollovers pursuant to Participant's directions after receiving written notification from NBS that Participant is eligible for the requested rollover; and
- o. Processing of any other distribution requests pursuant to Participant's direction after receiving written notification from NBS that Participant is eligible for the requested distribution; and

- p. Responding to inquiries from NBS regarding Participant account balance, loan balance, loan status, or account transactions within a reasonable time period; and
  - q. Providing any information to NBS required by the IRS for proper administration of the Employer's plan within a reasonable time period; and
  - r. Providing sample documents of all 403(b) annuity contracts to NBS for review and agreeing to provide copies of any amendments that may be made to the 403(b) annuity contracts in the future; and
  - s. Utilizing NBS approved format for providing any notification, approval, or reporting any information referred to in this agreement or requested by NBS; and
  - t. Assuring that the Annuities shall also comply with any other pertinent present or future federal or state law. Such Annuities shall be available for purchase by the Employer for any legally eligible Participant electing to participate in the Employer's 403(b) Plan; and
2. Withholding. The Company shall comply with all applicable withholding rules relating to distributions applicable to the Annuities. In determining such compliance, the Company may require Participants to provide relevant information and attest to its accuracy.
3. 403(b) Roth. The Company certifies that for products offered that include Roth 403(b) provisions the Company agrees to bear the responsibility for:
- a. Segregating and separately tracking after-tax contributions to the Roth 403(b), if applicable; and
  - b. Tracking the commencement of the five year holding period
4. Life Insurance. Company shall not offer any Annuity to Employees of the Employer that has a life insurance component.
5. Solicitation and Directives. The Company, its agents, and representatives shall comply with all pertinent written directives from NBS and the Employer regarding the solicitation of employees of the Employer and the purchase of Annuities. No contact of employees shall be made on the premises of the Employer in person, by telephone or by other means except as approved by the Employer. In no event shall employees be contacted on premises of the Employer except before work, during lunch hours, or after work hours.
6. Cooperation from Company. Company shall, in the event of an audit by the Internal Revenue Service, an internal audit by the Employer or a third party firm designated by the Employer, or in any other instance in which the Employer requires it, promptly provide the necessary information as requested by NBS or the Employer or parties designated by NBS or the Employer for the 403(b) accounts held by Company for Participants of the Employer.

7. Indemnity and Defense. The Company shall defend, hold harmless, and indemnify NBS and the Employer, its Governing Board, and their officers, employees, agents, and authorized third party administrators (the “Indemnified Parties”), from every claim, obligation, demand and suit at law or equity, which may arise out of, be connected with or be made by reason of the purchase of Annuities by the Employer on behalf of employee(s) from the Company, and shall satisfy any judgment rendered or settlement against any of the indemnified parties, except for the liability resulting from the gross negligence, willful misconduct, actual fraud or criminal conduct, of any Indemnified Party. NBS or the Employer shall notify the Company within a reasonable amount of time on the receipt of any such claim demand or suit.
8. Agents. The Company is not and shall not be regarded as the agent or employee of the NBS or the Employer, any individual member of its governing board, any officer, agent or employee of any of the foregoing, any legal successor of any of the foregoing, or of any combination thereof.

Neither NBS nor the Employer, any individual member of the Governing Board of the Employer, any officer, agent, or employee thereof, the legal successors of, nor any combination thereof, are or shall be regarded as the agents or employees of the Company.

9. Payment of Premiums. Premium payments for the purchase of Annuities shall be made on behalf of each designated Participant by the Employer or by the Employer’s designated party, and such payments shall be made in accordance with applicable state and federal laws. The addresses to which payments and notices shall be sent for the Custodian and the respective Investment Companies are set forth in an attachment to this Agreement.
10. Effect of Agreement. The Company acknowledges that the execution of this Agreement by the Employer is solely for the convenience of the Employer and its employees, and does not constitute an endorsement, approval or recommendation of the Company or its Annuities by the Employer or its governing board; the Company shall make no representations to anyone to the contrary and shall use its best efforts to prevent such representations by its agents, brokers and employees. In addition, the Company acknowledges that the Employer:
  - a. Processes remittances with respect to purchases of Annuities solely on the basis of payroll processing, and shall not issue remittances in response to billings from the Company or insurers or others; and
  - b. Is not responsible for distribution materials supplied by the Company to any employee; and
  - c. Shall remit monies to the Company at a single location only; and
  - d. Shall supply with its remittances a listing containing, with respect to each applicable Participant, the name, social security number and contribution amounts. It shall be the obligation of the Company or its designee to allocate such contribution amount credited to an individual Participant to multiple sub-accounts available within the Annuities, if applicable.

