HR Concepts, LLC

"Your Third Party Administrator of Choice"

Broker Compensation Outline

HR Concepts attributes its growth and continued success from our business partners, brokered relationships, and associations that have formally decided to recommend/endorse HR Concepts to their clients and business relationships. Because of your trust in HR Concepts, we have grown to be among the largest Third Party Administrators in New England and for this reason; we want to thank you for your business.

Compensating our business partners, brokered relationships, and associations has been a challenge in the past for us. After studying your needs and receiving your feedback, we are pleased to announce/introduce our compensation outline. Please note that there are three tiers in which you can qualify for compensation. These tiers are explained below. After reviewing this outline, please sign below and return to us your acknowledgement and acceptance of its terms.

Regardless which tier you fall under, there are two ways in which we compensate our business partners, brokered relationships, and associations. The first level of compensation you will receive is a setup commission for every new client sent to us. This is paid out to you after the setup fee has been billed and received from the client. The second level of compensation is called a "retention commission". This commission is paid to our tier 2 and 3 partners and it is a percentage of the ongoing administration fees that we bill your clients. It continues to be paid to your account as along as you continue to send HR Concepts new business on an ongoing basis. This is monitored quarterly. If you decide to stop utilizing HR Concepts as your administrator of choice for your clients, then the "retention commission" would stop being added to your account for ALL your clients. The "retention commission" can be reinstituted after three months of continued new business activity. We recognize that through the year there will be lows and highs to new business sales, when evaluating whether or not you have decided to stop using HR Concepts as your administrator of choice, we will look are the last four quarters of business. Before your retention commission is taken away, you will be contacted to see if there is anything else we can do to service your clients or to determine if there is an issue that we need to resolve. Every effort will be made to exceed your clients' expectations regarding servicing their account.

The majority of our brokers leave their commissions with us on an "account" to be used to offset future costs that they may incur for their clients. Your commissions are kept on this account until you decided to have the commission sent to you with a quarterly report. (If you have a check enclosed, this is because we have you recorded as electing to receive the commissions per quarterly report. If you want this changed please notify us as soon as possible.)

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Tier One (Associate Partner - Silver)

(Qualifications: A partner that refers 1-9 new clients each year to HR Concepts)

SETUP FEE COMMISSIONS

1. **$ 25 for every Section 125 POP Client (Upon paid setup invoice)**
2. **$100 for every Section 125 FSA Client (Upon paid setup invoice)**
3. **$100 for every Section 132 Client (Upon paid setup invoice)**
4. **$100 for every Section PSF Client (Upon paid setup invoice)**
5. **$100 for every Section HRA Client (Upon paid setup invoice)**
6. **$ 25 for every Cobra Client (Upon paid setup invoice)**
7. **$ 25 for every Streamline Billing Client (Upon paid setup invoice)**

***(If a new client sets up more then one plan above with us at the same time, then the commission will be reduced accordingly as the setup fee will be reduced)**
***(There are no retention commissions paid to our Associate Partners – Silver)**

Tier Two (Business Partner – Gold)

(Qualifications: A partner that refers 10-19 new clients each year to HR Concepts)

SETUP FEE COMMISSIONS

1. **$ 25 for every Section 125 POP Client (Upon paid setup invoice)**
2. **$100 for every Section 125 FSA Client (Upon paid setup invoice)**
3. **$100 for every Section 132 Client (Upon paid setup invoice)**
4. **$100 for every Section PSF Client (Upon paid setup invoice)**
5. **$100 for every Section HRA Client (Upon paid setup invoice)**
6. **$ 25 for every Cobra Client (Upon paid setup invoice)**
7. **$ 25 for every Streamline Billing Client (Upon paid setup invoice)**

***(If a new client sets up more then one plan above with us at the same time, then the commission will be reduced accordingly as the setup fee will be reduced)**

RETENTION COMMISSIONS

In addition to above setup fee compensation schedule, as long as you continue to utilize HR Concepts as your TPA of choice, you will receive **5%** of the billed administration service fees for your clients; paid out every quarter upon all paid invoices. If you decided to stop utilizing HR Concepts as your TPA of choice then the retention commission would stop for all your accounts.

Tier Three (Preferred Partner – Platinum)

(Qualifications: A partner that refers 20 or more new clients each year to HR Concepts and or has in the past referred 11 or more clients and continues to send new business on an ongoing basis)

1. **$50 for every Section 125 POP Client (Upon paid setup invoice)**
2. **$200 for every Section 125 FSA Client (Upon paid setup invoice)**
3. **$200 for every Section 132 Client (Upon paid setup invoice)**
4. **$200 for every Section PSF Client (Upon paid setup invoice)**
5. **$200 for every Section HRA Client (Upon paid setup invoice)**
6. **$50 for every Cobra Client (Upon paid setup invoice)**
7. **$50 for every Streamline Billing Client (Upon paid setup invoice)**

***(If a new client sets up more then one plan above with us at the same time, then the commission will be reduced accordingly as the setup fee will be reduced)**

RETENTION COMMISSIONS

In addition to above setup fee compensation schedule, as long as you continue to utilize HR Concepts as your TPA of choice, you will receive **5%** of the billed administration service fees for your clients; paid out every quarter upon all paid invoices. If you decided to stop utilizing HR Concepts as your TPA of choice then the retention commission would stop for all your accounts.

Agreement – Authorization

(I understand that my commissions are to be paid as outlined above depending on the tier I qualify for. I further understand that if I qualify for tier 2 or 3 and I stop sending new clients to HR Concepts, then the retention commission may stop as outlined above.)

☐ Please keep my commissions on an account for later use

☐ Please send my commission check quarterly / yearly

Company/Broker/Association Name:____

TID#: ____ - ____________ Telephone Number:______ - _____-_________

Street Address: ______________________________ State: _____ Zip: ___________

Broker/Contact Name: _____________________ Email: ________________________

Authorized Signature: _____________________________________ Date: ______________
(Broker/Contact)

Authorized Signature: _____________________________________ Date: ______________
(Peter H. Jennings – HR Concepts, LLC)