



ProcessWorks INC.SM
the right source to outsourceSM

*Section 132(f)
Transit and Parking Plan Proposal*

*Prepared for:
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City of Milwaukee*

January 8, 2009

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About ProcessWorks, Inc.

Established in 1987, ProcessWorks is one of the nation's most recognized plan administrators providing superior administration for Section 125 flexible spending accounts and cafeteria plans, COBRA, retiree billing, health reimbursement arrangements (HRAs), Section 105 medical reimbursement plans and Section 132(f) transit and parking plans. Key to our growth and success has been our ability to adapt to customer needs, deliver exceptional quality and performance, and to continuously introduce innovative plan service offerings.

Our headquarters are located in Brookfield, Wisconsin. All plan administration activities are handled centrally in this office. We currently service more than 3,000 clients located throughout the nation with an employee population in excess of 500,000.

We do what we say, and we do it well. We maintain customer retention in excess of 99% annually and measure success by our solid long-lasting relationships with our clients. ProcessWorks strives to not only meet expectations, but to exceed them!

Our investment in technology helps us deliver the most advanced administration services available. Operations are supported by sophisticated proprietary software, special redundant data entry procedures to ensure accuracy, and extensive hardware resources that can handle thousands of critical transactions on a routine basis.

ProcessWorks' operating philosophy promotes excellence through its unrelenting demand for professionalism and quality. We employ individuals with innovative thinking skills and abilities to consistently meet and exceed our high standards. Our experienced professionals are skilled in aspects of communications, program development and analysis, employee enrollments, and plan administration.

As a recognized plan administration leader, ProcessWorks provides ahead-of-the-industry services backed by world-class customer service and solid administration systems.

Executive Summary

Partner. Focus. Adapt. Simplify. Customer Service. Innovation. Integrity. Value.

In today's business climate, it is critical for companies to consider these principles when selecting service providers. Look closely. Ask questions. Break down the barriers. Strive from the norm. You will discover that ProcessWorks delivers.

ProcessWorks is more than a service provider – we are your business *partner*. Your company depends on successful and meaningful relationships with business partners. We create these relationships with *each and every* client. As a partner, we understand your needs and share in your visions.

We have *focus*. We do not sell insurance products; we do not administer health insurance claims; and we do not process payroll. Our core expertise lies in plan implementation, communication, administration, and compliance. Our administration services are not a small piece of the big picture – *our administration services ARE the big picture*.

Successful companies today *adapt* to the new economy, workforce demands, and customer expectations. ProcessWorks has been successfully adapting since 1987. We provide plan administration services with depth. We are the innovators in our industry. *We introduce new plan service offerings, and others follow.*

Our goal is to *simplify*. Implementation is seamless. Our streamlined administration services make it easy on you and your employees – from submitting changes, to filing claims, to getting answers. We provide everything you and your employees expect – plus much more. You can concentrate on your job and *we'll concentrate on making your job easier*.

Providing quality *customer service* is vital in any organization. Our customer service representatives are knowledgeable and have the tools readily available to answer your questions. Today, customer service extends well beyond live customer service representatives. It has evolved to an electronic format as well. We offer a variety of communication mediums for those clients choosing this format. Automated touch-tone phone (IVR), e-mail, and Internet support tools are available 24 hours a day, 7 days a week.

Innovation is forever changing the world, bringing people together in a way no one could have thought possible. ProcessWorks has proven an unparalleled commitment to provide Internet and other technological tools to our clients and their employees. We provide these tools to bring us closer to our clients. Our ultimate commitment to people, however, remains unchanged.

Through rigorous application of our principles, we provide the best administration services available today – and will continue to do so tomorrow. Our unique focus enables us to provide these services with *integrity*.

Whether your organization has two employees or twenty thousand, you will receive a level of service and professionalism that you thought was lost forever. ProcessWorks delivers *value*.

What is a Transit and Parking Benefit Plan?

What's one of the largest employment expenses an employee incurs every workday? If an employee works downtown or in a busy community, the response is typically the *expense for parking or commuting to and from work*. The good news is an employee can pay for those expenses with tax-free dollars through an employer-sponsored benefit program.

Transit and parking benefit plans are becoming one of the most popular benefit programs today. When Congress enacted the Balanced Budget Act of 1997, it allowed employers to offer their employees a choice between cash and employer-paid parking or public transportation expenses. Thus, employers can subsidize their employees' parking and commuting expenses. Under current rules, this benefit is not considered income and is, therefore, tax-free to employees. It is also excluded from wages for FICA purposes, and is deductible as a normal business expense. Work-related parking and transit expenses that employees can pay for with pre-tax dollars include:

Vanpooling - transportation in a commuter highway vehicle for travel between an employee's residence and workplace.