11. Payment of Administrative Service Fees. Company acknowledges that Employer incurs costs that are attributed to the sponsorship of its 403(b) Plan and agrees to remit to NBS, upon invoice from NBS, a total administrative fee in the amount of \$3.50 per month per contributing Participant for costs of compliance and administration of the Employer 403(b) Plan. For Participants who are actively deferring to multiple investment providers, each provider will be assessed a pro rata share of the monthly fee as follows:
- 2 providers =  $\$3.50 \times .50$  (\$1.75) will be assessed to each provider
  - 3 providers =  $\$3.50 \times .33$  (\$1.17) will be assessed to each provider
  - 4 providers =  $\$3.50 \times .25$  (\$0.88) will be assessed to each provider
  - 5 providers =  $\$3.50 \times .20$  (\$0.70) will be assessed to each provider
12. Failure to Timely Remit Administrative Service Fee Payment. Failure to timely remit payment of monthly administrative service fee to NBS may result in the termination of this Agreement thereby excluding Company from participation in the Employer's 403(b) plan. Payments will be due within 30 days from the date of the billing statement.
13. Prior Agreements. This Agreement supersedes and replaces any and all prior agreements of the Company regarding the purchase of Annuities by the Employer.
14. Conflict with Plan Document. Company acknowledges that in the event there is a conflict between the provisions of an annuity contract executed by a Participant and the 403(b) Plan document, the provisions of the 403(b) Plan shall prevail.
15. Termination. The Company reserves the right, upon thirty (30) days written notice to the Employer, to terminate this Agreement, but such termination shall in no manner affect any liability of the Company incurred prior to such termination. The Employer reserves the right, upon thirty (30) days written notice to the Company, to terminate this Agreement or any other agreement in which this Agreement may be or is incorporated prior to such termination. Without limiting the foregoing, the Employer may terminate this Agreement in the event of material and/or recurring breaches by the Company of its obligations hereunder.
16. Agreement with Participants. The Company acknowledges that the Employer may terminate the Salary Reduction Agreement between the Employer and a Participant under which contributions are made to the employee's account in the event that the Company fails to comply with this Agreement, or if the Company or the Participant fails to comply with the 403(b) Plan, the rules, requirements, and procedures of the Employer or the agreement between the Employer and the Participant.
17. Addresses. The Company has provided below an address, with associated contact person and telephone number, to which all remittances shall be sent with respect to the Annuities, and, if different, an address, with associated contact person and telephone number, to be used for all other purposes. The Company shall promptly inform the Employer of any changes in such information, as well as any change in the Company's name or other pertinent information.

18. Contact Persons. The Company has provided below a name, address, phone number, and email address of a person or specific department that NBS may contact regarding operational questions relating to plan administration. The Company has also provided below a name, address, phone number, and email address of a person or specific department that NBS may contact regarding this agreement.
19. Alteration of Terms. No alteration or variation of the terms of this Agreement shall be valid unless the parties mutually consent in writing to such alteration or variations.
20. Governing Law. This Agreement shall be construed, administered and enforced in accordance with the state and federal law. Any action or proceedings related to or connected with this Agreement shall be brought in the proper court of the State of Hawaii.
21. Number and Gender. For purposes of this Agreement, the plural number shall include the singular, and vice versa, and the masculine gender shall include the feminine, neuter, and vice versa, whenever the context so requires.
22. Headings. The headings used in this Agreement are for convenience only, and shall not limit, restrict or enlarge the provisions of this Agreement.
23. Severability. If any provision of the Agreement is determined to be illegal, unenforceable, or invalid, the remaining provisions of this Agreement shall not be affected and shall remain in full force and effect.
24. Attorney's Fees. Should either party bring any claims, actions or proceedings to enforce or contest this Agreement, each party shall be responsible for their own attorney's fees and costs incurred.
25. Assignment. The Company shall not assign any rights or obligations under this Agreement to a third party without the written consent of the Employer.

## CONTACT PERSONS FOR PURPOSE OF AGREEMENT

### Company

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Address 1

\_\_\_\_\_  
Company Contact Person

\_\_\_\_\_  
Address 2

\_\_\_\_\_  
Phone

\_\_\_\_\_  
City, State ZIP

\_\_\_\_\_  
Email

### NBS

National Benefit Services, LLC  
Company

8523 S Redwood Road  
Address 1

Nathan Glassey  
Company Contact Person

\_\_\_\_\_  
Address 2

(800) 274-0503 ext. 127  
Phone

West Jordan, UT 84088  
City, State ZIP

nathang@nbsbenefits.com  
Email

## BILLING INFORMATION

NBS will submit an invoice to the Company at the address listed below on a monthly basis.

\_\_\_\_\_  
Billing Person/Dept.

\_\_\_\_\_  
Address 1

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Address 2

\_\_\_\_\_  
Email

\_\_\_\_\_  
City, State ZIP

# AGREEMENT APPROVAL

## Company

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Title of Authorized Officer

\_\_\_\_\_  
Name Authorized Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorized Officer

## NBS

National Benefit Services, LLC  
Company Name

President  
Title of Authorized Officer

Paul Lovell  
Name Authorized Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorized Officer



# ATTACHMENT TO 403(B) PROVIDER/INFORMATION SHARING AGREEMENT

## **Balance and Transaction Inquiry Contact**

Identify the appropriate individual or department for inquiries concerning Participant account balance, loan balance, loan status, and other account transactions.

\_\_\_\_\_

Balance Inquiry Contact/Dept.

\_\_\_\_\_

Email

\_\_\_\_\_

Phone

## **Remittance Address and Contact**

Identify the individual or department that should receive contribution remittance and that may be contacted to resolve questions or concerns relating to contribution remittance.

\_\_\_\_\_

Remittance Contact/Dept.

\_\_\_\_\_

Address 1

\_\_\_\_\_

Phone

\_\_\_\_\_

Address 2

\_\_\_\_\_

Email

\_\_\_\_\_

City, State ZIP