



# *Audit Guarantee*

AgriPlan/BizPlan realizes that a critical factor of a Section 105 Health and Accident Plan is that the Plan must be maintained in compliance with the Internal Revenue Code. AgriPlan/BizPlan stands behind the Plan by providing an Audit Guarantee to all enrolled clients. AgriPlan/BizPlan enrolled clients can be assured, by enrolling in our Plan and adhering to proper plan procedures, that their Plan meets all the requirements of the Internal Revenue Service.

## *Our guarantee is as follows:*

*AgriPlan/BizPlan will support and assist any enrolled client who has their Employee Benefit deduction and has adhered to our plan procedures and parameters, challenged by the Internal Revenue Service. We will provide:*

- ❖ Plan Documentation (upon request)*
- ❖ Evidence of Plan implementation*
- ❖ Evidence of Plan communications*
- ❖ Records of expense adjudication*
- ❖ Written and verbal communication regarding AgriPlan/BizPlan*
- ❖ All other tangent information pertaining to AgriPlan/BizPlan*

*The Plan Client must also be able to demonstrate:*

- 1. Compensation (cash and benefits) is reasonable based on employee duties, hours worked, etc.*
- 2. Regular and consistent payment of cash wages.*
- 3. Log of hours worked or specify the hours worked in the written employment agreement.*

*In addition, if all procedures were adhered to, AgriPlan/BizPlan will assume financial responsibility for any penalty and/or interest as a result of an audit as it pertains to AgriPlan/BizPlan.*

Based on facts and circumstances, AgriPlan/BizPlan reserves the right to limit its assistance or support. If the plan procedures have not been followed, AgriPlan/BizPlan cannot be successful in supplying support. It is critical for the enrolled clients to adhere to all outlined procedures in order to successfully maintain the deduction.

## **AgriPlan/BizPlan Audit Guarantee Guidelines**

### **Parameters**

AgriPlan/BizPlan Audit Guarantee applies to all plan parameters that are specified by AgriPlan/BizPlan in writing. These parameters include, but are not limited to, parameters outlined in the Plan Application, Summary Plan Description, Benefit Expenses transmittal, Plan Document, etc.

### **Exclusions**

The AgriPlan/BizPlan Audit Guarantee does not apply to an Employer's election of Plan parameters outside the scope of what is specified by the Plan. This reflects the fact that the Employer acts as the Plan Administrator or Plan Sponsor. AgriPlan/BizPlan is the Administrating Agent of the Plan as assigned by the employer. In these instances, TASC will not be at fault for the decisions to relative operations made by the employer. Examples of decisions that would meet the above criteria include but are not limited to; classing of employees, failure to offer COBRA, failure to distribute the SPD, etc. All of these parameters would be unwritten and the sole responsibility of the employer who made the decision(s) independent of AgriPlan/BizPlan and its representatives.

### **General Coverage**

The Audit Guarantee covers the company, its officers, stockholders, and employees. Independent contractors are not covered under the guarantee.

### **Taxes**

The Audit Guarantee does not cover the tax should it be deemed due to an individual or company as a result of an adjustment relating to an eligible expense. This tax would have been due by the individual or company previous to the Plan services of AgriPlan/BizPlan making a determination of the expenses deductibility under the Plan.

### **Legal Costs**

AgriPlan/BizPlan legal costs and other service costs related to the defense of AgriPlan/BizPlan with the Internal Revenue Service or the Department of Labor are covered under the Audit Guarantee as long as all parameters are in line with the written policy of AgriPlan/BizPlan. Employers' cost in securing legal or other services beyond what is provided by AgriPlan/BizPlan and AgriPlan/BizPlan's legal representatives is the full responsibility of the Employer. AgriPlan/BizPlan resumes the right to limit its assistance or support without limiting its responsibility for any penalty and or interest charged as a result of an audit.

### **Reporting**

AgriPlan/BizPlan is not responsible for the preparation and reporting of wage or benefits on the W-2, W-3 or any other employee income reporting document to the Internal Revenue Service, Department of Labor or any other entity regardless of the relationship of the Plan.

### **Guarantee Coverage Period**

The Audit Guarantee only covers the period the Employer was subscribed to AgriPlan/BizPlan services and in relation to AgriPlan/BizPlan's parameters and actions. The Audit Guarantee does not cover non-compliance due to the actions of the Employer, Administrator, and the Administrating Agent apart from AgriPlan/BizPlan occurring before, during or after the period of services to the employer.