Transit passes - any pass, token, fare card, voucher or similar item entitling an employee to travel on a mass transit service to his/her workplace (i.e., subway, bus, train, etc.).

Parking - any work-related parking expenses an employee incurs near his/her workplace or near the location from which an employee commutes to work by mass transit or vanpool.

Advantages

- * Reduces the burden of expensive parking costs
- * One of the most requested benefits today
- * Provides employer with a competitive edge
- * Helps offset commuting costs
- * Easy and cost-efficient benefit

This plan is an easy and cost-effective benefit offering. All that's needed to get started is the determination of the plan design specifics, employee census data, and/or pre-tax employee election information. We do the rest! ProcessWorks provides the sponsoring employer with accurate maintenance and recordkeeping services. Employees submit their receipts or bills to us; we verify the claim eligibility and generate reimbursements directly to each employee. Employers receive periodic summary reports including a check register for complete tracking of account activity. No Form 5500 is required – a legal document and adoption resolution are needed.

This unique and very valuable benefit will give your organization a competitive edge in today's tight labor market. Make a transit and parking plan your next employee benefit!

When you outsource your benefit plan administration to ProcessWorks, you have full confidence that you are partnering with a staff that handles these administration details every day.

ProcessWorks - Setting Up Your Transit and Parking Plan

Not all transit and parking benefit plans are created equal. Setting up and maintaining a successful plan takes experience, expertise, the right people and the right tools. It's important to select a provider with the ability to guide you and your plan through every phase of the process including planning, implementation, communication, administration, compliance and maintenance. Let our professional staff help you design the plan that's right for you and your employees . . . now and in the future. Every client is different. We'll help you establish a plan that meets your needs.

ProcessWorks will perform the following to build the foundation needed for a successful plan:

Implementation and Plan Design

The legal policy design is the critical first step in implementing a plan. It sets the stage for everything to follow. We create compliant legal documents tailored to your plan specifics.

Comprehensive plan design services include:

- Plan specific legal documents:
 - ◆ Plan Policy
 - ◆ Adoption Resolution
- Determining employee eligibility
- Setting plan design parameters

Communication

A strong commitment to effective communication is a key component in implementing any benefit program. Employees must be well informed in order to make responsible decisions. We provide a comprehensive communication program offering a variety of tools designed to educate employees, generate employee interest in the plan, and create a positive atmosphere for the enrollment process. Employee understanding is crucial in maximizing participation and savings for everyone!

The following communication resources are available:

- Master employee enrollment kit
 - ◆ Enrollment form
 - ◆ Enrollment instructions
 - ◆ Claims instructions
 - ◆ Other informational pieces

Administration Services

Our experience, expertise and sophisticated administrative system allow us to provide clients with efficient state-of-the-industry plan administration including prompt and accurate service along with vital management reports.

Our transit and parking benefit plan administration services include:

Employee Services

- Debit Card (*optional*)
- Daily claims processing
- Daily or weekly claims reimbursement frequency
- Choice of submitting claims by mail, fax or Internet
- Toll-free fax claims submission
- SAME DAY claims reimbursements for Internet claims – the fastest in the industry
- Short two-business day turnaround for mailed or faxed claims
- Employee choice of direct deposit or paper check reimbursements
- Direct deposit advices via e-mail or mailed to employees' homes (postage included)
- Paper checks mailed to employees' homes (postage included)
- 24/7 employee account access via Internet
- Automatic e-mail notification of claims receipt or reimbursements
- Fourth quarter account balance statement for active participants
- Toll-free Customer Care Center support

Employer Services

- Internet access to view participant account information
- On-demand reports via Internet
- Check register e-mailed or faxed weekly
- No check minimum (unless requested by employer)
- Check and deposit advice stock included
- Toll-free Customer Care Center support
- Electronic or paper submission of new hires, terminations, and other election changes
- Electronic transfer of funds for payment of administration invoices

Employer Reporting

Thorough management reports are provided to assist in employer plan management.

Internet Reporting

Employer reports are available online for real-time reporting. You can download detailed summary and payment reports at your convenience. You can even export the report to Excel format!

Funding

At the time of reimbursement, your bank account information is laser scanned onto check stock provided by ProcessWorks. Reimbursements are directly drawn off of the employer held account requiring no transfer of funds. This approach reduces your in-house plan administration responsibilities. Check registers are sent on a weekly basis showing all reimbursement activity.

Compliance and Maintenance

No plan would be complete without thorough compliance and plan maintenance services. The IRS and other governmental entities frequently change plan requirements. Keeping pace with these changes can be overwhelming. We actively track these changes providing guidance and updated materials. We use proprietary plan tracking software that constantly monitors and maintains your plan compliance.

