



SERVICE AGREEMENT WITH TRUST MANAGEMENT SERVICES AND CO-EMPLOYER

TRACY STEIN MANAGEMENT SERVICES, INC.
 P.O. BOX 580631
 ELK GROVE, CA 95758-0011
 FAX: (916) 399-9878

Trust Management Services will offer superior employer of record services through the creation of a Co-Employer relationship with the consumer/family. This is accomplished by executing this agreement that permits the families to retain complete control over direct service workers their responsibilities and their environment while leaving payroll, payroll tax obligations and worker's compensation to the responsibility of Trust Management Services.

Co-Employer, as used in this agreement, is the consumer/family. DSW as used in the agreement are the direct service workers, and Contractor as used in this agreement is Trust Management Services (TMS). All DSW will be considered "employees at will".

The purpose of this agreement is to define the Co-Employer and contractor's responsibilities. The contractor will send the co-employer this agreement to review and sign before any services are provided by the contractor.

Contractor shall act as the Employer of Record for DSW selected by the co-employer. Rate for this service will be the hourly rate selected by the Co-Employer plus 43%. The 43% is arrived at by taking hourly wage paid times hours worked plus 12% State & Federal employer taxes, plus the workers compensation premium billed to TMS by State Fund which can fall between the ranges of \$ 20.24 to 16.59 per \$100.00 dollars paid plus the 10% processing fee billed by TMS.

CONTRACTOR RESPONSIBILITIES

1. Provide the co-employer with "new employee packets" to give to prospective employees. These packets will include: Application, Form W4 - Employee Withholdings, Form I-9—Employee Eligibility Verification (INS), Workers Compensation Information, Form DE 2515—Disability Insurance Pamphlet, Sexual Harassment Information Sheet, and Release for Criminal background check as well as a Master time sheet and payroll processing calendar.
2. TMS will complete a county wide felony criminal background check of any new employees as part of the hiring process. You, the Co-Employer, will be notified in writing if anything turns up in this process. TMS reserves the right to refuse hiring someone based on the finding of the background check. TMS recommends that you do not start a new employee until you have received notification from TMS of the results of the background check.
3. Process new employee applications in a timely fashion when received from the co-employer.
4. Confirm Immigration and Naturalization Employment Eligibility Verification for all DSWs as part of the hiring process.
5. Process DSW time sheets submitted by the co-employer including withholdings of all employee-paid taxes and employer-paid taxes. Manage all withholdings in accordance with IRS Code and applicable laws. Pay workers compensation insurance as required in a timely and regular manner in accordance with the payroll processing calendar.
6. Contractor will file required quarterly and annual tax filings and deposits in accordance with IRS Code, included but not limited to forms 940, 941, W-2 and W-4.
7. Manage workers compensation premiums, claims, reporting, monitoring and auditing for all DSWs in accordance with law.
8. Assemble and retain all documentation required by law in personnel files for each DSW.
9. Supply co-employer with employee hire letter, performance evaluation, and employee warning forms and sample of each to assist with employee management.
10. Supply the Co-Employer with all mandatory employer postings. These postings do not have to be displayed in the co-employers home but should be placed in a location that will be accessible by all employees.

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11. Make available to all employees the current TMS/Co-Employer employee handbook.
12. Contractor shall ensure that wages paid to the DSW are no less than California's mandated minimum wage and will conform to the appropriate overtime payment rate when applicable.
13. Contractor shall maintain workers compensation and general liability insurance.
14. Contractor shall comply with all State and Federal labor laws and regulations and shall be liable for all claims related to workers compensation and/or state unemployment insurance.
15. Contractor will mail a statement for funds taken from the consumer's account on day the funds are taken. Due to the fact that direct deposit is offered by TMS the funds will be taken 3 day prior to the employee being paid.

CO-EMPLOYER RESPONSIBILITIES

1. Review co-employer packet sent to you by contractor.
2. Interview and select DSW to be hired, establish hours DSW are to work.
3. Review job description with the employee selected. Send copy of job description to contractor after it is signed by you and your employee.
4. Forward to contractor from completed new hire packets: Employee Hire Letter, Employee application, IRS W-4, INS I-9 after section 2 has been completed by co-employer. Copies of documents employee used with INS I-9, Confidentiality agreement, and Paychex direct deposit application if employee wants to establish direct deposit.
5. Review, sign-off and fax to contractor employee time sheets no later the day following the last day of the pay period. (See Semi-monthly Payroll Processing Calendar attached).
6. Review monthly invoice for accuracy. Contact contractor if incorrect.
7. Provide a safe working environment for employees.
8. Complete Employee Change Sheet and fax to contractor if there is a change in Employee address, hourly wage, Deductions (Fax new W-4) or termination with the employee.
9. Notify contractor *immediately* if employee is injured while at work.
10. Call TMS at (916) 394-1060 *before* terminating any employee.

CONFIDENTIALITY

All information that is gathered during the delivery of this service is considered confidential.

TERMINATION

This contract can be terminated at the end of any pay period by written notification to the contractor.

This contract has been reviewed and agreed to by both parties the Contractor and the Co-Employer.



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CONTRACTOR

Tracy Stein Management Services (TMS)

Gary Montgomery

11/21/05

PO Box 580631

Elk Grove, CA 95758-0011

(916) 394-1060 (phone)

(916) 399-9878 (fax)

(877) 966-1606 (toll-free)

Gary@TrustMgmtServices.com

CO-EMPLOYER

SIGNATURE

PRINT NAME

DATE

ADDRESS

CITY

STATE

ZIP

HOME PHONE NUMBER

FAX NUMBER

CELL PHONE OR WORK PHONE NUMBER

EMAIL ADDRESS

CONSUMER'S NAME (IF OTHER THAN CO-EMPLOYER)