



**BOARD OF DIRECTORS**

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**Meeting Location:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
November 6, 2015 9:00 AM**

**AGENDA DATE:** November 6, 2015

**ITEM NUMBER:** Item 18

**SUBJECT:** Approve Amendment to the Administrative Service Agreement with Chimienti & Associates Effective January 1, 2016 (A)

**REQUEST(S):** That the Board approve the amendment to the Administrative Service Agreement with Chimienti & Associates and authorize the Chair to sign the amendment upon approval by SJVIA legal counsel and staff

**DESCRIPTION:**

The SJVIA has contracted with Chimienti & Associates to provide administrative services which include maintaining benefits and eligibility information, consolidated billing and reporting, on-line management of benefit programs, COBRA administration, flexible spending account administration, and enrollment services. The current agreement became effective January 1, 2015 and will expire December 31, 2017.

Staff is requesting authorization to amend the current agreement with Chimienti & Associates (Chimienti) to allow SJVIA entities to contract for new Affordable Care Act (ACA) reporting and tracking requirements.

The ACA added Internal Revenue code sections 6055 and 6056, which require applicable large employers (ALE) to file information returns with the IRS (Form 1094-C) and provide statements (Form 1095-C) to their full time employees about the health insurance coverage that was offered by their employer.

Chimienti, through subcontractors Hourglass and Terra HR, is able to provide ACA reporting and tracking services because it already has, in connection with its current agreement with the SJVIA, the information

**AGENDA:** San Joaquin Valley Insurance Authority

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necessary to generate the Forms 1094-C and 1095-C. The proposed agreement would require the SJVIA to specify which participating entities will receive the ACA reporting and tracking services. The proposed agreement would also establish the fees for those services. The SJVIA would reserve the right to remove any participating entities from the list of those to receive the ACA reporting and tracking services if they do not enter into an agreement with the SJVIA by December 31, 2015 to pay the fees established under this proposed agreement. Chimienti would not charge the SJVIA for any services related to those entities removed from the list.

The proposed amendment would also consent to Chimienti's use of Hourglass and Terra HR as subcontractors for certain services under the existing agreement with Chimienti.

**FISCAL IMPACT/FINANCING:**

There is no fiscal impact to the SJVIA. Each participating entity of the SJVIA will be required to enter into an amendment of its participation agreement to include and pay for these services.

**ADMINISTRATIVE SIGN-OFF:**



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Rhonda Sjostrom  
SJVIA Manager



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Paul Nerland  
SJVIA Assistant Manager