ProcessWorks' services include:

- Notification and inclusion of IRS changes
- Update of legal policy statement (if required)

Service Performance

By understanding how to leverage our significant expertise into fresh ideas, new services and exciting ways to build longer, strong relationships, we have been able to maintain a 99% client retention rate! We are committed to providing exceptional service. Our mission is full and complete satisfaction for each and every one of our clients.

ProcessWorks - the rightsource to outsource

Thank You

We would like to provide you with the same level of commitment and service we extend to all of our clients. Please do not hesitate to contact us if you have any questions, or if we can be of assistance.

Section 132(f) Transit and Parking Plans

IMPLEMENTATION

- Implementation
 - Plan design consultation and annual review
 - Plan Policy
 - Adoption Resolution
- Newsletters and bulletins on regulatory changes and other newsworthy items
- Customer Care Center phone support for questions on plan design, Plan Policy, and legislative changes (Spanish assistance available)
- Spreadsheet of Employee Enrollment Information – annual plan set-up and data input. Master enrollment materials provided for client duplication include plan communication piece, enrollment form and claim form. Customer Care Center representatives are available Monday through Friday, 7:00 AM to 5:00 PM, Central Time to answer questions. Spanish assistance is available. Transit and Parking elections are submitted electronically via an easy-to-complete Microsoft Excel spreadsheet template provided by ProcessWorks. An additional \$3 service charge applies for each paper enrollment form received by ProcessWorks for manual processing.

First Year
\$950

RENEWAL

- Updated Plan Policy as required for inclusion of governmental regulatory changes
- Newsletters and bulletins on regulatory changes
- Customer Care Center phone support (Spanish assistance available)
- Spreadsheet of Employee Enrollment Information – annual plan set-up and data input. Master enrollment materials provided for client duplication include plan communication piece, enrollment form and claim form. Customer Care Center representatives are available Monday through Friday, 7:00 AM to 5:00 PM, Central Time to answer questions. Spanish assistance is available. Transit and Parking elections are submitted electronically via an easy-to-complete Microsoft Excel spreadsheet template provided by ProcessWorks. An additional \$3 service charge applies for each paper enrollment form received by ProcessWorks for manual processing.

Renewal Fee
\$650

COMMUNICATION

The success of the Plan increases as an organization's *participation* increases. One way to insure higher participation is by educating employees on the benefits of the Plan.

**Fees quoted upon request,
travel as applicable.**

Group and individual enrollment meetings with ProcessWorks' experienced counselors are available either in person or via virtual teleconference.

RECORDKEEPING AND ADMINISTRATION

Employee Services

\$3.50/participant/month

- Debit Card (*optional*)
- Daily claims processing
- Daily or weekly claims reimbursement frequency
- Choice of submitting claims by mail, fax or Internet
- Toll-free fax claims submission
- SAME DAY claims reimbursements for Internet claims – the FASTEST in the industry
- Short two-business day turnaround for mailed or faxed claims
- Employee choice of direct deposit or paper check reimbursements
- Direct deposit advices via e-mail or mailed to employees' homes (postage included)
- Paper checks mailed to employees' homes (postage included)
- 24/7 employee account access via Internet
- Automatic e-mail notification of claims receipt or reimbursements
- Fourth quarter account balance statement for active participants
- Toll-free Customer Care Center support

\$100/monthly minimum

Employer Services

- Internet access to view participant account information
- On-demand reports via Internet
- Check register e-mailed or faxed weekly
- No check minimum (unless requested by employer)
- Check and deposit advice stock included
- Toll-free Customer Care Center support
- Electronic or paper submission of new hires, terminations, and other election changes
- Electronic transfer of funds for payment of administration invoices

OPTIONAL SERVICES

Debit Card

Employees with the debit card can also obtain one additional spouse/dependent debit card *free of charge*. Additional spouse/dependent cards are available for a one-time \$5 fee for each card. Replacement cards are \$5 for each reissuance. These fees are the responsibility of the employee and are payable by personal check.

\$.75/cardmember/month

Direct Mail of 4th Quarter Statement

Direct mail of fourth quarter employee account balance notification statements to active participants' homes (no charge if statements are sent to employer for distribution).

\$.25/statement plus postage

Amendments

Amendments to Plan Policy.

\$100/amendment

All prices provided are based on a two year Service Agreement and are valid for a period of 60 days from the proposal date. ProcessWorks may bill for services rendered after written acceptance of this proposal should acceptance be cancelled prior to execution of a Service Agreement. Due to the unique nature of this information, we encourage you to share the contents with your legal counsel, finance office or business advisor. Consider this information proprietary. We request that your company not divulge any part of this information to representatives from other benefit-related firms.