



The Standard®

Standard Insurance Company

**STD FICA & W2 Tax Reporting
Service Agreement**

Short Term Disability (STD) – Group Policy No.: 160283

☐ **Option 1:** Policyholder is responsible for Employer FICA and Medicare Taxes and for W2 Tax Reporting of STD benefits.

____ (Policyholder) understands that Standard Insurance Company (The Standard) WILL NOT pay or remit Employer FICA/Medicare Taxes or perform W2 tax reporting services with respect to the STD benefits through the Policy identified above.

☒ **Option 2:** Standard Insurance Company (The Standard) agrees to be responsible for Employer FICA and Medicare Tax and remittance and for W2 tax reporting services.

Superior Court of California, County of San Bernardino (Policyholder) requests that Standard Insurance Company (The Standard) provide certain tax services with respect to the STD benefits through the Policy identified above and The Standard will receive certain fees for the respective tax services.

Policyholder understands and agrees to the following:

a) **Taxable Benefits:** The Standard will pay the Employer's matching share of the STD benefit Social Security and Medicare Taxes and prepare and distribute Form W-2 tax statements reporting STD benefit information as required. As a fee for this service, the Policyholder's STD premium rate will be increased for this service. This fee will be included in Policyholder's STD premium rate.

Nontaxable Benefits: The Standard will prepare and distribute Form W-2 tax statements reporting STD benefit information as required. As a fee for this service, the Policyholder's STD premium rate will be increased for this service. This fee will be included in Policyholder's STD premium rate. **Note changes in taxation and tax service fee:** If the Policy is amended and if premium contributions change and STD benefits become taxable (premiums paid with pre-tax dollars, employer paid premiums, etc.), the Service Agreement fee automatically increases to reflect the taxable benefit rate. The increase in the service fee is effective as of the date the premium payment arrangement changes.

b) The Standard does not assume responsibility for paying or reporting Federal Unemployment (FUTA) Tax, State Unemployment (SUTA) Tax, or any other payroll taxes associated with the STD benefits under the Policy.

c) The Policyholder/Employer is still responsible for reviewing and immediately notifying The Standard of errors on the reports sent to them (e.g., claimant's name, partial or complete social security number, employer contribution %, etc.) so that government reporting and tax statement information will be correct.

d) This Service Agreement will remain in effect until the end of the calendar year. The service will renew automatically for each calendar year thereafter, unless terminated. Either party may terminate this Service Agreement at the end of the calendar year as applicable to January 1 of the following calendar year.

Effective Date of this Agreement

New STD Policyholders: The completed Service Agreement must be received by The Standard as part of the new group/coverage application process, and prior to incurring any claims under the Policyholder's STD Policy. This Agreement becomes effective on the effective date of the new STD Policy. The effective date of the Policy is 01/01/2016.

Existing STD Policyholders: The completed Service Agreement becomes effective January 1 following the date The Standard receives the Agreement. The effective date of the Agreement is N/A.

In executing this Service Agreement I acknowledge and represent that I am an authorized representative of Policyholder with authority to execute this Service Agreement.

Christina M. Volkers

Policyholder's Representative's Name

Policyholder's Representative's Signature

Executive Officer

Policyholder's Representative's Title

Date

Copies to: Contract File, Shared Services Financial Services, and Policyholder