

**UltiPro Affordable Care Act Distribution Services Supplement to the  
Agreement between  
The Ultimate Software Group, Inc.  
And  
City of Ann Arbor  
for Human Resources and Payroll System**

This UltiPro Affordable Care Act Distribution Services Supplement (hereafter "Supplement") dated as of July 1, 2018, ("Effective Date"), by and between The Ultimate Software Group, Inc. (hereafter "Ultimate Software") and City of Ann Arbor (hereinafter "Customer").

**Whereas**, Ultimate Software and Customer entered into an Agreement for Human Resources and Payroll System with an effective date of November 20, 2006 (hereinafter "Hosted Agreement") along with various addenda, supplements, amendments, etc. to same (hereinafter collectively referred to as the "Agreement");

**Whereas**, Customer has elected to have Ultimate Software provide certain **UltiPro Affordable Care Act ("ACA") Distribution Services for 2018 filings and thereafter** and each option as more fully set forth on the attached Exhibit A which is incorporated by reference and made a part hereof.

**Now Therefore**, the Parties agree to supplement the Agreement as follows:

1. In consideration for the fees set forth in paragraph 2 below, Ultimate Software will in conjunction with the SaaS or other Services Ultimate Software provides to Customer, provide the Services outlined on Exhibit A only (hereafter the "ACA Services").

2. **Pricing Schedule:**

Current number of Active Employees – 892  
Current number of HR Only Active Employees – 912

**A. Subscription Fees:**

\$0.70 per Active Employee per month  
Plus  
\$0.70 per HR Only Active Employee per month

The Subscription Fee above is part of the Subscription Offering and is quoted on a Per Employee Per Month (herein referred to as "PEPM") basis. The computed monthly subscription amount (number of Active Employees and HR Only Active Employees multiplied by the Subscription Fee) may increase or decrease if the number of Active Employees and/or HR Only Active Employees increases or decreases but in no event, shall the monthly Subscription Fee be calculated on less than 775 Active Employees and 400 HR Only Employees.

In addition, subsequent to the term twenty-four (24) months from the Effective Date of this Supplement, Ultimate Software may increase the fees herein pursuant to the increase provision as set forth in the Agreement.

**B. Printing Fees:**

\$2.00 per 1095-C or equivalent, Customer is responsible for the cost of shipping and handling

3. **Payment Terms:**

**Subscription Fee**

The Subscription Fee is due quarterly and invoiced thirty (30) days in advance of the quarter. The amount due on the Effective Date of this Supplement is payment for the first quarter commencing on the Effective Date of this Supplement.  
\$2,467.50

4. **Term and Termination:** The term of this Supplement will commence on the Effective Date of this Supplement and shall be coterminous with the Agreement. Either party shall have the right to terminate this Supplement upon thirty (30) days prior written notice upon any breach hereof by the other party, provided the party in breach shall not have cured such breach during such thirty (30) day period. Upon termination of this Supplement, all rights granted to Customer will terminate and revert to Ultimate Software.

5. **ACA Contact at Customer's Site:**

Contact Name: Deb Carmack  
Phone: 734-794-6133  
Email: [dcarmack@a2gov.org](mailto:dcarmack@a2gov.org)

6. All other terms and conditions of the Agreement are incorporated by reference into this Supplement, made a part hereof, are reaffirmed and remain unchanged by this Supplement.

**IN WITNESS WHEREOF**, the Parties have hereto by their duly authorized representatives executed this Supplement.

City of Ann Arbor

The Ultimate Software Group, Inc.

By:

By:

Name:

Name:

Title:

Title:

Date:

Date:

## EXHIBIT A ACA Services

**ACA Toolkit** - Included for all customers at no additional cost:

- Eligibility 'lookback' calculations
- Enrollment is made available based upon eligibility
- Post exchange notices to employee document area
- Obtain and track employee consent to view 1095-C forms electronically
- Generate completed 1094-C and 1095-C forms
- Import template for 1095-C data (if not available in UltiPro)
- Generate required 1095-Cs for those who are not active employees (i.e., COBRA, retirees)
- Download 1095-C via employee self service
- Generate electronic file in IRS approved format
- Self Service printing and distribution of 1095-C forms
- Self Service electronic filing to the IRS
- Comprehensive reporting and access to data about eligibility, penalty exposure, and offer of coverage

### **Data remittance**

Customer will provide the required ACA Data to Ultimate Software pursuant to the Ultimate Software ACA standard guidelines as provided to Customer. Customer acknowledges that the ACA data and all ACA information from the UltiPro software will be the basis for the services as provided for herein.

### **ACA Distribution Services**

- Includes all items listed in ACA Toolkit
- Printing 1095-C forms and mailing them to customers' employees—Customer is responsible for the cost of shipping and handling
- Electronic filing of 1094-C and 1095-C forms to the IRS on Customer's behalf

### **Assumptions:**

- Prior to performing the ACA Services, Customer must provide Ultimate Software all required ACA data and such data must be entered into and validated within the UltiPro Software.
- Ultimate Software will not be liable for any invalidity or inaccuracy caused by Customer unless Customer so notified Ultimate Software within five (5) business day of Ultimate Software making available to Customer any and all ACA regulatory forms and filings Customer will examine them for their validity and accuracy according to Customer's records. Customer will immediately notify Ultimate Software of any inaccuracies.
- Customer is responsible for all shipping charges, whether billed by Ultimate Software as a pass through expense or direct billed to Customer via its own carrier. Customer shall have the option to use their own Federal Express or United Parcel Services account number.
- Customer agrees that it will timely respond to any and all requests made by Ultimate Software. Ultimate Software may amend or update the terms of this Exhibit for ACA Services as reasonably determined by Ultimate Software. To the extent practical, Ultimate Software shall provide Customer with thirty (30) days advanced written notice of any such change.
- The specific record retention schedules established by governmental entities applicable to Customer are the responsibility of Customer and are not affected by the Agreement or this Exhibit. Ultimate Software has no responsibility or liability for maintaining or retaining said records for Customer.
- Customer agrees to timely execute any and all required documents presented by Ultimate Software in order to effectuate carrying out the ACA Services. Ultimate Software in its discretion may terminate the ACA Services in the event Customer fails to execute such when requested by Ultimate Software.